3 Popular Goal-Setting Techniques Managers Should Avoid

by Dick Grote
In 2002, professors Edwin A. Locke and Gary P. Latham, two of the best known academic researchers on goal-setting, wrote an article in *American Psychologist* summarizing their 35 years of research. Among their findings:

- Setting specific, difficult goals consistently leads to higher performance than just urging people to do their best.
• High goals generate greater effort than low goals, and the highest or most difficult goals produce the greatest levels of effort and performance.
• Tight deadlines lead to a more rapid work pace than loose deadlines.
• Making a public commitment to a goal enhances personal commitment.
• Whether the goal is set by mutual agreement or by the boss alone doesn’t make a big difference in goal achievement.

So the argument for strategic goal setting seemed settled. Set specific, difficult goals with tight deadlines. Don’t be too concerned about whether the goal is jointly set by the individual and manager together, or whether the boss just hands the subordinate the list of goals he expects the subordinate to achieve together with a tough due-date. Let everybody know what your goals are. The predictable result: Increased effort, greater persistence, and better performance.

But many organizations don’t follow Locke and Latham’s advice. In fact, there are three techniques that are common in today’s organizations that go directly against their findings: SMART goals, cascading goals, and using percentage weights to indicate relative goal importance.

**SMART Goals**

By now, everyone who works for an organization must be familiar with the banal SMART acronym for setting goals. Goals must be Specific, Measurable, Attainable, Realistic, and Time-bound. Many wording variations exist, but the essence is always the same.

The stale SMART acronym can be a major obstacle to goal-setting success, and too often, it’s the only support that’s offered to those charged with setting goals. While the SMART test may be a useful minor mechanism for making sure that a goal statement has been phrased properly (in the same way that a spell-checker is a useful mechanism for flagging any misspelled words in a document), it provides no help in determining whether the goal itself is a good idea. In other words, a goal can easily be SMART without being wise.

Worse, the SMART technique encourages people to set low goals. No one is going to set goals that don’t seem attainable or realistic, but a manager’s weakest subordinates may glom on to the A and the R in the acronym as their justification for setting goals at the shooting-fish-in-a-barrel level of challenge. It’s the setting of high goals—tough, demanding, stretching—that generates the greatest levels of effort and performance.

**Tip:** Rather than using the acronym as a way to determine which goals are wise or worth pursuing, use it only as test to check whether goals are well stated.

**Cascading Goals**

Goal-setters are frequently advised that goals should cascade down from the top of the organization. The president starts by setting her goals. The vice presidents then set their goals to support the achievement of the president’s objectives. Then the directors determine their goals based on the ones
the VPs have set, followed in turn by the managers, then by the supervisors, and finally by those at the bottom of the organizational food chain.

Certainly no one should set goals that thwart those set by people higher in the organization. But if the concept of cascading goals is applied too rigidly throughout an organization, the practical outcome is that nobody can begin the goal-setting process until that person’s boss has finished his goals. The process drags on interminably; everybody blames the guy one step above for slowing the process.

A further risk is that important goals that are specific to an individual’s unique job may be omitted if there isn’t an obvious link to a superior’s goal.

**Tip:** Free the goal-setting process from any rigid requirement that individual goals must be tightly linked to the supervisor’s goals and must be limited only to the areas in which the supervisor or the executive team has set their goals. The goals set by one’s immediate supervisor represent an important data-source about where a person might logically set her own goals for her own job. However, they should never limit an individual’s goal-setting.

### Using Percentage Weights

Certainly some goals are more important than others, but assigning *percentage weights* to goals to indicate their relative importance is counterproductive.

Here’s why. It’s impossible to accurately identify the relative importance of goals at, for example, a 5% level of granularity. Should one particular goal be assessed as reflecting 20% of the total weight for all goals, or should it be 25%? And from which other goal should the additional 5% be taken? This argument isn’t productive.

Using percentages to indicate goal importance creates an even bigger problem at appraisal time. If each goal is assigned a percentage weight, then appraisers are likely to conduct performance appraisals as though they are solving an arithmetic problem. With a percentage weight for each goal, and a 5-level rating scale, appraisers are tempted (or even instructed) to multiply the percentage weight of the goal times the numerical score they’ve assigned to that goal and thus determine the assessment rating. Do this for all the goals, compute a mean score, and the final performance appraisal rating—out to one or two decimal points—is determined. This approach may be mathematically precise, but it’s nonsense. Performance appraisal isn’t a matter of mathematical computation. It’s a matter of good managerial judgment.

**Tip:** Don’t assign percentage weights to goals. Instead, indicate High, Medium, and Low or list goals in the approximate order of their importance to indicate the relative degree of significance of each goal compared with the others.

It’s easy to think that there’s a technique that’s going to make goal setting easy or straightforward, but there isn’t. However, as Latham and Locke’s research has shown, the payoffs of investing time
and thought into goal setting are substantial. Just avoid being blindly constrained by the SMART test, be cautious about cascading goals, and avoid percentage weights. You’ll set better goals.