



The Right Conversation

THE LITTLE BOOK FOR...

THE PERFORMANCE CONVERSATIONALIST

How to place regular communication at the heart of performance management



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**“THE PERFORMANCE
OF AN ORGANISATION
IS CHANGED ONE
CONVERSATION AT A TIME”**

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How to place regular communication at the heart of performance management

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Talking the performance management talk. The traditional annual review model is broken. Long live performance conversations.

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Performance is about meeting orders and customer demand; it's also, of course, about turning a profit or adding value in whatever way is most relevant. Most of all, it's about how the people in your organisation go about achieving all of the above.

Performance is about people and improving performance is about how you, as the manager of your people, go about coaching, training, teaching, and showing your people how to improve. It is also about how you inspire, motivate and engage your people actively to want to perform better, not just because this is their job and they get paid for doing it, but because it matters to them;

because they want to improve for themselves and for the wider organisation. And this, in turn, means improving your conversations.

The performance of an organisation is changed one conversation at a time. Too often, when a manager and employee meet to have a conversation about performance – normally an annual or six-month review – it achieves nothing and little changes. At best it's a pleasant if slightly time-wasting chat; at worst it's a meaningless form-filling exercise that has to be endured before everyone gets back to their 'real' job.



It doesn't need to be this way, and indeed shouldn't be. This is why we've created The Little Book For... The Performance

Conversationalist, to show you how to change and why it's important that you and your organisation does so.

A PERFORMANCE CONVERSATION BETWEEN A MANAGER AND AN EMPLOYEE IS DESIGNED TO IMPROVE PERFORMANCE AND INCREASE MOTIVATION. BUT WHAT MAKES FOR A 'GOOD' PERFORMANCE CONVERSATION?

The ability to hold, lead and direct a conversation is the single most important skill-set you need to have as a manager – it needs to be, perhaps, your central, core competency.

A good performance conversation needs to be an ongoing conversation, not just something that happens in November or June or whenever the performance review cycle is within your organisation.

There can, of course, be points of the year where these conversations are attached to conversations about salary or responsibility, but the idea of performance conversations is that they are ongoing, constant and consistent.

A performance conversation needs to be a genuine, two-way dialogue and it should result in what we call 'shared meaning'. What this means is that it's not just the transmission of 'stuff' by the manager to the employee, who sits there passively receiving it. It's co-created and co-designed.



So much about the world we live and work in has changed. How we interact, collaborate and follow has changed. With this, a new type of leader has emerged and the traditional view of what constitutes a good leader has shifted substantially.

With such a fast-paced workplace, six-monthly, targeted objectives can quickly become dated – not to mention the business objectives.

Performance and objectives should be reviewed far more regularly in order to remain relevant. Aside from that, with an increased number of millennials in the workplace, the expectation for regular, in-the-moment feedback reflects the responsiveness of the digital world in which they operate.

For some people, elements of all this are going to come naturally (although bear in mind being a good conversationalist is not the same thing as being a good talker). But for most of us understanding how to make conversations work, and really work in a meaningful way, is a skill we have to learn.

Dik Veenman



JUST ANOTHER CONVERSATION – OR IS IT?

Jim was anything but happy when it came to performance management. He was stuck in a time-consuming and ineffective spiral of six-month reviews, and he was at his wits' end. This is the story of how he transformed his team management... by becoming a performance conversationalist.

Like many managers, Jim used to get extremely grumpy between January and March. This wasn't just because he was on a post-Christmas diet and trying to lose weight, it was because this was the time in his company when he had to hold six-month and annual performance reviews for all his team.

37%
OF EMPLOYEES
THINK END-
OF-YEAR
PERFORMANCE
REVIEWS ARE “A
WASTE OF TIME”.



58%

OF EMPLOYERS
BELIEVE THEIR
CURRENT
PERFORMANCE
MANAGEMENT
APPROACH IS "NOT
AN EFFECTIVE USE
OF TIME".

Jim really hated six-month and annual reviews. Almost as much as his team hated having them. Why? Because this was often how they seemed to go...

Jim: "Come on in, Sam, sit down."

Sam: "Thank you, Jim."

Jim: "So, how's it all going?"

Sam: "Fine, thank you."

Jim: "Any problems?"

Sam: "Not really, no."

Jim: "Well, there was that issue over that order in September that all ran very late?"

Sam: "Really, you said at the time you were pleased that we'd managed to pull it out of the bag at the last minute? And the whole team worked late that whole week. What was the –"

Jim: "Did I? Did you? Oh –"

Knock on the door.

Jim: "Sorry Sam, I'd better get this."

Ten minutes later, Jim returns, slightly out of breath.

Jim: "Right well, thank you for waiting Sam. You know, I think we've probably covered the bases, don't you? And everything seems fine to me. Yes, absolutely fine. Keep an eye on those delivery schedules, however; they are important, you know. I've got some targets for you for the next six months, just not sure where I've put them right now. Is it alright if I email them over later? Bit pushed you see, something's come up."

Sam: "Well, I was hoping –"

Jim: "Can it wait? Just send me an email, probably easiest. And any questions, you know my door is always open of course. Keep up the good work. Oh, and I'll send you a diary appointment for, when is it, June? Cheer up, it'll nearly be the summer by then!"

And this would happen 50 times until Jim was completely exhausted and had a splitting headache, and a huge pile of what he always thought of as his "real" paperwork to get through.

30%

OF EMPLOYEES FEEL THEIR EMPLOYER'S
PERFORMANCE REVIEW PROCESS IS "UNFAIR".



Jim, on reflection, knew where he was going wrong for so many years – and for many more reviews. He realized that:



By locking himself and his team, into a yearly or six-monthly performance conversation cycle, he was making the whole process dreary, time-consuming and demotivating. It was becoming little more than a “tick box” exercise.



He hadn’t prepared properly for his conversation with Sam, nor was he actively listening to him.



At a practical level, he hadn’t made sure the appointment wouldn’t be interrupted. He also didn’t have the paperwork he needed to hand. Nor was he focused on either Sam or the process.



The conversation he did have, and the language he was using, was negative and critical, especially around the ‘issue’ of Sam’s late-running order. Rather than managing it effectively at the time, he had stored it up for the annual appraisal, therefore, surprising Sam in an unpleasant way.



He hadn’t set Sam any effective six-monthly performance targets, whether SMART (specific, measurable, attainable, realistic and timely) or not. Even if he had remembered to send them to him after the meeting, Sam would have had no input into or ‘ownership’ of them. He also closed down the conversation the moment Sam attempted to open up the discussion to a personal or professional development issue.

How can we be certain what Jim was doing was so wrong? There is a growing body of research that has highlighted why changing your thinking about performance management and performance conversations can be valuable.



THE VALUE OF PERFORMANCE CONVERSATIONS

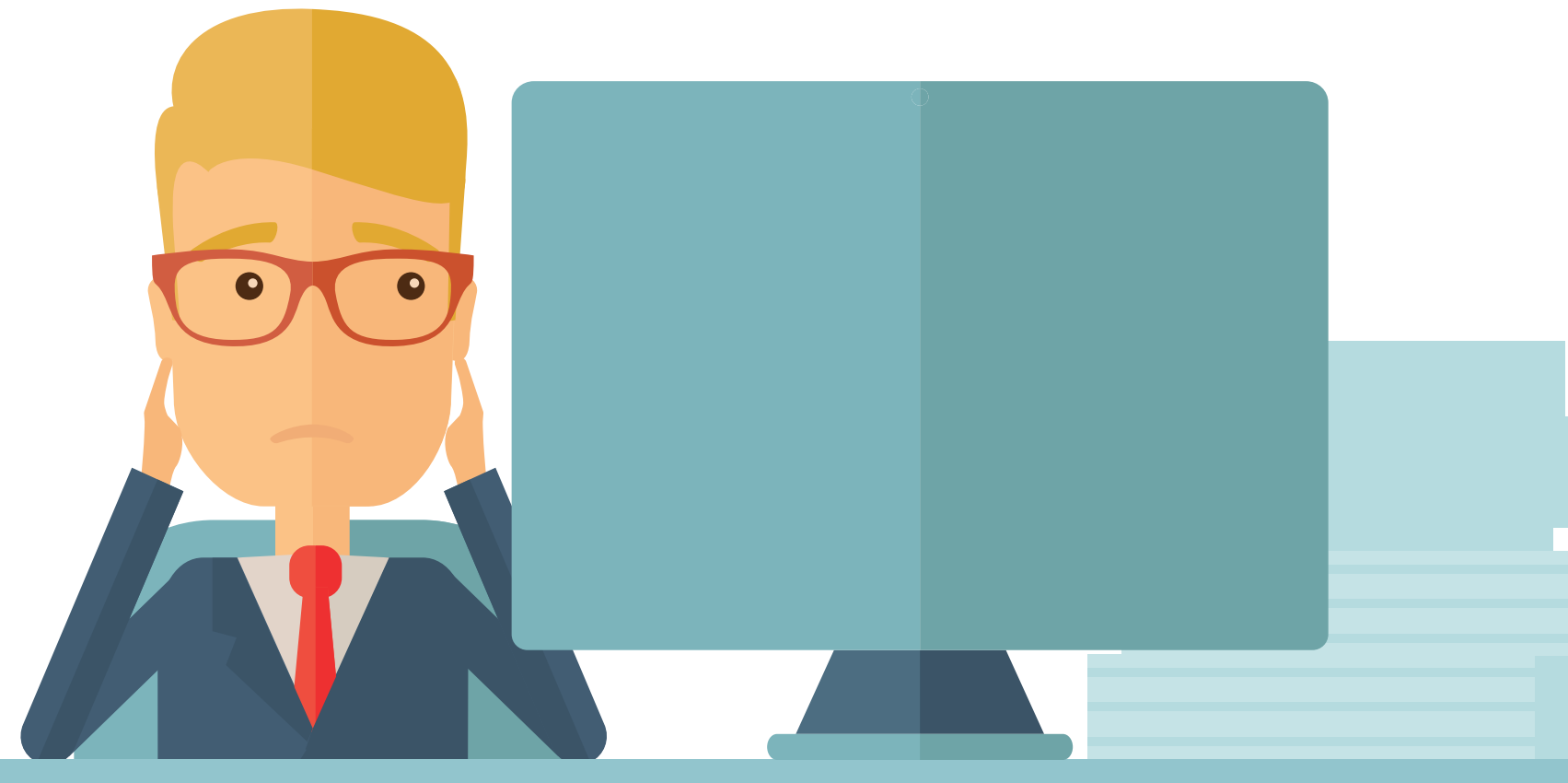
1

Do you want to be playing catch-up? Thought not. Big-name companies are already doing this. Accenture last year announced it was scrapping annual performance reviews. Organisations such as Microsoft, Expedia, Deloitte (which has argued the once-a-year performance management review model is 'broken'), Gap and Adobe, to name but a few, are also moving in the same direction.

2

Christopher Lee, in his *Performance Conversations: An Alternative to Appraisals*, has argued that the performance conversation can be a powerful, and relatively simple, tool to coach employees and help them to take their performance to a new level. It'll also help you, and your management population, manage and document individual performance much more effectively.

**TWO THIRDS OF LARGE COMPANIES
ARE ALREADY REVAMPING THEIR
PERFORMANCE REVIEW PROCESS,
WITH ONE IN 20 LOOKING TO
SCRAP FORMAL EVALUATIONS
ALTOGETHER, ACCORDING
TO RESEARCH BY PWC.**



3

Performance conversations can also be a way of making it easier to hold 'difficult' or challenging performance conversations. As we saw with Jim's approach, storing up all 'the bad' to deliver in one go is going to make a problem conversation much more confrontational and difficult to manage. The employee will also probably end up feeling negative, put-upon, criticised and demotivated. A good resource for understanding the ins and outs of handling these sorts of 'critical' conversations is Marnie E Green's *Painless Performance Conversations: A Practical Approach to Critical Day-to-Day Workplace Discussions*.

4

For a no-nonsense articulation of why conventional performance reviews are a waste of time (often both literally as well in terms of best practice), Tom Coen and Mary Jenkins' *Abolishing Performance Appraisals: Why They Backfire and What to do Instead*, is as good a place to start as any.

65%

OF EMPLOYEES SAY THEY DON'T FEEL
“HIGHLY ENGAGED” WITH THEIR WORK.



FIVE WAYS PERFORMANCE CONVERSATIONS GO WRONG

As we've seen with Jim, holding an effective performance conversation is not as easy as you think. Here are five things that can – and often do – go wrong.

1. ASSUMING THINGS

It is all too easy to assume that someone understands something, just because you've said it. If you don't ask them, and don't have a proper dialogue, you can mistakenly assume someone has 'got it' when they haven't.

2. NOT RECOGNISING THE POWER DYNAMIC

It's easy to underestimate the fact that, as a manager, you have enormous power in these conversations. You may say "we're all equal" and you may even believe it yourself, but the fact is you are

that person's manager and the conversation is going to have an element of judging involved. So it is important to understand the dynamic of what is going on and, therefore, why it's so important deliberately to shift the focus to what the person on the other side of the table is wanting or thinking.

3. MAKING IT ABOUT YOU

Another common pitfall is for the manager to see the conversation as simply an opportunity to get stuff off their chest or to talk at the employee, and in a way that takes up a disproportionate amount of conversation 'airtime'. Often you will find people will just sit quietly, thinking about the power dynamic outlined above, but that's not going to be helpful to either party.



4. RUSHING IT

Failing to allow enough time properly to explore the issues can be another frequent failing. This comes back to not having made proper time and space for it, and not having done sufficient preparation and reflection.

Things may come out or emerge from it that you haven't thought of or prepared for, but it is important to make the time and space to explore them. If you've allocated just a strict half hour and then you have to wrap it up, that's maybe not going to happen.

5. HAVING A FORM IN FRONT OF YOU

or a piece of paper, or a tick box. As soon as you allow the conversation to be led by a form you're limiting it; in fact, the form can often become the point of the conversation rather than the person on the other side of the table.





THE FIVE 'SUPER SKILLS'™ OF A PERFORMANCE CONVERSATIONALIST

How can you go about transforming yourself into a performance conversationalist?
Good performance conversations need to be based around five 'super skills'™.

1. PRESENCE

This does not mean simply being 'present' in the room (although, clearly, that is important). It means understanding the importance of ensuring you are somewhere where you're not going to be interrupted or distracted, that laptops have been closed and phones put away.

It is about creating a space where both parties can see that the conversation, and the conversation alone, is the focus. It is also about recognising the importance of putting in proper time and thought to prepare for the conversation.

2. HYPER-AWARENESS

This means having awareness of, and emotional intelligence about, both yourself and the other party in the conversation. It is about understanding not just the process but also the importance of the language you use as a leader.

By this we mean verbal language, including things such as whether you are critical or encouraging, abrupt and 'busy' in how you speak, or open. Whether the way you phrase questions colors the way they're answered (for example resulting in a 'yes' or 'no' answer).

It also means your body language and understanding the importance of how people see and feel around you; your unconscious (or conscious) bias and prejudice. It is also about understanding what is likely to be driving and motivating the conversation from the perspective of the other party.





3. DECODING

This, as its name suggests, is about working to 'decode' what the other person is really saying. Ensuring you are listening to them, really working hard to find out where they are coming from and what they are wanting to achieve or take away from the conversation.

This is about more than just listening to what they are saying, it is about trying fully to understand what they want to get out of it.

4. VOICING

This is the skill of ensuring that, as the manager, you are still saying what needs to be said – even if it is challenging or difficult – albeit in a way that is helpful for the conversation.

An effective performance conversation should be focused on improvement rather than criticism, but you need to be sure you are saying what you want to say.

This doesn't have to be brutal or negative, but it does need to be honest, authentic, helpful and direct.

5. FLOW CONTROL

This final skill is about learning to control and be in charge of the flow and direction of the conversation. You need to ensure the conversation is structured, with an opening, middle and end, and does not drift; to ensure it is a process that will end with the other party leaving the room feeling more motivated and engaged than at the beginning.

You also need to ensure that the conversation is properly closed and that any ends or outstanding questions are neatly tied up, that next steps or actions (yours and theirs) are agreed upon.





HOW PERFORMANCE CONVERSATIONS ARE TRANSFORMING THE POST OFFICE

Shaping success with Aidan Alston, Talent and Diversity Manager, the Post Office.

Performance conversation skills – and the whole approach of performance conversations – are currently being embedded in the Post Office.

A trial among 50 managers and 150 employees since October 2015 is now poised to be rolled out across the organisation's 2,000 managers and 8,000 employees.

As Talent and Diversity Manager Aidan Alston highlights, up to now a massive 80,000 hours have been spent on annual performance reviews, something the executive team had recognised needed to change.

“At the Post Office, we’re shifting from a ‘machine’ approach, where everyone is just put through the same process, to a much more ‘agile’ approach, where the emphasis is much more on trusting people – both managers and employees – to manage their own performance,” Alston explains.

The trial within the organisation's commercial function has seen the team there move from a traditional annual review and performance management approach to a structure based around three core elements: quarterly self-selected objectives; a system of constant feedback and coaching; and the implementation of weekly performance conversations.





“WE HAVE GIVEN MANAGERS CLEAR GUIDANCE AND TRAINING ABOUT THE IMPORTANCE OF HAVING WEEKLY ONE-TO-ONES THAT ARE ALL BASED AROUND OUTCOMES. IT IS ABOUT HOW PEOPLE ARE PROGRESSING TOWARDS THEIR QUARTERLY OUTCOME; WHAT THEY AND YOU CAN DO BETTER. IT IS A CONTINUOUS FLOW.”

“It’s no longer the case where objectives are put away in the bottom-drawer and forgotten about. It is about regular, action-based discussion; almost more about managing potential rather than just performance,” says Alston.

Innovations include an online system where employees can go to request or give feedback at any time rather than having to sit on their hands and wait for the annual review to come around. “Performance objectives are also uploaded publicly, so we have accountability and transparency. Each employee has three objectives per quarter and no more than that. And then three results per

objective. So there is a really clear commitment that is quantifiable,” Alston explains.

Short, weekly performance conversations are a key element of this new approach, with all the managers given training about how to give feedback and hold performance conversations.

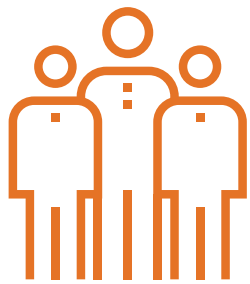
This included how to make conversations positive and about improvement but also how to hold ‘difficult’ conversations, how to listen and encourage responsive dialogue and how to use evidence to make and validate points.

“It could be just a 15-minute phone call or something longer. But if the manager feels the need to start a document for issues around performance, we do still have processes for that. It is just about not forcing people to feel they always have to fill in forms.” says Alston.

“We now trust our managers to manage their teams but we do review the

aggregated results. It is much more about action-based discussion. It is set up on the principle that managers are managing their people,” he adds.

Every quarter, managers are also sent a snapshot survey, with four questions about each employee, which they answer on a sliding scale. These are, would you...



Always want them
on your team?



Say they are ready
for promotion?



Say they are
under-performing?



Describe them as a
high-performer?

So, what’s been the result? Alston is at pains to stress that, given the pilot has only been running since the autumn, it’s early days yet. However, the signs are

already promising, with the executive team even discussing the feasibility of rolling the initiative out across the business.



“We did the first employee survey since introducing it back in November, and that had a really positive response.” according to Alston.

“People said they liked the transparency of the objectives and they could really see much better what was expected of them and what they needed

to do. The one-on-one conversations every week were also popular,” says Alston. “Now, of course, we can’t put the improvement in the employee survey just down to this. The business results generally have improved and so it is hard to correlate. But we think this is definitely the way we need to be doing things.”

**“IT IS A DIFFERENT WAY OF
DOING THINGS; IT IS ABOUT
GETTING PEOPLE TO THINK
IN DIFFERENT WAYS. WITH
THE OLD APPROACH YOU
WERE ALWAYS JUST
PLAYING CATCH-UP.”**



BECOMING A PERFORMANCE CONVERSATIONALIST

Jim had recently been on a workshop which explained how, by taking a 'performance conversationalist' approach, he could get rid of his annual and six-month reviews altogether, and, in the process, manage his team's performance more effectively. Back in the office, Jim made some changes...



He got rid of annual and six-month reviews and replaced them with more regular quarterly performance discussions.



He encouraged his team to self-select their own objectives.



He asked the IT department to put in place a new online feedback system where performance objectives could be uploaded, viewed, changed and discussed.



He went on training courses to learn how to hold better performance conversations, including how to listen more actively, give feedback more constructively and effectively, and become more emotionally intelligent and responsive to the needs of his team.



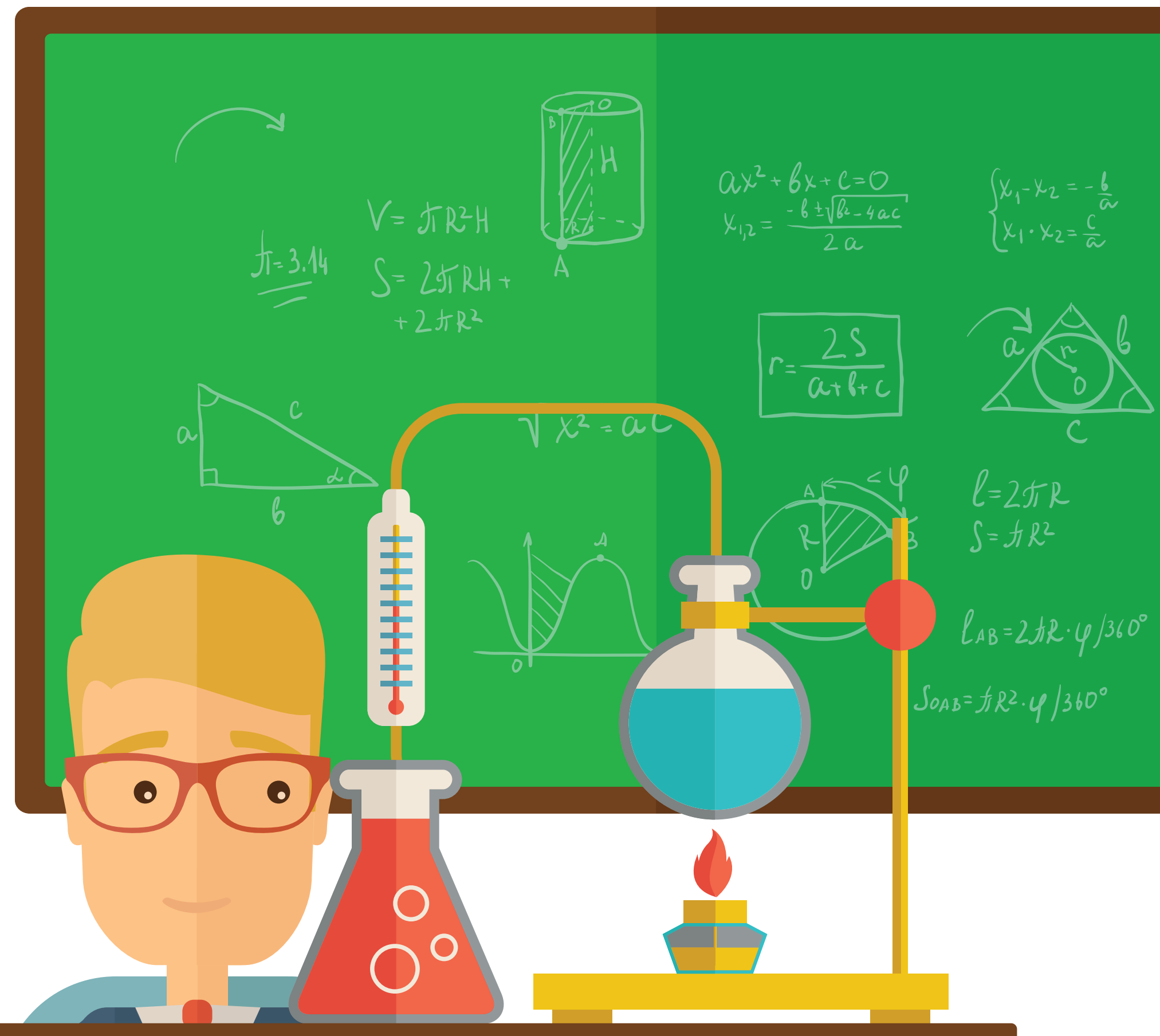
He started holding short, weekly action- and objective-based performance conversations with his team designed to create a more continuous performance management culture.



He linked his own performance targets to how well he was performing on these new measures and behaviours.

Now, when Jim is walking down the corridor to his office, he's much happier and his team is much happier. His team knows much more clearly what their performance objectives are; there's much more trust and openness in the conversations.

Jim's boss called him last week to say how much better morale and engagement had appeared to be in the last employee satisfaction survey, and how productivity and performance were all improving as a result.



FIVE CLEAR CONVERSATION COMMANDMENTS:



DEVELOP AND EMBRACE YOUR FIVE PERFORMANCE CONVERSATIONALIST ‘SUPER SKILLS’.

These can be taught and learned but you want them to become part and parcel – the “norm” – of how you manage, think and behave every day.



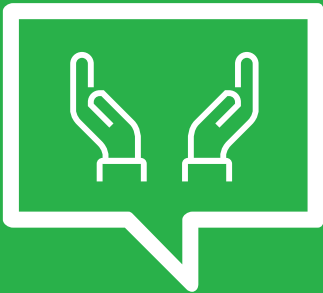
SCRAP THE ANNUAL APPRAISAL DIARY.

Shorter, more regular, more constructive performance conversations will create a more open, outcomes-oriented performance culture. But you’ll also need to ensure you’re linking this new approach – and these new behaviours – to the performance conversations you’re holding with your management team.



FOCUS.

Recognise that your ability to hold, lead and direct a conversation is the single most important skill-set you need to have as a manager; it needs to become your key, core competency as a manager.



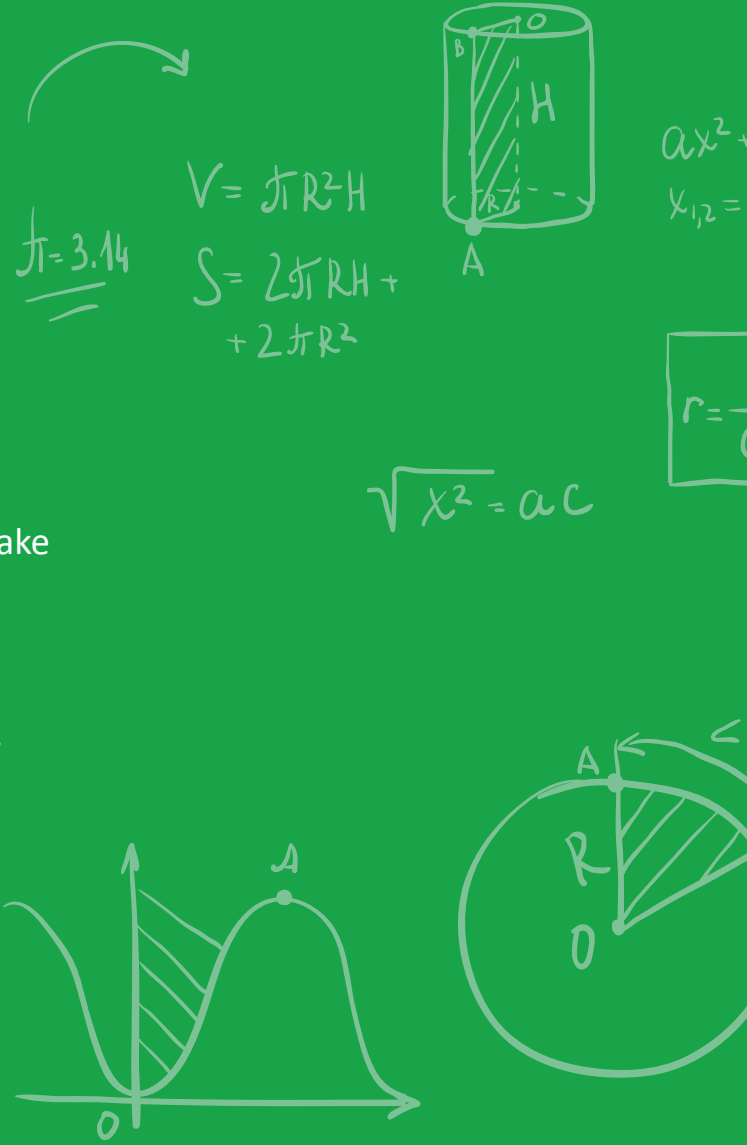
GIVE BACK OWNERSHIP.

Performance conversations are about giving employees back ownership of goals and objectives and trusting managers to manage. But at the same time it mustn’t be about losing ownership completely. A key element of effective performance conversations is creating the environment, and process, where challenging and difficult conversations can not only still be had, but can be had more easily and effectively.



LIVE THE DREAM.

Recognise not all managers will have these skills naturally, so make it a priority to offer training and monitor results and progress. But senior leaders also need to champion and ‘live’ the change.



The Right Conversation is a team of experienced consultants, trainers and researchers with backgrounds in psychology, communication, change management and management development.

It is centered on a single belief – that the ability and willingness of leaders and managers to engage in authentic and constructive dialogue with clients, colleagues and team members is critical to business and personal success.

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