

CONTINUOUS CONVERSATIONS

The heart of performance management

Every year organizations invest thousands of man-hours in the annual performance review. Feedback data is gathered. Forms are completed. Performance ratings are studiously prepared; they are reviewed and normalized, rankings are created, compensation awards are agreed, and HR systems are updated.

What is the outcome of this monumental effort? All too often employees are dissatisfied and even demotivated. Why? **Because managing performance has become a burdensome process instead of what it should be—continuous conversations between managers and staff.**

The awful side effects of many performance management processes

The basic concept of managing for performance stands the test of time. It can help:

- Align everyone with the goals of the organization.
- Know who contributes and who does not.
- Reflect on individual strengths and how to develop skills and careers.

But these good intentions often lead to unintended consequences.

Because it occupies so much time, some of which is wasted effort, it has become a ‘check the box’ task for many. They do it because they have to do it, not because they think it is useful. What’s more, it is a process that is not trusted. It can be gamed and can seem to be a black hole because frequently, after all that time and effort, nothing useful emerges.

In a recent survey, 58% of executives surveyed (Deloitte) said their current performance process does not drive employee engagement and high performance, and is not an effective use of anyone’s time. In addition, just under half said their organization’s performance processes are ‘weak’ in improving development.

We hear staff in many companies say the same thing—it is too convoluted, too complex, and it emphasizes evaluating people rather than developing them.

“If performance review (as usually done) was a drug, it wouldn’t be approved by the U.S. Food and Drug Administration because it’s so ineffective and it’s got such vile side effects.”

Professor Robert Sutton

Prescribing a new approach

So, many firms are taking a different path. The main principles of their approach are:

- It is the employee’s career and he or she should own it.
- Work is often delivered by teams.
- Everyone is capable of learning and growing.
- Money is only part of a recognition system—it doesn’t improve performance in isolation.

One of the main outcomes of this new thinking about performance processes, is that these organizations want to emphasize conversations in the moment; not a once-a-year meeting where both the manager and the employee slog their way through a template.

For example, Deloitte, in its new performance management process will have no cascading objectives, no once-a-year reviews, and no 360-degree-feedback tools. It will be much simpler.

It is based around having conversations—managers with their team members, and among managers about the staff.

For many organizations, changes to the performance process like these could be profound; **moving away from the annual performance review and towards a culture of regular conversations about both performance and development.**

Yet, while managers welcome this new prescription, they may not have the skills to do it yet.

But these skills can be learned and honed.

A new treatment for performance management

According to Deloitte, “research into the practices of the best team leaders reveal that they conduct regular check-ins with each team member about near-term work.

“These brief conversations allow leaders to set expectations for the upcoming week, review priorities, comment on recent work, and provide course correction, coaching, or important new information.

“The conversations provide clarity regarding what is expected of each team member and why, what great work looks like, and how each can do his/her best work in the upcoming days” (*HBR* April 2015).

The key, then, for this style of managing performance, is for managers to have mastery in conversation skills. Over the past few years, extensive research by The Right Conversation and others has uncovered what constitutes a successful, or unsuccessful, conversation in the workplace. **A ‘conversation’ is defined as a dynamic and complex interaction between two people that requires many skills.**

These specific skills, required to have a successful performance conversation, have been identified and codified. The result is a robust and reliable set of skills called the ‘Five Super Skills of Conversations’ (see next page).

The first is Presence; this is the ability of a manager to really ‘be there,’ to maintain his/her undivided attention. It means putting aside the inner voice, and really concentrating on the other person.

The second is Hyper-Awareness; this is an acute self-awareness by the manager of his/her biases and beliefs. It means knowing what others do that may annoy or irritate. And what others say that can trigger negative emotional reactions.

The third is De-Coding; this is the skill of drawing out what the other person is really saying. Does the manager listen to understand, or listen to reply? Does he/she listen to how it is being said, as well as what is being said?

The fourth is Voicing; this is the skill of speaking out with courage and conviction. It is much easier to avoid difficult conversations. This skill helps managers overcome the anxiety of these situations.

The fifth is Flow Control; this is about managing a conversation with a beginning, a middle, and an end. The beginning is where both sides agree what both the purpose is and what the intended outcome should be. The middle is where the manager opens things up and explores all the issues. And the end is where he/she brings things together.

Over the past year or so, the training and development of these skills has been proven in the marketplace in the UK. Companies are training their managers to have regular performance and development conversations, which is enabling them to re-engineer their performance management processes.

Developing conversation skills as part of a cultural transformation

Overhauling a performance management process shouldn’t be an isolated activity. The reason for doing it is to help in reshaping the culture. To engage staff more deeply. To reduce waste. To be more productive. And to build a stronger connection between the nature of the work and the development of careers.

A culture of conversations builds trust more quickly because it encourages discussion and deep listening. It is informal and personal. And it is in harmony with the expectations of staff today. ‘Command and control’ does not work for many organizations. In a world of ubiquitous social media, it is almost impossible to control a corporate message. But you can listen authentically, ask questions, and draw people out—the vitality of dialogue.

Moving from once-a-year appraisals to a culture of frequent manager/staff conversations requires both the will of leaders to make the changes, and the skill of managers to execute them. It is much easier for an organization to maintain a process (even if it is not working well) than it is to build skills and engage staff. Leaders who understand this know that the soft stuff is the hard stuff.



The Five Super Skills of Conversations™

Voicing: Speaking out with courage and conviction

Voicing can be difficult because we fear:

- Losing face—by revealing we don't have the answer
- Getting into trouble or an argument
- Hurting the other person's feelings

As a result we can avoid having so-called 'difficult' conversations, or to have them in such a way that they are not helpful. This is especially true in the case of performance conversations where tough feedback often needs to be given.

De-coding: Drawing out what the other person is really saying

The reason it is called de-coding and not just listening, is because that is exactly what people do. They have a thought or a feeling and they pick some words to describe it—that is the 'code' they send. As the 'listener' we receive this code and have to do the reverse, which is to de-code what we think they mean. Sometimes that is easy. For example, when there is a fire and we are told to evacuate a building. But frequently, it is much harder.

Hyper-Awareness: Acute self-awareness of biases, beliefs and emotional triggers

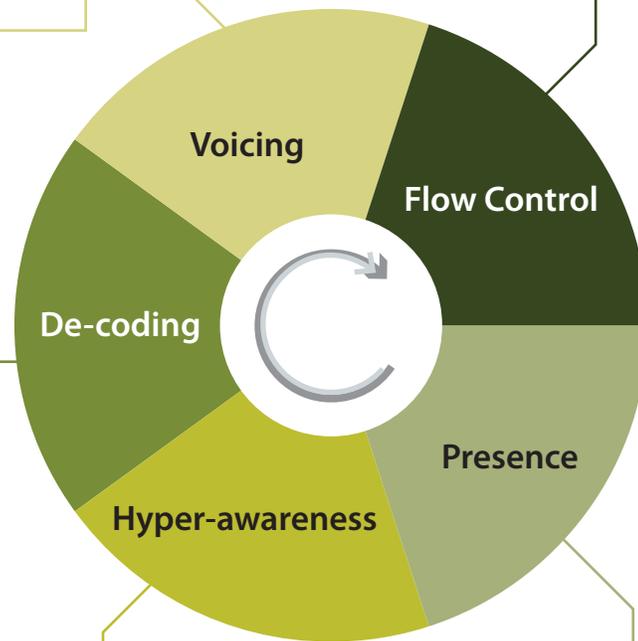
Being aware of what is going on inside is a key skill for having effective conversations. If you are not self-aware, the risk is you become distracted and then you withdraw from the conversation. There are three levels of hyper-awareness:

- 1 Physiological—am I hot, cold, stressed, tired?
- 2 Triggers of my own behavior—what are the things the other person does that cause me to 'un-plug' from the performance conversation?
- 3 The Relationship—what has happened before between me and the other person?

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Flow Control: Managing conversations—the beginning, middle and end

The final piece of the jigsaw for a great performance conversation is ensuring that you manage the flow. In other words, ensuring the conversation moves smoothly from the beginning to the end. In fact, it is helpful to think of the conversation in three stages—the beginning, the middle, and the end.



Presence: Maintaining undivided attention, really 'being there'

Your ability to give attention in a conversation varies by the situation and the person you are dealing with. Putting aside obvious distractions, like a noisy or uncomfortable environment, the most common distraction for all of us is our inner voice—the voice in our head that speaks to us and stops us from really hearing what the other person is saying. This voice is always there—you cannot stop it—but you can become aware of it and then 'park' it.

The River Group was formed by clients for clients. The founders met 15 years ago as CEO client and consultant. Over the years, we have worked on many successful transformations together.

This track record of success and fruitful collaboration led us to form The River Group as specialist leadership advisors.

With the client/consultant perspective, The River Group is a different kind of

consulting firm. We combine years of experience leading change ourselves or advising others on leading change.

We have the behavioral know-how of consultants and the focus and pragmatism of the CEO.

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