

# Conversation Pillars for Employee Success



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Supporting the Modern Performance  
Development Process

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# What is Performance Development?



Only **6%**  
of organizations  
believe their  
current process  
for managing  
performance is  
worth the time

## Breaking with Tradition

Companies today are increasingly aware that the traditional paradigm of the annual performance review process is broken. Only 12% of respondents to a Deloitte survey indicated that the performance process was highly effective in driving business value<sup>1</sup>, and only 6% of organizations believe their current process for managing performance is worth the time<sup>2</sup>. A Forrester team also concluded that “the typical annual or semi-annual cadence of performance reviews is not frequent enough to meet the changing page of business<sup>3</sup>.”

That’s where performance development comes in—and its contributions to the workforce can be nothing short of revolutionary. By moving away from the annual review and shifting to ongoing performance conversations, companies can make powerful changes like goal setting as an ongoing and collaborative process; weekly, monthly and quarterly check-ins; goal alignment and transparency across the company and up and down the hierarchy; ongoing mentoring and coaching; and a decoupling of the idea of performance development from evaluation and compensation discussions.

## The Value of Performance Development

The concept of performance development advocates goal setting, regular conversations, feedback, mentoring and coaching. Why does that matter? Well, studies show frequent goal reviews improve employee and company performance: Dominican University found individuals are 42% more likely to achieve their goals by writing them down, and that achievement increases a whopping 78% when sharing weekly progress with a friend<sup>4</sup>. In addition, Bersin by Deloitte, Deloitte Consulting LLP, discovered that when companies have employees revise or review their goals on a monthly basis, they're 50% more likely to score in the top quartile of business performance—although only 9% of respondents have their employees do so<sup>5</sup>.

42%

more likely to  
achieve their  
goals by writing  
them down

88%

prefer a  
collaborative work  
culture over a  
competitive one

30%

more important  
meaningful work  
is than a high  
paying salary

What's more, employees are demanding this new model. Millennials now form more than a third of the workforce<sup>6</sup>—and the number will only continue to grow. Of that contingent, 79% want a boss to be more of a coach or a mentor, and 88% prefer a collaborative work culture over a competitive one<sup>7</sup>. Forty-two percent of Millennials want weekly feedback on their performance<sup>8</sup>, and at least 30% of them say that doing meaningful work is more important than most things in the workplace, including a high-paying salary<sup>9</sup>. **The bottom line: if a company isn't talking to its employees—and listening to them—it isn't going to retain them or maximize their productivity.**

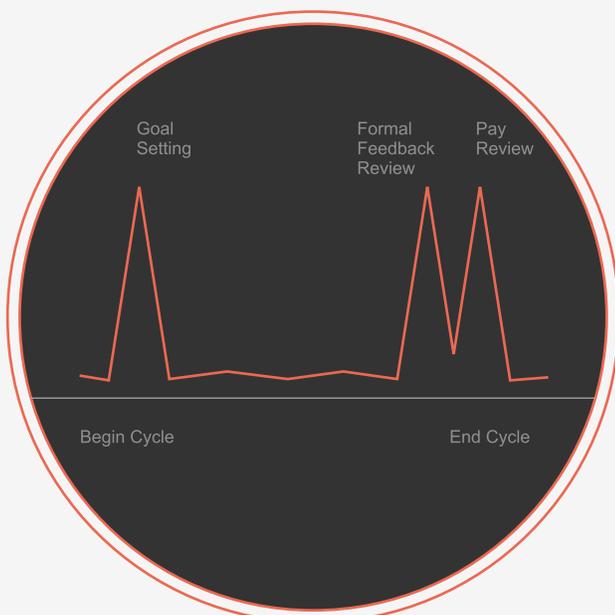
## Old vs. New Approaches

Armed with that research, companies are jettisoning their old practices and embracing the new idea of performance development. Simply put, because the workforce and employee expectations are changing, how companies handle performance conversations has to change too.

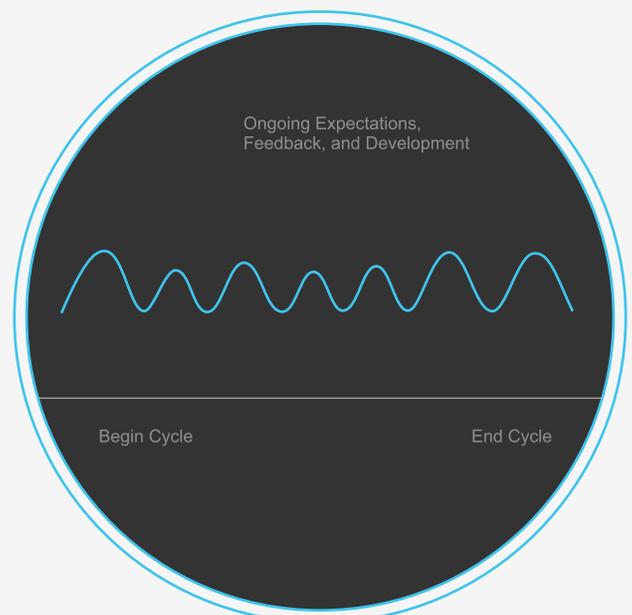
In the traditional approach, a lengthy, formal goal-setting process starts the annual cycle and feedback occurs infrequently, though it's often perfunctory or avoided entirely. Managers are trained on how to complete steps, leading to a focus on completing the process, rather than on contributing to employee growth. And when the time comes, the yearly review and evaluation process means a huge administrative burden (shown in the chart below) as managers collate information for the year and conduct top-down, often surprise-filled, backward-looking conversations.

Most times, these annual conversations are also weakness-based—along the lines of “here’s how you let me down”—because without frequent opportunities for feedback, managers tend to avoid making negative comments until it’s unavoidable. In addition, employee development is typically only discussed at the annual review and tends to result in formal training but no real-time learning or coaching.

### Effort for Traditional Approach



### Effort for Performance Development Approach



With performance development, however, employees develop goals and expectations that are reviewed and revised frequently, as priorities shift. Employees exchange regular, real time, meaningful feedback with managers, peers, direct reports and others, ensuring that personal development and growth are part of the culture. Effort and activity (as seen in the chart above) are more regular and sustained throughout the year, without the high burden at peak times. Because more conversations take place, managers do more coaching than directing and a number of benefits accrue: interactions are more reciprocal or bottom-up, they're more focused on the future and they're more outcomes- and strength-based.

### Traditional Approach

### Performance Development Approach



Hierarchical



Networked



Directing/autocratic



Coaching/democratic



Top-down



Bottom-up



Process-focused



Outcome-focused



Measuring



Improving



Annual cycle feedback



Continuous feedback



Weakness-based



Strength-based

## How Does Performance Development Happen?

While it's hard to find many companies who would argue against the performance development approach, for some, taking it on is akin to heading into the wilderness without a map. How do they make work more meaningful and get employees more engaged? Goal Science® tells us the answer is a company-wide commitment to setting connected, supported, adaptable, progress-based and aspirational goals, plus a set of ongoing conversations.

In essence, performance development is goal setting plus these conversations. Below is a closer look at the who-what-how of each type of discussion, aimed at giving organizations an understanding and template for each, as well as a sense of how they fit into the big picture.

# Conversation Types

The following conversation types are the result of years of experience working with hundreds of enterprises on how to manage ongoing performance development. The key here is to understand the structure and the purpose of each conversation type and to tailor them to the specific organization's needs. They can be called conversations, updates, check-ins, sync-ups or whatever the organization prefers. Separate conversations can be combined into one meeting — such as combining two-way feedback and coaching with career growth — or have their cadence changed, holding them more or less frequently. What's important is the fact that they're easy, quick and yet structured. It's also key that they're standardized across an organization, predictable and actually take place.



Goal Setting  
and Reflection



Ongoing Progress  
Updates



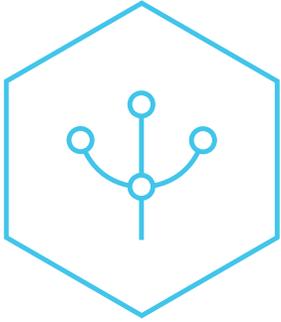
Two-way Feedback  
and Coaching



Career  
Growth



Performance  
Reviews



# Goal Setting and Reflection

This conversation is where the employee and manager establish the employee's annual plan and quarterly goals and priorities, as well as discuss how to align goals with the organization. It can also include reflection on the prior quarter or year, or even scoring of the prior quarter's goals, but the first goal of reflection should be to learn from it — to strengthen the goal muscle — and inform the next goal-setting period.

<b>Timing/perspective:</b>	typically quarterly (beginning), forward and backward
<b>Core question:</b>	Did you achieve last quarter's goals? What are the top 3-5 things you're going to work on this quarter?
<b>Who answers:</b>	employee, manager to provide input
<b>Inputs:</b>	employee goals past and present, reflection on past goals
<b>Conversation prompts:</b>	<p>How did you assess your goals from the last period? <i>Why: reflection, to strengthen goal muscle</i></p> <p>What goals do you plan to work on that will drive the greatest value for your role, your team and the company? <i>Why: focus on high-priority items</i></p> <p>Which of these goals aligns to key initiatives in the organization? <i>Why: alignment along priorities where the individual can provide greatest value</i></p>



# Ongoing Progress Updates

These conversations are typically one-on-one, quick check-ins, in which the discussion focuses on the current state of the employee's work and progress to goals. In addition, employees and managers should uncover any dependencies that are preventing the employee from making progress, create any necessary action plans and adjust goals as necessary. Managers should be reminded to celebrate any employee accomplishments and victories.

**Timing/perspective:** typically weekly or bi-weekly

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**Core question:** How far along are you on your goals?

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**Who answers:** employee, manager to provide input

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**Inputs:** employee's progress on goals, reported by employee and/or goal

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**Conversation prompts:**

How is the progress coming along on your goals?

*Why: understand where progress is and is not happening, reminder to celebrate any accomplishments and victories*

Is there anything that is keeping you from achieving your goals?

*Why: highlights goals that are at risk and focuses the conversation on problem solving and identifying root causes*

What goals need to be adjusted due to changing priorities?

*Why: adapt to changing priorities to foster an environment where adjusting goals is acceptable*



# Two-way Feedback and Coaching

In this conversation, the manager or team lead gives employees feedback and coaching to help them reach their full potential. The employee also gives feedback to the manager to uncover issues that might be keeping the employee from being successful. These conversations will help strengthen the relationship between the employee and manager and also ensure that they're working together in a way that will help both perform at their highest levels.

**Timing/perspective:** typically quarterly, real time

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**Core question:** How effective are you being in your role and at fulfilling your potential? How can your manager best support you in being successful and fulfilling your potential?

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**Who answers:** manager and employee respectively

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**Inputs:** manager feedback on employee, peer feedback and employee feedback to manager

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**Conversation prompts:** What are behaviors/values that the employee should continue or stop exhibiting?

*Why: identify strengths and opportunities for development*

What are you getting from your manager that you like and find helpful?

*Why: continue delivering that feedback or performing these actions*

What are you not getting from your manager that would help you be more successful?

*Why: start giving the employee the feedback or support that would enable success*



# Career Growth

This conversation concerns how the manager can, in the near- and long-term, help the employee develop skills and grow his/her career. The manager should work with the employee to identify career and professional growth opportunities that will reinforce the company's commitment to and investment in the employee.

**Timing/perspective:**

typically annual or semi-annual, forward-looking/long-term

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**Core question:**

What are your career aspirations and how can we partner in order to achieve them?

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**Who answers:**

employee, manager to provide input

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**Inputs:**

employee desire to develop skills, grow and achieve potential

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**Conversation prompts:**

In what specific areas do you want to grow/improve in order to achieve your career goals and contribute positively to the success of the company?

*Why: identify career and professional growth opportunities*

From a learning, growth and development standpoint, how can the company help you get there?

*Why: identify specific ideas to help demonstrate an investment in the development of the employee*



# Performance Reviews

In this conversation, the manager provides feedback on what the employee has accomplished since their last performance review and how they accomplished it. The manager will coalesce many inputs of information including goal achievement, peer feedback and their demonstration of desired behaviors. This will help the employee understand how they've been performing and what they need to do to be even more successful. There shouldn't be any surprises in this conversation, it's mostly a summary of everything the manager and employee have already been talking about leading up to the review.

<b>Timing/perspective:</b>	typically annual or semi-annual, mostly backward-looking
<b>Core question:</b>	how you have been performing in the last 6 months or year
<b>Who answers:</b>	manager, employee to provide input
<b>Inputs:</b>	manager feedback on employee, goal achievement and peer feedback (optional)
<b>Conversation prompts:</b>	<p>How successful was the employee in achieving their goals? <i>Why: discuss if the employee achieved the goals of their role</i></p> <p>What feedback do others have for the employee based on demonstrating behaviors and values of the company? <i>Why: capture peer feedback as it relates to creating impact and desired results in the current role</i></p> <p>What coaching can you provide to help the employee fully realize his/her potential? <i>Why: create a coaching plan</i></p>

# Facilitating Performance Development

To ensure success and to stay competitive, companies need to engage and align their workforces. Ongoing performance development provides the necessary framework to do so.

In addition, technology is available to ease the burden of implementing the standardized process across hundreds, thousands or tens of thousands of employees. Goal setting and performance development software such as BetterWorks® can facilitate every step of the process, sending alerts and reminders, capturing conversations and providing reports on data at the click of a button.

As many companies know, without technology to support new behavior changes, there's a high degree of risk that new processes aren't fully adopted. Sadly, there have even been companies that have moved from annual performance review conversations to regular check-ins where employees reported receiving even less feedback than under the traditional model, simply because the new process isn't being managed in a way that gives employees ongoing feedback.

A simple, user-friendly system that promotes transparency, communication and alignment through modules for goal setting and conversations can make all the difference in employee engagement and organizational success.



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and Reflection



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Performance  
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- <sup>1</sup> Deloitte University Press. "Performance Management: The secret ingredient," February 27, 2015
- <sup>2</sup> Bersin by Deloitte, Deloitte Consulting LLP. "Global Human Capital Trends 2014: Engaging the 21st century workforce," 2014.
- <sup>3</sup> Forrester. "Disrupt the Employee Performance Process to Align with Business and Customer Outcomes, Paul D. Hamerman and Claire Schooley, July 2, 2014.
- <sup>4</sup> Dominican University study.
- <sup>5</sup> Bersin by Deloitte, Deloitte Consulting LLP. "Effective Employee Goal Management is Linked to Strong Business Outcomes," December 17, 2014.
- <sup>6</sup> Pew Research Center. "Millennials surpass Gen Xers as the largest generation in U.S. labor force," May 11, 2015.
- <sup>7</sup> Forbes. "What Millennials Want In The Workplace (And Why You Should Start Giving It To Them)," January 13, 2014.
- <sup>8</sup> Business Wire. "With Four Generations in the Workplace, New National Study Reveals Surprising Realities as Technology Influences Employee Behavior and Performance," February 17, 2015.
- <sup>9</sup> U.S. Chamber of Commerce Foundation, "The Millennial Generation Research Review," 2012.

## About BetterWorks

BetterWorks provides enterprise software to easily manage strategic plans, collaborative goals and ongoing performance conversations. Its Business Operating System is built on Goal Science insights and operational research to help high-performing companies execute more effectively.

For more information visit [www.BetterWorks.com](http://www.BetterWorks.com)

