# Leveraging the Benefits of Promise-based Management

How to Prevent Promise Breakdown and Improve Agility, Coordination, Collaboration and Engagement

# Abstract

*Promises are an integral part of every company and while it is self-evident to say that without them nothing would be achieved, they are rarely managed as carefully as other organisational resources. Poorly crafted promises are usually the underlying reason when strategy implementation falters.*

This white paper examines a Harvard Business Review article by Sull and Spinosa. It explains why promises break down and how to use promise-based management to improve agility, coordination, collaboration and engagement. This white paper also addresses how to prevent promise breakdown, including the role of software in implementing promise-based management.

## Key concepts discussed

**A promise**

A declaration and commitment that a "provider" makes in response to a request from a "customer".  The customer may be a colleague or someone external to the company.

**Social Discipline**

A powerful psychological management tool that combines acting in accordance with rules with the effects of social influence and responsibility to ensure compliance.

**Promise-based management**

The cultivation and coordination of commitments in a systematic way but most importantly, the focus on making a good promise.

**Social performance management software**

Performance management software with integrated social technology, including user generated content, to create a truly social yet results focused workspace.

# Contents

# The problem of poorly crafted promises

Promises are at the heart of every company and help ensure business gets done. Without promises, nothing would be achieved. Yet, all too often and despite the myriad of organisational tools designed to translate strategy into action, poorly crafted promises are usually the underlying reason when strategy implementation falters.[1]

Internal structures and processes are simply not enough to ensure promises are kept. Moreover, promises are rarely managed as carefully as other organisational resources. As a result, live projects frequently never get finished, promised projects never materialise and opportunities go untapped. Sull and Spinosa argue that many of the challenges leaders face, such as disengaged employees, lack of organisational agility and improperly executed strategy stem from broken or poorly crafted promises.

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If employees aren't aligned to the company's priorities, for example, they will become dissatisfied and unproductive. Similarly, matrix organisational structures, which group employees by both function and product, obscure accountability for projects. This can make execution particularly difficult – especially when those involved are spread across different locations and even time zones.

Research indicates 70% of IT workers have been involved in projects they knew would fail from the beginning,[2] and in a 12-month period, 70% of

1  Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.

2  Dr Dobbs Journal. 2011. 2011 Project Success Rates.

organisations have suffered at least one project failure.[3] In the same period, only 2% reported that all their projects achieved the desired benefits.[4]

More than a decade of research with hundreds of managers indicates that just 50% of promises can be relied upon. The ironic unreliability of promises leads to managers wasting time endlessly checking progress, exerting pressure to deliver and even duplicating work. As a direct impact, organisational efficiency and effectiveness are compromised.[5]
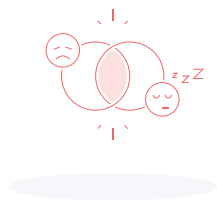
Just **50%** of promises can be relied upon.

## Why promises breakdown

Sull and Spinosa argue that promises often fail in practice because managers and employees don't truly understand how to make effective commitments. More specifically, they believe there are several obstacles to delivering promises made and in turn, getting work done:[6]

### Obstacle 1: Organisational silos hinder coordination

Organisational silos refer to a lack of communication and common goal between departments in an organisation. Requests and promises are therefore often honoured within departments but considered to be optional across departments. Requests and promises made across departments are also often viewed as political struggles for power, breeding distrust.

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3  KPMG. 2010. KPMG Project Management Survey 2010.

4  KMPG. 2005. Global IT Project Management Survey.

5  Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.

6  Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.

**Obstacle 2: Employees are disengaged**

Disengaged employees fail to see the link between their own input and the corporate strategy, and therefore do not deliver promises they make. They may also feel that they can't decline or renegotiate requests, and end up overcommitting.

**Obstacle 3: The organisation lacks clear accountability**

Work often doesn't get done when promises are made privately, progress isn't tracked publicly and managers do not express their dissatisfaction openly. Without clear accountability, there is no motivation to deliver the promises made.

**Obstacle 4: Stakeholders don't trust executives to honour their commitments**

If stakeholders don't trust executives, they will demand cumbersome monitoring mechanisms and withhold their cooperation, hampering progress.

**Obstacle 5: The organisation is trapped in the status quo**

Despite senior executives articulating a new strategy, the organisation continues in the way to which it is accustomed and therefore does not deliver the promises made. The organisation may also execute promises well in crisis mode but lapse into old routines once the crisis has passed.

## Implementing promise-based management

Sull and Spinosa argue that productive, reliable workforces capable of achieving long-term success can be achieved through promise-based management. This type of management cultivates and coordinates commitments in a systematic way but most importantly, focuses on making a good promise.

## The five qualities of a good promise

To prevent strategy implementation faltering, employees should be trained to know how to request and make a good promise. A good promise will have the following five key qualities:[7]



### 1. Public

A promise made in front of other colleagues is unlikely to be abandoned because employees will naturally want to protect their reputation and trustworthiness. Moreover, they can't intentionally "forget" what they committed to do.

It is important the promise remains public throughout its lifetime so that poor performance cannot be hidden. Performance should also be publicly tracked to cultivate a culture of transparency and execution.

### 2. Active

Promises which are made with little thought about the actual requirements and implementation are more likely to never materialise. All too often, customers (such as managers) toss requests to providers (such as assistants) who passively accept them before returning to what they were

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7  Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.

doing.

Skilled promise makers, however, will actively negotiate their commitment throughout its lifetime to ensure successful delivery. Such negotiations may cover unrealistic time schedules, conflicting assumptions and possible misunderstandings.

### 3. Voluntary

Promises are more likely to fail if people are pressurised into making them. This pressure may arise from the desire to be seen as a good team member, to please someone else or avoid looking incompetent. Promise makers must have the confidence and capacity to decline a request and voluntarily make an alternative suggestion. In turn, because they have made the promise willingly, they will naturally assume personal responsibility.

### 4. Explicit

An explicit promise is vital for eliminating multiple interpretations and misunderstandings, especially when different cultural backgrounds are involved or when empty buzzwords such as "optimisation" and "innovation" are used.

Requests from customers must be clear and specific while providers should maintain regular progress reports, which accurately reflect the state of the promise's execution and detail success (or failure) at the time of delivery. Checklists can be helpful in ensuring the promise is explicit by clearly specifying key aspects, such as names, delivery dates, underlying rationales and required skills.

### 5. Mission-based

Effective promises are mission-based. The customer explains the reasoning behind the request and the goals that are to be achieved as a result of successful delivery. The customer also invests the time to ensure the provider understands the mission, removing any uncertainty or confusion, which could comprise achievements.

## The three phases of every promise

In addition to these qualities, Sull and Spinosa emphasise that to create and execute an effective promise, the customer and provider must move through three distinct phases:[8]
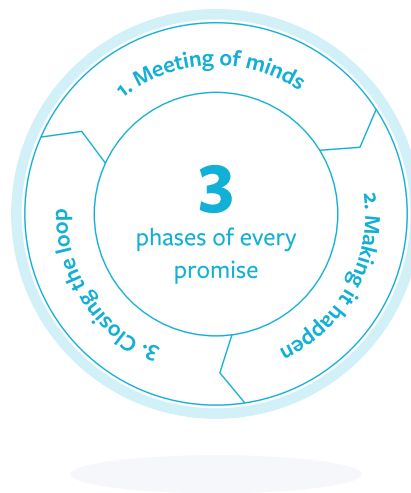


### Phase 1: Meeting of minds

Once the customer has requested a product or service from the provider, both clarify how and when it will be fulfilled, why it is important and which resources will be used. A common purpose is intrinsic to a meeting of minds, where both the customer and provider share the same objectives. This phase ends when the provider makes a promise the customer accepts.

### Phase 2: Making it happen

At this phase, the provider executes the promise. The promise remains active throughout so renegotiations may occur in light of reshuffled priorities or reallocated resources. The provider, for example, may change the delivery terms he can't satisfy the promise, while the customer will inform the provider if circumstances or priorities change. This phase ends when the provider declares the task complete and submits it to the customer for evaluation.

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8  Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.

## Phase 3: Closing the loop

Finally, the customer publicly confirms whether or not the provider has delivered the goods. To help improve future promise delivery, both parties provide feedback on how to work together more effectively in the future.

## Benefits of promised-based management

Sull and Spinosa maintain that promise-based management will:[9]

### 1. Increase coordination and collaboration

By creating dialogue between the customer and provider, promised-based management will bridge the gap and achieve a common understanding and purpose. It can also foster a sense of personal obligation to deliver. These benefits are particularly beneficial for matrix organisations or loosely allied networks.

### 2. Increase agility

Promise-based management can help organisations act more quickly and flexibly. When a need arises, the customer can cast his or her net wide within the organisation, as well as its external network, to find the best provider for the job. The customer can be confident distance will not hamper delivery or understanding, and find the right provider for the particular moment in time.

If circumstances change or new information comes to light, the provider can renegotiate promises, which is much less cumbersome than changing an established business process. What's more, because both parties have voluntarily agreed to the commitment, they are likely to act with greater discipline and urgency.

89 per cent of more than 1,500 executives polled worldwide rank agility as "very" or "extremely" important to their business success. 91 per cent said it had become more important for their companies over the past five years.[10]

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9  Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.
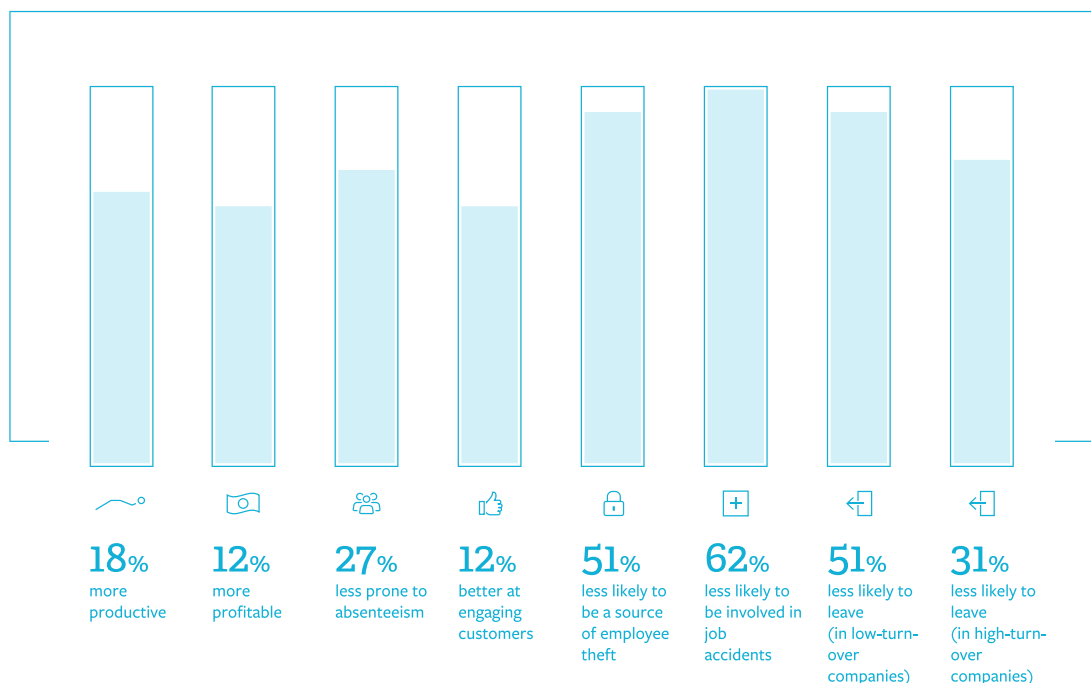
10  McKinsey survey cited in Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.

## 3. Increase employee engagement

Promised-based management increases employee engagement by generating a sense of ownership. It creates a greater sense of community among colleagues, where they buy into the company's mission and priorities and see their part in making it happen.

Importantly, there is a significant correlation between employee engagement and business performance. Companies with the most engaged employees report revenue growth at a rate two-and-a-half times greater than their competitors with the lowest level of engagement.[11]  Moreover, a 15% improvement in employee engagement equates to a 2% improvement in an organisation's operating margin.[12]

Other research by O.C. Tanner shows that engaged staff are:[13]

| 18% | 12% | 27% | 12% | 51% | 62% | 51% | 31% |
|---|---|---|---|---|---|---|---|
| more productive | more profitable | less prone to absenteeism | better at engaging customers | less likely to be a source of employee theft | less likely to be involved in job accidents | less likely to leave (in low-turn-over companies) | less likely to leave (in high-turn-over companies) |

11  Hay Group. 2010. Giving Everyone the Chance to Shine.

12  O.C. Tanner. 2008. Global Recognition Study.

13  O.C. Tanner. 2009. Improving Staff Engagement: A Practical Toolkit.

## Preventing promise breakdown

To help prevent promise breakdown, Social Discipline is a powerful psychological management tool that combines acting in accordance with rules with the effects of social influence and responsibility to ensure compliance.

"Social Discipline combines acting in accordance with rules with the powerful effects of social influence and responsibility."

A defining feature of Social Discipline is the practice of publicly making and tracking the progress of promises. In turn, everyone is clear on what they have to do, what others are doing and are publicly held to account for their actions. Keeping promises and contributing fairly and productively are fundamental to Social Discipline.

Typically, only half of all promises can be relied upon.[14] It is therefore important to prevent as far as reasonably possible the breakdown of a promise by adopting the following practices:

1. **Teach employees about how to make and manage successful promises.** Use the five qualities of a good promise and the three phases of effective promise execution as a foundation for this learning.

2. **Publicly make and monitor the progress of promises,** ensuring there is no room for anonymity or hiding poor performance.

3. **Bear in mind that even with the best intentions, commitment to too many promises can lead to loss of focus and in turn, failure to deliver.** It is better to request or commit to a small number of promises, which can be successfully achieved. Employees should therefore be empowered to decline unreasonable requests, make counteroffers and renegotiate

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14  Sull, D.N., and Spinosa, C. 2007. Promise-Based Management: The Essence of Execution. Harvard Business Review, April, pp. 1-10.

promises when circumstances change.

4. **Explicitly link requests and promises to an overarching mission,** which employees fully understand and are committed to.

5. **Ensure employees understand** how the successful delivery of the promises they make will support overall performance.

6. **Publicly celebrate delivery on promises** or declare dissatisfaction.

Implementing the above practices across a large organisation or team can, however, pose a challenge in its own right. In such circumstances, the use of a software tool designed to aid promise-based management and achieve Social Discipline can prove extremely useful.

## Benefits of Social Discipline

The adoption of Social Discipline can lead to the following benefits:

1. **Increased employee efficiency and productivity** through the use of publicly made and tracked goals.

2. **Increased employee focus and desire to succeed** due to peer accountability and a heightened opportunity for recognition and reward.

3. **Increased employee engagement and motivation** by fostering a collaborative and accountable culture while enabling individual effort and success to be recognised.

4. **Increased coordination and collaboration**
since everyone is clear about what is required and works together to achieve a mutual benefit.

5. **Increased organisational agility** as a direct result of providers handling requests with greater efficiency and productivity because of public accountability.

6. **Increased overall performance** by achieving all of the above benefits.

# The role of software in implementing promise-based management

So far this white paper has outlined the importance of promise-based management and how to implement it. However, most organisations will find effectively implementing any of the above practices to prevent promise breakdown unaided difficult and time consuming. The adoption of social performance management software therefore offers a useful solution.

## What is social performance management software?

With the advent of the social media revolution, the applications of using social-based mechanisms to communicate, collaborate and report are being increasingly recognised. Social performance management software combines the benefits of performance management software with integrated social technology to create a truly social yet results focused workspace.

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As with other social platforms such as Facebook, the defining feature of social performance management software is user generated content. Staff can create online forums where they can share ideas, discuss figures, agree actions and monitor performance, wherever and whenever. Discussions and searches can be facilitated and tracked using familiar @Identifying and #Tagging.

Complete visibility and clarity ensures everyone knows what is expected of them. At its best, social performance management software allocates team members duties which define what is required to achieve success. It then maintains a constant dialogue, updating progress, highlighting problem areas and feeding back information on key performance indicators (KPIs).
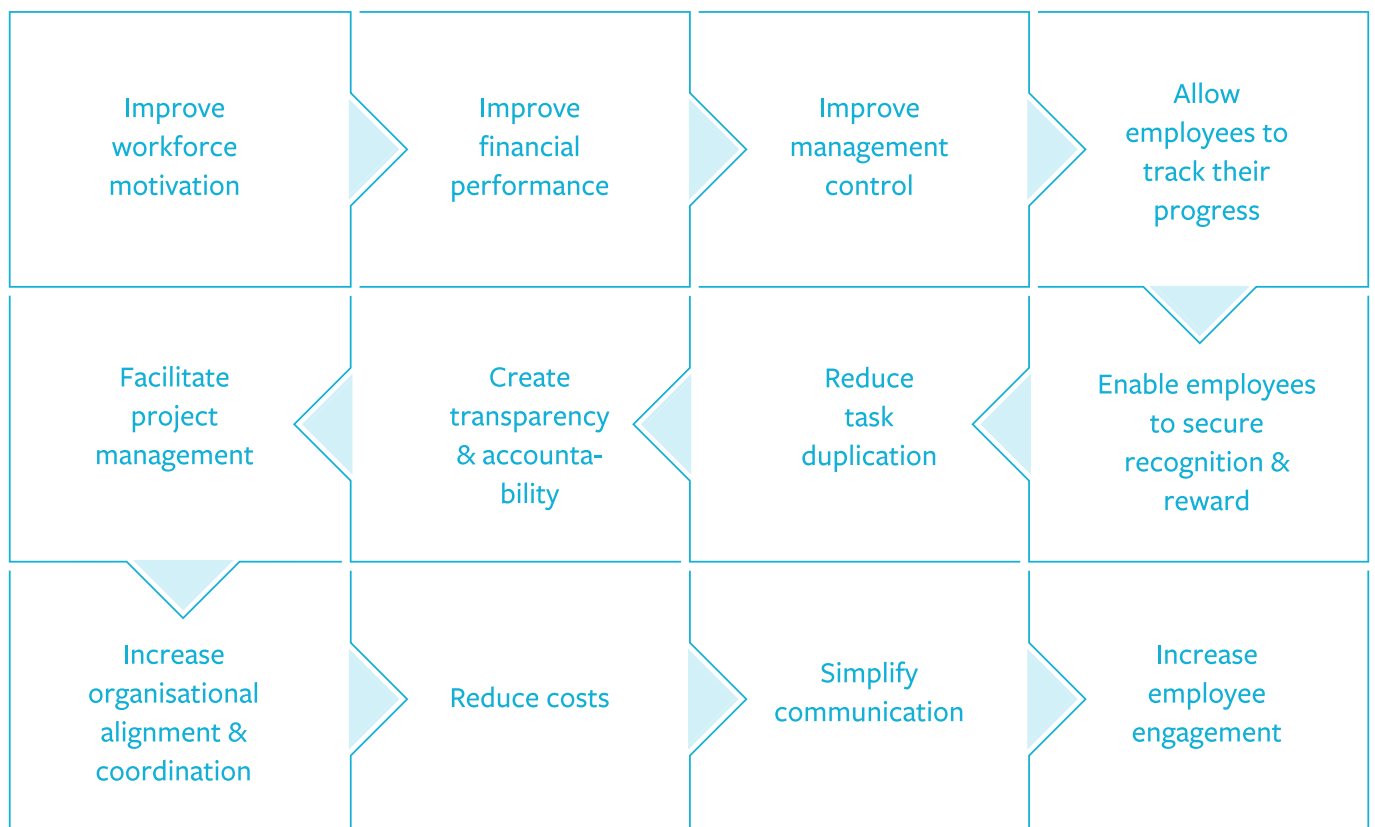
Individual contributions can be identified and evaluated by both managers

and team members. This in turn facilitates performance related rewards and as a by-product, naturally creates competition among colleagues.

## What is performance management software?

Performance management software compares actual to expected or desired results to determine any performance improvement zones. It focuses on areas including productivity, efficiency and progress to deliver several key benefits (Figure 1). The software can be used to monitor and optimise effectiveness at an individual and collective level.

*Figure 1: Benefits of performance management software*

| Improve workforce motivation | Improve financial performance | Improve management control | Allow employees to track their progress |
| --- | --- | --- | --- |
| Facilitate project management | Create transparency & accounta-bility | Reduce task duplication | Enable employees to secure recognition & reward |
| Increase organisational alignment & coordination | Reduce costs | Simplify communication | Increase employee engagement |

# Key features of effective social performance management software

To effectively support promise-based management, social performance management software should offer the following key features:

| Feature | Function | Benefit |
| --- | --- | --- |
| *Targets* | Publicly tracking all the numbers that matter, from group turnover to project specific expenses, including actual versus budget | Short-term performance can be easily identified and evaluated, allowing under performance to be sanctioned, over performance to be rewarded and competition among colleagues to naturally take hold |
| *Goals* | Tracking the progress of one-off objectives, projects or pledges | Long-term performance can be easily identified and evaluated, allowing under performance to be sanctioned, over performance to be rewarded and competition among colleagues to naturally take hold |
| *Checklists* | Creation of personalised lists of important tasks which are to be done on a regular basis | Ensures all team members are fully aware of all their personal responsibilities. Helps prevent over commitment and create accountability |
| *Management reports* | Automatic report generation at frequencies pre-set by the user | Updates everyone at regular intervals, ensuring performance can be identified and evaluated. The results of the report can determine whether to implement economic and/or social rewards or sanctions |
| *Social* | Inclusion of familiar social features, such as chat and group discussions | Enables remote, tracked and carefully orchestrated collaboration across the entire organisation, regardless of time or location |
| *Social Discipline* | Publicly declaring goals, roles and responsibilities. Publicly sharing individual and collective progress | Keeps everyone on track with transparency and peer accountability. Maximises opportunities for economic and/or social rewards or sanctions |
| *Social reward / gamification* | Socially rewarding individual effort | Stimulates natural competition, a sense of achievement and in turn engagement among colleagues |
| *Full data integration* | Collating all of an organisation's data from mainstream sources such as Salesforce, Sage, Google Apps and Microsoft Office 365 | Maintains a fully informed, integrated and unified platform which is easy to use and eliminates inconsistencies, confusion and duplication |

With social performance management software in place, promise-based management becomes almost automatic.

## A closer look at rewards and sanctions

There is extensive evidence that individuals will generally exert greater effort when they expect their efforts to be rewarded. Such individual rewards may be economic, such as money or prizes, or social, including liking, approval or status among employees. Crucially, even the potential for gaining social rewards or avoiding social sanctions can be a motivation for greater effort.

The concept of social rewards is closely linked to gamification techniques which leverage and reward people's natural desires for achievement, competition and status. Gamification rewards are visible to others and include the completion of progress bars/charts and the achievement of badges.

For economic and social incentives to be effective, individual contributions must firstly be identifiable and secondly open to evaluation. Most importantly, when individual effort can be identified, it can be evaluated either positively or negatively against expected performance – and it is the evaluation concerns which will elicit greater effort. If peers cannot evaluate personal contributions, the individual will have no motivation to exert high effort.[1]

1  Shepperd, J.A. 1993. Productivity Loss in Performance Groups: A Motivation Analysis. Psychology Bulletin, Vol. 113, No. 1, pp. 67-81.

# Introducing Samewave

*Samewave is a social performance management app specifically designed to maximise group motivation and output.*
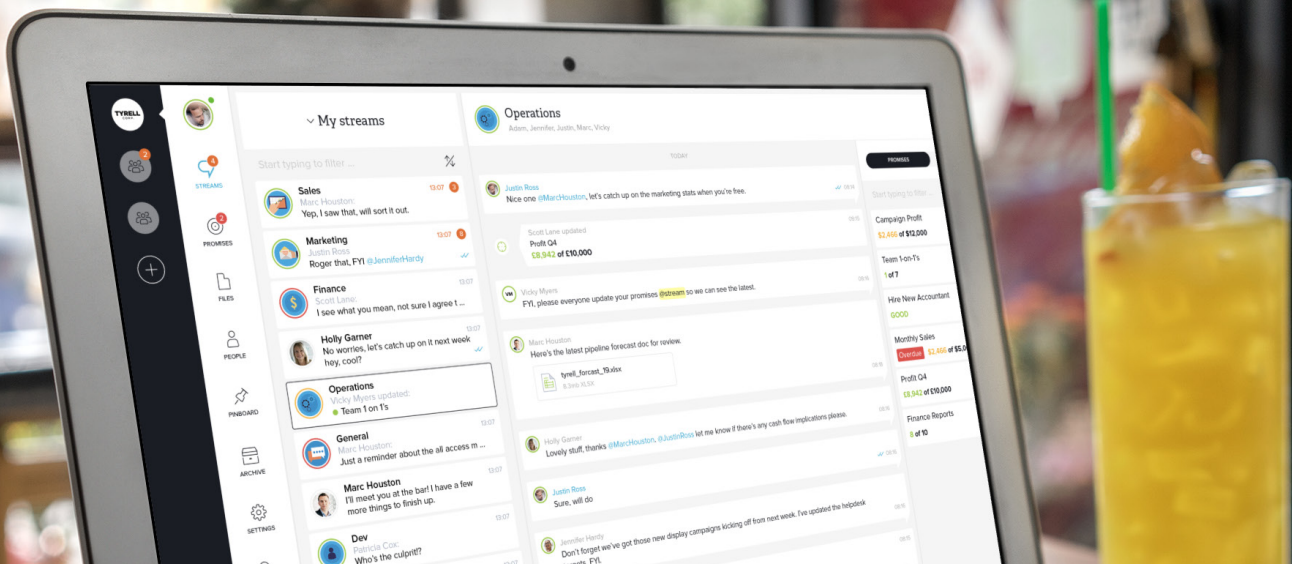
## Samewave provides:

**Clarity**
A single integrated view of all data.

**Direction**
Ultra-clear data reports, agendas and to-do lists delivered in an instant.

**Consensus**
Private and group chats for constant dialogue between team members.

**Momentum**
Team members are reminded to update their goals.

**Connectivity**
Instant updates to all your devices.
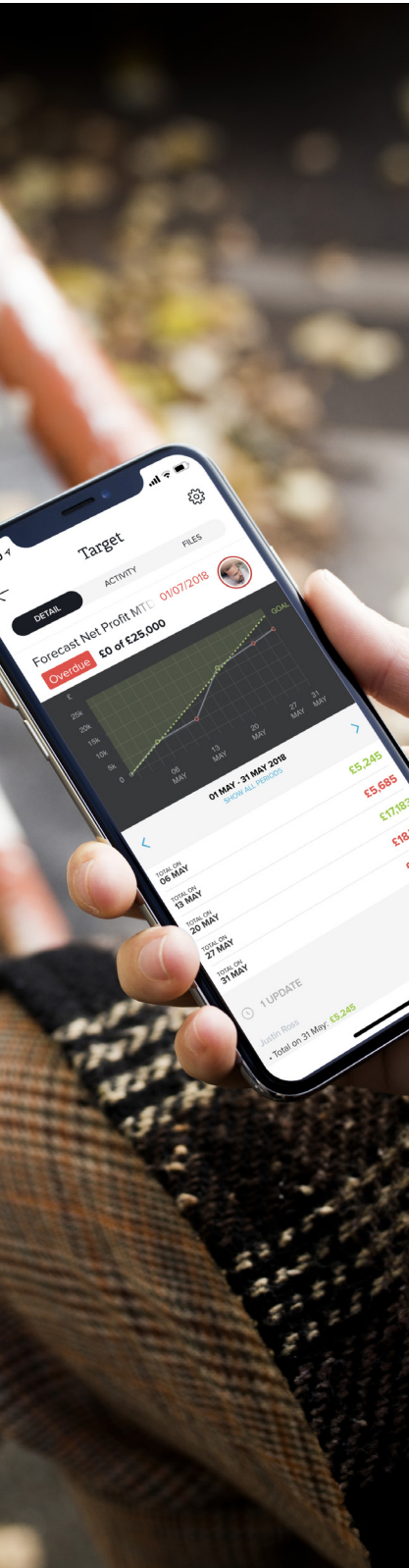
**Simplicity**
Simple and intuitive to use.

**Focus**
Removes the need for the majority of face-to-face management meetings.

**Security**
With bank grade security and enterprise level cloud hosting, your data is safe and secure at all times.

# Samewave – the business benefits

Samewave transforms employee responsibility and as a direct result increases engagement, productivity and focus. It is specifically designed to support promise-based management to increase coordination, collaboration and agility. The business benefits of Samewave can be summarised as follows:

## Responsibility and accountability

Setting targets, prioritising goals and measuring performance is simpler than ever with Samewave. Everyone receives regular snapshots of the goals assigned to them, while clear reports show how each individual is performing.

There is no question about who is responsible for what. Task-relevant behaviour is an absolute necessity because performance is dependent on each individual's effort. By maintaining responsibility and accountability, economic and social rewards and sanctions can be easily implemented, allowing individuals to determine a contingency and benefit between working hard and achieving a desirable outcome.

## Clarity and focus

With Social Discipline at its core, Samewave ensures everyone knows what's expected of them, and what to expect from others. It even creates some friendly competition. Crystal clear reports and KPI graphics can be instantly created to share information with colleagues, investors, directors, and anyone else who needs information. Importantly, the clarity among a very large, diversified and geographically dispersed group is as high as it is with a small localised group.

## Unrivalled management

Samewave makes management automatic. Chasing and monitoring colleagues becomes automated. Files, discussions and business activity can be accessed from anywhere, and smart permissions push reports and figures around the business faster than ever before. Samewave makes management of groups and individuals fast, simple and highly effective.
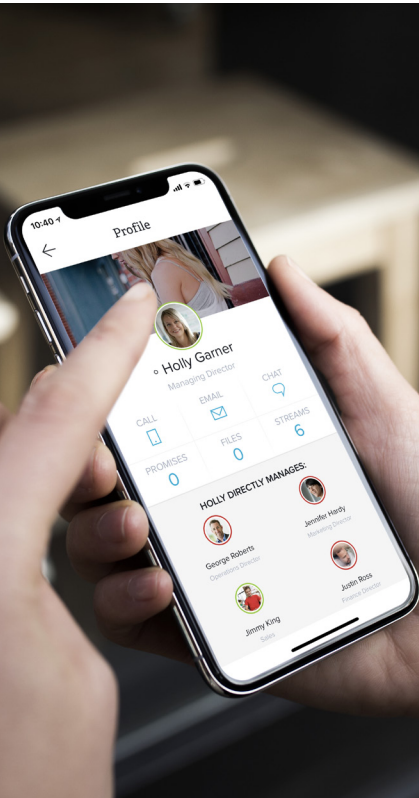
### ⊙ Impossible to ignore or forget

Social Discipline is in Samewave's genes. Daily reminder alerts of the tasks, targets and projects at hand keep everyone seamlessly on track.

### ⊙ Rich discussions and knowledge sharing

Samewave discussions capture and record everything. Smart social features make sure whoever needs to know about it finds out about it. Genius ideas needn't go to waste or get lost in the email jungle, and there's no need to hold a time consuming old-fashioned meeting. Samewave makes it easier and reduces the perceived costs of contributing to group performance.

### ⊙ Complete integration

Samewave brings together and organises people and data – efficiently and simply. Groups known as "Streams" facilitate project-specific discussions while cloud data storage means projects, files, conversations, reports and goals can be accessed from anywhere with an internet connection. Group performance and output can be maximised with almost no coordination effort.

### ⊙ Easy to use

Easy to use software will naturally have a higher take up. Samewave draws its DNA as much from Facebook and Twitter as it does from Microsoft Office. Every pixel has been hand crafted to deliver a simple but powerful user experience. Beautiful design, intuitive data visualisation and extensive community tools all ensure a captivating experience.

### ⊙ Easy to deploy and scale

Samewave is cloud-based software so it can be deployed in just 10 minutes – with no need for new hardware or expert IT support. Of course, if help is needed, an award-winning support team and multi-format tutorials are always on hand. What's more, because the software is delivered over the internet with all data stored in the cloud, it is easy to scale to coincide with growing demands.
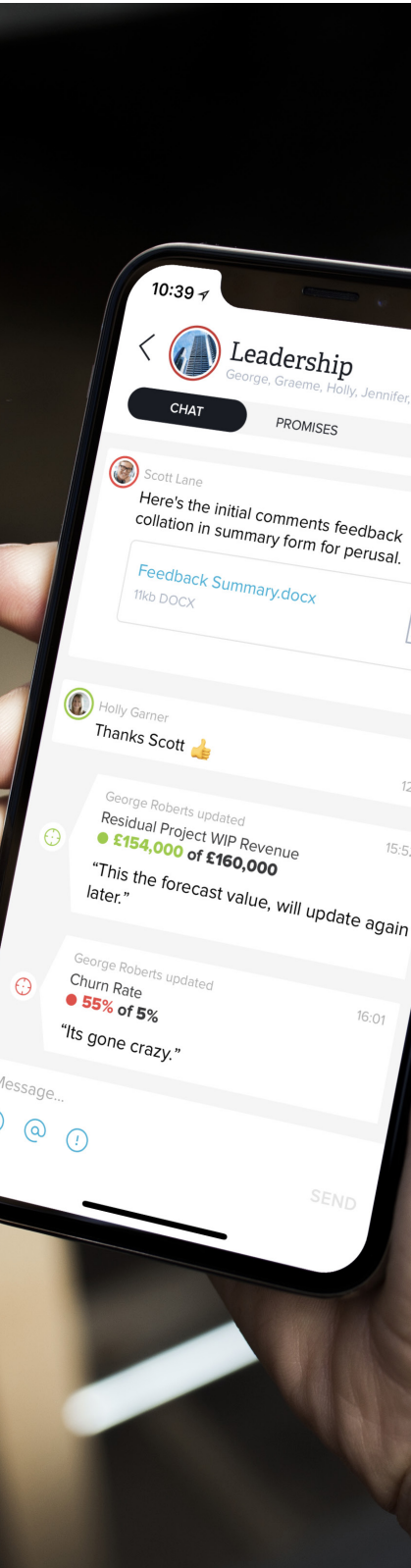
## Robust security

The application and data is hosted in a secure infrastructure, with optional two factor authentication and strong password rules. Cloud storage additionally means all data can be rigorously backed up for safe keeping.

**10:39**

< **Leadership**
George, Graeme, Holly, Jennifer,

**CHAT** | PROMISES

Scott Lane
Here's the initial comments feedback collation in summary form for perusal.

Feedback Summary.docx
11kb DOCX

Holly Garner
Thanks Scott 👍

12

George Roberts updated
Residual Project WIP Revenue
● **£154,000** of **£160,000**    15:52
"This the forecast value, will update again later."

George Roberts updated
Churn Rate
● **55%** of **5%**    16:01
"Its gone crazy."

Message...

SEND

**Visit www.samewave.com and sign up for free**