

Leadership IQ Study: Are SMART Goals Dumb?



Are SMART Goals dumb? Well, new research suggests they probably are.

There isn't a company in existence that hasn't set its share of SMART goals (most commonly defined as Specific, Measurable, Achievable, Realistic, and Time-bound).

But SMART goals can still be pretty dumb. Why? Because too often they act as impediments to, not enablers of, bold action, and actually encourage mediocre and poor performance. "Hold on a minute," SMART goals seem to say. "Don't push beyond your resources, don't bite off more than you can chew, play it safe and stay within your limitations."

Leadership IQ, a leadership training and research company, studied 4,182 workers from 397 organizations to see what kind of goal-setting processes actually help employees achieve great things. (After all, isn't that the whole point of having goals?)

Study participants completed a 35-question assessment about many aspects of their organization's goal-setting processes. And here's what we found...

First, we discovered that people's goals are not particularly helpful. In fact, our survey found that only 15% of employees strongly agree that their goals will help them achieve great things. And only 13% of employees strongly agree that their goals this year will help them maximize their full potential.

Second, we wanted to know what aspects of goal-setting really predict whether an employee will achieve great things. After all, the purpose of goals isn't to help people achieve mediocre results; goals are supposed to help us achieve extraordinary results. And we wanted to know, for example, do achievable and realistic goals drive people to great achievements, or does greatness come from having goals that are really difficult and that push us out of our comfort zone?

To answer these questions, we conducted a stepwise multiple regression analysis to discover what kinds of goals were most likely to drive people to achieve great things. Stepwise Multiple Regression is a statistical technique that predicts values of one variable (e.g. achieving greatness) on the basis of two or more other variables (e.g. whether goals are achievable, or difficult, etc.).

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This analysis revealed the Top 8 predictors of whether somebody's goals were going to help them achieve great things. In other words, if we want employees to say, "Wow, my goals this year are really going to help me achieve great things," there are eight characteristics that their goals should have.

Here are the Top 8 factors, in order of statistical importance:

1. I can vividly picture how great it will feel when I achieve my goals.
2. I will have to learn new skills to achieve my assigned goals for this year.
3. My goals are absolutely necessary to help this company.
4. I actively participated in creating my goals for this year.
5. I have access to any formal training that I will need to accomplish my goals.
6. My goals for this year will push me out of my comfort zone.
7. My goals will enrich the lives of somebody besides me (customers, the community, etc.).
8. My goals are aligned with the organization's top priorities for this year.

Now, when you really think about what this analysis is saying, a few things should jump out at you. First, issues related to SMART Goals do not appear on this list. Whether goals were achievable, measurable, realistic, etc. had no unique predictive power in this analysis. In fact, when we conducted a separate correlation analysis, we found that the question about SMART Goals (i.e. "We use SMART Goals as our goal-setting process.") had **no meaningful correlation** with employees achieving great things.

The second thing that probably hits you is that for people to achieve great things, their goals must require them to learn new skills and leave their comfort zone. This is quite the opposite of what SMART Goals tell us (i.e. goals should be achievable and realistic, etc.). And once again, using a correlation analysis, we found that the question about achievable goals (i.e. "My goals are achievable with my current skills and/or knowledge.") had **no meaningful correlation** with achieving great things.

If we pause here for a minute, we've just learned that the typical goal-setting processes companies have been using for decades are NOT helping employees achieve great things. And, in fact, the type of goal-setting we SHOULD be doing (assuming we actually want our employees to achieve great things) is pretty much the OPPOSITE of what organizations have been doing for the past few decades. If your people don't have to learn new skills and don't have to leave

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their comfort zone to achieve their goals, those goals probably won't drive greatness.

Another insight from the regression analysis is that goals need to be much more than just words on a little form. For a goal to help people achieve great things, that goal has to leap off the paper. It has to be so vividly described that people can feel how great it will be to achieve it. It has to sing to them, to touch the deepest recesses of their brain. When's the last time your goals did that?

And statistically, to achieve greatness, a goal also has to be bigger than ourselves. We have to identify whose lives will be enriched by our goals. And those goals had better be absolutely necessary (and also aligned with our organization's top priorities) or they just aren't going to help employees achieve great things.

What this study identifies is a need for an entirely new goal-setting process. In our latest book, [*Hundred Percenters*](#), we describe a goal-setting process called HARD Goals.

HARD goals are:

- **Heartfelt** – My goals will enrich the lives of somebody besides me—customers, the community, etc.
- **Animated** – I can vividly picture how great it will feel when I achieve my goals.
- **Required** – My goals are absolutely necessary to help this company.
- **Difficult** – I will have to learn new skills and leave my comfort zone to achieve my assigned goals for this year.

If these criteria sound familiar, they should. The HARD Goal methodology is statistically validated in this latest study. And according to more than 4,000 people, HARD Goals are a lot more likely to drive great achievements than SMART Goals.

Another surprising finding that emerged from this study is that people who have HARD Goals (i.e. goals using those Top 8 factors identified in the regression analysis) are significantly more engaged than those who don't.

We asked respondents to answer the question "I recommend this organization to others as a great place for people to work" (our research indicates that this

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question is a very good proxy for an overall measure of engagement). We discovered that people who Strongly Agreed with the goals questions from the regression analysis had significantly higher scores on the “great place for people to work” question than those who Strongly Disagreed.

For example, we found that:

- People who answered Strongly Agree to the question “I can vividly picture how great it will feel when I achieve my goals” had **49% higher employee engagement** than people who answered Strongly Disagree.
- People who answered Strongly Agree to the question “I have access to any formal training that I will need to accomplish my goals” had **57% higher employee engagement** than people who answered Strongly Disagree.
- People who answered Strongly Agree to the question “My goals for this year will push me out of my comfort zone” had **29% higher employee engagement** than people who answered Strongly Disagree.
- People who answered Strongly Agree to the question “My goals are aligned with the organization’s top priorities for this year” had **75% higher employee engagement** than people who answered Strongly Disagree.

Conclusion

Virtually every company sets goals for their employees, but they’re just not working. Given that only 13% of employees believe that their current goals will help them maximize their full potential and that only 15% think that their goals will help them achieve great things, we’ve got a big problem.

The goal-setting methodologies that we’ve used for decades (like SMART Goals, and others) just don’t lead to employees achieving great things. They may have been fine in 1960, but not in 2010.

If you want to set a goal that will inspire people to achieve great things, that goal has to be so vividly described that people can picture how great it will feel to achieve it; they will have to learn new skills to achieve the goal; and the goal will push them out of their comfort zone, among other factors.

This study also statistically validates a goal-setting methodology called HARD Goals, detailed in the book [“Hundred Percenters”](#) written by Leadership IQ’s founder Mark Murphy. (HARD goals are Heartfelt, Animated, Required, and Difficult).

Virtually every company sets goals for their employees, but they’re just not working.

Not only do effective goals drive greatness, but people also feel better about them. This study revealed that employees who did have effective goals were 27–75% more engaged than employees without effective goals.

And every executive on earth should want employees who passionately and happily come to work every day and achieve great things.

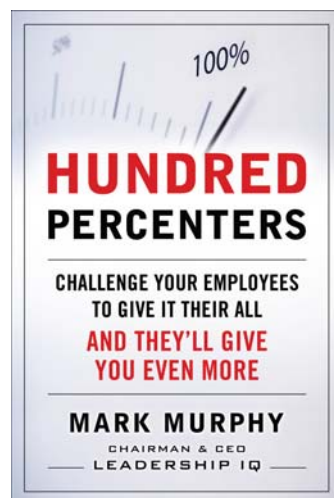
About Leadership IQ

Leadership IQ provides employee surveys, leadership training, and e-learning to business and healthcare organizations. Leadership IQ's groundbreaking management techniques and employee survey research have been featured in Fortune, Forbes, BusinessWeek, and more. Leadership IQ is headquartered in Washington, D.C., with regional offices in Atlanta, GA., and Cincinnati, OH.

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Don't miss the bestselling book...





"Hundred Percenters" reached the following milestones on Amazon.com:

- #1 HR Book
- #1 Leadership Book
- #1 Motivational Book



CIO Insight Magazine named "Hundred Percenters" one of its "Must Read Books" for Fall 2009.



Training Magazine said: "Mark Murphy finds that most workplaces are brimming with untapped talent. Only it's suppressed by goal-setting that discourages big ideas, and leaders who focus on happiness rather than greatness."