



Your people are working hard. On the wrong things.

How cascaded objectives and OKRs leak performance – and what to do instead.

If there's something that frustrates CEOs, it's when people don't do the things that are important to the strategy - or don't do it the way that had been agreed. It's when people don't take ownership and let things slip. It's when teams don't collaborate across but focus on delivering their own KPIs. It's when success has a thousand owners, and failure has none.

If there's something that frustrates people in organizations, it's not knowing what's expected of them and navigating in darkness. It's when they are being told to work on something, but not why it matters. It's when they have to work on objectives that have become irrelevant.

It's when they are unable to perform because of unaddressed barriers standing in their way. It's when they have conflicting priorities and KPIs.

Almost every organization, big or small, has tried to find a way to cascade strategies and define objectives. We've done it for decades, using a myriad of elaborate Management by Objectives (MBO), SMART goals, OKR and Hoshin Kanri processes. All of them help. But they have still only taken us to where we are today where lack of alignment, accountability, agility, and strategy execution is the norm, not the outlier.

This happens all the time in organizations around the world. And it impacts performance negatively.

These ills have one common cause: our failure to align people around our strategic priorities and in how we set our people up so they can deliver on them.

A lot of companies have worked to improve their PM. But most have missed that when this foundation is missing, no PM process, however well designed, can make up for it.

We've missed the one place that really matters for PM to deliver performance: ***How we set expectations.***

THE UNTAPPED POTENTIAL OF PERFORMANCE MANAGEMENT

In most organizations, performance management (PM) is a bureaucratic process that has little to do with strategy execution or improving performance. But when done right, your PM is what ensures that your people are aligned and work on the right things, the right way. It is the process that ensures they feel accountable and committed to delivering.

That's what enables your strategy to be executed.

PM can do all of this, if it's designed well. But what most organizations overlook is that the one thing that is required to make this happen is often not happening or is done badly: it's about how you set expectations.

Effective strategy execution and PM require this one unglamorous foundation to be in place: whether people are clear on what's expected of them, why it matters, and how they'll know if they're getting it right.

RESEARCH CONFIRMS WE HAVE A PROBLEM

- and a problem that's costing performance:

- Research from MIT Sloan Management Review (Sull et al., 2018) found that only **28% of executives and middle managers responsible for execution could name three of their company's strategic priorities**. Only 51% of top-team members could, and only 22% of their direct reports.
- Gallup's latest data indicate that's **only 46% of U.S. employees clearly know what's expected of them** (down from 56% in 2020).

INTRODUCING PACE

We've spent years testing out and perfecting alternatives to setting expectations in organizations. We've found an approach that works.

We call the process PACE.

This paper tells you what it is, why and how it works, and how it addresses the flaws in what most companies do today.

THE KEY INSIGHTS

THE PROBLEM

Most performance processes assume people are clear on what's expected, committed to it, and able to adjust when things change. Data from MIT and Gallup indicate that's not what happens - and it starts from the top.

WHY IT HAPPENS

Expectations get set top-down, in a 1:1 conversation, once a year, by a single manager working alone. What that produces is compliance with a form -not commitment to the work. And it depends entirely on how good that one manager happens to be.

WHY IT MATTERS

When it's missing, the costs show up fast: effort scatters across priorities nobody agreed on, feedback has nothing to anchor to, and evaluation starts to feel arbitrary rather than fair.

WHAT WORKS BETTER

Replace the 1:1, top-down objective-setting conversation with a short, structured team workshop: build objectives together, test for understanding, and be explicit about both what people will deliver and how.

What people commit to in front of their team, they act on.

THE PROBLEMS WITH WHAT WE DO TODAY

There are several problems with how most companies clarify and set expectations today. The problems fall into four categories:

1. They are absent and unclear

What happens:

- Most organizations fail to clarify expectations consistently
- When expectations are defined, the quality is often low, especially on 'the how'

What it leads to:

- People don't know what is priority and direct their efforts elsewhere
- You can't provide effective feedback or improvement on expectations that don't exist
- Evaluation and rewards become arbitrary, inconsistent and unfair

2. They are imposed

What happens:

- Expectations are often set top-down
- The process is time consuming for managers
- Expectations are set without addressing potential constraints

What it leads to:

- People don't buy into their objectives
- People often have no understanding of the context or inter-dependencies with others
- People often have no ability to leverage their peers for improvement

3. They are siloed

What happens:

- Expectations are set individually, with no shared team or cross-functional context
- Dependencies or conflicts between people's objectives are rarely made explicit before objectives are finalized

What it leads to:

- People can each hit their own numbers while the overall metrics are in red
- Cross-functional and matrix dependencies stay invisible until they cause conflict
- Coordination costs shift downstream, into firefighting instead of upfront alignment

4. They are static

- Expectations are often set once and not adjusted when things change
- There is no mechanism to revisit objectives mid-cycle, even when the basis for them has changed

What it leads to:

- Objectives often become irrelevant. Nobody's motivated on an irrelevant objective
- It becomes difficult to pivot people's focus - organizational agility suffers as a consequence
- People are evaluated against something they didn't work on.

If effective strategy execution and performance is what you are after, then all of this kills it.

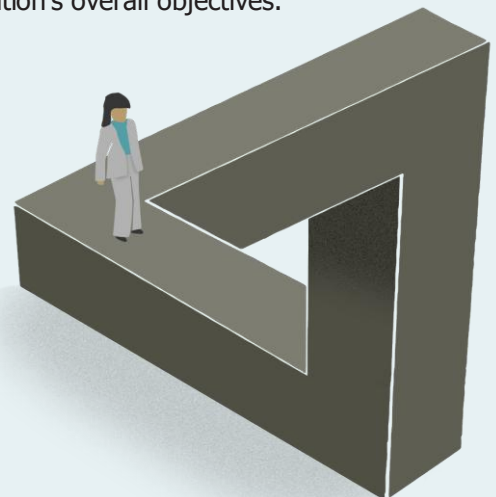
WHAT TO DO INSTEAD: PACE

At its core, PACE is simple. It focuses only on the few things that are required to clarify expectations and create ownership. Everything else is cut.

It runs as a single 3.5-hour team workshop, or two shorter sessions, for a team of 8 - 12 people who share an outcome. The name is the sequence.

► **Step I: Purpose:** we want people to understand the context and why their work matters.

PACE starts with the leader sharing the overall strategic frame - what we as an organization, unit or function are trying to accomplish and why. The first step is designed to ensure the team understands the overall ambition and can state it in their own words. This back-and-forth is called the 'catchball' exercise. The outcome of the first step is a clear understanding and buy-in to the organization's overall objectives.



- **Step II: Alignment:** we want to ensure there's full clarity regarding what the team overall is accountable for and what potential barriers exist that may limit performance.

The second step in PACE starts with the leader outlining what the team collectively must deliver. The team determines what needs to be true for the team to deliver (e.g. capability, capacity, dependencies to other teams). The outcome of this step is a clear understanding and buy-in to the team's overall objectives. Steps I and II answer why what people do matters.

- **Step III: Commitment:** we want to ensure every team member knows what they are accountable for individually, what this entails and how success will be assessed.

This step sees team members self-nominate how they can contribute the most to delivering the team's objectives and what specific deliverables and measures this involves. It involves team members looking for where objectives have interdependencies, and where they overlap or have gaps.

- **Step IV: Execution:** we want each team member to be committed to delivering their objectives and know how performance will be followed-up. In this step, the team agrees decision boundaries: what each person can decide on their own, and what needs to be checked with the team or the leader. Each team member then tells their peers what they commit to delivering in their own words (the backbrief), and the team determines the rhythm of check-ins for following up on the team's performance and commitments



HOW PACE IS DIFFERENT

PACE is different in four main ways:

Team before individual

- The team objective is set first - before anyone drafts individual deliverables.
- This creates the shared foundation that makes genuine alignment and commitment possible.

Dialogue before documentation

- PACE produces shared understanding as its primary output. It limits documentation to an absolute minimum.
- The documentation follows. People act on what they believe, not on what is written in a system.

Constraints are addressed before people commit

- Capacity gaps, dependencies, and barriers are surfaced before objectives are finalized
- People's commitments are real, not performative.

It's ongoing, not just an event

- Things change. Team members change. We need a drumbeat of team and 1:1 check-ins to people work on what most important for performance.

SO, DOES IT WORK?

There is no peer-reviewed research at scale that indicates that any of the most popular goal-setting systems (MBO, OKRs or Hoshin Kanri) execute strategies or improve performance. No one has compared them head-to-head, and none of them has been shown to be better than the others.

Where these systems break is, however, well documented - and is what PACE is designed to fix.

We have tested PACE with clients in different industries, strategy cycles and geographies. The early indicators are that PACE does exactly what it was designed for and effectively closes the gaps the other approaches leave unaddressed. We do not, however, have definite proof of effects at the time of writing this paper.

We have a process in place to assess the effects in all current and future client engagements to ensure we will solicit the data to testify PACE's effects.

FIRST - WHAT PEOPLE NEED TO PERFORM AT THEIR BEST

Effective PM works for both the business and the people in them.

If you want your people to execute your strategy and perform the right way, you have to build your PM, so it provides your people what they need to perform. Research has consistently pointed to four conditions that reinforce, or undermine, one another:

MEANING, DIRECTION AND FOCUS

People perform better when they understand why their work matters, what is expected of them, and where to focus their attention (Locke & Latham, 1990).

THE ABILITY TO DO GREAT WORK

People perform better when barriers are removed and they have the autonomy, tools, support, and mental bandwidth they need to do great work (Deci & Ryan, 1985).

GROWTH AND PROGRESS

People perform better when they receive useful feedback, have opportunities to develop, experience growth and progress, and receive meaningful recognition (Kluger & DeNisi, 1996).

SUPPORTIVE, TRUST-BASED ENVIRONMENT

People perform better when they are held to high standards, supported in meeting them, feel part of a community, and can contribute without burning out (Edmondson, 1999).

Most performance processes are not designed for commitment but compliance.

So, that's exactly what you get.

Two things matter about how these four work together: First, they're interdependent: data consistently finds that having three of the four does little if the fourth is missing. Second, most organizations over-invest in the condition that matters least on its own - reward and recognition - before the foundation beneath it is in place.

This is why how you set expectations is the one thing that matters. It is where all four conditions are built: meaning and direction come from understanding what is expected and why; the ability to do great work from surfacing the barriers early; growth and progress from agreeing what 'great' looks like; and a trust-based environment from doing all of it openly, together.

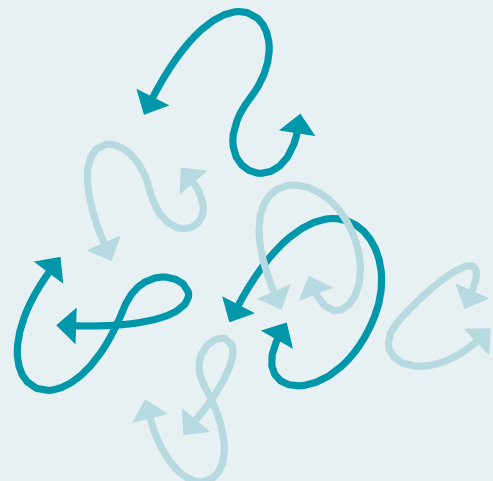
A SIMPLER TEST: HELP YOUR PEOPLE ANSWER FOUR KEY QUESTIONS

The four conditions are real, and backed by decades of research - but on their own, they're abstract.

No leader walks into a room and announces that they will now provide meaning and direction. What makes the conditions actionable is much simpler: whether your team can answer four concrete questions, with confidence, in their own words:

- ▶ What am I accountable for?
- ▶ Why does my work matter?
- ▶ What does 'great' look like for what I do?
- ▶ What do I need to do, concretely, to deliver and improve my performance?

Most people cannot provide a straight, confident answer to any of these. That's an essential gap in our pursuit of effective performance.



DOCUMENTATION IS NOT PERFORMANCE

Some years ago, we worked with the Chief HR Officer of a company with roughly 75,000 employees. He was proud: in six weeks every one of those employees had objectives in the system.

There was only one problem: the objectives had been calculated and imposed. Everyone had a line in the system. Few had had a conversation about their objectives. Few understood what they were accountable for and why. Few understood what it took to deliver them.

Documentation is not the same as people acting on their objectives.

WHAT THE BUSINESS NEEDS

For businesses, PM can deliver three things no other HR process can. We call them the Three As:

- People working on the right things, in the right way (**Alignment**)
- People feeling accountability and ownership for delivering on them (**Accountability**)
- The ability to pivot fast when we want to (**Agility**).

Most organizations focus on the other end of the process: feedback, ratings, calibration, evaluation, incentives.

But none of that matters unless the input is right first: without objectives people understand and buy into, any feedback, rating or evaluation that follows rests on a starting point that was never there.

We have been fixing PM in the wrong end of 'the stick' – or looking for love all the wrong places.

WHY PEOPLE DON'T COLLABORATE - AND HOW IT'S COSTING YOU PERFORMANCE

Most business opportunities and problems are rarely fully owned by one function. Think about an objective to raise customer satisfaction by 25% and retention by 25%; that's is a cross-functional goal if there ever was one.

What often happens, however, is that the objective lands in three uncoordinated places: Finance is measured on cost per contact, so it pushes to shorten calls.

Commercial is measured on sales volume, so it launches promotions that generate service volume it doesn't own. Customer service is measured on handle time and on resolution, and answers to both.

Each function can hit its own numbers while the overall objective remains in the red. Nobody is accountable for the outcome the CEO actually cares about.

And the customer service agent at the end of the chain hears three different messages: be quick, help us sell, solve everything. Nothing in the cascade asks the three functions to sit down together and agree on what each will do to make the shared goal possible.

The most likely outcome is that you'll have a lot of activity, but probably be far away from reaching your strategic objective.

In 2022, Gardner and Matviak summarized this in a renowned HBR article: *'Companies typically set broad, overarching, collaboration-dependent goals, like revenue growth or faster innovation, and then create myriad targets for functions and divisions and units that are based on the conventional wisdom that people should be held accountable only for outcomes they directly control.'*

But these narrow goals cause employees to optimize their own results and not consider their actions' impact on other parts of the business. Systems that use them can pit groups against one another, motivate people to hoard staff or knowledge, create a culture of blame, weaken employee engagement, and leave customers unhappy and angry.'

Telling people to collaborate, to 'go and talk to your colleagues about how to deliver this', does not fix this.

We set individual goals. We develop individuals. We reward individuals.

And we still wonder why people don't collaborate to perform.



HERE'S HOW PACE GIVES BOTH THE BUSINESS AND PEOPLE WHAT THEY NEED

Businesses need alignment, accountability and agility. People need meaning and direction, the ability to do great work, growth and progress, and a supportive, trust-based environment.

That's why we designed PACE the way we have. Both can be satisfied by the same design choice: building expectations together before they're written down anywhere.

Most organizations have none of the three and the most popular objective-setting processes - Management by Objectives (MBO), SMART goals, OKRs and Hoshin Kanri - have each spent decades trying, and mostly failing, to close that gap on their own

ALL IT TAKES IS THIS

- ▶ 3.5 hours, one team at a time - works for intact, fluid, or cross-functional teams of 8 - 12.
- ▶ A short leader-prep session with HR beforehand, to co-construct the strategic frame and pre-agree decision boundaries - no separate manager training required.
- ▶ A skilled facilitator the first time (can be HR) - helping the team raise doubts and disagreements openly and without judgment.
- ▶ A 30-minute follow-up two weeks later - not a status update, a check on what reality has taught the team.
- ▶ Easy by design: brain-friendly and intuitive, with no manuals or training for participants. People learn it by doing it. A short leader prep and a facilitator guide are all it takes.

For additional details on how this plays out across a leadership team, and then across the organization, or see the process map just before the appendix. The full theoretical foundation, the PACE facilitator guide and workshop decks are available as separate documents. The appendix answers the questions we hear most often and compares PACE with MBO, OKRs and Hoshin Kanri.

THE MECHANICS: WHY PACE WORKS

The business needs three things: alignment, accountability and agility. The four steps of PACE build them. Purpose and Alignment (Steps I and II) build alignment, Commitment (Step III) builds accountability, and Execution (Step IV) builds agility.

ALIGNMENT - WORKING ON THE RIGHT THINGS, THE RIGHT WAY (STEPS I AND II)

PACE ensures that everyone knows what's expected, what they are accountable for, and why it matters.

It does that first by having the team make sense of what the team overall is trying to accomplish, and of what the team leader has committed to.

When people have had a chance to ask questions, challenge, and make sense of the overall objective, they understand better how they can contribute to the collective goal.

The 'catchball' exercise forces the team to make dependencies explicit before objectives are finalized, instead of after they collide with their peers.

ACCOUNTABILITY - OWNERSHIP AND COMMITMENT TO PERFORM AND IMPROVE (STEP III)

This is where PACE differs most from a 1:1 objective-setting conversation, and it rests on a simple piece of social psychology.

You can assign accountability on a piece of paper or in a system. That is not the same as people feeling accountable and taking ownership for delivering. Accountability can't be imposed. It has to be taken. PACE does that by having team members volunteer how they can best contribute to the team's overall objectives. They do that together.

AGILITY - THE ABILITY TO SHIFT FAST, ON PURPOSE (STEP IV)

Objectives set once a year go stale in weeks. PACE builds in explicit decision boundaries and a short follow-up review, so teams can adjust what they committed to without losing the clarity they started with - and without every adjustment turning into a renegotiation.

PACE FILLS THE GAPS IN OTHER APPROACHES

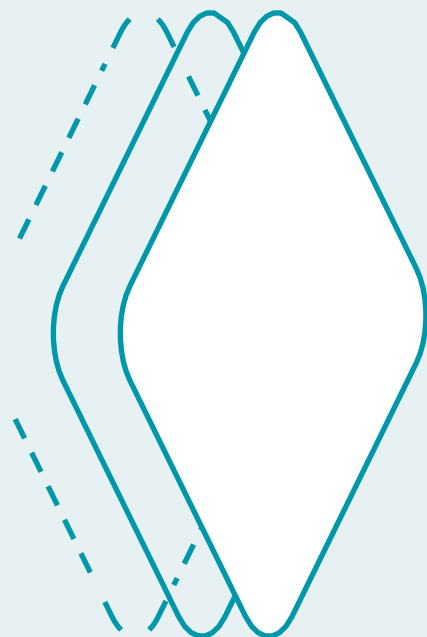
PACE isn't a fourth framework competing with MBO, OKR or Hoshin Kanri. It's designed to leverage what works from each of them and bundle them in a way that sets PM off to a more promising start. A side-by-side comparison is in the appendix.

PACE adds what none of the three do alone: a structured way to surface doubt before people commit, a form of accountability that doesn't depend on one manager's skill or bandwidth, and the psychological safety that makes volunteering an honest objective possible in the first place.

PACE - A PROCESS, NOT AN EVENT

The world changes. Objectives and what the team focuses on need to change with it. Who has capacity, and who needs help, changes too.

This is another reason PACE isn't a one-off event but a process. Built into the design is a cadence of regular 1:1s and team check-ins that keeps a 'performance drumbeat' going, focused on one thing: enabling future performance.



BEFORE YOU START

- ▶ A real team: people who share an outcome and depend on one another.
 - ▶ A leader with a frame to share, who is willing to say what they don't yet know.
 - ▶ Enough trust to begin: people must be able to disagree with the leader in the room without penalty. Where that isn't yet true, start with one-on-ones and written input.
 - ▶ Protected time and a skilled facilitator (typically HR).
-
- ▶ A stable enough context. If the team's leadership or structure is about to change, wait. PACE does not build a high-performing team on its own. Purpose, decision-making norms and trust are other parts of that work. But without clear, committed objectives built together, it is hard to get a high-performing team at all.

Final words

Performance doesn't start with a better form, a smarter rating scale, or a more sophisticated cascade.

It starts with people who are genuinely clear, genuinely committed, and genuinely able to perform - because they built what they will deliver together, in the room, with the people they'll actually be counting on.

That's what PACE is designed for.

It's what makes it different from what doesn't work today.

ONE PROCESS, SCALED TO THE LEVEL

Some people believe that PACE looks heavy for a top team. It would be, if PACE were a fixed workshop.

It's not. It's a sequence of questions, and the time each one needs depends on how far the people in the room are from the work.

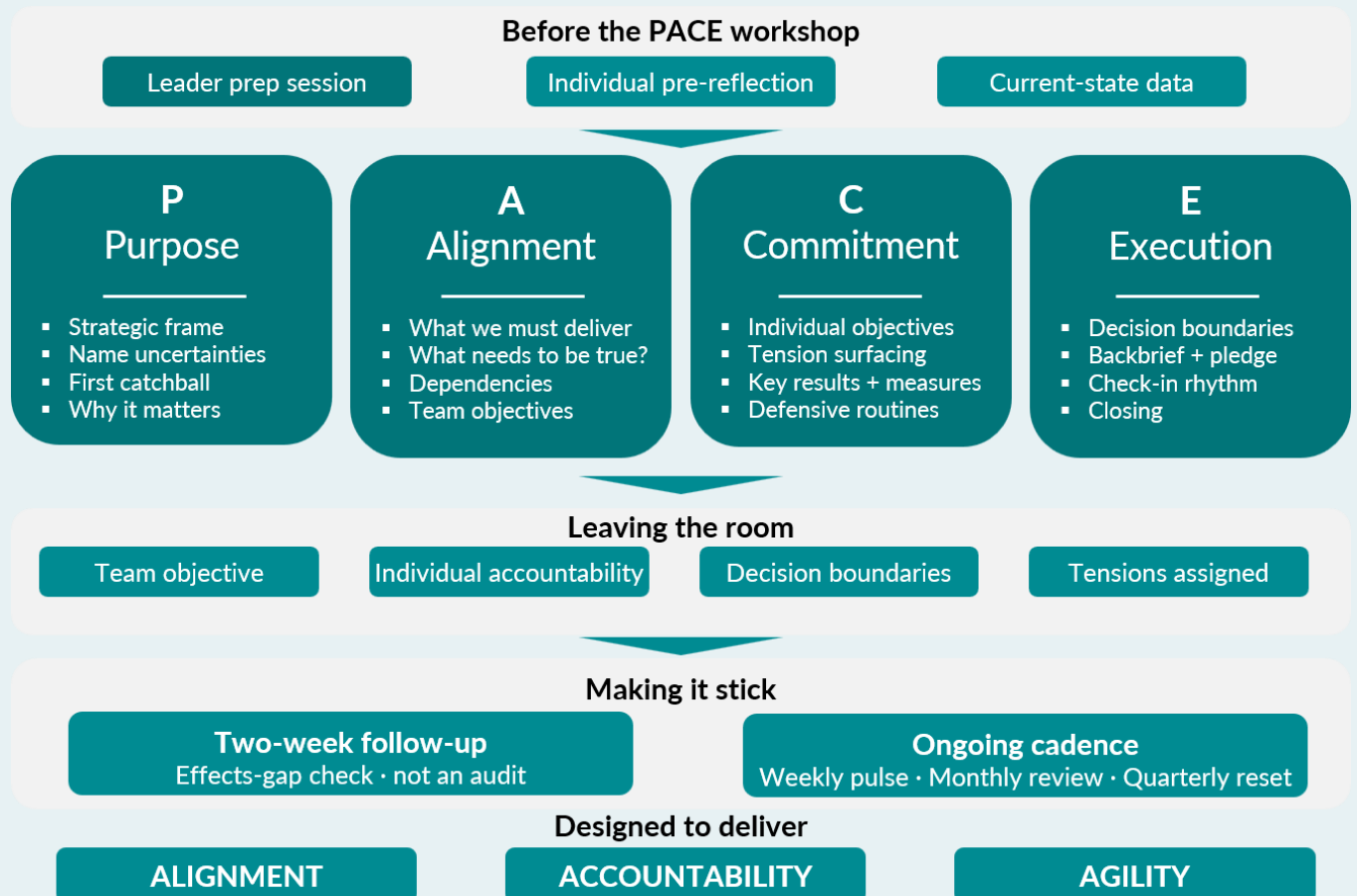
At the top, executives understand the strategy; the risk is that they leave with different pictures of a shared objective.

There, PACE becomes a one-hour conversation: what are we delivering together, who needs what from whom and by when, where will we collide, what can each of us decide alone, and a backbrief before anyone leaves. Further down, where people were not part of the strategy conversations, the full workshop earns its three and a half hours. Same principles, different dose.



THE PACE PROCESS ON A PAGE

How it runs, end-to-end - from your leadership team to the wider organization



APPENDIX - QUESTIONS & ANSWERS

1. IS IT WORTH IT?

1.1 ISN'T 3.5 HOURS A LOT?

It's the first objection organizations often raise, and it's worth answering with a real number rather than a reassurance. The comparison that matters isn't PACE against nothing - it's PACE against the hidden time the status quo already costs, for a team of 8-12 people.

The hidden cost of the status quo

- ▶ The manager writing or cascading objectives one person at a time: 30-60 minutes per person, including prep and system entry - 4-6 hours of manager time alone.
- ▶ Each team member interpreting what they were handed and informally checking it against colleagues' objectives: roughly 30-45 minutes per person - 4-7.5 hours of distributed time.
- ▶ Downstream re-clarification when objectives turn out to collide - not counted here, and research on execution consistently finds it costs more than the upfront conversation would have (Sull, Homkes & Sull, 2015).

What that adds up to

8-13+ hours, spread across weeks, often ending in individual compliance rather than shared clarity. That's a floor, not a ceiling - it excludes the re-alignment conversations that surface in months two and three.

The time PACE takes

3.5 hours x 8 - 10 people = 28 - 35 person-hours. By headcount in the room, that is more, not less. But it buys something the status quo doesn't: full shared alignment, tested commitments, surfaced dependencies, and decision boundaries, produced once, together, rather than pieced together after the fact.

1.2 DOESN'T PACE DEPEND TOO MUCH ON THE CAPABILITY OF THE MANAGER?

A common objection that we hear when trying to implement something new in PM: 'our managers aren't capable enough for something this complex.'

We'd argue the opposite. Today, one manager sets objectives alone, in a series of private 1:1s, with no one else in the room to catch what they miss. No one else who can support them and bridge their gaps. 1:1s are the model that is most dependent on the quality of the individual manager.

PACE on the other hand reduces that dependency on two fronts: HR prepares and co-facilitates the workshop with the manager, and the team itself - not the manager alone - helps surface the gaps, dependencies and constraints an individual manager is likely to miss on their own. A team process compensates for what one person, however capable, cannot see alone.

PACE provides another conversation that the other processes miss: clarifying how the manager can best help the team perform. A central part of PACE is the fact that it's a two-way street and dialogue; it's not a monologue or merely telling people what to do.

1.2 WE DON'T HAVE ENOUGH FACILITATORS TO COVER ALL TEAM SESSIONS

We have built an app that is designed to help any team do the PACE workshops on their own. It's designed to be intuitive and easy to use even for a manager and team who aren't tech savvy or who do not feel comfortable running PACE on their own.

Our app also enables remote teams to use PACE in a way that engages the entire team as if they were in the room together – not only for the core workshop but also the check-ups that follow. Contact us if you want to know more.

2. WHY DOES IT WORK? (THE MECHANISM)

2.1 DOES PACE FOCUS ON THE TEAM OR ON INDIVIDUALS?

Both, in that order. Before individuals can answer 'what am I accountable for?', the team has to answer 'what are we collectively accountable for?'. Individual accountability only makes sense inside a shared one. The same applies to roles far from the strategy, such as a receptionist: the answer is not a cascaded corporate target but a team purpose - what are we trying to accomplish in our part of the business, and who relies on it?

2.2 WHY DOES PSYCHOLOGICAL SAFETY COME FIRST?

Asking people to volunteer objectives in front of their peers only works if they trust the room. Without psychological safety, people won't put their hand up - they'll wait to be told, and give the safe answer (Edmondson, 1999).

PACE builds this into the design of the workshop, not just into how well someone facilitates it: the leader states their own objective and its constraints first, modeling that uncertainty is allowed before anyone else has to.

The 'catchball' exercise runs on the same logic: questioning and pushing back on the frame is the expected first move, not a risk, so raising a doubt is normal rather than costly.

2.3 WHY DOES IT MATTER THAT COMMITMENTS ARE MADE IN THE ROOM?

Once that trust exists, something changes. Committing to an objective in front of your team creates a different kind of accountability than typing it into a form for a system to store. People are more motivated to avoid letting down colleagues they work alongside every day than they are by an abstract process managed somewhere in HR (Hollenbeck, Williams & Klein, 1989; Cialdini, 2006).

Not wanting to let your tribe down is a stronger driver of follow-through than not wanting to fall foul of a system.

This also makes 'social loafing' and 'sandbagging' harder. Many teams struggle because some members are seen as not contributing equally. They don't 'pull their weight', or they lower their targets, so they become easier to meet (and easier to earn a bonus on). That is much harder to do in front of your peers.

2.4 WHAT ROLE DOES PEER FEEDBACK PLAY?

That same relational pull cuts two ways. It is what makes peer commitment powerful, and it is also what makes peer feedback easier to hear and accept than a manager's.

The stakes are different: a peer's opinion carries real relational weight, but unlike a manager, a peer typically doesn't decide your pay, your promotion, or whether you keep your job. Felt, but not formally consequential, is exactly the combination that makes feedback from the people you actually work with both credible and safe to hear.

Team dynamics matter, and PACE is designed with that in mind, but this asymmetry is real, and it's an asset most performance processes leave on the table.

3. WHAT IS IT BUILT ON?

3.1 HOW DOES IT COMPARE TO MBO, OKR AND HOSHIN KANRI?

MBO & THE OBJECTIVES CASCADE

Strong on architecture and line-of-sight. Weak on commitment: objectives are calculated and imposed, not built together, so people comply with the measure rather than commit to the work (Vroom, 1964).

OKRS

Strong on adaptability and measurement discipline. Weak on team anchoring: individuals set OKRs largely on their own, with no required step to build the team's shared objective first, and no designed mechanism for surfacing doubt or disagreement before people commit.

HOSHIN KANRI

Strongest of the three on team dialogue - its 'catchball' process tests understanding by asking, not broadcasting. Weaker on individual accountability, and on adapting when reality departs from the plan.

WHAT NONE OF THEM DO ALONE

Each solves part of the problem. None combines team-level dialogue, individual accountability, psychological safety and the latitude to adapt - which is exactly the gap PACE was built to close.

3.1 HOW DOES PACE BUILD ALIGNMENT?

Historian Stephen Bungay's account of why the German army outperformed its rivals in early WWII names the gap between what leaders want people to do and what they actually do the Alignment Gap.

Closing it takes clarity of intent before task detail, guardrails that leave room to adapt, and backbriefing - asking people to state, in their own words, what they've understood (Bungay, 2011).

Bungay supplies the operating logic. PACE adapts it into a lateral, team-built process rather than a top-down command chain.

What about *how* people deliver, not just *what*?

Alignment on priorities isn't enough if people deliver on them the wrong way. Getting your people to live your core values can't be bought with ratings and bonuses - they need to be clear, connected to people's day-to-day, and reinforced (Cappelli & Tavis, 2016).

PACE builds this in at the objective-setting stage, not as a separate exercise: every objective set in the workshop states not only what will be delivered, but how - and 'how' means the norms the team agrees on for working together to deliver it, anchored in what the company already says it values, not a checklist of individual behaviors nobody can specify in full.

PACE is designed to be a collaborative team process. But not everything should be discussed in plenum of course. 'Delegate more effectively' is a real and important aim, but it belongs in a separate, individual conversation about growth - not in the record of what someone is accountable for delivering this year.

Aligning the team around 'the how' in the room establishes a reference point that 1:1 conversations would need later: you cannot give someone honest feedback on how they delivered if nobody ever said, out loud and in front of the team, what 'how' was supposed to look like.

4. WILL IT FIT US?

4.1 ADAPTING PACE TO FIT YOUR CONTEXT

What you have read here is the template for PACE designed for an intact, standing team, in a room or online. We recommend you adapt PACE to fit your context and the specific needs of your teams.

Different teams, same principles

- ▶ Executive teams have usually shaped the strategic frame already. PACE compresses to a one-hour session built around cross-functional commitments: what I will deliver, and what I need from each of you.

Frontline, shift-based and blue-collar teams need clear expectations as much as anyone. The same principles apply in shorter sessions closer to the work.

- ▶ Remote and hybrid teams can easily run PACE. It requires written pre-work, a shared online board (e.g. Mural, Miro or Canva). It often works better with two shorter sessions.
- ▶ New teams run the full format. Established teams that have run PACE can use a lighter refresh when little has changed, and the full format when a leader, a strategy or the team itself changes

4.2 WHAT ABOUT PEOPLE WHO DON'T LIKE SPEAKING UP IN GROUPS?

PACE asks for visible commitments, not public speaking, and everyone should have a way in. Send the strategic frame and the guiding questions in advance and invite written pre-work, offer a short 1:1 beforehand to anyone who prefers it, and allow written questions and contributions in the room and in the chat. Invite people to contribute rather than cold-calling them, and check in afterward with anyone who stayed quiet. Quiet does not mean aligned.

4.3 DOES PACE WORK ACROSS CULTURES?

The frameworks that PACE is based on come from different places: OKRs from the United States, Hoshin Kanri from Japan, and MBO is applied broadly around the world.

We have seen all of these work well in any location. The idea that a method built in one country cannot work in another is largely a myth. What does differ from culture to culture is the dynamic in the room, and that is a matter of facilitation, not of design.

4.4 WHAT ABOUT INCENTIVES AND REWARDS?

PACE does not decide pay. But reward shapes behavior, and if every incentive stays purely individual, it will quietly undercut the team commitments PACE builds. This is why we're seeing organizations wanting to improve collaboration implement team-based KPIs and incentives, and eliminating individual rewards. Where collaboration matters, give team outcomes visible weight in how contribution is recognized and rewarded. Gardner and Matviak (2022) propose a scorecard that combines cross-silo, team and individual goals. PACE supplies what such a scorecard rarely has: goals the team has built together.

References

- Bungay, S. (2011). *The Art of Action: How Leaders Close the Gaps Between Plans, Actions and Results*. Nicholas Brealey.
- Cappelli, P., & Tavis, A. (2016). The performance management revolution. *Harvard Business Review*, 94(10), 58-67.
- Cialdini, R. B. (2006). *Influence: The Psychology of Persuasion* (rev. ed.). Harper Business.
- Daniels, A. C. (2009). *Oops! 13 management practices that waste time and money (and what to do instead)*. Performance Management Publications
- DeNisi, A. S., & Murphy, K. R. (2017). Performance appraisal and performance management: 100 years of progress? *Journal of Applied Psychology*, 102(3), 421-433.
- Deci, E. L., & Ryan, R. M. (1985). *Intrinsic Motivation and Self-Determination in Human Behavior*. Plenum.
- Edmondson, A. C. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350-383.
- Gallup (2025, January 13). U.S. employee engagement sinks to a 10-year low. [gallup.com/workplace/654911](https://www.gallup.com/workplace/654911).
- Gardner, H. K., & Matviak, I. (2022). Performance management shouldn't kill collaboration. *Harvard Business Review*, 100(5).
- Hollenbeck, J. R., Williams, C. R., & Klein, H. J. (1989). An empirical examination of the antecedents of commitment to difficult goals. *Journal of Applied Psychology*, 74(1), 18-23.
- Kluger, A. N., & DeNisi, A. (1996). The effects of feedback interventions on performance: A historical review, a meta-analysis, and a preliminary feedback intervention theory. *Psychological Bulletin*, 119(2), 254-284.
- Locke, E. A., & Latham, G. P. (1990). *A Theory of Goal Setting and Task Performance*. Prentice Hall.
- Sull, D., Homkes, R., & Sull, C. (2015). Why strategy execution unravels, and what to do about it. *Harvard Business Review*, 93(3), 57-66.
- Sull, D. N., Sull, C., & Yoder, J. (2018, April 1). No one knows your strategy - not even your top leaders. *MIT Sloan Management Review*. sloanreview.mit.edu/article/no-one-knows-your-strategy-not-even-your-top-leaders
- Vroom, V. H. (1964). *Work and Motivation*. Wiley.