

# MILESTONES MATTER: THE CELEBRATION THAT ADDS VALUE BEYOND THE BOTTOM LINE

- ▲ Efficacy, a Reflection of Beliefs, Control Behaviors thus Determining Performance
- ▲ Organizations Need to Invest in Growing Member Efficacy
- ▲ Milestones Provide Important Inflection Points in the Effort to Build Efficacy



Organizations with constructive cultures celebrate milestones.

**Here's why: Doing so drives better performance.**

## Efficacy

Henry Ford, the great American inventor and automaker, once observed, **“Whether you believe you can or you can’t, you’re probably right.”** Although he didn’t know it at the time, he was referring to the concept of efficacy. Normally used in describing how well a medical treatment or a course of pharmaceuticals is working, the term took on new meaning when Professor Albert Bandura of Stanford University used it to describe a person’s belief in their ability to bring about or cause something to occur. He went further to suggest that people do not necessarily operate at their level of capacity, but at their level of belief about their capacity. It follows then, that people tend to self-regulate their performance at their belief level.

When people act, performing a task at work, for example, they will tend to behave in accordance with their belief about their ability in that specific function. **We hear it all the time, “Oh, I’m not particularly good at sales,” or “I just don’t do well with new apps on my phone.” Consequently, when they see themselves perform the task, they will evaluate their performance based on their assessment of their efficacy immediately following the action.**

If they perform to their expectation, they will say to themselves, “Yes, that’s like me to do it that way.” They offer themselves that thought to confirm their self-appraisal, thus reinforcing their belief in their level of efficacy. It’s a very virtuous, complete cycle; it serves to confirm their belief in the type of performance they anticipate from themselves. Conversely, if instead they perform more poorly than they expect, their self-assessment of that specific act sounds more like, “No, that’s NOT like me!” Once again, by offering this thought to measure against their established belief system, they subconsciously set about correcting for the “mistake” of underperforming. In the case of poor performance, this kind of self-regulation can also be a virtuous cycle. The problem is that this type of correction also occurs when we perform better than we expect. When that happens, we set about correcting in the other direction so that we once again find ourselves snugly cosseted within our zone of expectation. Compounding this problem is a tendency most people possess, says Professor Bandura, in which they pass too quickly through their successes and dwell too long on their missteps. Thus, any improvement in performance that might influence our beliefs gets less weight in our minds than our shortcomings.



## Spiraling to Higher Performance

There is a way out of this performance “Goldilocks Effect.” Organizations must strive to help build the efficacy of their people. **When they succeed, members raise their own expectations to a higher level. It follows, then, that if leaders want to see better performance, they must go about building that higher sense of belief in the members’ improved individual capacity.** An important component of this is setting clear, challenging and achievable objectives for people to strive toward. Because the objectives are achievable, they can be measured. In the case of annual turnover, progress can be measured weekly, monthly and quarterly. Project implementation, progress in innovation, profitability and efficiency: all of these can likewise be quantified.

Just as we can quantify goals, we can also foresee key achievement points along the way to the target. In the attainment of a milestone, organizations provide themselves with the opportunity to celebrate movement toward the objective. Acts of recognition energize the self-talk assessment cycle referred to earlier and provides leaders an opportunity to emphasize that it is “like us” to attain and visualize these tiers of success. Acceptance of this thought offered by the leaders provides the members a chance to sanction it and begin to build and, with repetition, reinforce the collective efficacy of the members of the organization, thus raising their appraisal and belief in what they can accomplish. As this cycle continues, it reduces underperformance and stretches the capacity of the members of the organization. Stretching capacity makes the previously “unrealistic” come within reach.

## The Shape of Water

What should these celebrations look like? They can be big or small, appropriate to the moment. Avoid generalities. They should be specific and inclusive. While it can be ok to recognize one or two individuals, most organizations require levels of teamwork to function well. Even a concert soloist needs the orchestra to underpin the work that is most visible.

Milestones, then, are a way of confirming and elevating our capacity and our efficacy. They are a way of energizing the members to perform at the level of their potential by “catching them doing things well.” **The Gallup organization performed a nationwide assessment of worker engagement in the U.S. Their results revealed that those workers who believe that the work they perform matters are substantially more engaged and productive than those who are unclear about their impact.** According to Gallup, only 3 in 10 employees working in the U.S. strongly agreed that in the last six months someone had talked to them about their progress. By moving that ratio to 6 in 10 employees, organizations could realize 34% fewer safety incidents, 26% less absenteeism and 11% higher profit.

Milestones matter. Affirming and strengthening an organization’s sense of internal value strongly enhances a constructive culture. Armed with this confident sense of efficacy enables the members to exercise their tremendous external competitive advantage in today’s marketplace.

