



# GETTING PERFORMANCE WITHOUT PERFORMANCE MANAGEMENT

Grassroots  
Hackathon Report

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## FOREWORD



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As the Management Innovation eXchange (MIX) community has grown over the past few years, we've been thrilled to see some of our community members take a leadership role in extending the conversation about reinventing management to the areas most personally relevant to them.

A few months ago, past M-Prize winner Bjarte Bogsnes of Statoil developed a hack for the MIX entitled The End of Performance Management (As We Know It). In this hack, Bjarte suggested that the idea of managing performance was itself incompatible with the 21st century notion of reinventing management that we discuss every day on the MIX.

Bjarte's conclusion was that performance management itself needed to be reinvented and renamed for a new age. His hack became one of our more popular community-generated contributions, featuring a lengthy comment discussion and broad distribution via social media.

Based on the popularity of his hack, we asked Bjarte if he would be willing to take things a few steps further and lead a short hackathon (we decided to call it a "grassroots hackathon") based on his original concept. The idea behind this hackathon was to develop a new vision of a performance management replacement that would resonant more in a Management 2.0 world.

Over the course of a month beginning in October of 2012, almost 70 people from around the world took part in a discussion about the future of performance management, contributing their ideas and suggesting names for what might replace it. Over the following pages, we've captured the results of their experience.

## INTRODUCTION

In a recent hack on the MIX, I challenged not only performance management practices, but also the label itself. Accidentally or by design, I believe the phrase performance management sends a negative message. What do employees hear in this phrase?

**“If we want good performance, we must manage you.”**

Competent and intelligent employees want to be led, not managed. The job of managers should be to create the conditions that allow great performance to take place. This usually means they should lead more and manage less.

This is one reason to reconsider the performance management label and the thinking behind it. Another reason is our decreasing ability to effectively manage performance in an unpredictable and rapidly changing business world.

With growing geo-political and financial instability and businesses and opportunities appearing and disappearing at Internet speed, there often isn't time to wait for traditional management to tell us what to do. Even if people were machines, the future would still be less manageable than ever.

During this grassroots hackathon, we asked participants to take on the challenge:

**How we can get great performance without performance management?**

More specifically, we asked them to come up with a name for their new model—a label to replace the term “performance management.” We then asked them to share the top defining features of this new model and tell us how it differs from traditional performance management.

By the end of our month together, we came up with a large number of suggested replacement labels and we developed many great ideas and uncovered some clear themes that I'm happy to have the opportunity to share with you.



**By Bjarte Bogsnes**  
Vice President, Performance  
Management Development  
at Statoil

## A NEW DEFINITION OF PERFORMANCE MANAGEMENT

Each person's definition of performance management may differ based on his or her role in an organization and past experiences. Even Wikipedia defines it with very broad brushstrokes:

- "Activities which ensure that goals are consistently being met in an effective and efficient manner."
- "A process by which organizations align their resources, systems, and employees to strategic objectives and priorities."
- "A technology (i.e. science imbedded in applications methods) for managing both behavior and results."
- "Monitoring and measurement of relevant performance metrics."

These rather cold definitions all tilt towards the business or organizational dimensions of performance management, explaining how to translate strategies, set targets, allocate resources, and monitor, evaluate, and reward performance.

In our hackathon, many contributors touched upon these things directly or indirectly, but the majority of contributors focused more on important individual and human aspects—on what really ignites, inspires, and unlocks the performance potential of the 21st century employee.

While any new definition of performance management would need to address both business and human aspects, we believe a more human approach is the key to understanding how to adapt performance management for a Management 2.0 world.



## KEY THEMES

During the hackathon, many of the contributors shared common themes regarding what needed to replace performance management to make us more effective in inspiring performance in our organizations.

Some of these themes were new takes on current performance management characteristics [e.g. forecasting, goal setting, rewards and incentives, performance measurement, and resource allocation]. But there were several themes that appeared over and over in contributions that we found especially significant. These themes are closely aligned with some of the larger trends we've seen in the stories and hacks on the MIX about how management is being and could be reinvented.

Here are the themes that stood out. We think any strategy to replace performance management should take these into account.

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**A DEEP COMMITMENT  
TO PURPOSE**

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**A MORE AUTONOMOUS  
WORKFORCE**

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**AN OPEN,  
COLLABORATIVE  
CULTURE**

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**AN ONGOING, ITERATIVE  
APPROACH TO DIALOGUE  
AND FEEDBACK**

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**A DESIRE TO BUILD  
CAPABILITIES**

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**A SELF-REGULATING  
SYSTEM**

# A DEEP COMMITMENT TO PURPOSE

“Purpose is fundamentally different from goals/KPIs; it connects us emotionally. The objective is to get both clarity and meaningfulness. When you have clear and meaningful purpose, you can also ask “why is that important to you?”—connecting to the individual’s sense of purpose.”

- Fiona Gifford  
Hackathon Contributor

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To inspire performance rather than manage performance, we must give people something they can believe in.

Most companies strive to maximize shareholder wealth—a goal that is inadequate in many respects. As an emotional catalyst, wealth maximization lacks the power to fully mobilize human energies. Individuals need a compelling answer to the question, “What’s worth my life?” and organizations must offer a compelling case for why what they do matters—an original and persuasive blueprint for where their industry could and should be going if they want to inspire people to higher levels of performance. A deep commitment to a core purpose inspires passion for the work, and passion is a significant multiplier of human effort.

But a shared purpose also serves another role within organizations that is just as important—it ensures people are aligned around a common vision of the future. When everyone within an organization not only understands and is passionate about where the organization is going, but can also see their role and the role of those around them in achieving this core purpose, the performance of the entire organization will soar.



# A MORE AUTONOMOUS WORKFORCE

“Managers should not tell their employees what they have to do; instead, employees should know by themselves what they need to achieve. Instead of wasting time elaborating complex procedures to explain how things should be done, when, and for how long, employees should be entitled and expected to manifest openly their individual and specific undertakings to achieve the business goals.”

- Salvador Pastor  
Hackathon Contributor

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In 21st-century organizations, getting great performance often means relinquishing control to the people who know best what needs to be done.

Too many people in organizations feel powerless to initiate change. Rigid policy guidelines, tight spending limits, and a lack of self-directed time limit individual autonomy and undermine the organization's capacity to renew itself.

In many cases, performance management processes and procedures enhance this feeling of helplessness. Goals and metrics are delivered from the top down and employees have little say in the how to direct their own work.

Any replacement for performance management will place a greater emphasis on employee autonomy, giving employees greater control over how to direct their own work. Responsibility for managing performance should become a bottoms-up activity rather than a top-down one, and ensuring that employees feel more accountable for their own success.

# AN OPEN, COLLABORATIVE CULTURE

“The Collaborative Goals model is one in which all employees work together to define goals and the sub-goals needed to accomplish them. Most importantly, these goals would not, and should not be defined by teams or individuals—any and all employees are welcome to contribute to the work to make the goal succeed—no matter their position or supposed job function.”

- David Mason  
Hackathon Contributor

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To inspire great performance, people on the front lines should be as well informed as those in the executive suite, and they should openly work together to jointly pursue goals.

Most organizations control information in order to control people. Yet, increasingly, value is created when employees have the information and the permission to do the right thing for the organization at the right moment. Information transparency doesn't just produce happy employees, it's a key ingredient in building resilience. Performance suffers when employees lack the freedom to act quickly and the data to act intelligently.

Openness shouldn't just apply to data, it should inspire how people work together to drive performance. Organizations that develop goals collaboratively and then work toward those goals collaboratively can take advantage of the power of collective action; we can do more by working together than any of us can do alone.

# AN ONGOING, ITERATIVE APPROACH TO DIALOGUE AND FEEDBACK

“What we want to see evolve in organizations is an environment in which people want to talk about performance in a mutually supportive and candid manner. These conversations are not limited to “How many widgets” have been made but are much more holistic about what has been done, how it has been done, the impact made to the organization’s purpose and reason for existing. These conversations about performance are looked forward to rather than time spent finding an excuse not to conduct them. Without involving people in setting the future course of the organization, you gain compliant passengers rather than active co-drivers and navigators.”

- David Physick  
Hackathon Contributor

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Performance must be more than a once-a-year conversation.

Great ongoing performance is more likely when it is always top of mind. Managers and employees must have a dialogue that enables real-time adjustments reflecting what is happening on the ground. Regular feedback from this conversation ensures that strategies for reaching the organization’s goals are always current and relevant.

But what makes this regular dialogue even more important is that it creates an atmosphere of continuous improvement. Managers will always be thinking about what they can do to make employees even more effective. Employees will be thinking about what they need to ensure they and their teams are performing as well as possible.

## A DESIRE TO BUILD CAPABILITIES

“The conventional model of performance management puts too much emphasis on the performance indicators and not enough on the performer. It also assumes that performance is simply a matter of doing the right things: follow the formula and you will get the desired results. By shifting focus to the performer [we can] turn the problem on its head: from ‘what are you (the performer) doing wrong?’ to ‘what can I (the coach) do to help you perform better?’”

- Bard Papegaaij  
Hackathon Contributor

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To inspire great performance, we must nurture it, not just evaluate it.

Traditional performance management practices have often been focused on measuring how employees are doing against a set of goals. But what would our organizations look like if we spent as much time and energy sowing the seeds of future performance as we spend managing the present?

Instead of obsessing on backward-looking metrics, organizations may want to consider investing in the organization’s talent. Through internal dialogue, and better collaboration between groups like HR and finance, organizations can determine what capabilities are important to their success and how they can help employees and teams develop those capabilities even more fully.



## A SELF-REGULATING SYSTEM

“Traditional performance management implies someone higher in the hierarchy is managing my performance. People can only manage their own performance. The empowered and adaptive management model requires moving from traditional command and control to one that is much more self-regulating and self-organizing. Authority, responsibility and decision-making should be transferred to front line units that become value centers with responsibility for their own P&L account.”

- Peter Bunce  
Hackathon Contributor

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The future of performance management will be less bureaucratic and more democratic.

In many organizations, performance management practices have become a dreaded bureaucratic mess, where the time and effort required to sustain them far outweighs the value they bring in terms of increased performance.

Getting performance off of a piece of paper and into the organization's DNA will require building a culture of performance, where every employee feels like they play a role, their voice is heard, and they can see the impact of their work. The result? Achieving better performance will require less bureaucratic processes because people won't feel forced to measure it—they'll be thinking about it every day.

## CONCLUSIONS & THANKS

Our main goal for this hackathon was to try to determine how we could get great performance in our organizations without performance management. We believe the themes we uncovered provide a pathway for organizations disillusioned with their current performance management system to explore how to change it. We hope that these themes will serve as inspiration.

If you'd like to read more of the ideas that came out of the hackathon, the entire conversation is captured on the MIX hackathon site:

[www.mixhackathon.org/hackathon/getting-performance-without-performance-management](http://www.mixhackathon.org/hackathon/getting-performance-without-performance-management)

Have you already applied some of these principles to managing organizational performance and seen success? Or do you have ideas for a new way to combine some of these principles that you would like to share with others? We want to hear from you.

Submit your performance management story or hack on the MIX today.

[www.managementexchange.com](http://www.managementexchange.com)

# CONTRIBUTORS

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## ABOUT THE MIX

**THE MANAGEMENT INNOVATION EXCHANGE (MIX) IS AN OPEN INNOVATION PROJECT AIMED AT REINVENTING MANAGEMENT FOR THE 21ST CENTURY. THE PREMISE: WHILE “MODERN” MANAGEMENT IS ONE OF HUMANKIND’S MOST IMPORTANT INVENTIONS, IT IS NOW A MATURE TECHNOLOGY THAT MUST BE REINVENTED FOR A NEW AGE.**

Current management practices emphasize control, discipline, and efficiency above all else — and that’s a problem. To thrive in the 21st century, organizations must be adaptable, innovative, inspiring, and socially accountable. That will require a genuine revolution in management principles and practices.

The MIX helps accelerate the pace of management innovation by energizing and organizing the conversation around the most critical challenges facing managers today — and by providing a practical platform where they can document, share, and develop their leading-edge ideas and practices.

The MIX is designed for all those who are frustrated by the limits of our legacy management practices. It’s for all the inspired thinkers and radical doers who believe we can—and must—find alternatives to the bureaucratic and disempowering management practices that still rule most organizations.

LEARN MORE:  
[WWW.MANAGEMENTEXCHANGE.COM](http://WWW.MANAGEMENTEXCHANGE.COM)





