

NANO TOOLS FOR LEADERS®

IT'S NOT YOU—IT'S YOUR GOALS: KNOWING WHEN TO QUIT

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes—with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

THE GOAL

Improve your decisions by setting more agile goals.

NANO TOOL

Professional poker players know that continuing to play until they win—however they define that win—is often a losing strategy. Expert players abandon about 80 percent of their hands in the popular variant of Texas Hold'em, for example, while amateurs stick with their starting cards over half the time. Expertise and experience help the pros make a more rational decision once they see the kind of red flag that indicates it's time to fold. In fact, so-called “optimal quitting” might be the most important skill separating great players from amateurs: without the option to abandon a hand, poker would not be a game of skill.

How can we become more like those professional players when it comes to decisions like when to sell an investment, abandon an innovation, or let an under performing worker go? It turns out one of our most formidable obstacles is the goals we set, and how we set them. To start, the mere fact of having a goal can cause “escalation of commitment,” where you end up sticking with it even though it's no longer the best way to achieve your desired outcome.

It can be even harder to let go of a goal today because grit, the ability to stick with hard-but-worthy things, is celebrated, while quitting is stigmatized. Consider that when all signs point to the futility of our efforts, and we refuse to quit, grit becomes folly. The following three Action Steps can help you make—and keep—the option of quitting a viable one, paying careful attention and recognizing those red flags that professional poker players are so good at spotting.

ACTION STEPS

Goals often work, but they can sometimes cause us to over commit, ignoring clear signs that the goal is no longer worth pursuing. To set goals that have a much better chance of getting you where you want to go, faster, try these three techniques:

- 1. Set intervals to rerun the cost-benefit analysis of your goal.** After we set a goal, it becomes a fixed object, and it remains that way even as all the inputs that led to choosing that goal evolve. The conditions in the world change. Our knowledge changes. The weights we attach to the benefits and costs change. Our preferences and values change. To achieve the things we want to achieve, we have to be responsive to those changes, which means setting specific times to reevaluate. When you set a goal, also set specific intervals for rerunning the cost-benefit analysis. Knowing what you know at the new point in time, is it still worth pursuing the goal, or should it be modified or abandoned based on the current situation?



- 2. Add “kill criteria” to your goal.** Poker players often apply “unlesses,” including continuing to play unless they’ve lost a certain amount of money; unless new players join the game who are significantly better than the ones who’ve left; unless they’ve played a certain number of hours; or unless they’re feeling emotional, sick, or tired. When you set a goal, create a list of kill criteria that give you the out you need to be more rational about when it’s the right time to walk away. Examples include “I’m going to keep developing this product unless I fail to hit these benchmarks within the next two months,” and “I’m going to pursue this lead unless I can’t get an executive in the room.”
- 3. Acknowledge incremental progress.** Flip the “pass/fail” script and stop measuring yourself solely by how far you are from the finish line. Incremental progress could be learning a valuable lesson or hitting a specific benchmark—important details that matter even if the original goal is determined not to be worth meeting. This step is especially important for leaders who evaluate people solely on whether they have achieved a goal; sending the message that you only reward getting across the finish line—at all costs—means your people will be unwilling to quit even when the situation clearly warrants it.

HOW LEADERS USE IT

McKinsey describes a technology company that used a “premortem” to think through the potential reasons a new advanced-analytics system for an aviation program they were designing might fail. After each team member shared their ideas, they discussed what could be done to mitigate the potential issues. It became clear what to look for as the project moved forward and which issues might prove too formidable to overcome. In other words, they both clarified their “kill criteria” and created a plan for overcoming other obstacles.

Whitney Johnson, CEO of Disruption Advisors, a tech-enabled talent-development company, advises celebrating early victories, no matter how small, making them meaningful rather than grandiose. Ideas include sharing a snack or meal with colleagues or simply looking in the mirror and saying, “victory.” She notes that these celebrations are “high-octane fuel for further achievement.”

CONTRIBUTOR TO THIS NANO TOOL

Annie Duke, corporate consultant, cofounder of The Alliance for Decision Education, former professional poker player, and best-selling author. This Nano Tool is based on *Quit: The Power of Knowing When to Walk Away* (Portfolio/Penguin, 2022). Duke teaches in the Wharton Executive Education program [Effective Decision Making: Thinking Critically and Rationally](#).

ABOUT NANO TOOLS

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, director of Custom Programs at Wharton Executive Education. *Nano Tools for Leaders*® is a collaboration between joint sponsors Wharton Executive Education and Wharton’s Center for Leadership and Change Management. This collaboration is led by Professors Michael Useem and John Paul MacDuffie.