

# The science behind how executives set goals

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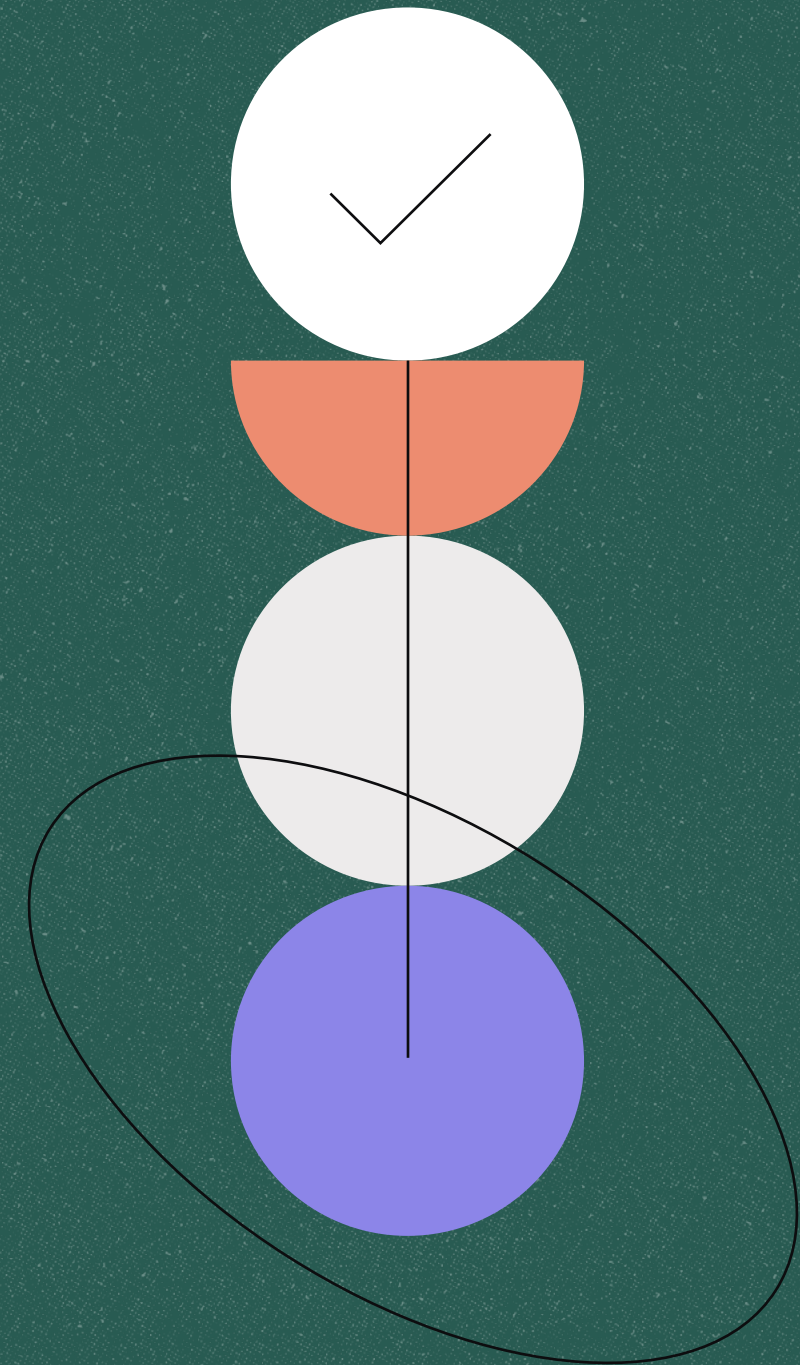
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THE WORK INNOVATION LAB

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# The critical role of goal setting in today's organizations.

Goal setting is key to the success of today's companies. From reaching profitability and beating the competition to improving customer satisfaction scores and hitting sales quotas, goals and OKRs help companies stay on track and focused.

Despite the importance of goals, businesses often fail to achieve their most important strategic goals. According to one study, 90% of executives at companies with annual revenues of \$1 billion fail to reach all their strategic goals because they're difficult to implement.

So how can businesses ensure they consistently hit their strategic goals? A good place to start is to look at how executives set goals—after all, executives are often in the best position to help their companies achieve their most important goals, and are also most often on the hook for doing so.

For businesses to achieve their most lofty, strategic goals, executives need to have processes, structures, and technology to effectively set—and reset—their goals to reach their most pressing challenges. We've spent several months studying how executives set goals—both in high-impact areas like OKRs and lower-visibility goals, such as professional development.

Our research shows that executives set goals differently than others in their organizations. To better achieve company-wide strategic goals, it's critical to understand the unique goal-setting practices of executives.

<sup>1</sup> This research is based on executives' self-reports of their titles and roles.

## Executives set and reset their goals more than others.

As part of our research, we analyzed how executives set goals using Asana, a work management platform and using Sharpist, a data-driven leadership development platform. We examined how executives interacted with Asana's goals and found that executives are more likely to set goals than non-executives. Over the past year, executives have been two-and-a-half times more likely to create a goal in Asana than non-executives. This underscores the critical role executives play in driving the goal-setting process in their organizations.

Executives often need to update their company goals as conditions change. In response to shifting market conditions, new competitive threats, and other internal and external changes, it's critical for executives to be able to reset goals with agility. In fact, we found that executives were two-and-a-half times more likely to update the status of their and their company's goals in Asana than non-executives.

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## Adapting to changing conditions.

Over the past year, executives have not only needed to adjust their company-specific goals in response to constant change, but also their own professional development goals. As part of joint research conducted between The Work Innovation Lab and Sharpist<sup>1</sup>—we analyzed how executives' and non-executives' professional development goals have changed since the beginning of 2022.

We found that, right now, executives are setting more goals related to delegating work than they were at the beginning of 2022. Compared to the first quarter of 2022, executives set 60% more goals related to delegating work in the third quarter.

In contrast, we found that executives are setting fewer goals related to career development (52% fewer in the third quarter as compared to the first). As businesses have needed to focus more on operational efficiency, and short- and medium-term results in response to changing economic conditions, there's less bandwidth for them to devote time and effort to their career development and more need to delegate work to achieve new business goals.

<sup>1</sup> Sharpist is an Asana customer.

## Sharing goals to achieve alignment.

Often, executives set company-level goals and employees don't understand how their individual goals ladder up to these larger initiatives. Research by Asana has found that only about one-quarter (26%) of employees have a very clear understanding of how their work relates to their company's goals, and only 16% say their company is very effective at setting and communicating goals.

To set their organizations up for success, executives must share goals across their organizations and ensure everyone is aligned. Our research found that, over the past year, executives have been three times more likely to share their and their company's goals in Asana compared to non-executives. Because executives are often most removed from the on-the-ground work of employees, systematically sharing goals across the organization is critical for alignment.

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# Executives set different types of goals as compared to others.

We also found that executives prioritize distinct goals compared to other roles. In particular, based on anonymous self-reported Sharpist data, over the past year, the most common type of professional development goal set by executives has been goals related to focus and prioritization. Building and flexing their focus and prioritization skills is important for being able to respond to widespread change and competing priorities.

In contrast, senior managers’ goals focused on leading change and transformation. This could be because these managers are often responsible for implementing executives’ visions and developing the structures and processes that enable their organization to achieve new goals. For new managers, their goals have focused on team building and development, likely because their new position can spark new awareness of opportunities to improve team dynamics and processes. For team members (individual contributors), their goals have focused on career development as they set their sights on rising the ranks in their organizations.

ROLE

TOP PROFESSIONAL DEVELOPMENT FOCUS AREA

C-level / Top Management

Focus and Prioritization

Senior Manager

Leading Change / Transformation

New Manager

Team Building / Development

Team Member

Career Development

# The gap between the professional development goals that executives set and the ones they need most.

Our research also uncovered a gap between the professional goals executives set and the ones most critical for them to achieve. In particular, we found that over the past year, 28% of the professional development goals executives set were focused on leading their organization (such as leading change, crisis management, and strategic planning).

However, during Sharpist’s coaching sessions executives realized that they needed to first work towards goals in other areas before effectively leading their organizations. Mostly, they needed to set goals related to their own inner resilience (topics like self-awareness, self-compassion, and emotion and stress regulation).

	BEFORE EXECUTIVE COACHING SESSIONS	DURING EXECUTIVE COACHING	
Percent of goals related to organizational leadership (e.g., crisis management, strategic planning)	28%	20%	
Percent of goals related to inner resilience (e.g., self-awareness, self-compassion)	9%	18%	

Over the past year, executives have significantly underestimated the need to set professional development goals related to their own inner resilience (e.g., self-awareness and self-compassion).

## Setting goals using a research-backed approach

Effective goal setting is critical for all organizations. But often, organizations and their executives take a narrow view of goals and don't systematically evaluate and update goals as conditions change. Our research shows that executives interact with their company's goals with more frequency and also in more advanced ways than others in their organizations. It also shows that the goals executives set—OKRs as well as professional development goals—are in constant flux. By understanding the science of how executives set goals and developing enabling processes, organizations can better position themselves to achieve their most important, strategic goals.

### About The Work Innovation Lab

The Work Innovation Lab is a think tank by Asana that develops human-centric, cutting-edge research to help businesses evolve today to meet the growing changes and challenges of the future of work.

### About Sharpist

Sharpist is a digital coaching platform with the mission to drive the growth of organizations and their people through 1:1 digital coaching and personalized learning journeys. Customized leadership development journeys are supported by Sharpist's mobile platform and network of 1,000+ certified international leadership coaches.