



# HIGH-IMPACT PERFORMANCE MANAGEMENT – AN INDUSTRY IN DISRUPTION





# The Current State of Today's Performance Management Industry

If you've been following the performance management industry, you can appreciate how much it's changed and evolved, particularly in the past few years. One thing is clear: [there's a revolution going on in performance management](#). Here are some recent highlights:

- In 2013, [CEB research](#) found that 86% of organizations had recently made significant changes to their performance management system, or were planning to.
- In 2014, [a Deloitte survey](#) found that 58% percent of companies surveyed did not think performance management was an effective use of time.
- In 2015, analyst Josh Bersin reported "there is a massive replacement of licensed, traditional HRMS systems taking place," and he expects "[the market for new performance management systems is emerging](#)" in 2016.

Performance management software and processes from Six Disciplines offer an integrated suite of web-based and mobile apps for agile, mid-market organizations, supporting continuous feedback, productive one-on-one conversations, weekly and quarterly check-ins, meetings, goals management, and plan management.



With Six Disciplines, your employees can track and update the progress of their plans, goals, and performance results at any time, on any device. Managers can easily set up multi-rater feedback for their team members, resulting in more meaningful one-on-ones and more engaged employees.

Six Disciplines enables performance management and coaching to be both team- and employee-driven. This approach drives engagement and motivation, and ultimately, improves organizational productivity with more consistent execution of your strategy.

## The Advantage of Continuous Feedback Vs. the Annual Performance Review

Many organizations have experienced the dysfunction of the once-a-year performance conversation, and they're increasingly ditching this traditional practice. The “once and done” annual performance review event is being replaced by an ongoing and more real-time stream

of feedback between team member and leader (employee and manager). This can take the form of weekly team check-ins, quarterly one-on-one check-ins, and multi-rater feedback, which recasts the annual performance review to be developmentally focused (not performance or compensation focused). With Six Disciplines, your organization gets the best of all three worlds: continuous feedback, multi-rater feedback, and annual performance reviews, which are focused on future performance and leadership development – not past performance.



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## Shifting from a Performance-Based to a Development-Focused Review

Because feedback is delivered continuously under Six Disciplines, the previous annual performance review process can now shift to a capabilities and skills development process of the individual and the team. Since less time is required to review the past, the dialogue between manager and employee becomes more forward-thinking, future-focused and career development based.



# The Importance of Employee Coaching Vs. Managing Continues to Grow

In the recent article [“The Future of Performance Management Is Not One-Size-Fits-All,”](#) Amy Herrbold, Senior Director of Organizational Development at Kellogg:

*“advocates for organizations to develop coaching cultures, where leaders are equipped to serve effectively as coaches for their team members. Furthermore, Herrbold feels that it is imperative that organizations need to be able to, ‘adjust goals, actively work priorities and calibrate on expected outcomes to manage work effort and remove bias in favor of the facts.’ By clearly linking peoples’ individual goals and priorities to the larger strategy of the organization, leaders help drive value-add performance and feedback. Coaching conversations can then be grounded in activities that align with the culture and realization of that strategy.”*

With the advent of more frequent feedback comes the requirement for a new set of management skills, including new employee coaching techniques, focused on challenging team members to take on more responsibility and accountability. Six Disciplines offers your organization leadership development coaching to take advantage of this new change in the performance management industry.

## The Changing Landscape of Teamwork

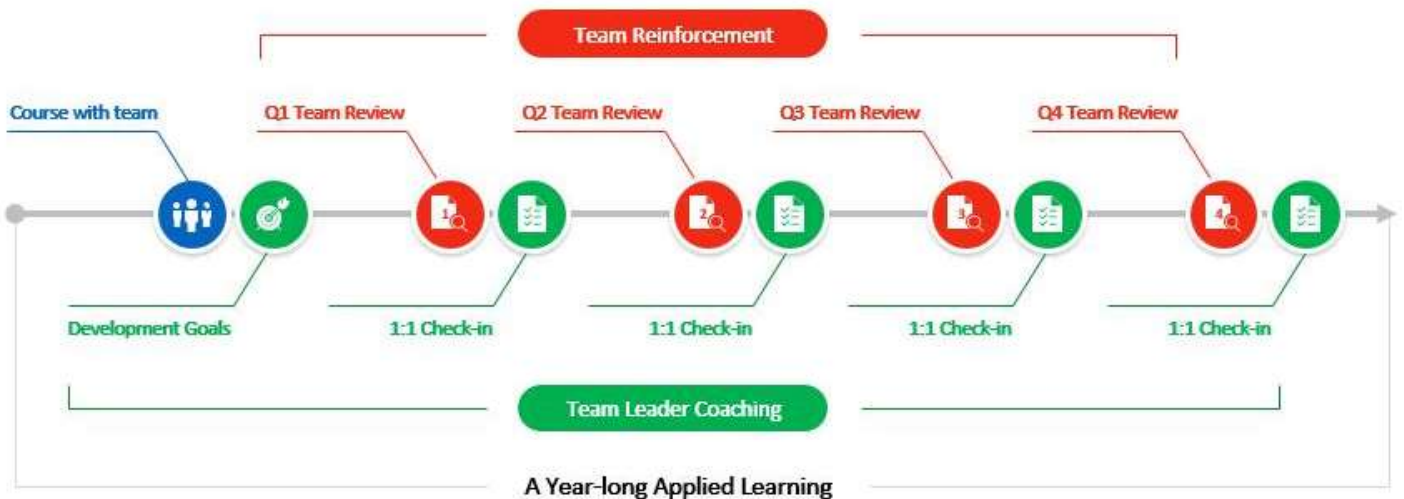
Regardless of the type of industry, the majority of work today is accomplished by groups or teams of people working together. These groups are typically not static, and many times they’re cross-functional. Increasingly, these teams include people who are not even employees of the organization. Regardless, the agility of the entire organization depends on

the ability of teams to communicate and collaborate effectively to both “run the business” and “change the business” at the same time. Developing self-leadership capabilities in every individual is a key requirement to facilitate effective teamwork.

# The Significance of Leadership Development within Team Management

Since most work is accomplished in teams, it’s important to assign clear responsibility, while monitoring progress of the team overall and each team member. Three types of leadership skills – process leadership, functional leadership, and change leadership – are all required to manage teams effectively.

## Leadership Development

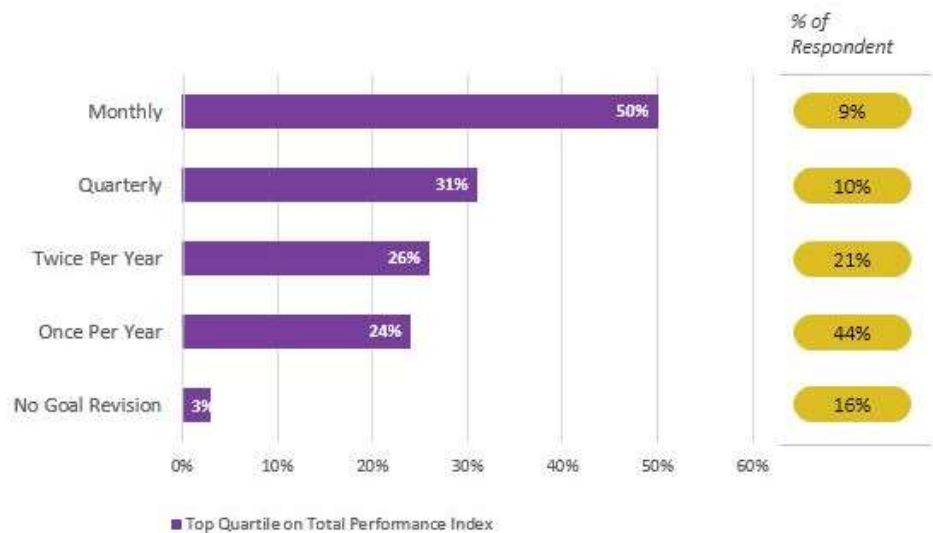


# The Changing Importance of Quarterly One-on-One Check-ins

Recent research from Bersin by Deloitte clearly indicates organizations that review and revise goals more frequently outperform those that don't. Part of this process is developing leaders and team members who understand how to have meaningful and constructive one-on-one conversations, with the objective of improving individual and team performance. Today's leaders must develop the attitude that it is their responsibility to develop their team by providing objective feedback, asking probing questions, and building a supportive and transparent working relationship with each team member. At the very least, Six Disciplines recommends one-on-one conversations no less than quarterly, and more one-on-one conversations between employee and team leader or manager at least monthly.



**Total Performance Index Outcomes Based on Frequency With Which Employees Review and/ or Revise Goals**



Source: Bersin by Deloitte, 2014.



# The Proven Advantage of Weekly (and Quarterly) Team Check-ins

The purpose of weekly team check-ins is to be proactive in identifying changes in plans and incorporating the latest information into the execution of plans. The weekly check-in also creates a form of mutual accountability for staying focused on what's important and catching problem areas early. The weekly check-in is not to be confused with the outdated "status update" meeting, but rather depends on each team member thinking through what are the most important things to get done in the upcoming week.

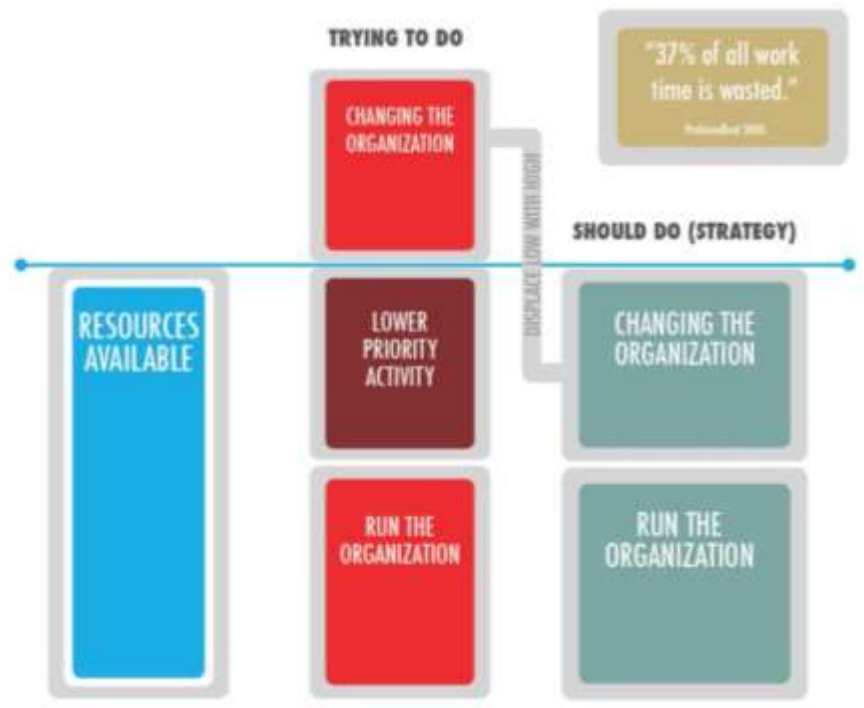
## Goals Management – An Integral Component of Performance Management

Effective goals management is the foundation of determining and communicating organizational priorities. It requires the entire organization to agree on a common way of defining and communicating the status of goals, or what many organizations call "OKRs" (Objectives and Key Results). OKRs have become a popular technique for setting and communicating goals and results in agile organizations. Their main purpose is to connect organization, team, and personal objectives to measurable results, enabling individuals to move together in the same direction.

Equally important in goals management, however, is to focus on what the most important priorities are by limiting the number of goals to a vital few. This also helps to separate goals that are part of a person's ongoing responsibility from those that are driving change initiatives. For most individuals, it requires less effort to track activities related to ongoing responsibilities. The change initiative goals require extra focus because they require different communication paths and coordination in order to get projects completed.

# Connecting Employee Goals to Organizational Outcomes – The Science and Art of Alignment

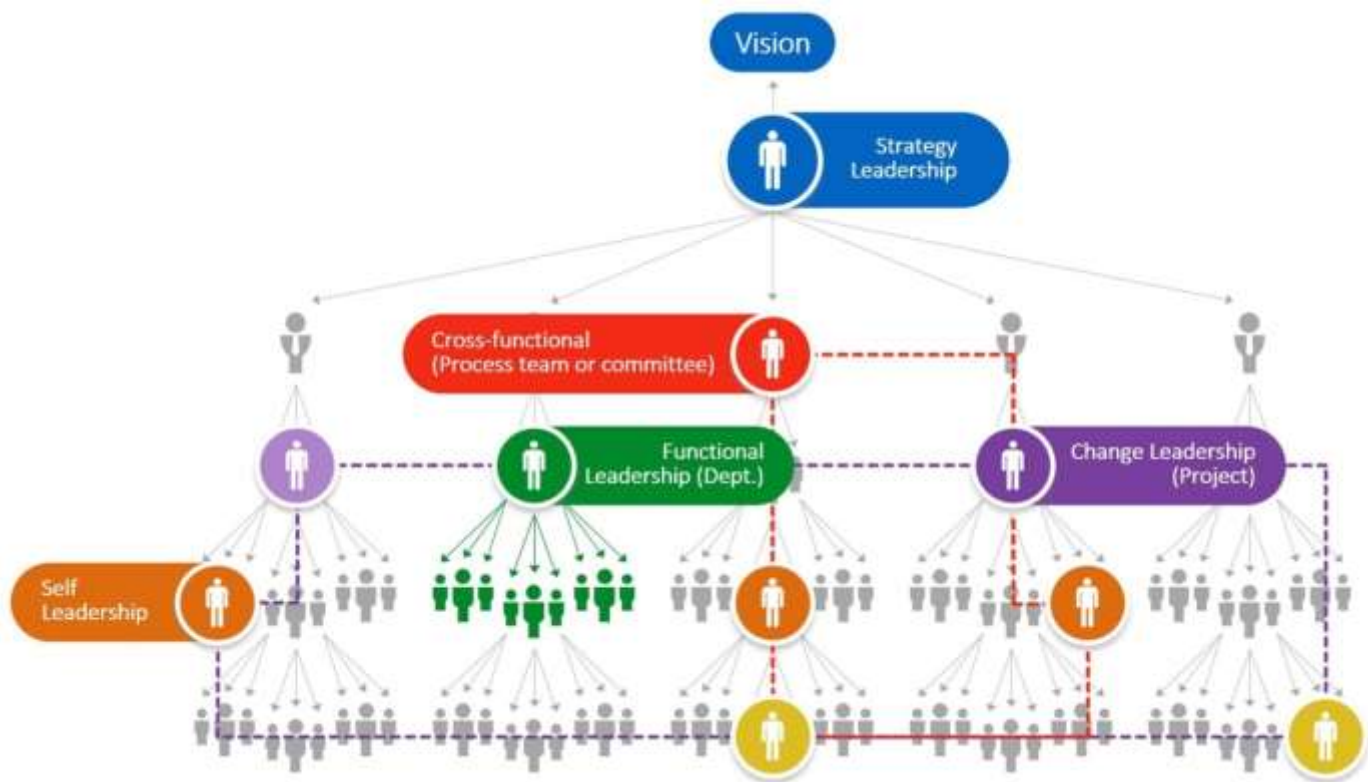
Research from Proudfoot indicates as much as a third of an organization's resources don't contribute to its overall strategy. Effective resource utilization requires both a comprehensive strategy and an agile execution management process (like Six Disciplines) to help individuals align themselves with organizational priorities daily. This connection to purpose is vital as individuals and teams adjust to changing conditions.



## The End Result – Organizational Agility and Improved Performance Management

For organizations to thrive in today's fast-paced environment requires a strong long-term strategy combined with extreme agility in changing short-term tactics in pursuit of vision. The formula for doing this requires strong leadership – from self-leadership to strategic leadership. We liken this to an "air traffic control system" for coordinating arrivals and departures, where the pilots and crew have the authority and responsibility to both understand what it takes to

fly and land the plane safely. By using the combination of a repeatable methodology, coaching, software, and leadership development, Six Disciplines builds organizations that execute their strategies and gets them where they want to go.



## How Continuous Improvement and Organizational Learning Are Tied Together

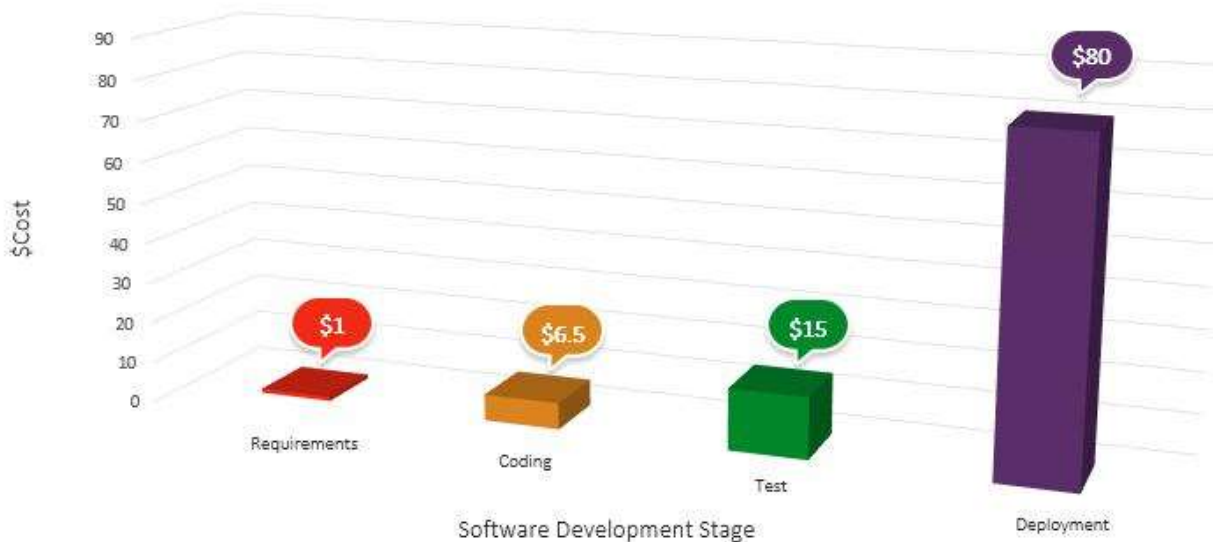
People and organizations need to be constantly learning in order to thrive. What is sometimes not as obvious is the need to learn how to work *together* to get what's important done each and every day. The ability to work together requires skills in such areas as defining strategy, managing change, project management, team management, leadership in every role of the organization, technology, performance coaching, goal definition and tracking, and collaboration. Since a successful organization grows and because the organization is changing

so fast, there is constant pressure on learning how to work together. Without a systematic program like Six Disciplines to manage this process, organizations soon outgrow their own ability to execute consistently.

## Tracking Progress as Part of Performance Management

The legendary leadership author Stephen Covey references the all-too-common scenario of being “too busy driving to get gas.” This is sometimes our attitude in sitting down and thinking proactively about what is important each week, and evaluating whether we are advancing on our most important priorities. The discipline of communicating what you are working on and how it is progressing is essential for effective teamwork. As in the software development industry, if organizational execution problems are spotted early, it costs less to fix them. If spotted later in the process, it costs much more to do something about them.

### COST OF ERRORS





# Multi-Rater Feedback and Performance Management

Every employee has multiple “customers” – their immediate manager or supervisor, people who use the output of their work inside and outside the organization, those who they work with to get projects done, and so on. One of the best ways to measure your progress in self-leadership development is to take advantage of Six Disciplines multi-rater feedback surveys, given to a number of people who have various perspectives on your performance. It takes courage to ask and to solicit constructive feedback, it takes an investment of time to provide that feedback, and it takes openness to process the feedback to advance your development.

## Competency Benchmarking and Ongoing Performance Management

Building an agile execution-oriented organizational culture requires strong leadership capabilities including self-leadership, change leadership, cross-functional leadership, and functional and strategic leadership. Because this kind of development is important, but often not seen as urgent, it gets pushed aside with other priorities. Six Disciplines integrates competency development and multi-rater assessments of each individual’s progress to maintain professional development as an important objective, which has an added sense of urgency as well.

## Performance Management and Six Disciplines

Building an execution-oriented organizational culture can be a daunting task because it requires so many different capabilities – strategy formation, change management, operational alignment, execution management, continuous improvement, organizational development,

leadership training, technology, and others. To save time and cost, Six Disciplines integrates these components so that the same goals or plans used to describe ongoing responsibilities, as well as the vital few change projects and the check-in information, are maintained continuously for each individual. This integration of strategy and execution management with performance management accelerates learning and reduces time and effort.



## Why Use Six Disciplines for Performance Management?

What makes Six Disciplines unique in managing organizational performance? Six Disciplines is an excellence program that supplements performance management software with a strategy execution methodology, professional on-site coaching, and integrated leadership development. All these capabilities are not needed at the same time, but they are available when you need them and are designed in an integrated way with performance management to save you time and money in the future.

Regardless of what you call it, Six Disciplines provides what most organizations need...



An excellence program that builds agile organizations that get what's important done

# The Six Disciplines Approach to Performance Management – Is It a Good Fit for *Your* Organization?

Here's the big question: Do your existing systems and processes (including the performance management process) help get you from where you are – to where you want to be? The best way to find out is to have a conversation with one of our certified Six Disciplines coaches, so we can understand your needs and answer your questions. The only thing we can promise is that after understanding your situation, we will tell you with all honesty whether we believe Six Disciplines is a good fit for your organization.