

Leadership, Goal Setting and Google

One of the key tasks of a leader is to be clear about purpose and no better way to shine a light on this than to set ambitious goals for the team. It is quite commonplace to set one, two or three year goals.

It was recently reported that, against conventional wisdom, the Google goal setting process happens in a 90-day cycle. One senior team leader is quoted as saying,

“Every quarter every group at Google sets goals, called Objectives and Key Results (OKRs), *for the next 90 days*. Most big companies set annual goals like improving or growing something by x%, and then measure performance once a year.

At Google a year is like a decade.

Annual goals aren't good enough. Set quarterly goals, set them at impossible levels, and then figure out how to achieve them. Measure progress every quarter and reward outstanding achievement.”

Here are some reported observations and insights of experience with the goal-setting process at Google:-

- One report suggests that Google likes to set stretch goals that seem impossible to fully achieve. You might say, “This is just a 90 day window and we can predict with reasonable accuracy what is achievable. Why set unrealistic goals?” Because you can't achieve amazing results by setting modest targets. They want amazing results.
- Google's culture seems to follow the Thomas Edison approach, which paraphrased as “I haven't failed, I've just found lots of approaches that don't work, and I am closer to the solution”. Failure is not an option only in the sense that it means trying 5 or 10 or 20 approaches until you find one that works.
- Achieving 65% of the impossible is better than 100% of the ordinary. Setting impossible goals and achieving part of them sets you on a completely different path than the safe route. Sometimes you can achieve the impossible in a quarter, but even when you don't, you are on a fast track to achieving it soon. Measuring success every quarter allows for mid course corrections and setting higher goals for the next quarter.
- The rewards for achieving the impossible are significant. As you might expect there is an algorithm for calculating engineering bonuses with various multipliers. Google attracts the best people in the industry for many reasons. Perhaps the most important factor in this is their willingness to give people the resources and support they need to achieve the impossible. Financial rewards are significant, but they are not the primary motivator. Working with the best people in the world and achieving greatness is the ultimate reward.

This continual striving for breakthrough innovation, by setting “Big Hairy Audacious Goals” (BHAGs) and clearly defined objectives is working for Google. A lesson for us all is to take this goal-setting process seriously enough to commit the necessary time and resources to defining a limited set of clear outcomes and committing the necessary resources to ensure they are achieved.