

Is it WISE to be SMART?

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For many years, managers have been urged to set "SMART" targets for their staff, where the SMART acronym stands for some variant of Specific, Measurable, Achievable, Relevant, and Time-based. This seems like common sense advice; and yet most organisations still find it difficult to make this common sense work!

Perhaps it is time to ask if the use of SMART targets to manage performance is wise, in a complex, uncertain and rapidly changing world.

Increasingly, organisations must act with only partial knowledge (and sometimes total ignorance) of the likely shape and direction of future events. Very little takes place in the "known with certainty" zone. Even where circumstances appear fixed, and events predictable in the immediate term, it is likely that small disturbances in the external environment or internal dynamics of the organisation will conspire to confound "the best laid plans . . ." etc.

In over thirty years of working in organisations, I have yet to experience a situation in which actual events have turned out in the ways foreseen in detailed plans and budgets. Yet SMART targets imply that the future can be predicted and the required actions determined with certainty for significant periods ahead. Even where the overall goal is unambiguous (and expressible broadly in SMART terms), it is likely that many course corrections will be needed along the way.

And these will necessarily require many of the original 'micro' plans and targets to be abandoned, if the 'macro' goal is to be achieved successfully. Some individuals or groups may need to move 'backwards' in relation to their original goals, if the organisation as a whole is to move forward.

Breaking large tasks into bite-sized pieces so that these can be more readily understood and digested is one thing. To define individuals' success or failure in terms of their achievement or otherwise of these separate elements is quite another. The interdependencies and uncertainties are too great for this to be a sensible way forward. Strict adherence by individuals or teams to their own specific, measurable, achievable, (one-time) relevant and time-bound targets, which SMART-based performance management systems are designed to encourage, is more likely to guarantee under performance of the wider organisation than to secure its success.

In a complex and constantly changing environment, managing performance demands a WISEr approach to leadership than that offered by the overuse of SMART targets.

If people are to perform effectively under these conditions, they need first to understand **WHY** their contribution is important. Secondly, they need to be aware of, and remain alert to, the **INTERDEPENDENCIES** within the overall system - understanding how their contribution fits in, what others need from them, and which relationships are critical to their own and others' success. These first two requirements provide perspective, by giving context and meaning to people's work.

Next, they need to be encouraged, assisted and enabled to exercise **SELF-MANAGEMENT**:

- gaining and consolidating new experience, knowledge and skills, to become increasingly *self-sufficient* and *self-confident* in their own abilities;
- taking more responsibility for *self-directing* their own actions and exerting more *self-control* over their own performance, in an adaptive rather than pre-programmed way; and
- *collaborating* effectively with others, to build coalitions of co-operative effort that extract maximum value for the organisation from emerging events and challenges.

Finally, people need to be inspired and enabled to achieve EXTRA-ORDINARY performance, through leadership that embeds a positive culture of achievement, builds the capabilities needed to deliver and sustain it, and creates a climate in which people have the motive, means and opportunity to excel. Smart leaders will WISE-up to these challenges!