

Performance Conversations: An Alternative to the Dreaded Annual Review



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Performance Conversations

An Alternative
to the Dreaded
Annual Review

NACM Credit Congress 2024
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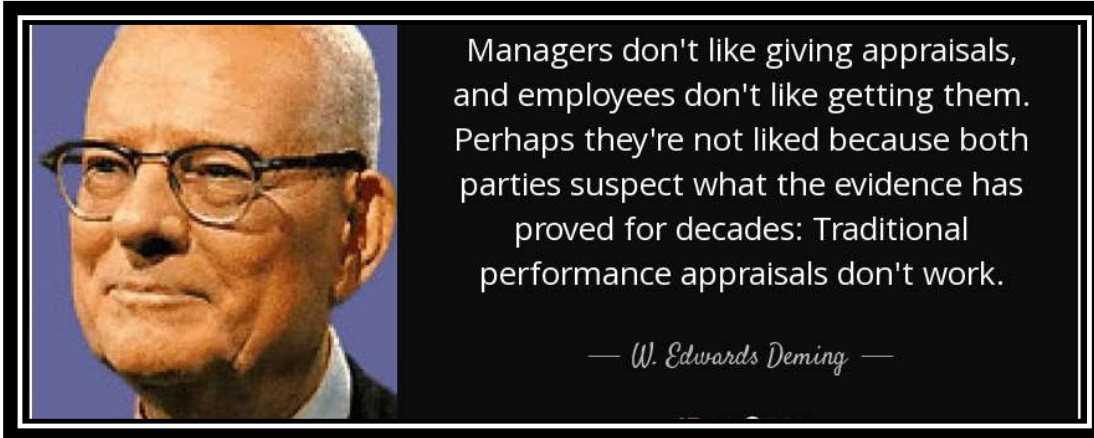
Traditional Employee Performance Reviews

Countless horror stories of:

- Bad ratings
- Bad meetings
- Bad decisions
- Embarrassingly long forms
- Poor supervisors
- And other inept appraisal practices



William Edwards Deming (1900-1993)




Evidence

There is nearly 50 years of evidence that shows that traditional appraisals and negative feedback are destructive to relationships and employment.

- 95% of HR leaders expressed feeling unhappy with traditional Performance reviews (Gartner, 2019)
- 77% of employees and 95% of HR managers think the traditional performance reviews are outdated and need to be renewed (TruQu)
- 30% of workers are **so** discouraged by negative feedback that they actively seek new employment (SHRM, 2020)
- 22% of employees have called in sick rather than face a performance review, 35% have complained to their peers, and a **shocking** 15% have even cried (Impraise)

Some of the disadvantages of the traditional performance appraisals system are: (Impraise)

- Lack of efficiency
- De-motivational
- Discouraged teamwork
- Inflexibility of the process
- Very costly (between \$2.4M and \$35M per 10,000 employees)





What's Up With the Punishment and Negativity?

HR did not dream up performance management systems as some form of **punishment**.

Something different is need for today's workplace.

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PERFORMANCE CONVERSATIONS

How to Use Questions to COACH EMPLOYEES, IMPROVE PRODUCTIVITY & BOOST CONFIDENCE (WITHOUT APPRAISALS)

CHRISTOPHER D. LEE, Ph.D.

Dr. Christopher Lee, Ph.D.'s book offers practical insight and interactive tools to empower managers to have transformative conversations with employees.

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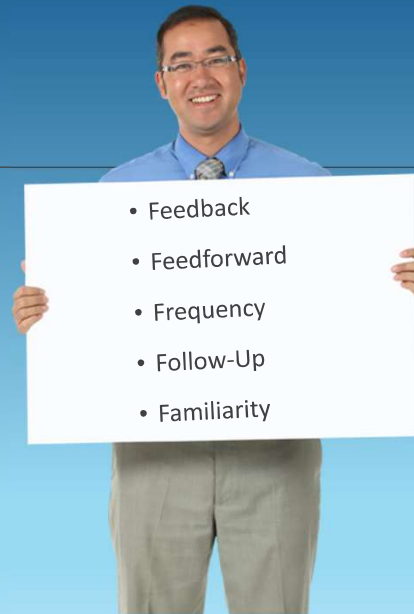
Dr. Lee Reminds Us:

- ✓ Relationships matter
- ✓ Trust is critical
- ✓ Significant differences exist between a performance conversation and performance review

Highlights

- Design is simple: questions are used as a launch pad for deeper, richer discussions about the things that matter most in an organization
- Questions are designed to enhance conversations about the work being performed with the singular goal of improving performance
- Performance Conversation method is a **performance improvement system**, not a **performance management system**
- It uses a coaching approach to supervision to help individuals learn, perform, and feel better about the work they do
- The approach neither establishes a rating of performance nor helps organizations make administrative decision – such as who gets a raise or promotion
- It is not a backward-looking exercise designed to document past efforts
- It looks forward to the future and focuses on better results

The Fabulous Five



- Feedback
- Feedforward
- Frequency
- Follow-Up
- Familiarity



Let's review the Fabulous Five Basics

- Feedback and feedforward are about the exchange of information, or communications
- Frequency establishes intentional, on-going interactions used to track and manage work
- Follow-up ensures things get done, adjusted or intentionally abandoned; more holistically, it is accountability
- Familiarity creates an open, comfortable bond that makes communication, interaction and future difficulty easier to handle. It also enhances potential outcome due to a partnership mindset
- It is **RELENTLESSLY OPTIMISTIC!**
- The system (aka Fabulous Five) is employed within the Performance Conversations method

What is the Performance Conversation Method?

To improve productivity, the Performance Conversation Method utilizes the following elements:

- Brief, structured, planned, periodic conversations
- Interactive, question-based dialogue
- Orientation toward the future and improvement
- Coaching and co-performance concepts
- A holistic approach to improvement, included efforts, outcomes, and behaviors



Performance Questions: The Magnificent Seven Questions



The following questions comprise a carefully selected set of questions designed to achieve optimal performance outcomes. The Performance Questions technique is a convenient way to employ the Performance Conversations method without the need for any special training or years of experience.

- What is going well?
- What is not going well?
- What else is going on?
- What is the status of your goals, action plans, and follow-up items?
- What can I do for you?
- How are your professional relationships going?
- How are you?

1 What is going well?

This question **reinforces positive work outcomes**. It uncovers or establishes what is good, why it is good, and how to keep it going. Question aims to **acknowledge and celebrate successes** and take actions to replicate them.

2 What is not going well?

This is the **accountability and correction question**. It discovers what is **going wrong** as soon as possible and **seeks a solution**. This is where the employee **discloses problems** and asks for help, or where the **leader diagnoses** the situation and determines the **need for intervention**. The manager and employee decide the necessary adjustment and their implementation. **Early disclosure or detection** allows ample time for a course correction and redirection, change, or cessation of the unwanted performance.

3

What else is going on?

This question is about **sharing information**. Every topic, no matter how big or small, can be discussed. **General information can be insignificant**, but it **can also be insightful** because it reveals patterns and trends before they would otherwise have been known. Seemingly **mundane information can generate new ideas or suggestions for improvement**. A healthy dose of stealth accountability is embedded within this question as well. **It is hard for an employee to say they did not have an opportunity to inform the leader of relevant information earlier when a latent problem develops if this question is effectively utilized.**

4

What is the status of your annual goals, actions plan and follow up items?

This is a **classic management question** with a focus on **accomplishments, results, and efforts**. It is a status report used to **track and manage work**. Whether goals are weekly, monthly, quarterly, or yearly, this is the occasion to have purview over their **collective progress**. This question can focus on the necessary **continuity** between short- and long-term work activities depending upon the length of time between check ins. A **performance conversation is different** from day-to-day tasks and week-to-week meetings; they are **concerned with the forest** as the latter is **concerned with individual trees**.

5

What can I do for you?

This is the **single most important question** a leader can ask an employee and should be asked often. **The purpose of a manager** is to help others accomplish work better than they would have been able to do alone. The **outdated perspective** that leaders get **work done through other people implies that employees are not motivated and lack ownership or responsibility**. Wise managers know that the key to success is helping other do their very best work. Good managers are coaches, enablers, supporters, and cheerleaders.

6

How are your professional relationships going?

No one is an island and all work in an organization is completed through **connection with others**. This question aims to **improve the linkages between people, functions, and the organization**. We interact with people, we coordinate efforts with other functions, and we have a **social contract** with the organization. **Each relationship matters**. It is hard to perform our best when we do not like or get along with our coworkers, and work is inefficient and ineffective when departments or functions do not interface properly. When we do not feel like we belong within an organization, either our **performance suffers**, or **we leave** the organization.

7

How are you?

This **seemingly mundane** and insignificant question is an **undercover gold mine of performance**. Many leaders mistakenly try to **separate the performer from the person when in fact they are one in the same**. Engagement is about discretionary effort. "If you do not know who I am or care about what I think and feel, I will never voluntarily give you 100% of my commitment and effort." **Anything less is an exchange of time and labor for money, which does not engender full performance**. This question recognizes that **performance is a byproduct of a person, not just a performer**.

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The Magnificent Seven:

What is going well?

1

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What is not going well?

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This is the accountability and correction question. It discovers what is going wrong as soon as possible and seeks a solution. This is where the employee discloses problems and asks for help, or where the leader diagnoses the situation and determines the need for intervention. The manager and employee decide the necessary adjustment and their implementation. Early disclosure or detection allows ample time for a course correction and redirection, change, or cessation of the unwanted performance.

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Magnificent for Many Reasons

- Questions provide an **expert guide** to **achieving nearly all objectives** of most performance management systems
- Added benefit of **focusing on performance improvement**, not performance documentation
- Universal appeal – best available questions for most performance situations because they were custom-made **to address the best intents** of all performance management systems
- Healthy mix of **questions gather, probe, and clarify information, encourage reflection, solve problems and stimulate ideas and build rapport**
- Careful **analysis** of questions will reveal their **depth**
- Understanding the **meaning** behind each one will **reveal numerous truths**
- Questions encapsulate the **best intentions of good supervision** and performance management

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The Value of Questions

- Questions have **power**, questions are **magical**, and questions have **hidden capacity to stir** men and women's souls by provoking **new thoughts, feelings, ideas, and actions**
- The right question can **communicate, challenge, solve, excite, compel**, and cause many, many different types of reactions
- Power can be harnessed to **produce better performance outcomes**
- Questions are used in many professions . . .
 - Doctors use them to diagnose illness
 - Lawyers use them to establish facts
 - Therapists use them to heal
 - Scientists use them to discover
 - Supervisors use them to hire

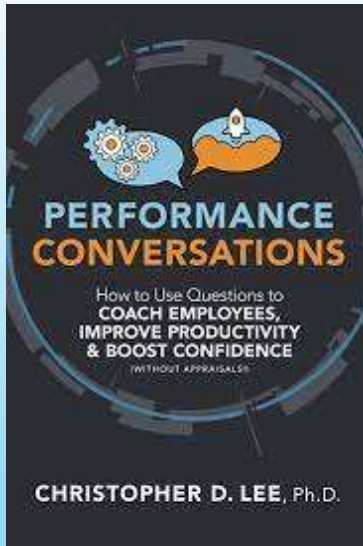
So why should managers not use them to manage performance?

Moving in the Right Direction



- 81% of HR Leaders are making changes to performance management (Gartner, 2019)
- Regular feedback makes employees three times more likely to be engaged in their work (Gallup, 2019)
- 75% of HR Managers agree that mentorship culture between managers and team is a vital future element for high-performing workplaces. Companies with the best performance management practices foster a culture that encourages collaboration and communication. Additionally, 83% of HR managers in the financial industry and 79% of HR managers working in retail agree that their respective sectors should focus on a mentoring culture going forward, with an emphasis on the constant exchange of feedback (Cision)





Dr. Lee's book includes checklists, templates, topics and tools with an in-depth appendices of samples.

Performance Conversations: How to Use Questions to Coach Employees, Improve Productivity & Boost Confidence (Without Appraisals) is published by the Society for Human Resource Management and is available from Amazon.



Kick Traditional Performance Appraisals to the Curb!

The days have come and gone for traditional appraisals.

People want conversations, NOT evaluations.

If you are serious about performance improvement, Dr. Lee's book is a long over-due game changer!



Thank you

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