



Five Reasons Why Performance Management Conversations Fail

New research highlights the five most common conversational pitfalls managers fall into.

Every year organisations invest thousands of man-hours in the annual performance review. Feedback data is gathered, forms and performance ratings are studiously prepared; meetings are put in the diary; ratings are reviewed and normalised; bonuses and pay increases are awarded; HR systems are updated.

And yet, despite all this effort, all too often employees walk away dissatisfied and demotivated. Why? The simple reason is that performance management is not about the process, the form, or the final ranking; it is about the quality of the on-going conversation between a manager and the employee. And unfortunately many managers are not good at having these conversations.

Analysing the conversation

A conversation is a dynamic and complex interaction between two people that requires many skills, so if we want to help managers do it better we first need to understand which aspects of the conversation they get wrong most often.

Using our proprietary diagnostic tool, the Conversational Norms Diagnostic™, we have been gathering data over the last 2 years about what works and does not work when it comes to workplace conversations. As a result, based on an analysis of hundreds of people's experience, we have been able to identify the five most common reasons why conversations between managers and employees fail.

1. Failing to grasp what employees are really saying

This is a common mistake and happens because managers fail to distinguish between listening (i.e. letting the other person speak) and trying to understand what they really mean. This means two people can be in the same performance review meeting and leave with completely different understandings of what has been agreed. Too often performance management is seen as a logical process, based upon a naïve belief in people having a shared understanding of what words mean.

Tip: *Good conversation is a complex process in which shared meaning has to be worked out together, not imposed by the most senior person in the room.*

2. Focusing on data, not insights

There is a tendency for performance management conversations to be dominated by the sharing of carefully gathered feedback data. Whilst data is clearly helpful, it should act as the catalyst for a good conversation, not as the be all and end all. Too often little time is spent exploring the implications of the data, which means shared understanding is superficial and any insights are likely to be trivial at best and, at worst to be actively value destroying.

Tip: *Use data as the starting point, then focus on exploring what it really means.*

3. Being unaware of personal impact

People in a position of power are frequently insensitive to how their words and behaviours are being interpreted by others. Every word (and gesture) is a loaded revolver, as one French philosopher put it. So whilst we may think we are listening to the other person, in reality we are focused on ourselves and on what we want to say next. We have lost the art of really wanting to understand our impact on others, preferring to wait for the opportunity to reload and point out why 'I'm right and you're wrong'.

Tip: *Managers need greater self awareness about their impact on others.*

4. Playing power games

It is very common for people to go either dumb or dumber in the presence of senior people, with manager and employee not contributing equally to the conversation. Performance reviews are events that uniquely highlight power-distance (after all, this is when the manager passes 'formal judgement' on performance) and so can increase the difficulty of people to speak freely.

Tip: *The manager, as the senior person, should actively plan to overcome the employee's conversational disadvantages (which, incidentally, are disadvantages they might secretly enjoy!)*

5. Missing the important issues

Performance management conversations are often unsuccessful because of a rigid adherence to a pre-planned structure. The truth is that important insights only emerge through the act of talking together – i.e. they cannot be foreseen or planned. Failure to recognise this means missing the opportunity to explore the genuine nuggets of insight that can turn the conversation from one that is routine to one that genuinely shifts performance.

Tip: *When important issues emerge, they need to be acknowledged and the conversational structure altered accordingly.*

In Summary

Being able to have effective performance management conversation is increasingly one of the core competencies managers need in the knowledge economy. Paradoxically, it is also one in which many receive the least training. Our research shows for the first time the five most common pitfalls that managers fall into. These pitfalls are subtle and not immediately obvious, but they profoundly impact the outcome of the conversation. The good news is they can be avoided by building individual awareness and competence.