ASSESSING SALES TRAINING EFFECTIVENESS: WHY GOAL SETTING STRATEGY MATTERS

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ABSTRACT

Research on goal setting is one of the most researched areas in the management literature. Studies show that setting specific and challenging goals can improve employee performance. This study investigates the role of goal setting strategy in assessing sales training effectiveness. Three years of goal setting data collected at the end of a sales training program are analyzed using a content analysis. The analysis illustrates how goal setting strategy used in formulating 30 day goals impacts goal attainment as an assessment of sales training effectiveness. Vague goal setting was predominantly used in the sample, which prevents measures and metrics to be used to assess goal attainment, even though participants used action words to describe their goals. Therefore, trainers should educate and encourage S.M.A.R.T. (Specific, Measureable, Assignable, Realistic, Time-based) *goal setting to support goal attainment and aid in the assessment of sales training effectiveness.*

Keywords: Sales, sales training, goal development, sales performance, S.M.A.R.T. goals, goal setting

INTRODUCTION

Research on setting specific goals has found that there is a strong, linear correlation between the difficulty of the goal and individual performance (Locke et al. 1990). Sales training is required to realize performance and develop a sales force that can achieve and maintain a sustainable competitive advantage (Trokey, 2015). In fact, billions of dollars are spent annually to achieve training quality and performance improvement (Training, 2014).

Given such a large investment in training programs throughout the United States and internationally, there is value in assessing sales training effectiveness from an organizational strategy perspective. Unfortunately, many training initiatives are not successful because they fail to connect the skills obtained with the goals that align with that training (Rodriguez, and Boyer 2016).

This study investigates the role of goal setting strategy in assessing sales training effectiveness.

LITERATURE REVIEW

Assessing Training Effectiveness

Sales training is an important tool for organizations to both develop their professionals and increase sales performance (Boehle, 2010; Rodriguez and Boyer 2016). The literature on sales training and assessment is filled with acronyms such as GROW (goals, reality, options, will) and GAINS (goal, assessment, ideas, next steps, support) or based on performance outcomes such as increases in sales in a product category, a region over a time period, or within a team. Often sales training programs use a self-reporting measure to assess training effectiveness given how much an employee liked the training or how relevant a manager thought it was. Overwhelmingly, the outcome is very poor when it comes to assessment of sales training, yet companies spend billions on it each year (Vazzana and Jordan, 2013).

Often employees are motivated and enthusiastic during or directly after training, especially when the trainers and speakers are engaging and relevant. However within a month, or even weeks, employees are back to the status quo. The problem may not be in the training, but how that training is crafted to create sustainable behaviors that will last using a goal formation strategy (Butler, 1992). Effective assessment of sales training should investigate goal performance and goal outcomes based on learning objectives from the training.

Goal Setting

The goal setting literature is rich with paradigms and examples of goal setting strategy and staying on task to achieve goal performance. Proponents of goal setting advocate that for goals to be successful, they should be specific and challenging (Locke and Latham, 2006). A popular goal setting strategy used today, which has received attention in the practitioner sector, is S.M.A.R.T. (Specific, Measureable, Assignable, Realistic, Time-based) goal formation (Doran, 1981).

S.M.A.R.T. Goals

The S.M.A.R.T. goal formation strategy assists individuals in setting goals that are easy to understand and assess when they have been completed (Doran, 1981). Based on this strategy, individuals should set goals based on the following criteria:

Setting goals using the S.M.A.R.T format is an effective way to assess goal performance related to sales training because goals are specific, measureable, assignable, realistic and time-based. Therefore, there is a basis to assess whether the goal is achieved given these components. It is not a secret that goals improve performance (Houlihan 2014). However, all too often, employees skip using a goal formation strategy and set vague or unrealistic goals that are impossible to assess or achieve. Schneider (2007) suggests vague goal attainment can still add to the performance of the firm. Additionally, research on the dark side of goal setting suggests vague goal setting leads to less ethical behavior than specific goal setting (Niven and Healy, 2016), which suggests vague goal setting could in certain cases be beneficial to the firm if unethical behavior is a concern.

Table 1
S.M.A.R.T Goal Criteria, Definition and Examples

Criteria	**Definition**	**Example**
Specific	Target a specific area for improvement	I will improve my *call success rate* for a second meeting by 5% from June to July.
Measurable	Quantify an indicator of progress	I will improve my call success rate for a second meeting *by 5%* from June to July.
Assignable	Specify who is involved	*I will* improve my call success rate for a second meeting by 5% from June to July.
Realistic	State what results can realistically be achieved with the resources on hand	*I will improve my call success rate for a second meeting by 5% from June to July.*
Time-based	Specify when the result can be achieved	I will improve my call success rate for a second meeting by 5% from June to July.

In addition, organizations occasionally set goals for employees, which is more effective than not setting goals, but not as effective as allowing employees to set their own goals (Houlihan, 2014). For example, employees in non-boundary-spanning positions such as accounting or IT often have a pre-set goal formation instituted by the organization based on meeting launch dates for software updates, response time for customers, or achieving quality standards in reporting during a specific time frame. In these cases, institutionally set goals are not as meaningful to employees and result in lower goal achievement than goals set by employees because the locus of control of goal formation is in the hands of management rather than the employees. Therefore, it is more effective to allow employees to set their own goals (Houlihan, 2014). This research seeks to investigate the relationship between goal formation specificity and goal outcomes when goals are set by the individual for him or herself.

THEORY

Management by objectives (MBO) is the foundation of S.M.A.R.T goal formation and relies on participative goal setting, which is completed by setting clear objectives that are agreed upon and understood by both employees and management so that everyone knows what they need to do to achieve goals (Drucker, 1954). In this way, when employees set their own goals as they relate to organizational goals, they are more likely to fulfill their responsibilities, especially when the personal goals of each employee are fulfilled.

This paradigm of thought on goal setting relies on employee empowerment through changing the locus of control of goal setting from the employer to the employee, which provides a sense of ownership of the goal to the employee. In addition, clarity of goals provides a path for employees to strive for goal attainment and to assess whether they are on track to goal attainment, or have achieved goal attainment. This research seeks to understand the link between goal specificity and goal attainment. Therefore, according to the underlying principle of MBO, the following proposition is proposed:

H1: Goal specificity enhances the ability to assess whether the goal had been achieved or not

METHODOLOGY

Participants in the study were six classes of managers and salespeople in a fortune 500 financial services firm who went through a two-and-a-half day sales training workshop hosted by the researchers who were the sales trainers. At the end of the workshop, trainers asked participants to set 30-day goals to work on after the workshop. Specific guidelines on goal formation were not provided during the training. Employees were contacted 30 days after the workshop to get coaching on their performance and to assess whether goals were achieved. Achievement of goals was expected to be a good predictor of sales training, so long as goals were related to the sales training workshop.

The study included a total number of 120 participants and the goals per participant ranged from one to six, with a total of 493 goals. Experience ranged from 2-25 years of sales experience and the average tenure in the organization was 7 years. The sample is 80% male, 85% Caucasian, and individuals in the training were working from diverse locations across the U.S. Participant 30- day goal formation were collected at the end of each training session, scanned in and emailed back to each participant. Scanned goal formation sheets were entered into a database according to the sales training class and the individual. Each goal was coded on content, S.M.A.R.T goal formation, and whether it was possible to assess whether the goal was completed or not.

In order to assess whether goals were created using the S.M.A.R.T. goals formation, the following system was used:

- ☐ Specific: goals target a specific area for improvement, *what* skill the employee wants to improve
- ☐ Measureable: goals provide context to quantify an indicator of progress: *how much, how many*
- ☐ Assignable: goals specify *who* is involved
- ☐ Realistic: goals are attainable and *achievable* given the resources, knowledge of the participant, and time frame, in other words, goal states what realistically can be achieved with the resources on hand.
- ☐ Time-based: goals provide a time line and specify *when* the result can be achieved.

Each goal was assessed on whether it met each of the individual criteria in the S.M.A.R.T. formation and whether it was possible to report achieving or not achieving the goal. A content analysis was conducted identifying the total number of S.M.A.R.T. goals and the most popular areas of goal formation based on the sample.

RESULTS

Vague goal formation, goals that were not categorized as S.M.A.R.T., resulted in unattainable on-goal outcomes because of the difficulty in identifying if goal behavior was on track or had been accomplished. Table 2 illustrates the number of goals that were possible to assess whether the goal had been achieved and those that were not possible to assess with their relevant rating of smartness, whether the goal was a S.M.A.R.T. goal or not.

Table 2
S.M.A.R.T Goal and Goal Assessment Categorization

CRITERIA		S.M.A.R.T. GOAL		
		NOT S.M.A.R.T.	**S.M.A.R.T.**	**TOTAL**
GOAL ATTAINMENT	NOT POSSIBLE TO ASSESS	281	18	299
	POSSIBLE TO ASSESS	127	67	194
	TOTAL	408	85	493

A chi squared test for independence shows a significant difference among the constructs, see Table 3. Of the goals that were not considered S.M.A.R.T., only about 31% could be assessed to determine whether they were attained, while 70% could not be assessed. Of the goals that were S.M.A.R.T., roughly 21% could not be assessed while 79% could be assessed. Therefore, S.M.A.R.T. goals are more likely to be assessable for completeness, while it is less likely for non S.M.A.R.T. goals to be attained because it is unlikely possible to assess them. This supports the hypothesis above in that goal specificity enhances the ability to assess *whether the goal had been achieved or not.*

Table 3
Chi Square Test for 2X2 Table of S.M.A.R.T Goal and Goal Assessment

	Value	**Df**	**Asymp.Sig. (2 sided)**
Pearson Chi-Square	67.053	1	.000

For insight into priorities for individuals within the company around goal formation, the content analysis of goals highlights challenge areas that individuals would like to improve. The results show that the most common themes were focused on areas of the sales process. The top areas were: asking questions (1.63%), communication (1.46%), increasing activities (1.31%), and objections (1.04%) (handling client concerns), when assessing total words used in goal formation. Next, goals were categorized on common themes and calculated per goal. Based on this analysis, participants focused on goals in the following manner: Process (19%), Account Planning (18.5%), Forming Habits (11%), Training (9%), Time Management (7%), Communication skills (7%), Health (6%), Engaging Others (4%), and 10 % of the goals were not categorized given the goal used specific terminology related to the industry such as "spotlight visualizing" or "E & E issues". Many terms focused on a call to action within sales such as call, act, organize, and plan. Though the 30-day activities were proactive in nature, many did not fall under the definition of S.M.A.R.T goal development.

For example, only 2.61% of all terms across the 120 participants provided some type of measurement, i.e. increase activities by 10 meetings or calls, which would fall under being specific and measureable. There were mentions of frequency of goals (daily, weekly and monthly), but this only accounted for 2.09% of total terms, which means the element of having "time based" goals were missing as well.

DISCUSSION AND MANAGERIAL RECOMMENDATIONS

The data illustrates that it is less likely for employees to set goals they can be held accountable for if they aren't using the S.M.A.R.T. method, where employees using S.M.A.R.T. can more easily be assessed. Employees setting goals using the S.M.A.R.T. goal formation strategies were significantly more likely to be able to report fulfilling or not fulfilling their goals during a 30-day follow-up meeting with a sales trainer because it is more likely to be able to assess completion of a S.M.A.R.T goal than a goal that is not formulated using this method, given the data. Because of this, sales trainers should educate employees on goal formation using S.M.A.R.T. goal formation and encourage employees to use this strategy when setting goals in order to better assess sales training effectiveness.

Trainees were called 30 days after the training to assess goal performance. A subset of this data was reported in the later training sessions. Based on these conversations, when employees reported not achieving goals, it was likely due to poor goal formation rather than a result of the effectiveness of sales training, given that the group using a S.M.A.R.T. formation reported more success in goal attainment after 30 days. The challenge for participants was that goals were so vague, it was not possible to assess whether the goal had been obtained. Many conversations about goal attainment were vague and employees were unable to report with certainty whether they achieved goals when goals were set without the S.M.A.R.T. formula.

Although S.M.A.R.T. goal formation is not perfect, as it under-emphasizes the impact the environment has and the context in which the goals are set. In this case, family emergencies, health, unexpected increase in work demands, or asking employees to set quality goals at the end of a multiple day workshop may have impacted their goal setting and goal achievement. It may be helpful to encourage employees to overcome this by visualizing themselves attaining the goals and the criteria under each S.M.A.R.T. goal just as an athlete would envision successfully hitting a ball with a bat, catching a football, hurling a javelin, or clearing a hurdle (Kemp, 2010).

Additionally, the organization should support each employee so that a manager and employee can agree the personal goals set by the employee align with the organizational goals. For instance, a sales rep can set a goal to make one protein shake every morning by 6:30 a.m. in the month of June. This goal meets the S.M.A.R.T. standards but lacks relevance to the organizational goals. Relevant goals drive the organization forward starting with the individual and then the team. Goals that support the alignment of the individual, the team, and the organization are considered relevant and acquire the support needed to accomplish them, often in the form of a champion, assistance during tough times, help removing obstacles, or important resources (Meyer, 2003). Before setting a goal at the individual level, ensure it is worthwhile, you are the right person for the job, it is applicable to the environment, it aligns with other efforts or organizational needs, and that the timing is right.

LIMITATIONS

Although the research makes strides toward understanding accountability and goal setting, there were limitations to the study and data collection means. First, the study spanned multiple years with multiple trainers and individuals at various levels of tenure, experience and managerial responsibility at the firm, which adds variability to the data set. In addition, coding presented some obstacles since only a subset of the goals were reliably reported as complete, so it was not possible to accurately assess goal performance based on the S.M.A.R.T. goal formation. In addition, the goals were so vague, that most goals didn't categorize as S.M.A.R.T. so the data set was skewed toward non S.M.A.R.T. goals. There was no assessment of previous goal setting training for employees. Goals were set toward the end of the workshop, so employees may have put less time into setting their goals. Additionally, trainers, not managers were involved in assessing goals performance; therefore, employees may not have been as serious about goals since incentives for goal attainment were not tied in.

FUTURE RESEARCH

Additional research is needed to help organizations learn to keep employees accountable for goals and to get more out of their training dollars and time spent. Future research should assess multiple strategies and evaluate the relevant goal attainment and success levels. Employees can be provided training on strategy to see how this impacts goal formation. Coaching can be utilized for employees during goal setting to improve goals so they fit strategy and assess the impact on goal attainment and performance through an experiment. To make training more real world relevant, employers should have goal attainment tied in to incentives to assess the relevant impact. Training should be provided to managers to learn to support employees in achieving their goals to see the relevant impact supervisor support has on goal performance.

CONCLUSION

The analysis of three years of 30-day goals from employees in a fortune 500 company illustrates the importance of using a goal setting strategy in order to assess sales training effectiveness. Vague goal setting prevents employees, managers and supervisors from assessing goal attainment, while S.M.A.R.T. goal setting enables goal assessment for sales training effectiveness.

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