



Setting Goals for Employees

March 2007

Volume 6 Issue 3

Usually goals are set for employees by management or the immediate supervisor. This form of top-down management, while prevalent with most businesses, is not the fastest and most enduring path to success. In fact just the opposite is true – it usually produces inferior results. Why? And what might be the alternative? Let's see below.

1. An Issue

My 30-year old son, Anthony, a social anthropologist, working in Mexico for the state government of Quintana Roo in Cancun was perplexed about the task before him. Using an approach called Ludoteca, he is responsible for applying this Montessori-like method that stimulates the development of children as part of the international save-the-children program. From on high, goals have been set to attend to 1,000 new children each month from the seven offices in Cancun, up from the current level of 500/month. His co-workers wish to set clear objectives of each social worker who usually connects with 30 children per cycle of involvement. Without getting into the details of the program itself, the question is: should the goals be set that way or should management allow the social workers to set their own goals? Which approach is more likely to ensure that the objectives will be met?

2. Motivation

People's highest goal is to feel good about themselves as they go about their lives, which they can do if they sense that their daily efforts have meaning. To have meaning, three imperatives must be met – the work challenges them; they are allowed to make their own choices as they go about it; and they feel they are contributing to the betterment of the situation around them. The key to all of these: respect for the individual. Not only is this the best route to success, it is the ONLY route to sustained success. Now you don't have to take this last sentence just because we say it, but there is very little doubt that we all like to be respected. I have yet to meet a person who enjoys

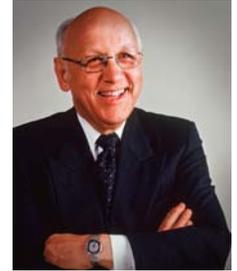
being slapped in the face or humiliated in any other way – which most punishment techniques do.

3. Carrot and Stick

The conventional carrot-and-stick approach is that if you do this well you will get a reward (carrot) but if you fail you will get punished (stick). While this may work in the short term it fails to meet the goals for personal motivation articulated above. Even though punishment may institute the fear to perform, it tends to have a temporary effect offering a short-term performance lift but a diminished long-term benefit. No one likes to be punished. No one likes to be the recipient of a tongue-lashing, a hit over the head or a prod with a stick. Do you? Not likely. Will you admire the deliverer of the punishment? Not likely.

4. Intrinsic and Extrinsic Rewards

Intrinsic rewards are those internal drivers that make us feel good about ourselves while extrinsic rewards are external drivers that make us feel good. For example, an extrinsic reward might be a cash payment when a certain level of performance is attained. But that same level of attainment might also drive the intrinsic reward circuitry in our brain. Let us say you help a blind lady cross a busy intersection and she offers you ten dollars for your kindness. Your response would probably be: "I didn't do it for the money (extrinsic), I did it because I feel good (intrinsic) when I assisted you." In every situation, intrinsic rewards will dominate extrinsic ones. Why? Because, most of the time, what goes on in our brain far outweighs what goes on around us. "If you marry this rich man you



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will have a lot of money forever.” “But I don’t love him!” In a pinch, emotion will dominate logic. The amygdala, the emotional driver of the brain, operates 10 to 100 times faster than our logic processors and takes precedence always. That is why later in the day we wonder (via our logic) “Why did I ever say that?” or “react that way?” (response to our emotion).

5. It Starts in Infancy

We may think this information is new. But it is not new; it has been around each of us since infancy. For example the baby wants to go in one direction whereas Mom has her own ideas. Once the child learns the power of saying ‘no’ it is uttered unceasingly – or so it will seem. A child happily assembles blocks to two levels. It smiles at Dad as it achieves its goal; then baby smashes them down only to repeat the challenge. Once it has mastered two levels, it seeks to increase the challenge, trying to build three levels of blocks. Remember the three imperatives above: *the work challenges them; they are allowed to make their own choices as they go about it; and they feel they are contributing to the betterment of the situation around them?* This is exactly what baby is doing. Setting one block on top of another when coordination is a newly developed skill is quite a challenge; baby Alex has made his own choices by deciding that it is blocks that will be played with not putty and that stacking them is the name of the game; once two levels are done baby ups the stakes to better the situation around him. Even the most lethargic youth seeks increasing challenges – perhaps not at mowing the lawn but what about the latest video game?

6. Raising the Bar

At a recent charity auction I attended, a painting was put on the block to start at \$300 vs. its actual retail value of \$600. No one bid. The auctioneer then, dropped the opening bid to \$100 and a few hands shot up. Then the bid went to \$200, \$300, \$400 and on up. As long as the bidders could start at a level of acceptability they could gradually accept the steadily increasing amounts.

If I ask you to jump over a high bar in your office, which is set to 3 feet, you probably will not accept the challenge. However if the bar is set to 1 foot, you will probably hop over it readily. Assuming this high bar is left in your office, you probably, the next day, will shift the bar up one notch, say, by one more inch. As the days go by and you are able to meet the challenge, you will keep raising the bar to achieve your level of jumping competence.

7. Lessons Learned

Lessons stated so far are that:

- From the earliest age we all like to be in control – to make choices and decisions
- People get pleasure from challenges
- Once people meet the current challenge they go onto another higher one
- Respect is desired by all
- Intrinsic rewards hit our neural response systems more directly than extrinsic
- No matter how low the bar is, it will quickly rise to the appropriate level

8. Applying the Lessons Learned to Anthony’s Goal Setting

Accept the six lessons above, Anthony. To implement it, visit a social worker, Rosario, let’s say and ask her how many children she feels she can connect with each month on a continuing basis. By asking her you are showing Rosario respect; you are allowing her to make choices; you are allowing her to face the challenge; and thus you allow her to benefit from intrinsic rewards.

Take care that her goals are not set too high. (Rarely are self-set goals too low.) If her goals seem higher than you believe she can maintain consistently, suggest she reduce them, and that you both will try this level for a few weeks and then adjust if necessary. Plan to meet once a month to review the goals, looking at what has gone wrong and what has worked well over the term. Then spend ¼ of this review looking at the future – specifically the next set of goals. Do not compare Rosario’s goals with Alberto’s; each person is unique. The competition will not be among workers but people will compete against themselves – the strongest form of competition extant. Most golfers get angry, not that they lost to their partner, but that they couldn’t maintain their own scores.

To test this goal-setting approach, break your participants into two groups, one the control group using the typical top-down direction and the second group with the new approach. Give it three months and compare the results. You will be amazed.

Good luck.

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