



SPECIALISTS IN  
PERFORMANCE  
MANAGEMENT

## Case study

# How to ditch objectives and focus on what matters

**“The typical complex, time-consuming process of setting objectives was not appropriate.”**

A rapidly growing mining and metals company employing 15,000 engineers and scientists worldwide wanted to improve their performance management and succession planning.

Hedda Bird of 3C explains: “In the course of site research, 3C concluded that the typical complex, time-consuming process of setting objectives was not appropriate to meet the company’s needs. What we discovered led to the development and implementation of a radical new approach - the Performance Scorecard.”



### Cascading objectives would not add value

The organisation was already managing its operations through well-defined KPIs. But across the company people were setting objectives and appraising performance in very different ways. It was time-consuming, inconsistent and opaque. However, there was a strong sense that cascading objectives would not add any value; nor would it fit with the entrepreneurial culture of the business. In research conversations on site, every manager was asked: ‘What makes a good leader in your company?’ and ‘How do you know you are doing a good job?’ Without exception, and without any training on the subject, the managers produced a clear and consistent response to these questions. Their answers were unequivocal and showed a deep understanding.

### The power of yes / no questions

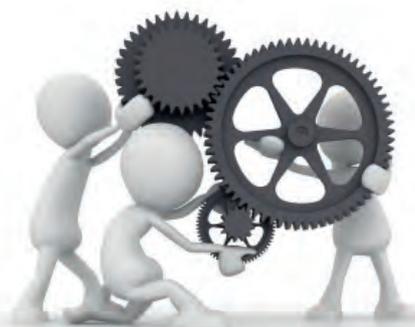
Hedda Bird explains: “These straightforward answers really got us thinking. What if we could assess performance by asking binary questions to which the only answer is YES or NO? Binary yes / no questions are very powerful. First of all, finding the right yes / no question makes people focus on what really matters in the business. Second, we know that having to answer ‘no’ to a question is more likely to create anxiety which will lead to action. Although this sounds tough it is actually the result you want in a performance management process: clarity over what is and isn’t working and the motivation to act.”

### Organisations are drowning in numbers. They don’t need more numbers. They need to see who is performing and who isn’t.

With input and feedback from managers, eight questions were developed: four on achieving results and four on leading the team. The questions were generic across the company with slight tailoring for operational and support functions.

The questions were designed to reflect what the CEO might ask if they were to meet the manager in the corridor as well as in a more formal meeting!

In designing the new Performance Scorecard a deliberate choice was made to use a sliding scale - without numbers. Organisations are drowning in numbers. They don’t need more numbers. They need to see who is performing and who isn’t. In this case, a sliding scale rather than numbers also ensured that a largely engineering-trained workforce could not obsess over decimal places.



## At the very least, the questions are driving good conversations

The process underpinning the Scorecard is extremely clear. The questions are asked twice a year; people perform a self-assessment and then discuss this with their managers. The conversations are about evidence and any differences in perceptions of performance. Staff know that the questions are the same for everybody and that Scorecards will be shared. The questions distil 'this is what doing a good job looks like'. There is no space for fudging or for people to say that a question is not relevant to them. At its simplest, the questions are driving very good conversations. Everyone knows what the conversation is about which creates clarity and reduces wasted time. The process gives people confidence in their management capability and helps them develop good judgement about what they need to do their job well.

To date the Performance Scorecard has been translated into five languages. A simple piece of software has been written to support it but the concept could also be supported by available software.

## It is questions rather than objectives which drive the behaviours required in the business

The Performance Scorecard cuts to the essence of what an organisation has to do and so what is important in a person's job. Objectives are often added on top of a person's job whereas in the Performance Scorecard everyone is measured on the same critical issues. Instead of setting out to meet an objective, a standard or ceiling, the Scorecard promotes and supports the idea of continuous improvement. Because the Performance Scorecard is based on improvement questions, not objectives, it is starting to change people's behaviour.

*"I'm sure you've been overwhelmed with positive feedback but just in case you haven't - this system is great. The questions are appropriate, the rating is very clear, the time taken is small and the opportunity to discuss real business impact and performance is great. Well done to the team who put this together."*

**General Manager, Mining Operations - Global Mining Company**

### Example Scorecard question, with sliding scale:

*Have you held each member of your team accountable for their performance?*



## "Performance Scorecards focus on what really matters to the business every day."

### 3C insight - Hedda says:

"Creating the unique Performance Scorecard approach for this business made three things happen:

1. It clarified what is really important to the business and its culture
2. It established total consistency - clear, fair and transparent - about how to measure leader performance. It's the same for everyone
3. It stopped people wasting time writing objectives. If every leader spends just one hour writing objectives then that is a phenomenal amount of time - and the chances are it was taking much longer.

Performance Scorecards are particularly valuable in environments where the strategy is clear and understood and there are plenty of existing KPIs being used to manage the business. Evidence to date shows that the questions focus staff on what really matters to the business - and how each person can change their behaviours to improve their performance. By harnessing the power of questions, the Performance Scorecard looks set to have a transformative effect, not just on the appraisal and performance management process, but on the whole business."



Hedda Bird, 3C Managing Director and Founder

"We saw a marked difference with all our people. Our managers and employees are now more enthused and motivated, and there is a real drive to get their Performance Reviews done - and done effectively."

*Victoria Wilkins, HR Business Partner,  
Land Securities plc*

"...thank you for the expert work you and your colleagues at 3C have done to help set our objectives and implement our strategy. I did not fully appreciate the benefits until I saw how it has worked out this year. There has been visible change in focus. Much of the success was due to the clear and engaging way you presented the issues to senior staff."

*Professor Steven Cowley,  
CEO, United Kingdom Atomic Energy Authority*

"3C has enabled Iron Mountain to transform Performance Management from being a form-filling exercise into a value added activity that is seen to fundamentally drive engagement, commitment and overall business performance."

*Rachel Greenway, Leadership Development Manager, Iron Mountain Europe*

Since 2001, 3C has been helping HR professionals create high-performing organisations.

As Performance Management specialists, 3C's refreshing and energising approach is designed to address and resolve the key Performance Management issues that HR Professionals face.

- Engaging your senior leadership team
- Providing your managers with skills and knowledge for effective performance reviews
- Enabling your people to take ownership of their own performance.

Contact 3C today to discuss how we can help

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