Embedding a Culture of Meaningful Conversations

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A practical guide to improving performance
through regular conversations and feedback

1. Introduction

When we talk to HR professionals, they consistently tell us that they want to adopt a culture of continuous performance conversations, but they are concerned about making the change and are unsure about how to make it work in practice. Experience has shown us that it is possible to successfully replace appraisals with an ongoing, year-round process that is easier and more fulfilling for both manager and staff. However, we can't ignore the fact that some organisations have tried to embed regular performance conversations and failed to get traction.

In this eBook, I'll be unpacking the reasons why and giving practical advice on how to get it right.

Having regular performance discussions is actually far from a new concept. For those of us in HR, how many times have we said to our managers "there should be no surprises in the annual review – nothing should come up that hasn't already been discussed".

Yet during my time spent working as a performance management consultant, my colleagues and I consistently came across the problem of managers not discussing performance on a regular basis. So why not?

The stock answer to this is that managers lack the skills and confidence to have quality performance conversations – and in many cases this is true, so it's essential that we provide the necessary training and guidance. But what we have learned from working with numerous organisations is that there are other factors in play which are frequently being overlooked.

In essence, there are three things (in addition to providing training) that are required to embed a culture of regular, meaningful conversations and feedback:

1. **A performance management framework that empowers managers**

2. **Having the right technology**

3. **Having the necessary visibility and accountability**

In this guide I will address these points and provide some examples which, when put into practice, can result in successful performance improvement that can transform a company's productivity.

2. An Empowering Framework

What do I mean by empowerment? Empowerment is about setting up managers to succeed with managing performance. And to do that, the need to give them the right framework in which to operate. But here's the problem. The traditional performance management model is not setup to support regular conversations, in fact in most cases, it works against it.

Problem 1 – traditional performance management takes up too much time

Let's take a look at the classic annual performance management framework. It typically starts with annual objective setting, then has an interim review, an end of year appraisal and often a pay and talent review based on the outcomes of the annual appraisal. That's already a lot of work for managers. In fact, according to the CEB , the average manager is spending 210 hours per year on these activities.

So let's imagine we try to add regular one-to-one conversations into this framework. If we do this whilst keeping all the existing processes in place, as many organisations have tried, it's simply too much to ask of managers. The average busy manager won't set aside the time to do them all and some things will inevitably get dropped.

Which bits are they likely to skip? I recently spoke at a CIPD conference where I asked the audience "how many of you track the completion rate of appraisals?" - nearly everyone said that they do. I then asked "how many of you track the frequency and quality of one to one conversations?" - hardly anyone said they do.

So what do you think your managers are most likely to focus their efforts on? Managers will gravitate their efforts towards what gets measured and what they are held accountable for – which is typically the annual appraisal. So unless we remove some of the elements of our existing performance management framework and change the basis of our success measures, we will end up right back where we started where regular conversations don't happen, and the only discussions taking place are the interim and year-end reviews.

Problem 2 – managers save up feedback for formal reviews

This then leads us to another problem. Because managers are busy, they often save up their feedback for the interim and year-end reviews. But by the time it comes to the actual meeting the manager starts feeling awkward about bringing up things that happened two or three months ago, and so of course, they end up not discussing them. This is how we end up with the all too common situation where we have an underperforming employee being rated as good in their annual appraisal.

Problem 3 – ratings inhibit meaningful conversations

The subject of ratings leads us to our third problem. Annual appraisals often involve rating an employee. However, a performance conversation that ends in a rating will fundamentally change the dynamic of the conversation.

As a real-life example of this, at Clear Review we have monthly check-in conversations that don't involve a rating. I recently had a particularly meaningful check-in conversation with one of my team where he talked openly about his lack of confidence in certain areas and the impact it was having on his work. Some real vulnerabilities came out during that discussion and we made a huge step forward with his confidence and progress on the back of that meeting.

At the end of that discussion I asked him whether if there had been a rating involved in the conversation, then would we have had the same discussion and outcome? He said "absolutely no way", he would have just talked up his achievements and wouldn't have spoken about anything he was concerned about or finding difficult. So having a rating would have stopped us from achieving the significant performance improvement that occurred following that discussion.

I'm not saying that ratings are wrong per se – there are arguments for and against them.

The key point is that if performance conversations are to be meaningful, you have to de-couple them from performance measurements, a point emphasised by the Chartered Institute of Personnel and Development (CIPD) in their 2016 report "What works in Performance Management?" , which stated:

66 We recommend that any single process or meeting focuses on one or the other of these, but not both. Introducing some clear water between assessments that inform pay and promotions and those that help employees improve should make performance management a far smoother, more productive and less fraught process.

The solution – make regular conversations the heart of your framework

We've talked a lot about the problems of the traditional performance management framework. So how do we create an empowering framework instead?

In answering this question, many organisations get bogged down in conversations about whether they should get rid of annual appraisals and ratings. Whilst many organisations have done just this with great success, some organisations are not culturally ready for this quite yet. However, the key to having an empowering performance management framework is actually about changing the emphasis of the framework from the completion of appraisal forms to the quality and frequency of performance conversations. Most performance management processes place 80% of emphasis on measurement and documentation and only 20% on the conversation. To get value from performance management and empower managers to succeed, we need to flip this around so that 80% of the focus is on conversations and feedback and only 20% (maximum) on administrative activities.
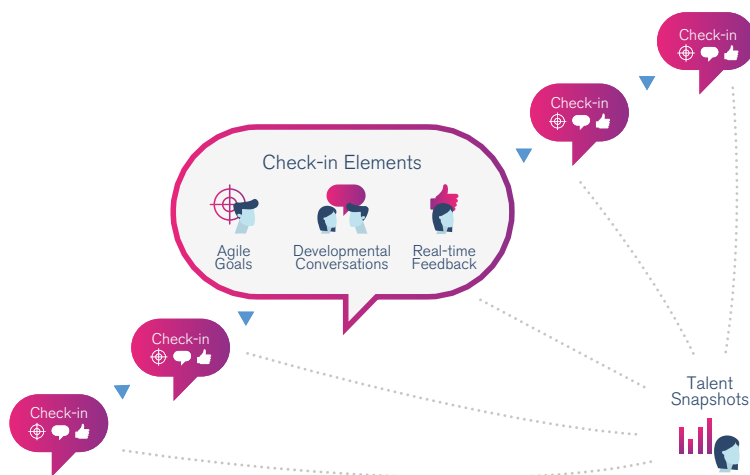
A best-practice ongoing performance management framework

What does an empowering performance management framework look like in practice? This is the framework that most of the organisations we work with now use in one form or another:

At the heart of the framework is the regular check-in conversation – a future focused, meaningful performance and development discussion, held monthly, bimonthly or quarterly, depending on the culture of the organisation. These conversations are short and focussed – typically 20 - 30 minutes, depending on how frequently they are held. Between those conversations we are giving and requesting feedback in real-time, as events occur, using a quick and simple feedback mechanism.

If we need to measure performance for pay and succession planning purposes – we do that as a separate data collection exercise. By using technology, we can make this process fast and administratively light. This brings us to the next point – the role of technology.

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3. Having the right technology

Why do we need technology?

In an eBook that is about meaningful conversations, it might seem at odds to raise the subject of technology. However, if we want to embed a culture of performance conversations, having an empowering framework is not enough. That framework needs to be reinforced until it becomes a habit. And technology is an essential tool for building new habits in today's world. Here's a practical example of what I mean by this. Let's say you have agreed on a new performance management approach with check-ins at the heart of it. You have decided that your employees should be having check-ins every 8 weeks, be getting feedback at least once a month and should be working on at least 1-3 quarterly goals at any one time.

You run some training sessions with your managers explaining the new framework and what they need to do. However, after a month or so has passed, will your managers remember what they have to do and when? Unlikely. This is where technology comes in. We can use technology to highlight to managers and employees what they should be doing at any given time and what needs their attention. For example, a clear dashboard like the one below can instantly show a manager what is expected of them, how they are faring against those expectations and where they need to take action.

Encouraging new behaviours

Probably the hardest aspect of building a culture of meaningful conversations is changing behaviours, and technology plays a key role in this.

To understand why we need to delve into a bit of psychology.

Dr. B.J. Fogg, from the Behavioural Design Lab at Stanford University, has designed a model to understand what drives our actions as humans – it's called the Fogg Behavioural model and it's represented by the following formula:

B=MAT: Behaviour = Motivation + Ability +Trigger.
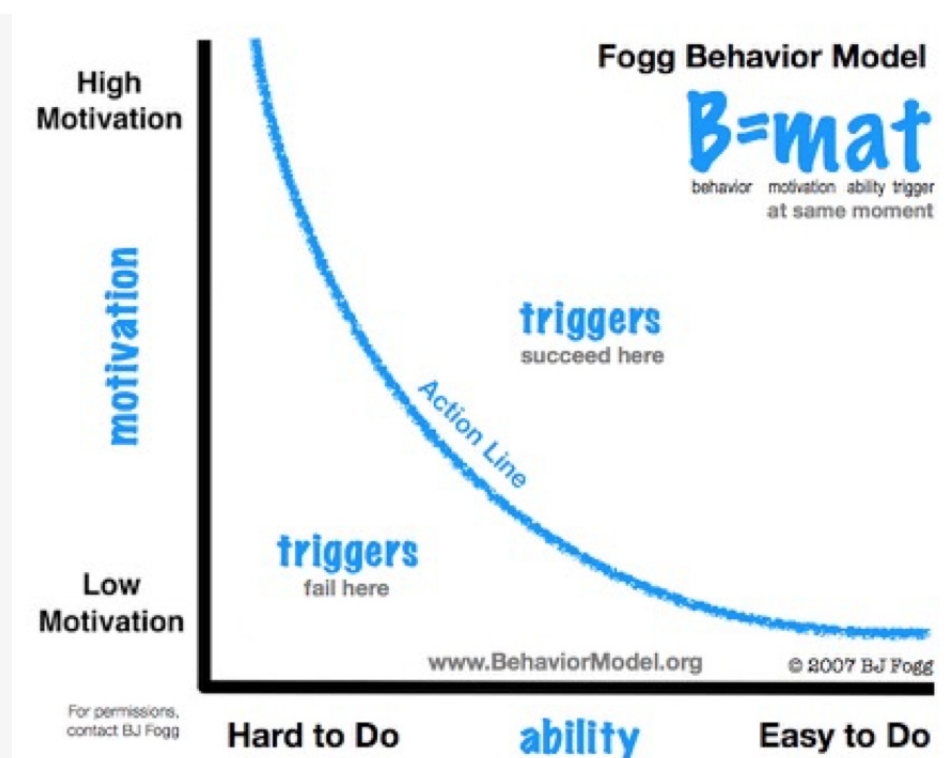
The previous diagram illustrates that we will only get that behaviour if the individual has the right motivation, the ability to carry out that behaviour at that time and if there is a trigger to initiate that behaviour. From a performance management perspective, we can fulfil the motivation aspect through change management interventions such as training and communications that focus on "what's in it for me" – how employees and managers can personally benefit from engaging in regular conversations and feedback. Providing training can also help with some aspects of ability, in terms of the skills involved in giving feedback and coaching. But in order to completely fulfil the ability and trigger aspects of Fogg's formula we need to have technology.

Let's start with triggers, as that is probably the most obvious element of how technology can drive behaviour. Technology can provide automated triggers in a way that a manual process simply can't, by:

- **Sending automated notifications or emails to remind individuals when they are due for a check-in meeting or when they haven't given or received any feedback in a while.**

- **Offering visual 'badges' and alerts which nudge us into taking action.**

Until habits are formed people need these triggers to remind them to take action. And even when behaviours are embedded, people get so busy that they still need these triggers to remind them when they need to do things.

Moving onto ability – this is not just about someone having the necessary skills, which is addressed through training and practice. What Fogg is referring to in his model is the ability to carry out a specific action at a given time. This ability is influenced by a number of factors including:

- **Time – how long it takes to complete the action**

- **Brain cycles – the level of mental effort and focus required to take the action**

- **Disruption – how much the action disrupts existing routines**

With this in mind, consider the steps a manager might take in preparing for a one-to-one check-in conversation without dedicated technology to help. To begin with they have to dig out the notes from their last meeting, think about what to discuss and what kind of questions they should ask, track down the person's objectives, and trawl through emails for feedback - the list goes on. How does this stack up against Fogg's ability test? Well it fails on all three counts – the Time and Brain Cycles required and the level of Disruption to the individual's routine. So much so that only the most motivated of managers will do this regularly.

If we compare that experience to having a check-in conversation using a technology platform like Clear Review, one click of a button and the check-in is ready to go with pre-populated prompts for the discussion and recommended questions. [screenshot] The notes and actions from the last conversation are readily available so we can pick up where we left off last time, and the employee's goals and recent feedback are all on hand to feed into a rich, meaningful discussion for both parties. It's quick and involves minimal brain cycles and disruption.

Making conversations meaningful

Of course simply having regular conversations is not enough to improve performance, they need to be meaningful. One of our customers, Perkbox, came to us with this problem. Their staff were having regular discussions but they were not focused. Their People Director, Shaun Bradley, described them as "So, how are you?" conversations. There was no direct link from those conversations to driving increased performance, development and productivity.

Being a technology company, Perkbox knew they needed software to support their transition to a new model. They created a new framework for conversations – The '6 Ps' – Performance, Progress, Proficiency, Problems, People and Priorities, and used our technology platform to serve up questions to generate focused discussion on these topics and enable their staff to capture, measure and act on their conversations.

The outcome has been much richer conversations that have resulted in improved productivity. After implementing the software platform and rolling out a cultural change project, Perkbox can proudly say they have made the move from 'Performance Measurement' to 'Performance Conversations' with 94% of managers having conducted check-ins.

Using technology to give feedback

Another example of how technology can improve ability to take action is in giving feedback. Managers often fail to give feedback as often as they should.

They may not be in the same location, or the person may be away from their desk, so by the time they next see them the moment has passed and the feedback is forgotten. However, if you provide technology that enables managers and employees to give feedback in-the-moment with just a couple of taps from their mobile phone, they will be much more likely to do it as events occur, rather than saving up their feedback, or worse, not giving it at all.

Use the right technology

One of the fears about using technology is the concern that it might replace discussions or get in the way of them. However, in our experience, if the technology has been purpose-built to empower meaningful conversations and feedback, it actually results in much richer discussions.

Of course, not all technology solutions have been designed for this purpose. In fact the majority of performance management software has been built around data capture and approval workflows (even though these systems may now say they support regular check-ins and feedback). Whilst these kind of systems may tick a compliance box, they will not support a cultural transition towards meaningful conversations.

So when choosing your technology platform my advice would always be to choose one that has been built specifically to support the framework that you would like to embed, and then do a trial to weigh it up against Fogg's criteria of time, ability and disruption.

66 It's an ongoing journey but we are now on the path towards my own personal goal of creating a high performance culture where people can bring their best selves to work.
Shaun Bradley, People Director

4. Visibility and Accountability

Knowing what's going on

The final areas to consider for a successful cultural shift towards regular conversations are visibility and accountability. If you are not tracking who is and isn't having those conversations, then you have no way of knowing what is going on. And managers can't be held accountable for something that you have no visibility of, so the two things go hand in hand. You can of course ask your managers if they are having those conversations, but I have heard too many stories from organisations where their managers said they were having regular performance discussions with their staff, only to find out later from the annual engagement survey that those conversations weren't in fact happening and staff were dissatisfied as a result.

Getting visibility of performance conversations and feedback can only feasibly be done using technology that monitors activity. Some organisations have tried to track activity using spreadsheets and failed. Indeed, one of our customers, the Valuation Office Agency, part of the UK Civil Service, were attempting to track their monthly coaching conversations and quarterly performance reviews on Excel spreadsheets. Whilst the new process of regular conversations was generally being positively received, the administrative burden created from the associated data collection exercise was getting in the way and undermining the perception of the new framework. With over 3,500 staff across multiple locations, it involved a lot of time and effort. And to compound the situation, the data was unreliable due to the amount of manual copying and pasting involved between different spreadsheets as the data was aggregated up the organisation.

Once they embedded the Clear Review platform, they immediately removed the administration burden, and got visibility and accuracy as to what was going on. They can now see at a glance what percentage of their workforce is having meetings, getting feedback and who has objectives. The reports enable HR to drill into further detail to see which teams, managers, employees are not following the process and who may need further coaching or support.

Encouraging accountability

Having the visibility is one thing, it's what you do with it that makes the difference. Newport City Council, for example, have used the data from their Clear Review platform to increase accountability for having performance conversations. They have tapped into the human desire for recognition and progression by sharing departmental leader boards internally. Divisional leaders are provided with a leader board displaying what percentage of their managers are having check-ins and giving feedback to their teams. These are also shared with the CEO.

Of course, no leader wants to be at the bottom of the list. They all want to progress and to get their percentages up. The leader boards have resulted in the divisional leaders making their managers accountable, rather than HR having to chase them. This then frees up HR to add value by offering coaching and support to areas of the business where the conversations are not happening.

Perkbox have come up with another innovative way of encouraging accountability. They have a process where the manager can't recommend someone for promotion unless they demonstrate that the necessary check-in conversations have taken place and that the individual's career has been adequately discussed.

At the end of the day there are many different ways of trying to encourage accountability and what the right balance of carrot and stick is for your company is going to depend on your culture. However, it's a fact that without visibility of what is happening, you have nothing to work from.

5. Summing up

If we want to embed a culture of regular, meaningful conversations and feedback, we know that we need to give managers the skills and confidence to have those performance management conversations – that is a given.

However, we also need to have a framework that empowers conversations rather than undermines them, we need to have technology that supports the conversation framework and helps to build new habits, and we need to have visibility of conversations and hold managers accountable for making them happen. If we get those right then we can transition from a culture of performance management to one of performance improvement.

How do we know this to be the case? Over the last 2 years, we at Clear Review have worked with over 100 organisations who have successfully moved away from an annual form filling exercise to a culture of meaningful conversations and feedback. And this is not something that only works in specific industries such as tech – these organisations come from sectors as diverse as the public sector, financial services, consulting, retail, education, law and even film studios and football clubs. All of these organisations have created their own conversation framework supported by our technology platform.

Where's the evidence?

One clear example that demonstrates this level of success is Clydesdale & Yorkshire Banking Group (CYBG).

In October 2017 the organisation changed from an annual appraisal model to a new framework of ongoing conversations and feedback. They carried out experiential training with their managers on how to have great conversations and give effective feedback. They also recognised the importance of technology to support the process and provide insights into their data.

The results have been outstanding. In just the first six months after they launched:

- **15,000 check in conversations had taken place covering 99% of their 6,500 employees.**
- **78,000 bits of feedback were given**
- **100% of employees had clear goals**

The impact of this change is best described in the words of one of their branch managers:

66 Our previous approach to appraisals felt like a company-led agenda and encouraged poor behaviours and poor outcomes for the customer. Now we are doing it from the staff's view of the world, with regular performance conversations. The quality of interactions has improved – face to face conversations are backed up by the system, which is really clear and easy to use."
Gary Hare, Manager Dumfries High Street Branch

If I have made performance management sound simple, then that's good, because it doesn't have to be complex or difficult if you have the right framework and supporting technology.

If you would like to share your experiences or tell us how you've made the change from the annual appraisal to something more meaningful that drives performance improvement, why not email your comments to **hello@clearreview.com**.

We'd love to hear from you.

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>
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About the author

This guide was written by Stuart Hearn, Founder and CEO of Clear Review. Stuart is an experienced performance management consultant, writer, speaker and former HR Director with over 20 years experience in Human Resources, specialising in Performance Management and HR technology.