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Article

Agreements on Objectives

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From the classical agreement on objectives to "agreements on objectives at the experimental stage"

The classical agreement on objectives

The single biggest problem in communication
is the illusion that it has taken place.
George Bernhard Shaw

Employers have always conducted reviews with their employees, yet for some time now agreeing specific objectives has become the main component in these appraisal interviews in very many companies. As a manager, you play a mediating role between the company and the employee:

The objectives agreed must lie within the framework determined by the organisational strategy. This is essential if the employee is to contribute to achieving the objectives.

The objectives agreed must also lie within the employee's area of competence. He or she must have the knowledge, experience and the will to achieve the objective, along with the appropriate resources and powers.

However, it is not sufficient merely to demand that the employee increases sales by 15 per cent within the next twelve months and then close the file, simply to check one year later whether the target has been met.

You use an agreement on objectives to guide the work behaviour of your employees – who design work flows more efficiently or apply new impetus in their duties. So you have to consider what form this steering should take so that not only is the objective reached, but also the path for getting there is as smooth as possible.

Pre-set obejctive and agreement

The "agreement on objectives" is now an established concept. Yet most agreements on objectives do not have the character of an agreement, that is, of peers reaching an understanding from which one could withdraw. After all, in most cases the organisational strategy has already been fixed and you have agreed objectives with your superior – they cannot really be revoked by your employees.

Objectives are generally pre-set – there is nothing wrong with that, and of course an agreement on objectives is a steering instrument for aligning them to the strategy. But I am not encouraging you to dictate objectives in your appraisal interview. An agreement on objectives means reaching an agreement on how an objective "from above" is to be achieved.

The way will initially be suggested by the employee – after all, he or she is more familiar with how things work in day-to-day operations. You now have the job of examining your employee's proposals and entering into a dialogue to come up with a mutually acceptable programme for achieving the objective over the coming months.

The best possible agreement on objectives promotes accountable action and releases creativity. Not despite the clear demands, but because of them, at the end of the appraisal interview with agreement on objectives the employee knows what to focus on and where his/her limits are in the immediate future.

Agreement on objectives in the cascade system

An objective-agreement system is therefore a cascade consisting of a given objective and an agreement on the path for achieving it, whereby the path for the line manager becomes the objective for the downstream staff member. The following diagram shows how this would work in an organisation with a five-tier hierarchy:

Cascading system of linked objectives and paths					
	executive manager	head of division	head of department	group leader	staff member
Pre-set objective	*Top-level objectives derived from the strategy* ⬇				
Agreement	Paths for implementing the top-level objectives at divisional level				
		=			
Pre-set objective		*divisional objectives* ⬇			
Agreement		Paths for implementing the divisional objectives at departmental level			
			=		
Pre-set objective			*departmental objectives* ⬇		
Agreement			Paths for implementing the departmental objectives at group level		
				=	
Pre-set objective				*employee objectives* ⬇	
Agreement				Paths for implementing the group objectives at employee level	

From a manager's point of view the nature of an agreement is expressed in three activities:

Manager's tasks during agreement on objectives
Evaluate the feasibility of the path proposed by the employee.
Co-ordinate the objective and the measures with neighbouring organisational units.
Undertake to implement all supporting measures that will help in achieving the objective.

In their article entitled "Zielvereinbarung – weder Diktat noch Beliebigkeit" ("Agreement on objectives: neither dictated nor arbitrary"), Klaus Doppler and Christoph Lauterburg describe the dialogic nature of good agreements on objectives as follows:

Agreeing on objectives has nothing to do with grassroots democracy. It simply means that objectives and priorities are carefully considered and co-ordinated before they are fixed. Agreeing objectives in a process of dialogue is the only way to ensure that:

- the objectives have genuinely been understood and accepted;

- the priorities have been set correctly and do not contain any conflicts of interests;

- objectives are only formulated with consideration of the means and resources required.

So individuals' say in the determination of their objectives is not a personal bonus, but a legitimate element justified by the process itself.

It is another matter entirely that flexibility for taking action does not imply total freedom to do whatever one likes, and that some overarching objectives leave only limited flexibility for achieving the derived individual objective. The important thing is that the objectives are examined by both parties jointly, i.e. in a dialogue, and assessed in the overall context – and are not just created off the top of one's head.[1]

An agreement on objectives is therefore a form of dialogue in which – starting from a firmly anchored pre-existing objective – paths, interfaces, resources and supporting measures are agreed between the manager and the employee, which in turn become the starting point for the employee's co-workers on downstream levels.

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[1] Doppler, K./Lauterburg, C. (2000): Change Management. Den Unternehmenswandel gestalten. Frankfurt/M., pp. 217 et seq.

Smart-2-objectives

In many cases, the manager and the employee do not discuss objectives but wishes or vague ideas for projects, or else they use only indicators as a yardstick. Both of these phenomena are of little use because a well formulated objective has the following features:

- possible paths can be discussed

- achievement can be checked at a later date

- the relationship to the strategy is comprehensible

- the employee has some influence.

A well formulated objective should therefore satisfy all the following, very demanding criteria:

Criteria for a well formulated objective				
Content	**Smart-1-criterion**		**Smart-2-criterion**	**Content**
To precisely describe the desired state	**S**pecific	s	**S**teerable	Achievement of the objective can be influenced by the employee
To determine how (tool) and where (level) the desired state can be recognised	**M**easurable	m	Supports the e**m**ployee	The supporting function of the manager is specified
To state clearly what is new and what is challenging	Dem**a**nding	a	**A**ttractive	The objective is desirable to the employee
To explain what makes an objective feasible	**R**ealistic	r	**R**elevant	The aim is meaningful within the organisational strategy
To determine the deadline for achieving the new state	**T**ime-based	t	**T**emporary	The objective is not simply carried over from one year to the next

If you formulate objectives in a manner that fulfils these conditions, attention will very likely be turned in the right direction and these objectives will determine behaviour: your behaviour and that of your employee. This simultaneously increases the probability that the objectives will be successfully

implemented.

Example:

In the late summer of 2010 a manager (Mr Kaiser) at a certain company and his staff member (Ms Müller) met to agree objectives. The meeting went as follows:

Kaiser: "Ms Müller, I'm sure you know that Mr Schmage will be taking early retirement at the beginning of next year. I was thinking that you might succeed him as deputy head of the department. Would that be an objective for you?"

Müller [after brief consideration]: "Yes, that sounds good."

Kaiser: "Great, so we can write it down straight away: 'Next year Ms Müller will take over from Mr Schmage as deputy head of department'."

This is an example of bad agreement on an objective: it is neither specific nor measurable. Furthermore, it is not clear that it satisfies other smart[2] criteria. Yet examples of such agreements on objectives are widespread. In many cases they lead to conflicts, since the people involved have differing opinions about precisely what was agreed.

In this example, an agreement on the objective might alternatively look like this:

Example:

- Ms Müller will take over managing half the fortnightly departmental meetings in the period from October 2010 to April 2011. This is the first step towards Ms Müller's succeeding Mr Schmage as deputy head of department as of 1 May 2011. This has been agreed with Mr Schmage.

- Mr Kaiser will inform the members of the department of this change by 15 September 2010.

- In October and November 2010, Mr Kaiser will chair the meetings and Ms Müller will be involved in their preparation and follow-up.

- Ms Müller will chair the December and January meetings. She will receive support from Mr Kaiser before, during and after the meetings she chairs.

- From November 2010 onwards, Ms Müller will be released from the "Documentation of foreign customers" unit.

- In November 2010 Ms Müller will attend a seminar on "How to chair meetings".

- In January the two persons involved will meet to determine additional measures on the path towards becoming deputy head of department.

- Relation to corporate objective: HRD planning 2014 'internal management development'.

This example contains all the important components of a well formulated objective:

- specific and measurable goals for the measures (e.g. training) and specific results (deputy head of department);

- the objectives are demanding (the post is associated with responsibility and risk, especially as an "internal appointment") and realistic (all the measures are practicable);

- the timing has been fixed (1 May 2011);

- the employee can influence achievement of the objective through training and on-the-job measures;

- the manager undertakes to provide support (e.g. coaching for the December and January meetings);

- the objective is of value for the employee (she is relieved of other duties and has said "yes");

- the internal promotion underpins the corporate strategy (internal HRD);

- the objective is "unique" – there will probably not be another opportunity for promotion very soon.

Another exemplary feature of this agreement is its modesty in the sense that the measures are described only for the next six months, after which (at the latest) they have to be reviewed, because none of participants can predict what their tasks and challenges will be in six months' time. Anything is possible: Mr Schmage retires earlier than planned, the other employees rebel against Ms Müller, the corporate strategy demands that more externals join the company, etc. And as far as "modesty" is concerned, by the time you reach the end of this essay the six months slated for planning will appear to be more ambitious than modest.

The role of the manager…

… vis-à-vis the organisation

Organisations in which objectives are agreed almost always have regulations for the process. The form of the objective-agreement system is important to you because this is where the freedoms and obligations are mapped out that apply when you meet to agree objectives with your employees.

It is therefore important:

- that the number of objectives is fixed – it is frequently somewhere from three to five;

- to clarify whether all the objectives have to be derived from the upstream objective (of the line manager), or whether additional objectives are to be agreed (outside the line manager's framework, that is, from the ideas of the employee);

- whether the objectives may or indeed must relate to the employee's routine work, or to new fields outside the normal field of work;

- whether the period covered by the agreement has been stated;

- whether all objectives have to be quantifiable (as indicators), or whether objectives may also be described qualitatively (as in Ms Müller's case).

If you engage in the process of designing or revising a system for agreeing on objectives, you are more likely to be able to handle agreements on objectives in a way that suits your leadership style, your field of work, and your understanding of the organisation.

… vis-à-vis the employee

Before the meeting to agree objectives, you should inform the staff member concerned about the objectives that you have agreed with your superior. After all, employees will not be able to sort their own ideas if the framework is unclear. If they do not know anything about this objective framework in advance, you might arouse unrealistic expectations and the discussion may end in disappointment and conflict.

The employees can use the information about the objectives already set to prepare for the meeting and develop their own ideas for implementation options – and you, too, should have a clear idea of what the employees are to contribute to realising the corporate strategy.

The table below outlines the individual steps during a meeting for agreeing objectives:

Outline for a meeting to agree objectives	
Preparation (individual)	Information about the objectives of the higher level(s)
	Reflection on the previous year
	Sketching out the objectives (from employee's viewpoint, and the employee objectives from manager's viewpoint)
Welcome	Create a pleasant atmosphere
	Make sure you will not be disturbed
Orientation	Review of the previous year from employee's viewpoint
	Review of the previous year from manager's viewpoint
	Employee and manager formulate main tasks for the employee (revision of status from the previous year)
	Employee and manager evaluate the agreed objectives from the previous year in relation to success factors and difficulties
	Employee states his/her own objectives for the following year
Upstream objectives	Manager describes the strategy of the organisational unit immediately upstream (from which his/her objectives are derived)
	Manager describes his/her personal agreement on objectives and explains his/her own objectives
New objectives	Joint agreement on new projects
	In this context demonstrate the importance for the strategy of the organisation (or organisational unit)
	Determining priorities: how important is each objective?
	Defining the support to come from the manager
	Defining the support to come from third parties
	Agreement on the training measures needed for achieving the objectives
Action plans for the new agreement on objectives	Agree on steps, milestones, budget, resources, powers
	Clarify co-operation/interfaces/communication
	Define at this early stage the degrees of achievement of the objectives
Important rules for agreement on objectives	Draw up binding written rules governing the form, scope and timing of the work to be done, how, by whom and to what deadline.
	Formulate objectives in line with the SMART rule
	Schedule the checks (milestones)

When this type of meeting for agreeing objectives is held, it makes demands not only on your skill at guiding discussions. More than anything, you should not underestimate the preparations for such meetings.

Checklist: preparing for a meeting to agree objectives
Include the employees in the elaboration and definition of corporate/departmental objectives
Inform all those involved early on about the status to be achieved (in preference to the current one)
Announce the upstream objectives relevant to the employees' activities
Ensure that the objectives are practicable for the employees
Make sure people know what contribution each objective to be agreed will make to the organisation.
Consider flexibility: is it possible to react to changes in the general circumstances?
Differentiate between objectives for measures and objectives in terms of results
Take the skills of each individual employee into consideration when setting objectives
Re-organise work flows if necessary
Assess whether there are enough suitably filled positions to match the tasks at hand in scope and quality
Ensure that the workload on the employees is kept in balance
Consider the extent to which the employees can determine their work objectives themselves
Create options for checking achievement of objectives part-way
Differentiate between short, medium and long-term objectives
Be aware of the relevance of objective-setting as a leadership tool
Use objective-setting for self-management, too

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The milestone / review meeting

After one year at the latest, not only must new objectives be agreed, but you have to discuss the success of the previously agreed objectives with your staff member. The best way of doing this is to hold a "milestone meeting" every quarter, or at least half-way through the year.

Important note: Be sure to conduct one of these milestone/review meetings! The attitude that "no news is good news" leads to good members of staff being ignored, which will undermine their motivation in the medium term.

A milestone/review meeting is always a good opportunity for finding out what the other people involved think about the success factors and stumbling blocks. This can form a useful basis for agreeing the next round of objectives, since the "do's" and "don'ts" have become more specific. A milestone/review meeting should never be used by the manager for pronouncing a judgement on whether objectives have been "achieved"/"not achieved" and then moving on to daily business.

The following rules will help you utilise the opportunities presented by a milestone/review meeting.

How to behave at a milestone/review meeting
Explain your perceptions as (comprehensible) perceptions, your assumptions as (subjective) assumptions, and your feelings as (genuine) feelings.
Always make it clear through your choice of words, whether what you are saying is a perception, an assumption or a feeling.
Do not analyse the employee as a person! The topic of the evaluation meeting is restricted to his/her actual work behaviour and proven results.
You should not only allow "reversible feedback" ("it must be possible for B to say to A whatever A says to B"), but should actively encourage it: "What part do you think I played in achieving/not achieving the objectives jointly agreed one year ago?"
Give a lot of feedback! But at the same time, give the employee a chance to ask questions about it and explain his/her own impressions.
Always make it clear to yourself and to the employee that feedback does not mean changing the other person, but providing him/her with information.

The form of agreement on objectives outlined this far is generally suitable for most tasks whose setting does not alter much over the year. However, if the situation is more complicated it will not be appropriate to set objectives for a period of 12 months. Reacting to new challenges with the classical agreement on objectives is like trying to find your way around a new estate using an old street map.

Agreements on objectives at the experimental stage

Establishing goals is all right
if you don't let them deprive you of interesting detours.
Doug Larson

The new challenges demand something that Gary Hamel has described as "like being a map maker in an earthquake zone"[2]. In a rapidly changing business world, it is very probable that an objective agreed at the beginning of January will already have lost some of its relevance shortly before Easter. A new, much more important objective has emerged instead. And with a surprise boom in business (the toughest competitor has run into difficulties with the introduction of its own product, and another competitor has problems with its new supplier), one of the agreed objectives has already been reached after only a very few months. In short, the reliability of forecasts (which form the sole basis for an agreement on objectives every 12 months) in complex and dynamic settings approaches zero: "If I knew everything that was going to happen this year, I could say exactly what I wanted – but as I don't have any reliable idea, I cannot agree any objectives."

So agreements on objectives certainly do not always lead to achievement of the objectives, i.e. the structured implementation of the corporate strategy by co-ordinating individual employee contributions. There are several reasons for this – in addition to the competitive environment mentioned above:

- the corporate objectives change during the year, without the individual objectives being adjusted;

- employees' contributions are co-ordinated more intuitively by the individual managers – but without an overarching method;

- the interests of the employee do not flow, or only sparingly flow, into the agreement on objectives that is formulated from the top down.

These and other points lead to the conventional system for agreeing on objectives being viewed with more scepticism today than was the case ten years ago. But we do not have to go quite as far as one particular manager at T-Systems, who wrote:

The four mistaken beliefs about systems for agreeing on objectives

- Objective-management costs little and brings huge benefits.

- Individual objectives contribute to the corporate objective.

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[2] Quoted from: Scheuss, R. (2010): Zukunftsstrategien. Regensburg, p. 213. English version:
http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2013/01/29/4891a-1998-11.aspx [accessed on 8 July 2014]

- Remuneration of individual objectives promotes visions.

- Objectives can be tailored.[3]

Yet this criticism sows the seed for a revised understanding of agreement on objectives, namely the integration of corporate and employees' interests with all the accompanying consequences. Now the function of an agreed objective no longer consists of describing a desired future state. The reason for this is that under complex conditions an objective of this kind already has to be adjusted often enough over a year. Instead, the primary function of an agreement on objectives is the agreement process itself or, to be more precise, the process of sharing experiences, interests and perceived purposes.

"If the manager and the employees agree on objectives, 'we know full well' that they are not really there to be implemented, because after that come the 'circumstances' … Everybody knows that – no one is that stupid. But what then is the point of agreeing on objectives? It is not so that they will be implemented, but so that the participants can reach a common understanding or, I would almost say, to create democracy. Objectives are not so much elaborated to be implemented, but so that people can discuss them, adopt a position on them, and express opinions to others. In short, they serve to organise the debate."[4]

The challenge with agreeing on objectives in complex situations is now to identify the factors influencing the organisation of this debate.

Target + goal = objective

The point of an agreement on objectives is to match two objectives, i.e. the objective of an upstream organisational unit and that of a downstream organisational unit. The starting point for this process is that the objectives of the higher-level unit do not always contain those of the lower-level unit in their entirety. If that were the case, a process for agreeing on objectives would be superfluous and it would be sufficient just to operationalise (break down) the objectives of the upstream unit to produce detailed working instructions for the downstream unit.

What constitutes the added value from a difficult and sometimes conflict-laden agreement process as compared to clear top-down instructions? One very plausible answer to this question comes from Werner Kirsch. He states that the potential added value results from the fact that in
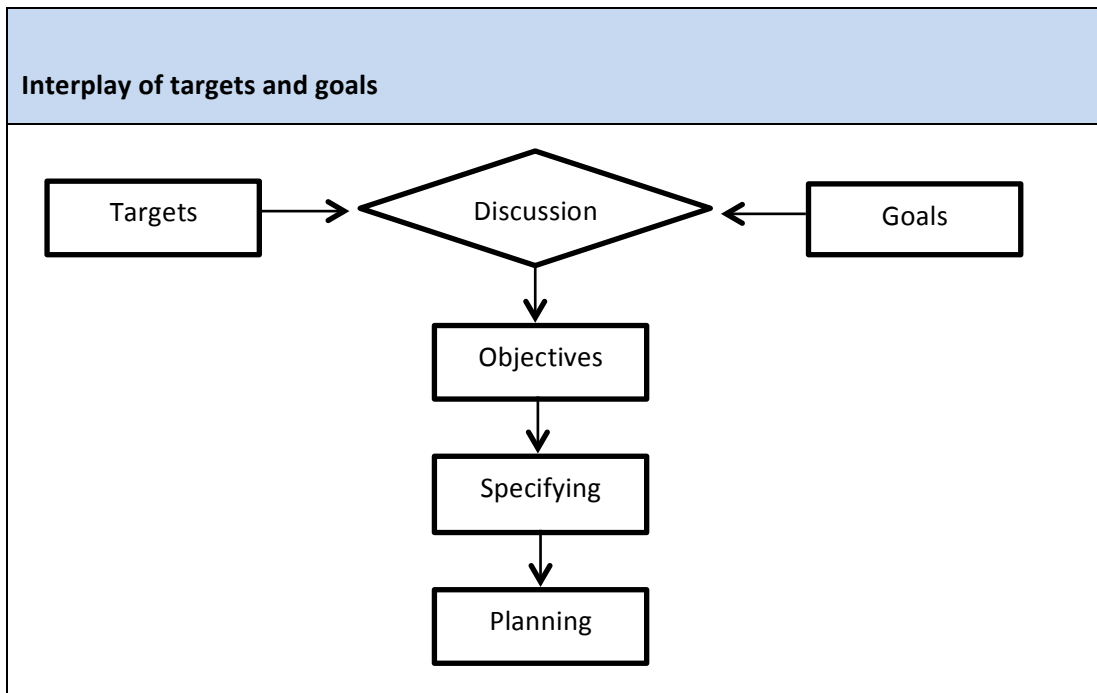
"confrontation between targets and goals one is in a way forced to argue about the future of the company or relevant parts of it."[5]

But what is meant by "confrontation between targets and goals"? According to Kirsch, targets are the aims of the demanding party, that is, the higher-level organisational unit. Goals are the aims of the supplying party. It is only in the discussion, in the argumentation, that objectives emerge as a result of negotiating the two sets of aims.

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[3] Stein, Ch. (2007): Führen ohne Ziele. In: HBM (12), pp. 128 et seq.

[4] After: Jullien, F. (2006): Vortrag vor Managern über Wirksamkeit und Effizienz in China und im Westen. Berlin, pp. 101 et seq.

[5] Kirsch, W./Seidl, D./Aaken, D. v. (2009): Unternehmensführung. Eine evolutionäre Perspektive. Stuttgart, p. 77.

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Interplay of targets and goals

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┌──────────┐        ◇               ┌──────────┐
│ Targets  │──→  Discussion  ←──│  Goals   │
└──────────┘        │               └──────────┘
                    ↓
              ┌───────────┐
              │ Objectives│
              └───────────┘
                    ↓
              ┌───────────┐
              │ Specifying│
              └───────────┘
                    ↓
              ┌───────────┐
              │ Planning  │
              └───────────┘
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Source: Kirsch, W., Seidl, D. & Aaken, D. v., p. 77.

The objectives of the higher level usually come with sufficient description, documentation and rationale. For example, frequently the group leader comes to the appraisal interview better prepared than the employee concerned. This is because at the lower level a meeting for agreeing on objectives is always the first contact with the topic, and for the higher level it is the second contact.

The discussion to determine objectives becomes a negotiation if neither party can claim exclusive expertise in the matter. Here the higher level is not automatically correct. This is the result of a complex situation in which surprises cannot be foreseen by anyone.

What remains is a real battle between existing objectives (upstream/higher level) and existing interests (downstream/lower level). Into this struggle flow the relevant motives – decisive and frequently overlooked factors: the motives of the employee and the motives of the manager.

While the strategy is the "springboard" for a target, the motives are the "springboard" for a goal. This means that managers who ignore the aspects driving their own members of staff will not be reaching agreements but dictating them. Managers who ignore their own motives will not be reaching agreements, but serving (their staff member, the company, etc.). In both cases motives and motivation will get left behind.

Motives

An employee's motives are not manifested solely during meetings for agreeing on objectives, but also during conflicts, in difficult communication, and/or when it comes to delegating tasks. However, in most cases they are not immediately obvious because the person concerned is frequently not clear about certain aspects:

- What exactly drives me?

- What makes me shrink back?

- What do I approach with less enthusiasm?

- Which types of tasks do I find attractive? Which do I not find attractive?

The following table shows the most important occupational motives that you might find among your staff:

Occupational motives[6]	
Dimension	**Motive**
Tenacity	Working at a task in a concentrated and constant manner
Dominance	Having influence and responsibility
Activity	Being active and busy
Confidence in success	Planning and achieving success
Flexibility	Reacting nimbly and flexibly
Flow	Losing oneself in a task
Fearlessness	Acting with courage and determination
Internality	Being convinced by a task itself
Compensatory effort	Avoiding risks and errors
Pride in one's performance	Measuring myself by my own performance
Willingness to learn	Learning new things and expanding my knowledge
Enjoying a challenge	Accepting challenges and testing the limits
Independence	Acting independently
Self-control	Acting in a reliable and controlled manner

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[6] After: LMI, Leistungsmotivationsinventar (performance motivation inventory) http://www.assessment-info.de/assessment/seiten/datenbank/vollanzeige/vollanzeige-de.asp?vid=26#Zusammenfassung. [accessed on 13 June 2014]

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Status orientation	Receiving recognition and respect
Orientation on competition	Achieving better results than others
Setting targets	Setting and achieving targets

Employees' motive profiles have direct impacts on their goals. An employee with the highly developed motives of "flexibility", "activity" and "enjoying a challenge" will be much more likely to agree innovative and risky objectives with you than an employee whose motives are "self-control" and "compensatory effort".

Important note: Please do not now make the mistake of assuming that some combinations of motives are impossible. Every motive combination is possible – but the one that you notice in yourself is probably the one you will consider to be "the most normal".

One of the most important challenges for managers is to avoid thinking and acting as if everyone else "ticked" the way they do:

"We make life extremely difficult for ourselves when we do not understand one another because of our very different motives and interests. Above all, using oneself as a general reference ... poisons relations with others: in everyday life we often do not understand that other people have motives, interests and desires different from ours."[7]

Motives are therefore the access point through which real agreements on objectives can be made.

Example:

The most powerful motives of an employee working for Tanja Neweck are "self-control", "orientation on competition" and "status orientation". Ms Neweck suspects that this is the case and proposes the following objective to the staff member concerning the presence at a trade fair: "Elaborate a structured flow plan. Observe what the competition does at other trade fairs and do better than they do. You will then present the concept to the marketing director."

With another employee she agrees the elaboration of innovative concepts that the employee is to create herself, because in this case Ms Neweck thinks the staff member's motives are probably "independence" and "willingness to learn".

Whether Tanja Neweck's assumptions about the motives of her staff are correct will be revealed first and foremost by the degree of commitment of each person in relation to their hopefully motive-matching objectives. This procedure goes hand in hand with the experimental, cautious approach, which is recommended to every manager in complex situations: you will only know *after the event* whether your ideas worked – a consistent plan does not predict anything.

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[7] Reiss, S. (2001): Die Menschen sind viel individueller, als Psychologen bisher dachten. In: Psychologie heute (03), p. 22.

Consequences for a different method for objectives

For the mediation mentioned above you will need some flexibility when setting objectives. Without it you will only be able to operationalise and impose objectives, and as a consequence you will very probably not identify the motives of the employee correctly.

You can create flexibility with the following activities, which can be applied individually, but have a much better effect in the sense of a motivating objective when used in combination.

- Agree "breakthrough objectives"

  Pass on to you staff members only about half of the objectives you have agreed with your own superior, in a form appropriate to their motives. You should discuss with your superior which objectives these should be. In this way you give the employees the flexibility to add objectives from their own ideas and experience. After consulting with you, your staff members will then pass on to their colleagues roughly half of this total pool of objectives agreed with you.

  As the manager you have only the task of checking whether the objectives contributed by the employees follow the corporate strategy. In fact, this process will be greatly facilitated if you tell the employees the corporate (or departmental) strategy beforehand. It is safe to assume that the objectives proposed by the employees are in line with their motive profiles.

  At this point you also have an excellent opportunity to test your hypotheses about employees' motives, by comparing their proposed objectives and the way they are realised with your suppositions.

- Agree both routine and project objectives wherever possible

  By distinguishing between routine objectives and project objectives you have an additional tool for increasing the diversity of agreed objectives.

  Routine objectives are found within the normal duties of the employee. The purpose of such objectives is to make the known workflows more efficient. Routine objectives lead to either an explicit or an implicit improvement in standards. Examples would be reducing the reject rate, increasing the frequency of customer contacts, or improving the way work is organised in a department. The latter illustrates that routine objectives do not necessarily have to be quantitative in nature.

  Project objectives are found outside the normal duties of the employee. The purpose of these objectives is to try out new things. Project objectives lead to innovation. Examples would be preparing for new functions such as leadership or customer contact, presentations at congresses and cross-selling activities. In the latter case it may well be possible to quantify the objective.

At this point, these two types of objective are often hastily categorised and evaluated. However, in my experience in complex leadership situations one should be careful with judgements that have not been thought through. I will briefly look at two "false interpretations" below:

"Project objectives are more motivating than routine objectives."

In many cases this assessment will turn out to be too mechanical, as it depends crucially on the activity profile of the workplace. If the workplace requirements appeal to the employee's motive profile, the routine objectives will (continue to) be highly motivating.

"Project objectives are always more creative, and routine objectives are always more boring."

It is only at first glance that project objectives seem to appeal more to motives such as "confidence in success" or "flexibility", with routine objectives appealing to "self-control" or "compensatory effort". Yet project objectives can also be strongly geared to avoiding risks, for instance: "Please list the objections and stumbling blocks during the introduction of a new folder structure for our intranet", while routine objectives can certainly emphasise flexibility: "Please prepare the analyses for the upcoming annual meetings with the customers now in accordance with the new regulations."

As you can see, supposedly unequivocal attributions are not correct in every case. Many factors have to be taken into consideration – which is a phenomenon of complex situations.

The seventh-of-a-league boots

Taking small steps helps when the realistic planning horizon is coming closer – they help managers and staff members alike to react flexibly to shifting challenges. The modern management term for this is "agility". This refers to an orderly interplay between (ever changing) requirements and the gradual implementation of these requirements through a structured and flexible approach. Instead of seven-league boots that are efficient and suitable in clear and manageable situations, for changing situations one needs seventh-of-a-league boots. They are used to make progress over short periods, one reason being that the next planning session can only follow on the basis of the results and experience of the current step.

In the following description I concentrate on some major principles.[8]

Step	Example
A sales director (SD) formulates a long-term orientation for the sales department to fulfil (sales vision).	The sales vision says: "Increase in the proportion of regular customers, especially in Northern Europe."
At the interface between this level and the rest of the organisation there is a management level that collects the wishes of the staff.	This function resided among the departmental heads within sales (regional mangers, RMs).
Acting in consultation with the SD, this management level translates the wishes into requirements with the following form: "As [role] I would like [need], in order to achieve [purpose]." The requirements should satisfy the INVEST criteria, i.e. should be **I**ndependent, **N**egotiable, **V**aluable, **E**stimable, **S**mall, and **T**estable.	Examples of requirements translated from the divisional management's wishes: 'As the person responsible for results I would like a concept with which our entire sales operation increases its share of regular customers, so that it is better prepared to face market uncertainties.' 'As some one who sticks to the corporate governance rules, I would like to see the interests of the current A and B customers taken into consideration.' 'As a personnel manager, I would like to see more training for employees, so that in the long term we retain customers with our great expertise.'
Also in consultation with the SD, the RMs prioritise the requirements according to the benefit to the SD.	Generally a lot of discussion was necessary here. All the participants wanted most of all to have everything, like little children: 'I want to have an ice cream and go to the zoo and go swimming and have a Coke.' … But that won't work here. So the result was: b before a before c.

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[8] This description is based on the scrum procedure (cf. for example Pichler, R. (2008): Scrum: Agiles Projektmanagement erfolgreich einsetzen. Heidelberg.)

Step	Example
The RMs present the prioritised requirements to their own staff members. The RMs can alter this list of requirements at any time: new priorities, new or changed requirements etc. This is most often a reaction to changes in the SD's wishes.	The employees ask about the requirements: What exactly are the demands of the regular customers? What market uncertainties are to be tackled? What does 'concept' mean? … In response, the RM provided some more specific information, some of it only after checking with the SD, for instance: 'Demands = no dumping prices; use of standard contracts; prioritise agreed deliveries.'
The employees estimate the input needed to fulfil each individual requirement. If they are unsure, or if extensive input is needed, the requirement is specified in more detail after checking with the RM, then divided up, … Without checking with the RM, the employees place as many requirements in their own package of duties as they think they can manage within a foreseeable period (max. four weeks!). The employees decide this on their own, but have to work through the pile of requirements 'starting from the top' (that is, to tackle the top-priority requirement first, then the next one, and so on).	Example for requirement 'b: demands of the regular customers': b1: Collect regular customer demands: 1 week b2: Identify potential needs of new customers: 3 weeks b3: Elaborate the consequences for customer acquisition: 2 weeks … Example for requirement 'a: concept': c1: Analyse the sales situation in Scandinavia: 2 weeks c2: Check transferability of sales activities to Scandinavia: 3 weeks … B1 and b2 were added to the package of tasks for the following max. four weeks.
The employees also autonomously divide up the adopted package of tasks among the available team members as daily packages on a time line. Over the following 1 to 4 weeks the employees work their way through the package of tasks.	The tasks b1 and b2 were distributed among five employees and it was decided who would carry out which analyses, and when.

Step	Example
At the end of the period the employees present the results of their work to the RM. [Go to step 5]	The RM for the northern region re-prioritises the requirements (after consulting with other RMs and the SD) on the basis of the presented concepts and analyses. The long start-up time means that now 'c: training' is top priority. Over the next four weeks (maximum) the employees will therefore work on this.

flow consulting
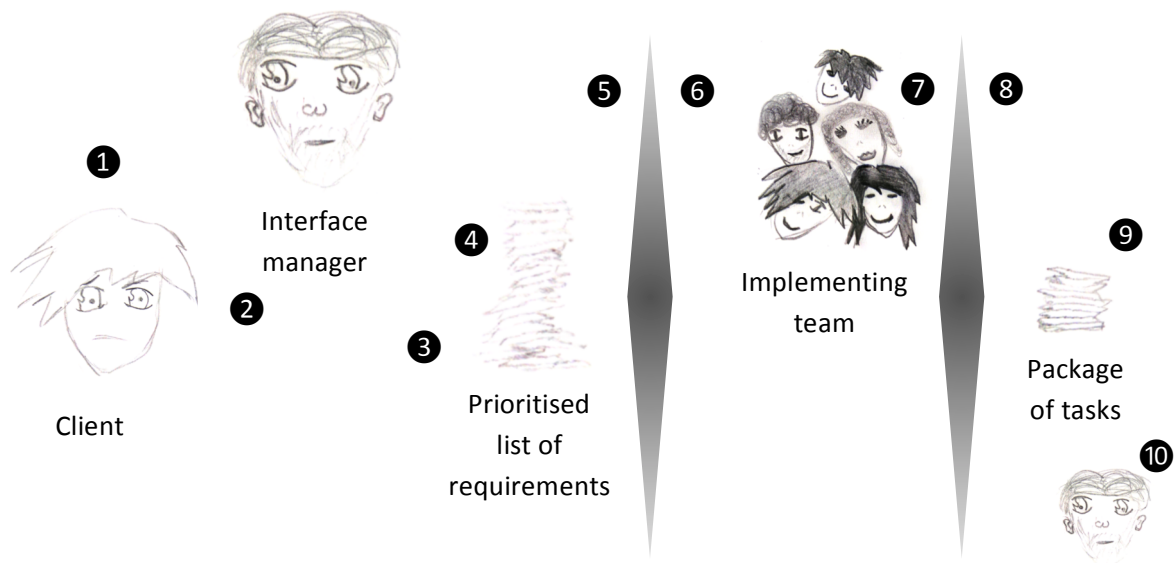
The figures refer to the number of the step in the table.

Basic rules for this procedure:

- The duration of a package of tasks agreed with the RM (1 to 4 weeks) and the content of the package are not changed.

- Changes made to the list of requirements during this period do not (!) influence the work of the employees until the period of max. 4 weeks has passed. During this time the employees' work is isolated from changes.

- The SD has no direct access to the employees, only indirect access via the RM.

- The duration of the processing period for a package of tasks cannot be altered during processing. The exception is that the RM can interrupt the employees' work and re-start the cycle.

The following points characterise the procedure outlined and represent one way of structuring the process step by step:

- The employees work through the package of tasks undisturbed for 1 to 4 weeks, which forms a barrier to external ideas and requests for changes. And here 'external' is interpreted very strictly as meaning external to the employees (not merely external to the organisation).

- The strict division of roles between the RM and the employees represents the separation of the requirements (benefit) from the tasks (input) – this forms a second barrier.

- These two barriers provide a framework for genuine negotiation.

- New or altered requirements only become virulent for the specific work of the employees if an initial result is already available, i.e. the SD can formulate changes to the requirements based on specific practical experience (rather than ideas not rooted in experience).

- Requirements are realised step by step – the very first list of requirements thus becomes far less important. It is not necessary to present a master plan going into every detail; an initial idea of requirements will suffice. Even in the worst case, only four weeks will be wasted.

- The persons involved rely on one another but there is no safety net: the SD relies on the RMs, and the RMs rely on their employees (cf. on confidence/reliability: Hartmann, pp. 177-182).

- Everyone must respect the employees' autonomy, and that means the RM and the employees (and many other people, too).

- The appetite grows with the eating, the saying goes – and with this approach the objective comes with the doing.

In the case of agreements on objectives at the experimental stage, the entire organisation is supposed to see objectives not as future states, but as hypotheses.[9] So objectives are not immutable and reliable dimensions valid for a period of twelve months, but fleeting constructs. Leadership using objectives in a dynamic future means ever more intensively bringing the organisation's objectives and the employee's objectives into a constant process of negotiation.

Final quotation

This sentence [from Antoine de Saint-Exupéry] appears totally innocent:

'If you want to build a ship, don't drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea.'

– Who is yearning? – And who wants the ship? The great (or sly) art of influencing others may be couched in poetic terms, but this does nothing to change the fact that here the 'teacher' has an ulterior motive and is 'tricking' and seducing others to work for him.

The men building the ship come off worst in this story. They have been shamelessly deceived. – And who is going to travel? Those building the ship will probably be penalised by not being allowed to join it. At least, it is left uncertain. – And why go to sea? The destination is not discussed. But also as a role-model for managers ('leading with vision'), the image conjured up by Saint-Exupéry is somewhat equivocal – a closer look reveals that it is cynical at heart. For example, it provides no answer to the obvious question asked by captains of industry: 'Where will I get a sea in a hurry?'"[10]

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[9] Cf: Tötschinger, R. (2010): Zuerst handeln oder zuerst denken? In: Revue für postheroisches Management (06), pp. 76-79.

[10] Sprenger, R. (2000): Mythos Motivation. Frankfurt/M., p. 60.