5 Master Keys to Effective Performance Conversations

Simple Secrets to Building Trust, Commitment & Improved Performance with Every Discussion!

A Special Report By Leadership & Workplace Communication Expert

Skip Weisman
Weisman Success Resources, Inc.
P.O. Box 5094
Poughkeepsie, NY 12602
845-463-3838
www.WorkplaceCommunicationExpert.com

“Skip, this report is GREAT! It came at just the right time for me and gave me some great ideas I can add to my conversations with my individual team members. Your idea to add just two simple words to a question I always ask is GOLDEN! I’m looking forward to using that right away! For anyone who dreads going through their employee evaluation process and giving their people feedback, this is a must read!”

Nella Mahoney, General Manager Abbott & Mills Energy – Newburgh, NY

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Introduction
Let’s face it. Few people enjoy performance evaluations. Even fewer enjoy the detailed and nuanced discussions required to have an effective performance management system; a system that improves employee performance while also improving organizational results.

In my experience companies approach performance management in one of two ways:

1. *A necessary evil.* They slog through it leaving many people resentful and frustrated. Many times employees leave performance reviews more confused about expectations and how their performance is perceived, or

2. *Avoid it like the plague.* This approach leaves employees confused and uncertain as to expectations and their performance.

Either approach ends up in the same place; with leaders, managers and employees uncertain as to their value to the organization.

There has to be a better way. And, there is!

The Challenge
Based on the more than a hundred responses from blog subscribers reporting their biggest challenges with performance conversations, as well as my own experience, I believe there are three issues to overcome:

1. **A lack of clear performance expectations set early in the employees’ relationship.**
   Failure to clearly outline tasks, performance outcomes, and behavior expectations sets up the employee and the organization for mediocre performance, at best.

2. **Ineffective rewards systems, including salary increases and bonuses, which are loosely based on annual performance criteria that both the manager and employee struggle with.**

   Both sides struggle to make connections between performance assessment and compensation, as well as fair application across team members.

   An organization will often base salary adjustments on slim differences between high, mediocre, and poor performers that leaves all confused and de-motivated. In poorly designed performance evaluation tools managers often lack the data or specific information to justify their opinions and are forced to rationalize their decisions with subjective statements.

3. **Performance management systems fail to engage both parties in a meaningful dialogue about specific performance and behaviors.**

   Many employees responding to the survey reported that performance conversations lacked specific examples.

Employees also felt there was a focus on recent contributions (not contributions during the entire evaluation period), or manager’s impressions were influenced by personal biases.

From the other perspective, managers felt employees had an inflated impression of their contributions and did not come prepared for a discussion.

The Possibilities
You can create a culture of improvement with the right approach to performance management.

Imagine if your organization had a performance management system that:

- Made the performance management process simple, positive and effective for quantifying employees’ value.
- Gave managers confidence to give employees direct feedback that builds confidence and trust.
- Offered certainty to managers and employees on the specific performance expectations for each role outlined in the job description so both are comfortable with how and what is being measured.
- Allowed managers to easily engage in regular performance conversations that help employees continually develop.

This is possible!
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The 5 Master Keys

Based on 28 years leading organizations, and coaching and consulting small to medium sized companies, I’ve identified five key factors that can improve any performance management system.

The 5 Master Keys to Effective Performance Conversations are:

1. Begin with Clear Expectations
2. Have Regular Conversations
3. Capture & Log Performance
4. Provide Feedback
5. Focus on Helping

MASTER KEY #1
Begin with Clear Expectations

Too many organizations manage employee performance with little, or no, performance expectations and behavior standards. It was one of the biggest frustrations submitted by my blog subscribers. This continues to amaze me.

Many reported that too many performance conversations offered ambiguous feedback against non-specific performance expectations and goals.

No wonder it’s an exercise few people looked forward to.

As Stephen Covey wrote in The 7 Habits of Highly Effective People the key to success is to “begin with the end in mind.” For this reason business leaders and managers should identify clear performance standards and behavior expectations.

Performance standards and behavior expectations go well beyond the typical job description, which is often just a list of tasks.

Specific results and performance outcomes for a team members’ position should be developed using the SMART formula.

SMART goals are: Specific, Measurable, Attainable, Relevant and Timely. This way progress towards agreed upon objectives can be more accurately measured.

Without specific measurement standards, effective performance conversations are impossible and devolve into a stressful, frustrating and ambiguous feedback session.

Additionally, it is important that the employee be part of the goal setting process so they are in agreement with expectations and believe the desired results are achievable.

Finally, continual learning and development must be part of the performance expectations. This development should revolve around improvements within their present job function with an eye towards upward movement, if appropriate.

Either way, continual learning and development become a core value throughout the organization.

With this approach the regular performance conversation has an excellent chance of being meaningful and effective for both parties.

NOTE: My newest workshop and executive development program Performance Conversations: Managing for Long-Term Results offers a simple exercise to develop specific behavior standards and performance expectations.

MASTER KEY #2
Have Regular Conversations

The second biggest complaint in the recent subscriber survey was the fact that the performance conversation took place once a year, or so infrequently, that the conversation was virtually meaningless for a number of reasons, including:

• Discussions center on the most recent time frame because that is foremost in the manager’s mind. Performance earlier in the year goes unrecognized.

• It takes too long to complete the evaluation form, and have the discussion since it reviews an entire 12-month period.

Performance conversations should happen on a regular basis. At a minimum, formal discussions should take place quarterly, and monthly is ideal.

As Ken Blanchard wrote in his book Whale Done, it is important to “catch people doing things right.” This should be done as soon as appropriate after the action. It should include specific positive feedback about what it was they “did right,” why it was important, and that you would like to see more of it.

Additionally, if someone is doing something that is not a positive contribution, or fails to fulfill their performance expectations...
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or behavior standards, be sure to tell them right away.

Many people in the survey expressed frustration with being blindsided by negative feedback on longer-term issues they were never approached about during the year. Many employees felt there was a focus on negative issues often times to minimize salary increases.

With regular conversations, performance and behavior issues that need changing can be addressed at the first most appropriate time, helping the employee and the organization improve sooner, rather than later. Plus, it avoids the hard feelings and resentments that come with being blindsided.

Now, I know what you’re thinking, “who has time for monthly conversations, I don’t even have time to do them annually?”

Holding conversations on a regular basis will actually save time. Identifying, addressing and fixing issues promptly will significantly reduce the time spent fire fighting and fixing problems on the fly.

If you have these conversations more frequently they will take only 15-30 minutes.

When it comes to developing a high-performing team, the best investment you can make is investing time with your people. Doing so will build trust and commitment, and create positive energy and relationships throughout your team.

How much is that worth?

MASTER KEY #3  
Capture & Log Performance

In most organizations it is called the “Annual Performance Review.” Typically, it takes place at one or two times a year.

Despite an unlimited number of opportunities throughout the year to capture anecdotal and quantitative performance notes, most performance reviews are developed and delivered based on a manager’s memory.

Since reading Master Key #2 you’ve decided to hold regular formal and informal performance conversations, you now need a system for capturing staff actions, decisions, and commitments, and use these notes to guide conversations.

When working with a large CPA firm, one program participants said to me, “it seems like my annual review always comes down to what I’ve done the last 30-days.”

This is because the manager has no documentation of experiences from throughout the year and is going on memory.

Since it can be difficult to remember the past month, much less a full year of work, I recommend that both the employer and employee keep an ongoing log of positive activities and challenges to help inform performance discussions.

Additionally, prior to the formal performance conversation both the manager and the employee will complete a simple form called, The Performance Log. During your conversation each person will share the points on their performance log and compare the joint experience for the performance period.

In addition to having performance conversations on a regular basis, each significant discussion should be documented and both parties should agree on both the substantive discussion and the decisions agreed to at the close of the session.

Under an ongoing performance management system year-end or mid-year reviews are a formality and a true review of the full performance period. There are no surprises, and no hurt feelings and resentments. Most importantly, this approach builds trust and respect. It will also improve individual, team and organizational performance.

NOTE: My newest workshop and executive development program Performance Conversations: Managing for Long-Term Results offers a specific format for completing The Performance Log in 5-minutes or less, and for holding conversations in 15 minutes. You are going to want to learn this process.

MASTER KEY #4  
Lead 1st With Feedforward

Executive Leadership Coach Marshall Goldsmith coined the term “feedforward” as a way to shift the discussion away from
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“feedback.” He is absolutely right.

Feedback typically focuses on past behavior with the hope that it will be corrected in the future.

Goldsmith suggests shifting the paradigm to forget about the past because it is unchangeable. In my experience feedback focuses primarily on things we want people to stop doing, what they didn’t accomplish, or what we call “undesirable behaviors.” For this reason Goldsmith recommends focusing solely on future behavior and performance.

Goldsmith also recommends leading first in this area by either identifying a specific behavior you would like to change and humbly going to your team members and asking them for suggestions, or asking them for suggestions on things you need to improve.

Here are the specific questions you should be asking:
1) How can I be a better ___?
2) Can you give me 2 specific ideas that I can apply in the future that would make me a better ______?
3) Listen intently and say “Thank You!” (nothing else, just those 2 words).

Leaders set the tone for their team members and have to lead first. If we expect our team members to be open to constructive feedback, we have to go there first. By being a humble leader and showing our team members we know we, personally can get better, then it will make them much more open when we have to come to them and ask for a behavior change.

The feedforward approach combined with consistent discussions informed by The Performance Log, will dramatically change the dynamics and perspective of the performance conversation making them more effective than ever.

**MASTER KEY #5 Focus on Helping**

Another frequent complaint about the performance conversation in the survey was that it seemed to be a one-sided monologue as opposed to a dialogue between two people.

Comments on both sides expressed this. For managers it was that the employee was not open to feedback, or didn’t come prepared to have a discussion.

Employees felt the manager wasn’t interested in hearing the employee’s perspective, that the manager didn’t invest enough time preparing the feedback, and used anecdotes and observations that were outdated or inaccurate.

While all points may be valid to some degree, as with most things with the truth is probably somewhere in the middle.

The onus, however, is always on the manager who is the person most responsible for the attitude, energy and performance of their team members. If a manager not getting an appropriate response or desired participation in the review process, I will argue it is not the fault of the employee, but the fault of the manager facilitating the review process.

Leading and managing others should be about one thing: helping employees succeed in their role.

The best thing a leader or manager can do to improve performance is to continually identify resources and strategies that can help employees perform better and more consistently.

Many employees cited lack of resources, lack of clear and specific expectations, rapidly shifting priorities, and other roadblocks that created confusion and frustration.

Managers should continually focus on one question:

“How can I help you do your job even better?”

Another version might be:

“What do you need from me to do your job even better?”

The power of these questions is two-fold:

a. The phrase “even better” connotes that the person is already doing things well, will give them confidence, and show you are looking to help them improve;

b. These questions when asked with authenticity help employees open up. It may take some time to get them to open up and trust you are
serious, but I promise it will work.

All you need to do is respond sincerely to their request with one of two answers:

1. Yes, I will make that happen for you, or you can go ahead and do that! Or…

2. No, I am (we are) not able to do that at this time and here’s why. Give a substantive answer that doesn’t pass the buck or blame “the budget.” Explain the reasoning behind your inability to fulfill the employee’s request at that time. If there is a possibility to work towards it in the future, give them that information, as well.

If leaders and managers want to create an engaged team based on high levels of trust and want employees to actively participate in performance conversations, the “how can I help?” question is by far the best way to do it.

Summary

These 5 Master Keys to Effective Performance Evaluation will truly transform the results you receive from your performance conversations. They will become two-way dialogues of mutual respect, and be true performance improvement collaborations with employees, instead of stressful confrontations resented and feared by both sides.

They have the power to dramatically improve motivation, morale and real performance results. Finally, they will dramatically improve your organization when applied consistently.

One final note, because we are dealing with human beings and human nature, as well as varying levels of self-esteem on both sides of the equation, there is no magic bullet. Thus, the approach an organization takes to managing performance must be continually assessed.

The Elephant in the Room: The Relationship between Performance and Compensation

One challenge throughout all the literature regarding performance conversation is how to separate it from the compensation conversation. These two conversations are inevitably linked no matter what approach and timing is applied.

But, if the above steps are followed, the compensation question is easier because it is based on facts and specific observable behaviors discussed over the course of the performance period.

Applying these 5 Master Keys to Effective Performance Conversations will make the assessment of an employee’s contribution to the organization more quantifiable and accurate, allowing for the compensation question to be more fairly and respectfully addressed.

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Weisman Success Resources, Inc. • P.O. Box 5094 • Poughkeepsie, NY 12602
845.463.3838 • info@WorkplaceCommunicationExpert.com • www.WorkplaceCommunicationExpert.com