



...solve thorny business challenges in the time it takes to drink a cup of tea

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## You sidestep second-rate results when you use the science of goal setting...

It's frustrating when you achieve less than you believe you should.

But are you doing enough to help yourself?

Are you making the most of the hard science of goal setting to help yourself and your people?

### Avoid ambiguity, be clear...

A goal in hockey or football is easy to understand – it's part of the game.

A business goal is often far more complex. But a summary of more than 1,000 research studies into business goals asserts that

*"...there is strong evidence that the increases in job performance produced by goal setting have important economic and practical value."*

It's worth the time and effort to carefully define your business goals.

### IN A NUTSHELL

Use goals to give yourself and others real focus. A goal's focus guides your actions and delivers greater success.



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### Does goal setting really work?

It's easy to prove the power of goals when you're looking at elite sportspeople. But does goal setting work for business leaders? To help us understand the possibilities, let's take a look at an example – 60+ year-old knee or hip replacement patients.

Knee or hip surgery involves sawing through bones and severing joint muscles. During the recovery period, even the smallest movements (shifting in bed or flexing a joint) can be excruciating. To ensure a good recovery, patients must begin moving

their legs and hips as soon as they wake from surgery – even though the agony from doing so can be extreme. If they don't quickly start stretching their muscles, scar tissue will clog the joint, destroying flexibility.

Because these exercises are so painful, it's not unusual for people to skip out on their rehab sessions.

But some patients don't skip sessions – they put goals to work for them...

A 1992 study conducted inside of two of Scotland's busiest orthopaedic hospitals provided stark evidence on how goal setting can be effective:



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- Patients writing down and following their own ambitious recovery plans were getting in and out of chairs, unassisted, within 13 weeks, nearly three times as fast as patients with no written plan
- These same patients were able to start walking almost twice as fast as those patients without a written plan

Having ambitious (13-week) goals clearly worked for pain-riddled hip-replacement patients in Scotland.

## SMART goals work...

You may be familiar with the **SMART** goal concept.

Indeed, SMART goals get the thumbs up from many research studies.

- S** – goals must be **S**pecific
- M** – goals must be **M**easurable
- A** – goals must be **A**chievable
- R** – goals must be **R**elevant to you
- T** – goals must be **T**ime bound

However, one element of SMART can get in the way of high performance!

The research strongly suggests the 'A' for achievable is wrong! An achievable goal suggests a sense of comfort with the goal. Go for discomfort and swap achievable for **Ambitious**. Make your goals ambitious and you'll feel discomfort!

NB Check out the download tools for more on how hip replacement

patients used SMART goals to accelerate their recovery. Note especially how they anticipated and managed challenges and difficulties to build belief and confidence in achieving their goals.

**STOP** treating goal setting as just another annual planning exercise.

**START** using ambitious goals to regularly stretch your thinking, stretch your people and stretch your creativity.

## \$12 billion to \$280 billion...

When we look at what transpired at Jack Welch's GE, we can see that discomfort is the required emotion when it comes to your business goals.

Jack Welch was CEO at GE for 20 years, and he always pushed for ambitious, and not simply achievable, goals. In his 20 years as GE boss, he increased the company's market value from \$12 billion to \$280 billion!

An article in The Economist (2011) about GE's ambitious, or stretch, goals suggests:

*"...if the right environment was created for the group, setting stretch goals and working toward what might seem to be impossible results often became reality."*

Change '**Achievable**' to '**Ambitious**'

and your SMART goals will work better for you!

## 2 types of goal

1. Ambitious **Outcome** Goals
  2. Ambitious **Process** Goals
- When working on your SMART goals, use **both**.

**OUTCOME** Goals

Outcome or result goals describe the **finish line**:

- The knee and hip replacement patients had a SMART stretch **OUTCOME** goal – "to walk without pain again"
- GE had a SMART stretch **OUTCOME** goal – "to be first or second in every sector they work in"

**PROCESS** Goals

Process or activity goals describe **the things you're going to do** to get to the finish line:

- The patients had SMART stretch **PROCESS** goals as well – "walk and meet my wife off the bus every day this week"
- Each division and manager at GE had SMART **PROCESS** goals and KPIs (Key Performance Indicators) to achieve every week and month

## Clear expectations matter

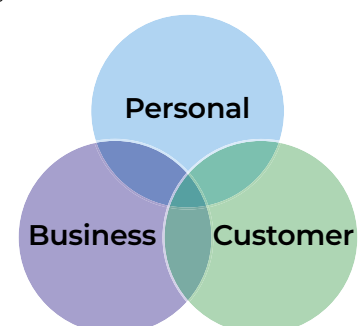
*"When done properly, setting goals can improve commitment materially and help clarify an employee's role..."*

This McKinsey insight about expectations is supported by Gallup's worldwide engagement research.

Gallup's research highlights the importance of clear expectations for building a highly engaged and committed team.

- SMART goals help clarify expectations
- Outcome **AND** process goals help clarify expectations

Expectations come in 3 forms. If any one of the 3 is missing, you're setting up your team to fail.



## A. Make it personal first...

### Appropriate and worthwhile personal goals help your people win.

Inflict or force goals on your people and they will resist, even if the goals are 'good for them'. Involve them in the process from the beginning and their engagement is more likely.

When a goal's focus helps them achieve the work and career progression they seek, they will see the benefit and be more amenable to goal setting going forwards.

When their work and the progress they make generate the associated recognition, they'll embrace their own goals as well as those of the team and the business.

Personal goals help clarify and manage the expectations of your people.

### B. Relevant to customers... Customers must win if your people and the business are going to win.

If your people fail to understand how their work delivers for your customers, you're scoring an own-goal!

Help your people see how their work helps customers win, prompting them to stay loyal and to buy more, pay more and recommend your business more. When you do this, your people will be more connected and

committed to your customers and more likely to achieve their personal goals.

Help your team see the connection between their personal goals and customer expectations.

### C. The business must win too... The business must win if it's to survive and thrive.

This is obvious but rarely clear – if your people and your customers win but the business fails to generate the necessary cash and profit, everyone loses.

When your people see how the speed, quantity and quality of their work helps both the business and its customers, they feel more connected to their goals. You also help build a sense of psychological safety about their future, which is fundamental to a highly motivated team.

## A PROVEN SOLUTION FOR YOU...

Make 'ambitious' goals and plans part of your daily or weekly routine and watch your business thrive.

### Your job...

A leader's job is to help every team member see how their goals and their work are connected. This will lead to 3 positive outcomes – they win, the

customers win and the business wins.

Create regular feedback and reward behaviours – making goal setting a habitual part of your working week or month is what successful businesses do. Regular feedback, regular recognition of progress and regular rewards help set up this habit. You'll find more on feedback in the tools section.

## Goals are not a stick!

Because goal setting makes clear what is expected, it can generate resistance from people – especially if goals are ambitious. People also resist because the transparency around goals and expectations means accountability is more likely.

If you impose goals, these two areas of resistance could derail your efforts. Instead, involve your people in goal setting and you move towards an environment where everyone embraces the proven power of goals.

## Time to disagree:

"Stretch goals that aren't achieved deflate me and demoralise my team."

The research strongly suggests that performance and results improve when a "difficult but attainable" goal is set.

But you're right to be concerned about the psychological cost of not achieving goals – it can be damaging to morale.

This also concerned the leadership at GE, which is why they used three questions when reviewing performance against goals:

*"Has meaningful progress been made toward the stretch goal?"*

*"How well are we doing in that area compared with our competitors?"*

*"How does performance compare to what it would have been had we not set up a stretch goal?"*

"Almost as we soon as we've set goals, we forget them and just get on doing what needs to be done."

The Scottish patients and the research provide the answer here – "Goals and feedback together work better than either one alone. People need to be able to track their progress

## GET YOUR BITESIZE SUPPORT TOOLS NOW

<https://businessbreakthrough.online/goal-setting-works-tools-and-resources/>

## 4 helping hands for you...



A most compelling argument from Locke and Latham's research is the need for ambitious, or 'stretch', goals. It clearly worked for GE and for the Scottish hip replacement patients as well.

- Your goals must be ambitious goals.** Work out both outcome goals and process goals; get your people involved.
- Your ambitious goals must be specific.** Use the SMART checklist (found in the support tools) to ensure your goals are correctly structured.
- Your ambitious goals must be written down.** Use the goals wheel and the SMART checklist in the tools to help you.
- Anticipate and plan for the difficulties.** Work out the expected difficulties you'll encounter in pursuit of your goals, then determine how you'll handle these.

toward goal attainment.”

The researchers, Sheina Orbell and Paschal Sheeran, gave the Scottish patients a booklet describing their rehabilitation schedule. The booklet also included 13 mostly blank pages with these instructions:

*“My goals for this week are...?”*

*“Write down exactly what you are going to do. For example, if you are going to go for a walk this week, write down where and when you are going to walk.”*

The successful patients completed the 13 pages with recorded goals and plans, often in mundane but very specific (SMART) detail. Remember, it was this group that were up and walking again twice as fast as those who didn't.

Setting outcome goals and filing them in a drawer or condemning them to the pile of paper on your desk doesn't work. Bringing the goals to life every day or every week gets results. McKinsey and Gallup's research backs this up too.

**“My people aren't interested in goals and often actively resist them.”**

Locke and Latham's book on successful goal setting suggests:

*“Recent neuroscience research shows that the brain works in a protective way, such that any goals that require substantial behavioural change... will be resisted.”*

The knee or hip replacement patients anticipated the difficulties and challenges that were likely to affect their ambitious goals.

For example, here is one of the comments made by a patient in his booklet:

*“I'm going to walk and meet my wife at the bus stop at 3.30 in the afternoon. If it's too painful I'll take extra painkillers, and I'll take my raincoat if it's raining.”*

Jack Welch can help us here as well:

*“We have found that by reaching for what appears to be impossible, we often actually do the impossible; and even when we don't quite make it, we inevitably wind up doing much better than we would have done.”*

Locke and Latham also go on to say:

*“...in the main, (the criticisms against stretch goals) describe weaknesses in the way that stretch goals (indeed, goals in general) are typically conceived and implemented.”*

If all you talk about are outcome goals, your people are likely to disengage and may resist you. Involve your people in outcome AND process goals which they can relate to, and resistance will be lower. Involve your people in managing expectations around themselves personally, around your customers and around the business and you'll build better connections and encounter less

resistance.

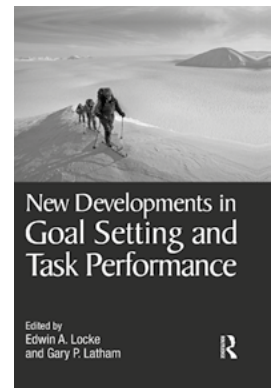
To help further with the resistance to stretch goals, try out the orange exercise that was used at GE when they met resistance to stretch goals. You'll find this exercise in the accompanying tools to this report.

### Start by applying the science of goal setting for yourself

In the support tools accompanying this Business Breakthrough report, you'll find the goals wheel and an interactive spreadsheet to help you evaluate and track your goals real-time. It's a visually brilliant way of setting personal stretch goals for yourself – and you can share it with others. Used along with the SMART checklist, you can begin applying the science of goal setting to your own business.

### Tell me more...

There are more than 1,000 research studies captured and reviewed in this book by Edwin A Locke and Gary P Latham. The insights into effective goal setting make it a worthy and worthwhile investment of time and money.



## GET YOUR BITESIZE SUPPORT TOOLS NOW

<https://businessbreakthrough.online/goal-setting-works-tools-and-resources/>

Please use these tools and resources to enable you and your team to create and fine-tune ambitious, SMART goals that will help you grow your business and set you up for future success.

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