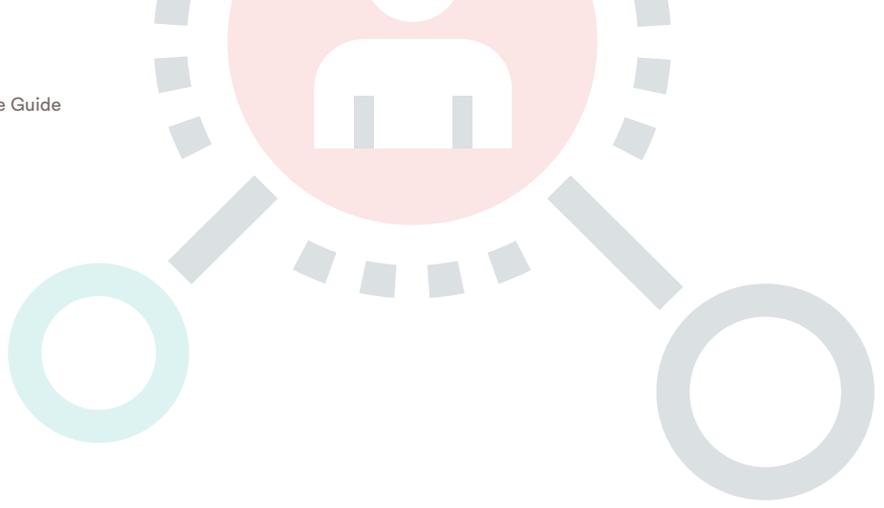


# Managing People, Driving Performance: A Good Practice Guide





## Introduction

**Driving employee performance to improve productivity and effectiveness has always been of great importance to companies. Over the years, particularly in the last decade, performance management thinking and best practice has evolved significantly, with this evolution accelerated even further by the Covid-19 pandemic. The global lockdown and subsequent transition of many employees to remote or hybrid working resulted in many companies having to swiftly review their operating model, adjust their management practices and modify their leadership styles to adapt to the new way of working. One key area of concern for companies has been how to support their employees to continue to deliver performance in this new environment.**

The pandemic has caused such disruption to the way we work that it is clear life will not return to pre-Covid times. Recent surveys have, for instance, found an overwhelming preference by employees for remote working, going into the future. As a leader operating in a business environment that is ever-changing, you may be thinking of how to adopt a more strategic approach to driving the performance of your employees - one that helps your business remain agile and at the same time, secures your ability to continue to achieve the results that support your strategic ambitions.

### **As an employer, you may be asking:**

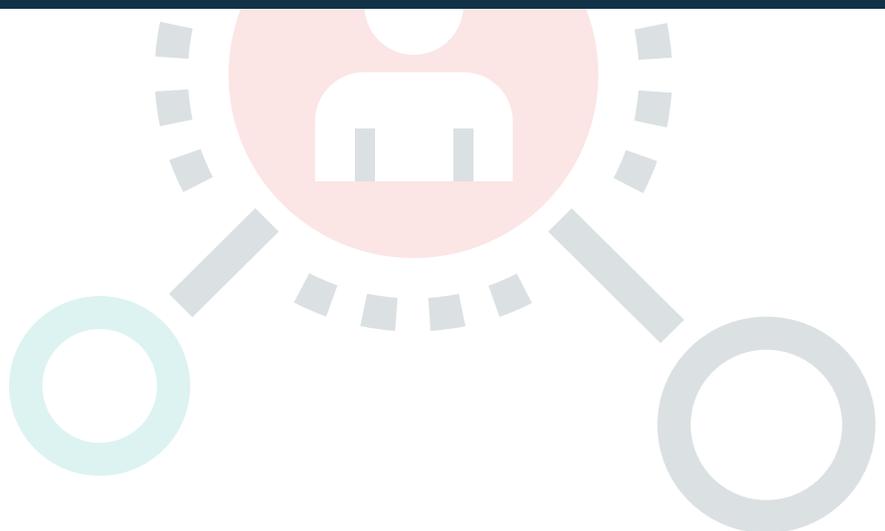
- ? How do we set goals that are relevant and achievable, especially when the environment is constantly changing?
- ? How can we accurately assess performance when our employees are working remotely?
- ? How do we support our managers to have meaningful performance conversations?
- ? How do we ensure a level playing field for both our office-based and remote-working employees?
- ? Is our performance management process still fit-for-purpose or do we need to change it?
- ? Which practices do we need to modify, introduce or discard?
- ? How do we simplify the process without it losing its essence?

When it comes to performance management there is no one-size-fits-all solution, and what works for one company may not necessarily suit another. Consequently, companies need to rethink how they implement performance management to ensure it is effective, particularly in light of the new ways of working.

This guide aims to inform, equip and support you to identify the necessary changes to how you drive employee performance, so that you can implement and embed the culture and practices that suit your business. Where appropriate, we have included a range of practical tips, tools and templates that you can take and apply within your business, to deliver sustainable and measurable performance improvements.

In addition to the guide, Enterprise Ireland offers a range of supports our client companies can avail of as they seek to improve their performance management process. These supports include one-to-one guidance from our [People & Management Specialists](#), access to external HR consultants, eLearning solutions and [Leadership & Management Development Programmes](#). To find out more, please speak with your Development Advisor or Enterprise Ireland contact.

Lola Ade-Onojobi  
People & Management Specialist  
Enterprise Ireland





## Context and Overview

Good performance management is at the heart of every successful business. While many companies strive to have a thoroughly engaged and productive workforce, and believe that their employees are their greatest asset, managing performance is rarely easy. Managing people is an art, rather than a science. There is no set rule book or formula which companies can apply to best manage their employees or their performance.

Views on how best to manage employees and their performance have been shifting over the past decade. Performance management thinking and best practice were already evolving before the Covid-19 pandemic struck in early 2020, as documented by the Harvard Business Review article [The Performance Management Revolution](#), and by Our Tandem in their white paper [The Future of Performance Management](#). Many companies were already questioning whether traditional performance appraisals and a top-down approach to managing performance really worked. The pandemic has made companies question what they could or should change to keep pace with the latest thinking. Whatever stage a company is at in its growth journey, now is a good time to consider how to manage employees and their performance.

The pandemic has also had a profound impact on employees and workplaces. Some companies switched to remote working when the pandemic struck, affecting how they needed to manage, motivate and communicate with their staff. Other companies relied on their employees travelling to the normal workplace throughout the pandemic, and had to put in place additional processes to safeguard the safety and welfare of all.

### This guide aims to:

- Define good performance management and outline the key attributes
- Explain the evolution in performance management best practice and thinking over time
- Outline the impact of the pandemic on organisations from different perspectives (leaders, managers, employees and HR), as well as the shifting impact on performance management perceptions, and practices
- Describe all the foundations of good performance management including goal setting, check-in conversations, fluid feedback, formal performance reviews, and reward and recognition
- Provide practical and informative advice for business leaders, managers, employees, and HR to build awareness and understanding, and provide 'how to' guidance to enable companies to make the necessary changes
- Explain why organisations should establish a performance culture, how to do it and how a coaching leadership style can enable this
- Outline important change management considerations for employers so they can develop a plan to implement and embed their new performance management practices
- Provide practical tips and tools to build communication to ensure the changes are successful and that they take hold

This guide is informed by a deep knowledge of good performance management best practice and latest business theory. It is also informed by deep expertise in how SMEs operate performance management in practice. The guide will be useful to companies of any size or stage of maturity, but it has been written with particular reference to an SME audience.

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# 1. Foundations of Good Performance Management

## 1.1 Definition of performance management

Performance management is an integrated and developmental approach to driving high performance by maximising employee potential and growth.

This is a great definition because it highlights these key words:

**‘integrated’** – it is important to take a coordinated approach to managing both company and employee performance. Your approach and practices should make sense to employees and managers and fit with your company circumstances and culture.

**‘high performance’** – there is a proven linkage between good performance management, happy, productive employees and bottom-line results. As McKinsey have pointed out, “organisations that get performance management right become formidable competitive machines”.

**‘employee potential and growth’** – effective performance management is the ultimate win-win. Everyone benefits from employees bringing their best self to work every day, constantly growing their skills, experience, contribution and potential.

## 1.2 Key attributes of good performance management

Good performance management has certain key attributes with which you can assess your current performance management system in order to identify areas where improvements can be made.

KEY ATTRIBUTES OF GOOD PERFORMANCE MANAGEMENT	HOW THIS TRANSLATES INTO GOOD PERFORMANCE MANAGEMENT PRACTICE
Employees know what they are expected to contribute and have clear business goals. Employees also have clear development goals which guide constant personal growth.	Business and Development Goals
Employees and managers have frequent, constructive performance conversations and have a trusting, adult-to-adult relationship. The manager takes the role of ‘performance coach’ (not judge).	Check-in Conversations
Feedback flows freely across the company downwards, sideways and upwards. People give honest but constructive feedback in the spirit of maximising growth and performance.	Fluid Feedback Culture
Employees know where they stand and how their performance is perceived by their manager.	Performance Reviews and Ratings
Employees feel valued and recognised for their contribution.	Reward and Recognition

### 1.3 How to choose an appropriate performance management approach

There is a variety of factors that could influence a company in choosing an appropriate performance management approach. Three key factors a company may wish to consider include:

- Nature of sector and environment
- Nature of workplace and size (for example, office-based or not office-based, no HR department or with an HR department)
- Nature of decision-making (for example, are decisions made centrally by an owner-manager, or devolved?)



#### Nature of Sector and Environment

When reflecting on the appropriate performance management approach to select, you should consider the sector and environment you operate in. This will help you adopt the approach that suits and aligns to your needs.

Some companies will find it easier than others to adopt a continuous approach to performance management. This approach is often easier to adopt where there are no legacy issues or employee expectations of how the process should operate. These companies should use this guide to move towards a continuous performance management approach for managers and employees. We recommend starting by introducing fluid feedback, agile goals or check-ins. Build on success by adding other parts of the process every few months to maintain momentum but not overwhelm people.

Some companies operate in more traditional sectors or have been in existence longer. When managing their people, they may take a more traditional approach, for instance because the nature of the work, working hours and compensation are fixed and transactional. Trade unions and work councils may play an important role. Supervisors and managers may tend to take a more directive and structured approach to managing their employees which may lead to greater rigour and discipline but reduce flexibility and agility.

Companies operating in traditional settings, or with a long history, should consider taking a step-by-step approach to continuous performance management, for example:

- Introduce a feedback culture. Encourage multi-directional feedback – communication should flow sideways (from peer to peer) and upwards as well as downwards.
- Educate your managers or supervisors to take on the role of 'performance coach' to their teams, teasing out ideas from their teams in a collaborative fashion.
- Introduce quarterly check-ins to discuss performance, personal development, employee well-being and career aspirations.



### Nature of Workplace and Size

You should consider the nature of your workplace when deciding how best to manage performance. Companies where employees are co-located may find it easier to adopt a consistent and progressive approach to performance management. When employees work alongside their managers and leaders every day it can be more straightforward to build close working relationships. For companies whose employees work shifts, work remotely or in dispersed teams, managers will need to work harder to set and monitor goals and check in regularly.

Sharing tools, templates and best practice across your company helps to ensure that your performance management approach is consistent and transparent across all teams. Some companies choose to invest in specialist performance management software which host goals, feedback, check-ins and engagement data on a single platform which can be very beneficial to drive high engagement and performance.

It is critical for every company to assign responsibility to someone to take ownership for the process and ongoing success of performance management. In smaller organisations this may be a Chief Operating Officer or head of the back-office function. Where a company has an HR specialist or team, they should assume ownership for performance management, guiding managers and employees in the process and practice of good performance management.



### Nature of Decision-Making

Companies should adopt a performance management approach which matches where and how decisions are made. For example, in owner-manager companies, key decisions may be made by one individual or a small leadership team. In such companies, performance management processes should be kept light and simple so as not to add unnecessary bureaucracy or complexity.

Other companies may have more devolved decision-making. They should consider giving managers a degree of freedom to manage employee performance within certain parameters. The concept of ‘freedom within a framework’ can be very valuable for more dispersed companies to allow managers an appropriate degree of devolved accountability.



## 2. Evolution of Performance Management Practice

### 2.1 How performance management best practice has evolved over time

Over the last decade, performance management best practice has evolved quite radically away from the traditional ‘annual appraisal’ towards a ‘continuous performance management’ approach.

In the past, performance management was primarily an assessment tool, designed so that managers could monitor and judge the performance of their reports. Indeed, a [Harvard Business Review](#) article from 1976 stated that “Performance appraisal has three basic functions: (1) to provide adequate feedback to each person on his or her performance; (2) to serve as a basis for modifying or changing behaviour toward more effective working habits; and (3) to provide data to managers with which they may judge future job assignments and compensation.” This quote illustrates the assumption that the manager’s role was to direct, correct and judge their employees. It tended to set up the relationship between the manager and employee as parent-to-child, assigning responsibility for the management of performance to the manager (not to the employee themselves).

If we contrast this with a modern interpretation of performance management, we can see a clear difference. In this guide we describe performance management as ‘an integrated and developmental approach to driving high performance by maximising employee potential and growth’. An alternative approach is to address performance management as a process designed for the employee, for instance: ‘to encourage discussion and feedback to develop your performance and help you grow’.

It is clear performance management has changed quite radically over the years.

These tables outline the key shifts in performance management, assessment and ratings over the years:

#### Key trends in performance management

	From	To
<b>Agile Goal Setting</b>	Goals set annually, fixed, cascaded from top down	Agile, near-term goals. Flexible and amendable to reflect business changes. Pragmatic approach to rapidly move from goal setting to goal delivery. Goals aligned bottom-up as well as cascaded top-down. Emphasis on personal development goals.
<b>Performance Check-in</b>	Infrequent interviews led by manager, backward looking	Employee driven, manager as “coach”. Emphasis on development (not judgement). Frequent, focused, forward-facing. Key actions and learnings documented to build a rich picture of performance improvement over time.
<b>Frequent, Fluid Feedback</b>	Infrequent, formal, review-focused manager-led	Feedback flows fluidly in all directions. Process owned by the employee, empowering them to drive their own development. A psychologically safe environment reinforces company behaviours and drives a strong feedback culture and growth mindset.
<b>Manager as Coach</b>	Manager as judge and formal performance assessor	Manager acts as performance coach and facilitates the employee to own and drive their personal development. Increased emphasis on the role of the manager as career development guide.

## Key trends in performance reviews and ratings

	From	To
<b>Performance Reviews</b>	<p>Formal bi-annual performance appraisals</p> <p>Primary purpose of performance appraisals was to assess employees</p> <p>Performance management became synonymous with 'appraisals'</p>	<p>Frequent informal check-ins with a developmental (not judgemental) motive.</p> <p>Primary purpose of performance management is to inspire high employee performance and facilitate ongoing development.</p> <p>Check-ins become more forwards-focused and developmental in nature.</p>
<b>Performance Ratings</b>	<p>Performance appraisals were designed to assess employees, so attention was primarily focused on ratings</p>	<p>A more holistic and continuous approach to managing performance and development with a reduced emphasis on ratings and assessment.</p> <p>Frequent check-in conversations keep managers and employees focused on ongoing performance. Reduced emphasis on ratings. Ratings are assigned only occasionally to summarise performance outcomes and achievement.</p> <p>Fewer performance ratings recommended (often a simple 3-point rating scale). Ratings kept high-level to avoid distracting employees and managers from the primary pursuit of performance development and improvement.</p>

These tables show how performance management thinking has changed over the years. They also highlight how the role of the manager has changed. Latest thinking has managers taking an adult-to-adult approach with their employees, acting as performance coach and guide, rather than judge.

Depending on where a company starts from, the move from a traditional style to a fully continuous and modern performance management approach can be quite daunting. For this reason, many companies choose to alter their approach in a step-by-step process over time. This also avoids overloading managers and employees and prevents change fatigue.

Indeed, many companies continue to operate successfully with some elements of the more 'traditional' approach to performance management. Depending on their culture and context, it may not suit every company to change their whole approach in its entirety. Performance and employee management is not 'one size fits all'. Companies need to choose a performance management approach that suits their industry, culture, size, level of maturity and growth curve.

## 2.2 Impact of the pandemic on performance management

The impact of the global Covid-19 pandemic on work and workplaces has been dramatic with entire workforces, in some cases, having to shift to remote working overnight. Leaders and HR in every organisation have been forced to reassess company priorities and practices to keep employees safe and productive. In early 2020, we may have believed these changes would be short-term. But the pandemic is still with us, and it has become increasingly clear that the world of work has shifted fundamentally. Working life as we knew it may never go fully back to 'normal'.

The Covid-19 pandemic accelerated the evolution that was already happening in performance management thinking and best practice. For some companies, this evolution became a revolution and leaders have had to adjust their assumptions about how to maximise performance and productivity.

The pandemic has also blurred the boundaries between home and work life, causing employees to question whether they want to return to the office full-time and how they expect to be managed in a post-Covid era. Many companies are pondering whether it's time to move to a more employee-centric, developmental, and continuous approach to the management of performance.

The following section will examine in greater detail the impact of the pandemic on performance management, from the perspectives of leaders, managers, employees and HR.



## Impact on Leaders

The pandemic forced leaders to make difficult decisions about how best to keep their companies productive, which often required painful and complex trade-offs in ever-changing circumstances. The pandemic has thrown up issues of fairness and equity between employees with family care responsibilities versus those without these added complexities.

Many leaders have changed their approach during the pandemic and a new human-centred leadership style is emerging. McKinsey published an article in late 2020 titled [Preventing Burnout is about Empathetic Leadership](#). They found that “59% of employees and business leaders say their organisation has taken at least some measures to guard against burnout.” Despite this “nearly a third (29%) of employees wish companies would act with more empathy”, an indication that perhaps their efforts have not been enough. These are challenging times and leaders are learning on the job how best to lead an engaged and productive workforce in new and challenging circumstances.

Adopting a more compassionate and empathetic leadership style may require you to revisit your performance management approach for consistency. For example, you may need to:

- Re-evaluate assumptions about what a high-performing employee looks like. You may want to rethink traditional beliefs about hours spent and perceived performance (to move away from an unhealthy culture of ‘presenteeism’)
- Set, monitor and adjust goals more frequently than in the past. The emphasis may need to move away from annual goals to near-term, agile goals to keep pace with more fluid and unpredictable circumstances
- Make check-in conversations more frequent and rounded. Your managers should discuss their employees’ well-being as well as their productivity. Employees increasingly want and expect to be seen as ‘whole people’, not just as workers



## Impact on Managers

The role of the manager or supervisor has never been more important than during the pandemic, as managers have played a critical role in connecting their teams with the wider company.

During the pandemic, managers have coped by taking a more pragmatic approach to performance management. A deliberate effort to increase agility and communication has worked well for many companies. These are some of the typical changes being made to performance management practices:

- Instead of annual goals, moving to agile, flexible goals set in the near-term
- More frequent check-in conversations which have focused on well-being and practical offers of support alongside a discussion about performance
- Emphasising the value of feedback within teams to keep colleagues connected despite their physical separation
- A reduced emphasis on formal ratings and performance assessment, especially as many companies have not been able to afford an annual pay award

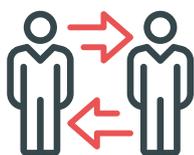


## Impact on Employees

As employees, Covid-19 has had a significant impact on all our lives, and we continue to live through a deeply unsettling period with far-reaching consequences for our health, work and lives. Many businesses have suffered and have had to make difficult decisions about finances and staffing. Many people have had to leave the workplace for health reasons or through redundancy; others have had to take unpaid leave and in many companies working hours have reduced. This has directly impacted employees who have borne the brunt of these changes.

As employees, our experiences mirror how our employer had to pivot in the face of Covid-19. Many companies have had to rapidly realign their company priorities and strategic goals. These changes have caused employees' goals to change to keep up with rapid shifts in company direction.

For employees whose work has shifted to remote working, the pandemic may have caused a blurring of boundaries between work and home. It has also changed working relationships as teams and meetings have gone virtual. Some companies have emphasised the need for regular check-in meetings as a good way to connect with their manager during the pandemic. Where performance management is effective, it has kept employees' goals aligned, kept teams talking and maintained (or even improved) the flow of feedback.



## Impact on Human Resources

The pandemic has had a dramatic impact on the HR function, and for those companies large enough to have an HR department, the value of the role increased overnight. HR has needed to keep people safe and up to date with ever-changing Covid-19 rules. In addition, HR has had to keep people working, providing laptops and guidance on work-from-home procedures and arrangements. HR has also been actively involved in keeping people motivated by communicating company priorities and strategy and establishing processes to keep employees and teams talking.

Many HR departments have altered performance management processes to prioritise the parts that matter during a pandemic: goal realignment, frequent check-in conversations which discuss well-being and provide regular feedback. Others deprioritised those processes that were less relevant in a pandemic: the annual appraisal against 12-month goals (that were often no longer relevant) or administering an annual pay award based on previous company strategy and projections.

The pandemic has provided an opportunity for HR specialists (or individuals with responsibility for the HR agenda) to give practical guidance to managers and employees to keep them focused throughout the pandemic.



## 3. The Building Blocks of Good Performance Management

This section highlights the key elements of good performance management and provides tips on how to effectively implement each one in your company.

### 3.1 Goal-setting

#### Purpose of goal-setting:

Employees want to understand how their work contributes to the success of the team and the wider company. Best practice goal-setting means that all employees:

- Understand the key strategic priorities of the company (at a high level)
- Know how they contribute to the company’s success and where they ‘fit in’
- Have a set of goals with clear success measures to help them prioritise their work
- Understand the alignment between their goals and the aims of the company
- Know how they personally need to develop to ensure they and their team succeed
- Know how their performance will be assessed

#### How to set good goals:

Setting goals can be as challenging as meeting them. We recommend that companies invest time to establish clear goals at the start of the performance period to give employees clarity and set them up for success. [McKinsey](#) identify three points to keep in mind when establishing effective employee goals:

#### Tip Sheet: Tips for setting goals



##### Involve employees from start to finish

The purpose of setting goals is to help employees improve and so it makes sense to include them in the entire process. Securing employee buy-in allows you to help develop their short- and long-term goals and increases the likelihood that they will be achieved. Managers and employees should jointly develop goals that are SMART (specific, measurable, actionable, results oriented and time bound). Doing so inspires commitment and allows individuals a sense of ownership in achieving their goals. Encouraging employees to set stretch goals also helps push performance and serves as a motivator for ongoing development.



##### Link individual goals to business objectives

Of companies who have effective performance management systems, 91% say that employees’ goals are linked to business priorities. The explanation is simple: employees will be more effective if they can see how their individual goals fit into the big picture. In recent years, there has been an uptake in the number of companies linking organisational business goals to functional business objectives and converting those into team-performance goals. This encourages accountability and better performance as individuals grasp the direct impact of their performance.



##### Adapt goals in real time

Goals should never be seen as stagnant, but dynamic and evolving. One common mistake is setting goals at the beginning of the year and forgetting about them until review season. As realities fluctuate throughout the year, failing to revisit goals can be demotivating. That’s not to say goals should become moving targets, but rather that they should be adapted as the environment changes.

### Agile goal-setting:

You should consider setting goals in the relatively near term if your company operates in a fast-paced environment. In the last few years, best practice has shifted away from an expectation that annual goals should be set once a year to cover a rigid 12-month period. In today's fluid, dynamic workplaces, best practice has seen a move towards agile goal-setting. Agile goals are set in the near-term (for example, with a 2-4-month timeline) and are more fluid with an expectation that they will be updated, amended, replaced, and even deleted quite frequently. This fits with the concept of regular check-ins where the employee and manager review progress against goals, and update future priorities frequently.

### Aligned business goals:

It is important to ensure goals align up and down the company to link employees' priorities to key organisational strategic drivers. Alignment is both a 'top down' and 'bottom up' process that ensures linkage between overall business priorities and employee goals.



### How to set good goals:



- ⚡ Involve employees from start to finish
- ⚡ Link individual goals to business objectives
- ⚡ Adapt goals in real time

### The role of the manager in collaborative goal-setting:

Managers play a key role in goal-setting, and they should help their employees to set goals that contribute to the company's overall strategy. Managers can drive employee engagement, help improve team productivity, and guide their employees to contribute to the overall organisational objectives. Managers also connect the team, and they can bring the team together to build collaborative goals. Best practice goal setting is a collaborative effort where teams work together to establish goals and plans at the very start. This joint goal setting experience builds understanding and trust and is more likely to result in effective teamwork and successful goal delivery.

### Three goal-setting frameworks: SMART, OKRs, Sprint

There is a variety of goal-setting frameworks that companies can use to set clear, high-quality goals. Three of the more common frameworks are explained briefly in this section:

#### 'SMART' Goal-Setting Framework

The most common is the 'SMART' goal framework. SMART is an acronym (sometimes with slight variations in the words the letters represent), against which you can test your proposed goals, to ensure that they are:

S

SPECIFIC

M

MEASURABLE

A

ACHIEVABLE

R

RELEVANT

T

TIMEBOUND



# Template: The 'SMART' Goal Framework

SMART is a guideline for setting high-quality goals. SMART goals are Specific, Measurable, Achievable, Relevant and Time bound. Below is a template with which you can set SMART goals.

## Draft Goal

Start by writing the draft goal here. Test and revise the goal against these questions to improve it and ensure it is 100% SMART.

### S

- What do I need to accomplish?
- Why does this matter?

### M

- How will I measure success?
- How will I know when the goal is achieved?
- If success cannot be measured in numbers, how will success be measured by quality?

### A

- Is the goal achievable yet stretching?
- Are the challenges or obstacles understood and manageable?
- What are the steps I should take to achieve the goal?

### R

- Does the goal align to my team and company's strategic priorities?
- Is the objective relevant to me and my role?

### T

- What is a realistic timeframe for this goal?
- When do I need to achieve this goal by?
- What is my plan to achieve it?

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## Final SMART Goal

## Objectives and Key Results (OKRs)

Another modern approach to goal setting is the OKR methodology which John Doerr outlined in his 2017 book 'Measure What Matters'. This methodology breaks goals into Objectives and Key Results. It provides a structure to cascade goals downwards from top to bottom, as well as to align goals upwards from the employee to the overall company strategy. John Doerr claims OKRs were the driving force behind Google's extraordinary success in the early 2000s. More information on OKRs can be found here: [OKRs simple explanation](#).

## Sprint Goals

Many technology companies use the Scrum methodology to set short-term, iterative goals. Scrum is an agile development methodology used in the development of software, based on iterative and incremental processes. Sprint goals are set which clarify the purpose of a stage in the development process. More information can be found here - [Scrum guides simple explanation](#).

## Personal development goals

Personal development goals help an individual to grow and perform to their maximum potential and help employees to maximise their strengths and mitigate their development areas.

Every employee should have at least one personal development goal to sit alongside their business goals. These goals cover areas of personal development such as acquiring a new skill, deepening knowledge, or gaining a new work-related experience to broaden the employee's capability in their role. They identify personal development areas that would help the employee achieve their business goals, career aspirations or to work in accordance with the company's values.

Additionally, personal development goals identify personal strengths which employees could maximise for the benefit of themselves, their team and the company.

Personal development goals can be achieved by a wide range of activities such as on-the-job learning, one-to-one coaching, attending a development programme, networking, or being mentored. Other activities include undertaking research, reading books or articles, or listening to podcasts or TED Talks.

## How to set personal development goals

Personal development goals are often long term in nature and can be difficult to measure. It is worth applying the principles of SMART goal-setting to set high-quality personal development goals. Always try to specify how the goal will be measured, the high-level plans to achieve it and when it needs to be achieved by. The true measure of a personal development goal is usually the resulting impact on performance, for example "I will undertake private study into project management skills so that I can run the marketing campaign to budget and on time, and manage my key stakeholders".

## Top traps to avoid when setting goals

This checklist is designed to help you better understand and avoid the common traps when setting goals.

Compare your draft goals with the criteria to avoid below. If your goal falls into any of these traps, revise it accordingly.

### Top traps to avoid when setting goals



1. The goal or the measure is unclear, ambiguous, or vague
2. The goal is not aligned to your role and the team or business goals
3. The goals are not balanced, or do not cover the full range of your responsibilities (for example, there are no customer goals, yet delivering customer value is an important part of your role)
4. The goals are a list of what you must do (a task list or a repeat of your job description) rather than what you should achieve (your results)
5. The goals are not engaging or motivating (targets set too high or too low can be de-motivating and produce poor results)
6. The goal has an artificial or rigid timescale, and is being 'forced-fit' into a 12-month performance cycle. Instead, set meaningful timescales with checkpoints or milestones at key intervals
7. There are significant barriers which could make it difficult for you to achieve the expected level of performance (e.g. resource or budget challenges, a lack of control over the goal) and there has been no discussion about what can be done to mitigate these hurdles
8. The goal has not been set in partnership between you and your manager – you do not feel you fully understand, agree to or 'own' the goal





## 3.2 Check-in conversations

### Purpose of check-in conversations:

The heartbeat of good performance management is a clear understanding and constant communication between an employee and their manager. Where employees and managers talk frequently and openly, they build a mutual understanding which allows them to discuss performance achievements and issues with an open mindset. Check-in conversations provide a framework for these performance discussions to keep communication open and free flowing at all times.

### Principles of best practice check-in conversations:

- An employee and manager should meet frequently to discuss performance and progress
- The check-in conversation should follow a suggested set of prompts to keep the discussion at a suitably high level. This avoids check-ins becoming focused on the immediate task list
- The check-in meeting should include a discussion about:
  - » Progress against goals during the previous period
  - » Goals and priorities for the next period
  - » Feedback received – key strengths and development areas
  - » Progress against personal development goals
  - » Engagement and well-being
  - » Any help or guidance needed during the next period
- You may want to have different check-in meetings to focus on different areas, such as
  - » Performance check-in
  - » Personal development check-in
  - » Career planning check-in
  - » Well-being check-in
- Both the employee and manager should be able to set up check-in meetings to give a sense of shared ownership and accountability
- As a company you may choose to set an expected cadence for these meetings. Alternatively, the employee and manager can agree what works for them (e.g. monthly, bi-monthly)
- Check-ins should be scheduled in advance in the diary to ensure they take place regularly
- Both the employee and manager should prepare thoroughly for the check-in meetings to ensure the meetings stay focused and short (30-40 minutes is often the ideal length)
- Either the employee or manager should write up brief notes and actions from the discussion and share them between themselves

### The role of the manager in check-in conversations:

Frequent and informal check-in conversations build strong, trusting relations between an employee and their manager. As a manager your role is that of a guide and 'performance coach' in these discussions so that the employee is more likely to be open to feedback and suggestions about the progress they have made, personal strengths and how to continuously improve their performance.

This can be quite different to traditional expectations of managers who were often expected to rule by 'command and control' over employees who were subservient to their superiors. In traditional performance management, the relationship was often set up as 'parent to child'; it was expected that the manager had all the answers and the employee's role was to listen and learn. As a result, traditional performance management processes were often rigid, formal and impersonal, with performance meetings taking place infrequently and only at set points during the year.

Best practice thinking has changed because empathetic managers have been proven to make a significant difference to the employee experience. A more modern approach to management suggests that the relationship between a manager and employee should be 'adult to adult', whereby the employee is an equal partner in the relationship. Employees should come to check-in discussions with their own ideas, and the role of the manager is to coach and guide them, rather than to control them. There is much evidence to suggest the manager has a huge impact on the quality of performance management. A [Harvard Business Review article](#) reported that "the difference between well-managed and poorly managed firms depends in large part on the quality of the people they hire as managers".





## Tip Sheet: Top tips for a great check-in



### Have the right mindset

Don't overthink the check-in, it's meant to be a discussion. As a manager, your role is to coach and support while ensuring your employees remain the focus of the conversation. The conversation should be flexible enough to accommodate topics that are top of mind for both of you.

### Set a recurring schedule

Once you've agreed to a cadence, put it in your calendar and stick to it. Scheduling a recurring meeting is a subtle but clear way for managers to show they are invested in and will make time for their team members.



### Prepare thoroughly

When it comes time to having your check-in meetings make sure you're prepared. Listen actively to support your employee in the best way possible. Keep an open mind and respect their context and opinions. It's helpful to share a personal anecdote or experience to provide guidance, inspiration, and support.

### Keep the agenda flexible

Agree the agenda collaboratively. Encourage your employees to share what they would like to discuss. Common topics include current goals and their progress, recent feedback, recognition, well-being and career aspirations.



### Follow up on actions

Allocate responsibility to take notes of the key actions and agreements you make in the check-in meeting. Follow up to keep in touch with progress and to maintain focus and accountability.

### In summary

Check-ins are a great tool for enabling more continuous conversations between managers and their teams. Simply by checking in on productivity and morale and adding more contextual awareness of the team and broader company objectives, you can build more engaged, higher performing teams.



# Sample prompts for high-quality check-in conversations



## Prompts for performance and development check-in conversations

- **Progress update:**  
What progress have you made against your goals over the last period? Have the agreed actions been completed? Are the goals on track to be achieved? What is helping or hindering you to achieve your goals? Do you need any help from me or any colleagues?
- **Keeping goals relevant:**  
Are all the goals still relevant? Do they need to be changed, updated, deleted, added to?
- **Feedback:**  
What feedback have you received over the last period? What are you proud of? What changes do you want to make in future?
- **Using strengths:**  
Have you been able to use your strengths this period? What opportunities are there for you to use your strengths more regularly?
- **Working on development areas:**  
What have you found challenging this period? What could you do better next time or learn from?
- **Issues and support:**  
Do you have any issues or concerns that you would like to talk about that might be impacting on your work or role? Is there anything I can help you with?



## Prompts for career development check-in conversations

- **Career progress:**  
How are things going in your role at the moment? Are you pleased with what you're achieving and the progress you are making in your role and career?
- **Career aspirations:**  
What are you hoping to achieve next in your career? In what way would you like your role to evolve? Is there a particular role or level that you aspire to?
- **Personal development:**  
Let's discuss the gaps you would need to fill to grow your career in line with your aspirations. What can you do to develop yourself personally and professionally to bridge these gaps?
- **Using strengths:**  
What do you believe are your greatest strengths? How could you use these strengths to grow your career or role?
- **Development opportunities and support:**  
How can I help you as your manager? Is there any development opportunity you would like the company to help you with? How can I best support you as your manager?



## Prompts for well-being check-in conversations

- **Thoughts and reflections:**  
How are you? Let's talk about how things are going for you at the moment at work. What is going on well at work? Are there any challenges or difficulties that are affecting you or your work (either from inside or outside work)?
- **Workload:**  
How manageable is your workload? Are you clear about what the priorities are and are you able to focus on them? Are you maintaining a healthy balance between your home and work life?
- **Team:**  
How are things going in the team? Do you feel part of the team and the wider company? Is there anyone you have a particularly strong relationship with? Are there any more challenging relationships that you're trying to work on?
- **Support:**  
Am I giving you the right level of help and support as your manager? What other support or direction would make a positive difference to you?
- **The way forward:**  
What actions can you take to improve the way you are currently feeling / working? How can I or others in the organisation support you to achieve your goals?



### 3.3 Fluid feedback culture

#### Best practice thinking about feedback

When traditional performance management processes addressed feedback, the focus tended to be on developmental feedback, given when an employee needed to be corrected or an issue resolved. There was usually only fleeting reference to the powers of positive feedback. This historical emphasis on developmental or constructive feedback at times hindered companies in their ability to build a strong feedback culture. A focus on constructive feedback often led to people become defensive and protective, rather than open-minded or growth-oriented.

#### Top tip on feedback culture:



**Strong feedback cultures occur when feedback is encouraged as an everyday activity given frequently and fluidly between colleagues, as well as between managers and employees.**

Current best practice suggests that to build trust and openness, it is wise for a company to first focus on building a positive feedback culture. Employees and managers should be encouraged to build a healthy and strong feedback culture by giving plenty of specific and positive feedback when they notice something being done well. The study of neuroscience tells us that people need to feel psychologically safe before they can embrace feedback and not shy away from it in either 'fight or flight' mode. A foundation of trust first needs to be built to enable people to see that feedback is something to welcome rather than something to be feared. These foundations allow for more constructive and developmental feedback to then start to flow, alongside purely positive feedback.

#### The importance of a fluid feedback culture

A strong feedback culture can help companies improve their performance. The link to business performance has been proven with studies such as Zenger Folkman's, which showed a [positive impact of a strong feedback culture](#) on profit margin, return on investment, return on assets and return on equity. Feedback is an incredibly powerful tool which, if offered properly, can help people grow, develop and learn. It can also improve the levels of trust and communication and strengthen bonds between employees and their managers. Companies can experience great benefits where feedback flows naturally in all directions:

- ✓ downwards (from manager to employee)
- ✓ sideways (from colleague to colleague)
- ✓ upwards (from employee to manager)

Employees need to know their manager's views on what they are doing well and not so well. But they also should be open to hearing what colleagues see as their strengths and development areas. In companies that have a strong and trusting culture, managers are also open to hearing feedback from their direct reports. Managers can learn a lot from their employees if they stay open-minded to hear how well they are supporting their employee and understand what they could be doing better.

#### How to build a fluid feedback culture

Companies need to take deliberate steps to build a feedback culture; it does not happen overnight. Strong feedback cultures occur when feedback is encouraged as an everyday activity given frequently and fluidly between colleagues, as well as between managers and employees.

A company needs to set out with a desire and plan to build a strong feedback culture. For people to really hear others' thoughts and suggestions on ways to improve, feedback should be delivered carefully, frequently and with the right intention. Giving feedback is a skill, and like all skills, it takes practice to get it right. Many of the skills involved in giving great feedback are similar to the skills involved in great coaching. It is critical for both parties to approach the subject in an open-minded, respectful manner and to ensure the feedback conversation is a two-way street.

### A modern approach to feedback - moving from Judgment to Observation

M. Tamra Chandler and Laura Dowling Grealish, in their book ‘Feedback (and Other Dirty Words)’, recommend that people should deliberately move away from feedback being given as a judgment. Instead, they encourage feedback to focus on noticing without judgment, and recommend people learn the ‘Fine Art of Noticing’.

The table below illustrates a few examples of how feedback can be changed from sounding judgemental to observational:

Judgement	Observation
Can I give you some feedback?	I noticed that...
You have done well	When you did... I thought it had great effect...
That didn't really work	When you said "x", what had been clear for me became somewhat complex. Would you consider...
The presentation was not clear enough	Personally, I struggled to follow your flow - one thing that would have helped me would be...



## Top tips for giving constructive feedback

This tip sheet is adapted from the [Mindtools Guide to Feedback](#) and is designed to give a simple set of tips to consider when giving constructive or developmental feedback.

### 1 Check your motives

Before giving feedback, remind yourself why you are doing it. The purpose of giving feedback is to improve the situation or the person's performance. You won't accomplish that by being harsh, critical or offensive. You'll likely get much more from people when your approach is positive and focused on improvement. That's not to say feedback must always be good, but it should be fair and balanced. This article by Our Tandem outlines the [importance of openness and honesty in feedback practices](#).

### 2 Be timely

The closer to the event you address the issue, the better. Feedback isn't about surprising someone, so the sooner you do it, the more the person will be expecting it. Think of it this way: it's much easier to provide feedback about a single, one-hour job that hasn't been done properly than it is to do so about a whole year of failed, one-hour jobs.

### 3 Give feedback frequently

Feedback is a process that requires constant attention. When something needs to be said, say it. People then know where they stand all the time and there will be few surprises. Also, problems don't get out of hand. It's not a once-a-year or a once-every-three-months event. Though this may be the timing of formal feedback; informal, simple feedback should be given much more often than this – perhaps every week or even every day, depending on the situation. With frequent, informal feedback like this, nothing said during check-ins should be unexpected, surprising or particularly difficult.

### 4 Prepare your comments

You don't want to read a script, but you do need to be clear about what you are going to say. This will help you to stay on track and stick to the issues.

### 5 Be specific

Tell the person exactly what they need to improve. This ensures that you stick to facts and there is less room for ambiguity. If you tell someone that they acted unprofessionally, what does that mean exactly? Were they too loud, too friendly, too casual, too flippant or too poorly dressed? Remember to stick to what you know first-hand: you'll quickly find yourself on shaky ground if you start giving feedback based on other people's views.

Make sure you both know what needs to be done to improve the situation. The main message should be that you care and want to help the person grow and develop. Set goals and make plans to monitor and evaluate their progress.

### 6 Criticise in private

While public recognition is appreciated, public scrutiny is not. Establish a safe place to talk where you won't be interrupted or overheard.

### 7 Use "I" statements

Give feedback from your perspective. This way you avoid labelling the person. Say, "I was angry and hurt when you criticised my report in front of my boss" rather than "You were insensitive yesterday".

### 8 Limit your focus

A feedback session should discuss no more than two issues. Any more than that and you risk the person feeling attacked and demoralised. You should also stick to behaviours they can actually change or influence.

### 9 Talk about positives

A good rule is to start off with something positive. This helps put the person at ease. It will also allow them to "see" what success looks like and what steps they need to take next time to get it right. Try to end on a high note, too. Otherwise, they may be left feeling despondent and worthless.

### 10 Follow up

The whole purpose of feedback is to improve performance. You need to measure whether or not that is happening and then make adjustments as you go. Be sure to document your conversations and discuss what is working and what needs to be modified.

## SUMMARY

**Feedback is a two-way street. You need to know how to give it effectively and how to receive it constructively.**

**When you make a conscious choice to give and receive feedback on a regular basis you demonstrate that it is a powerful means of personal development and positive change.**

**Done properly, feedback need not be agonising, demoralising, or daunting, and the more practice you get, the better you will become at it. It may never be your favourite means of communicating with your team members, co-workers or your boss, but it does have the potential to make your workplace a much more productive and harmonious place to be.**

## 3.4 Performance reviews and ratings



### The importance of performance reviews

Performance reviews are a vital part of the performance management process. They provide an opportunity for the employee to understand how their performance is viewed by their manager and their company. Employees naturally want to know how they are perceived.

Unfortunately, many employees hold a negative view of annual performance reviews. This is because the historical practice of an annual focus on managing performance is simply not sufficient, and rigid performance management processes have sometimes failed to reward high performers or manage poor performance in an effective manner.

For performance management to be effective it needs to be continuous and frequent. Managers need to give acknowledgment to employees who have achieved high performance, and also address issues of underperformance early to help set the employee onto a path to improve and resolve the issues.

### Why performance reviews and ratings matter

Performance reviews and ratings matter to employees because they both need and want to know where they stand; and managers have a responsibility to manage performance effectively.

The solution to addressing historical issues with performance reviews and ratings does not lie in getting rid of them entirely. The ‘throw performance reviews and ratings out’ movement, first made famous by [Deloitte in 2015](#), was short-lived. Within a few short years, they had brought back simple ratings and a light-touch performance review process, which was a hybrid or mid-point between the extremes.

### A suggested approach to conducting performance reviews

A modern view on performance reviews and ratings is to keep them simple. They do need to exist, but the secret is not to place undue attention and focus on them. They should provide the opportunity for a single moment of clarity between the manager and employee without becoming a huge burden or cause of anxiety and stress.

To best achieve this, we recommend the following:

- Managers should hold a formal performance review once a year to reflect on the full year’s performance
- Employees should have the option to self-reflect with comments on their goals and overall performance
- The manager should provide their reflection on the employee’s goals and overall performance
- The manager should provide an overall rating, using the three-point scale recommended below

### Recommended three-point rating scale:

1. **Exceptional / Outstanding Performance**
2. **On Track / Strong Performance**
3. **Off Track / Performance Needs Improvement**



### Calibration

If your organisation decides to implement a rating scale, it will be important that you ensure your managers are rating their people fairly and in a consistent manner. What you will want to avoid is one manager being known as an ‘easy rater’ where an employee can easily achieve high ratings, while others are considered to be ‘harsh raters’ who are more prone to lower ratings. This can create a perception of unfairness and resentment among employees. In order to overcome this, a process called calibration is frequently adopted. There are variations on how calibration is applied and in many organisations it has been replaced by practices such as ‘moderation’ or ‘people days’.

In essence, calibration entails managers sharing ratings of their team members with other managers and discussing why they have applied those ratings for those individuals. This helps create a shared perspective on what high performance and low performance is in the company. Sometimes it can be reinforced through the application of bell curves where managers are expected to rate their people according to a curve. However, this has been criticised as a practice and is not as popular as it once was, largely because one unit’s performance isn’t always comparable to another’s and sometimes it forces lower ratings on individuals who deserve more. It also can disempower the manager who then takes little ownership over their rating on the basis that they were forced to apply an alternative rating than is their preference.

There are pros and cons to calibration and like all practices, if not implemented effectively, it can become quite political and lead to unfair comparisons between individuals. A more recent trend is to replace this process with what is termed as ‘People Days’. This is a practice where managers share information about their people with a view to sharing some insight on these team members in an effort to grow and develop them, rather than compare and contrast ratings. This process facilitates a manager to discuss the career aspirations and development needs of their team members with other managers who may be in a position to help. Again, it helps with reinforcing a shared perspective of what high performance means in a company. You can add talent management processes to this where you discuss who your real high potentials, successors and future key talent of your business are.

Whichever approach you apply, and some companies leave this step out altogether, what is of utmost importance is that you generate a shared perspective and understanding among your managers on what you mean by high performance. In this way you can help align your managers, and avoid inconsistency and perceptions of unfairness among your employees.

### Preparing for performance review conversations - Manager preparation

Performance reviews are important occasions for both the employee and the manager. They provide the opportunity for a formal moment of accountability and reflection, and the chance for the manager to officially let the employee know where they stand.

The role of the manager is to facilitate the discussion. They help the employee to reflect on their overall achievements, personal strengths, and development areas. The discussion should include a deep dive into goals or objectives and whether these were fully achieved over the period. They provide an opportunity for reflection on any feedback the employee received over the period and to consider lessons learned and areas for future development.

Managers should take time to prepare thoroughly for the performance review conversation. They should gather their thoughts and reflections on all these subjects so that they have the information to hand and can direct the conversation. Their role is to guide and lead the discussion, but not to dominate it. The manager should ensure it is an adult-to-adult, two-way conversation where the employee plays an equal part in the discussion.

If the company assigns performance ratings, it is the manager's role to let the employee know the performance rating they have been allocated and why. They should be prepared to explain the rating that they have allocated and to talk through their reasoning and evidence. They need to give the employee confidence that their contribution is understood and valued.

### Preparing for performance review conversations - Employee self-assessment



## Tip Sheet: Employee Self-Assessment

This is a useful checklist to help employees self-assess their own performance.

- Use this template to reflect on your performance against your goals and other contributions you have made to your team and company.
- Ensure you are specific, realistic and balanced in your comments, using examples wherever possible.

#### What has gone well during the review period?

- ✓ Have I delivered against my goals?
- ✓ Have I delivered anything significant in addition to this?
- ✓ What did I do to achieve this and what was my personal impact?

#### Overall how do I feel I have performed over the period?

- ✓ Has my performance improved, stayed the same or decreased?
- ✓ What have been my main achievements?
- ✓ What do I think are my key strengths?
- ✓ What do I think are my key areas for improvement?

#### Have I had any difficulties meeting my goals or expectations?

- ✓ If so, what do I think caused these difficulties?
- ✓ How could I have avoided or overcome these difficulties?
- ✓ What can I do in the future to avoid these problems?

#### In what areas could I improve my performance?

- ✓ How can I make these improvements?
- ✓ Do I have sufficient support and guidance from my manager?
- ✓ Do I have sufficient opportunity and 'stretch' in my role?
- ✓ Am I fully using my current skills and knowledge in my role?
- ✓ Do I need further development and training?



### Managing underperformance and employee relations considerations

Managing underperformance can be a challenging area for any people manager. Whilst no-one enjoys tackling and resolving underperformance, effective people managers do not shy away from managing these issues. On the contrary, they know that their role is to facilitate high performance across the whole team, and that the team is at its strongest if all employees contribute fully. Strong people managers notice signs of underperformance early; they know that their role is to help employees get back on track in a timely and fair manner. They know it rarely works to ignore the issues in the hope they will go away. They understand, that on the contrary, the team want to see managers tackling underperformance in a fair, equitable, respectful and timely manner.

We recommend that the manager facilitates an open discussion with the employee to ask their view as to how well they think they are performing and why. Often, employees themselves recognise the issues. They may appreciate the opportunity for an open discussion and know what would help them to get back on track. Where issues are caught early, employees may simply need to make a few alterations. The ideal outcome is that the employee gets the help and support they need to redress the issues and get their performance back on track quickly.

Where underperformance continues, the manager will need to manage the progression from informal discussions to a more formal process. Again, it is important for them to tackle such issues in a straightforward and timely manner. They should fully consider any efforts the employee has made to resolve the issues, but they should also set clear standards to be met and clarify the consequences if the employee continues to fall short of the standards expected. It is important that the manager follows any company poor performance or disciplinary processes, and involves other stakeholders where appropriate such as HR or the employee representative.

### 3.5 Reward and recognition



#### The importance of effective reward and recognition

An effective reward and recognition scheme is an important way for companies to motivate their staff to improve performance and boost profits. Responding to incentives is part of human nature and employees like (and deserve) to be rewarded for their hard work.

For companies who have a limited budget, designing a staff incentive scheme can seem like a real challenge. Bytestart give great advice in their article [How to design an effective incentive scheme for your small business](#). They claim you don't need company cars and large annual bonuses to design an incentive scheme that has a positive impact in your workplace. Instead, you need to create an incentive scheme that really works for your staff and your business.

## Key points to consider:

- While larger companies may be perceived to have an advantage over SMEs in the way they can offer incentives, rewarding staff does not need to be costly or complex. Lynn Kennedy, HR Director at consultancy firm Altair suggests in an article in [Personnel Today](#) that simple gestures such as offering one-off leave for special events like a wedding, or helping fund professional study that will benefit both the employer and employee, can help employees feel valued at lower cost than a bonus or promotion.
- Albert Williams, Founder of Perkforce, an Irish start-up business, points out that “[some of the most common benefits offered by employers in Ireland currently include pension cover, various forms of paid leave, work-from-home subsidies, health insurance, life assurance, employee assistance programmes, childcare and subsidised canteens](#)”. He noted that “quite a lot of employees aren’t even fully aware of the benefits and perks available to them”.
- Every company should reward people fairly for the work they do as a minimum employee expectation. But beyond this threshold, it has been proven that *intrinsic* reward which is personal, meaningful and authentic can be just as valuable to people as *extrinsic* reward (salary and financial incentives). Employees are not only motivated by money and are often encouraged by the sense of ‘purpose’ their role gives them. This is an area where small companies can outperform large organisations, creating a greater sense of employee loyalty as a result. Small companies should consider what they offer to their employees which is of value beyond financial rewards. This Employee Value Proposition (EVP) might include being able to offer greater flexibility, a more meaningful working life and greater work-life balance. They may also offer a strong sense of purpose and connection to their local communities.



## 4. Embedding a Performance Culture



### 4.1 The importance of embedding a strong performance culture

At the beginning of this guide we defined performance management as an integrated and developmental approach to driving high performance by maximising employee potential and growth. We then looked at the individual building blocks beneath an integrated and developmental approach to performance management. Underpinning it all is the need to build and embed a strong performance culture. As research by [McKinsey](#) shows, “organisations that focus on performance and health are more successful and deliver better financial results”.

Each company has its own culture and values and there is no one-size-fits-all approach to building a strong performance culture. Typically, elements which enable a strong performance culture include:

- Clear strategic direction and a strong sense of purpose
- Clear accountabilities and governance
- A collaborative and supportive working environment
- A coaching leadership style which encourages trust and growth
- An innovative and supportive learning culture

### 4.2 Coaching leadership

Coaching leadership is a style that involves recognising team members’ strengths, weaknesses and motivations to help each individual improve. It was defined by Hershey and Blanchard in the 1960s. Coaching leadership continues to be seen as best practice because it fosters a confident and trusting company culture and promotes the development of new skills.





## Tip Sheet: Five steps to help you become a coaching leader



### 1. Connect with employees to build trust

Becoming a coaching leader requires a high level of trust. If your employees don't feel that you respect them, they'll feel guarded and hesitant to listen to your advice. Establish a solid connection by engaging in positive interactions and spotting your team doing it right. Keep your comments professional and supportive.

### 2. Determine areas of concern in regular check-ins

Make time to sit down with your employees and ask open-ended questions during frequent check-in conversations. Speaking with them personally also helps you understand their perspectives and how they think. In addition, it helps if you get to understand your team member as a 'whole person', not just as an employee. People approach work with different attitudes and goals. When you have a solid understanding of various personalities and their motivations, it helps shape your approach.



### 3. Balance praise and criticism

It is important to provide helpful feedback so that employees know how to improve and what they should keep doing. Begin by describing what an individual did well. When you start a conversation on a positive note, your employee will be more able to listen to any constructive criticism you may also wish to share. When providing feedback, you should speak in a way that feels genuine and compassionate. Ask how they prefer to receive recognition as some people don't enjoy being in the spotlight while others thrive on public praise.

### 4. Follow up on agreed actions

Where appropriate, agree actions and a time to check in. Always remember to follow up to keep team members accountable and to guide them to continuously improve their performance.



### 5. Make time to reflect and prepare

Make time to analyse your coaching efforts. What worked well, and what could you do better next time? Consider sending out an anonymous survey to learn how your employees feel about your coaching leadership style. And then listen to their comments. This will show you genuinely care about how well you are supporting your employees.

## 4.3 Performance management transformation as a change project

This guide may have inspired you to want to change elements of your performance management approach. If so, you may be wondering what it will take to make the desired changes. Our Tandem address this question in their short article [‘The Top 3 Reasons holding you back from changing your Performance Management’](#). The answer is to address the transformation, however large or small it is, as a change management activity.

### What is change management and why does it matter?

When companies try to make changes to their internal processes and practices, they often fail to achieve the results they desire because of a lack of deliberate and effective change management.

Change management is using a deliberate process and tools to lead the people side of change to achieve the desired outcome. Change management matters because change only comes about when people choose to embrace it. Your employees need to understand what needs to change. They also need to want to change and see the upside of moving away from current practices and processes. They need to learn and embrace new ways of working, otherwise your initiative may fail. The more readily and quickly your employees and managers engage with and adopt the changes required by your performance management initiative, the quicker you will deliver the desired results.

Seeing performance management transformation as a change project is especially important because your performance management processes affect every individual within the company.



## Tip Sheet: Key steps to building a practical change management plan

### Start by understanding your vision

- What are you trying to unlock or solve by changing your performance management approach?
- What would success look like?
- Why will this new approach be different and better?

### Understand your change readiness

- How big is the gap between where you are now and where you want to move to?
- Understand your audience – who is driving the need for change?
- Understand who is on side
- Understand who the skeptics are (and why)

### Get senior stakeholder buy-in

- Show all employees that the change is driven from the top down and it matters to the company's success
- Champion the change among leadership, managers and employees
- Keep reminding people how this change relates to the company's overall success

### Build a communications plan covering:

- The rationale for change
- Who the change impacts and how (leaders, managers, employees)
- Benefits of the change to different parties ('what's in it for me')
- Whether and how to 'brand' the change (for example giving it a new name)

**Build a training plan to provide easy-to-use guidance for managers and employees, covering:**

- People management skills for managers and employees including:
  - Goal-setting skills
  - Effective feedback skills (how to give and receive feedback well)
  - How to run effective check-ins (with the manager as a performance 'coach')
- Systems training (if you are launching a new system)

Check out [Businessballs](#) as a great source of free online performance management training.

**Clarify the measures of success:**

- Successful change is far more likely to be achieved if you start by clarifying what matters, and agreeing appropriate success measures and metrics
- Transformational change takes time to take root, so it important to set realistic success measures. These metrics should guide activity at key moments and keep the momentum

**Think about change taking place over three key stages:**

**The Engage stage**

Focuses on getting people prepared for and excited about the change.

**The Habit stage**

Focuses on helping build appropriate habits. Nudging people to remind them about the change and the expected benefits keeps it fresh and builds momentum.

**The Value stage**

Focuses on embedding the change and keeping it alive well after the dust has settled. This stage is critical to ensure the new approach becomes truly embedded into the culture of the organisation and becomes woven into everyday actions, activities and processes.

**Consider communicating using a variety of methods such as:**

- |   |                                  |
|---|----------------------------------|
| → Town hall (all company) launch meetings                     | → Formal training sessions       |
| → Launch videos to raise awareness and interest               | → Informal drop in clinics       |
| → Teaser posters  | → Top Tips Cheat Sheets          |
| → Video interviews with senior leaders                        | → Internal advocate networks     |
| → Use of Slack or Teams channel to build a campaign           | → Storytelling by early adopters |
| → Posting material on your intranet or internal comms channel | → Infographics                   |
| → Team meeting slots to discuss the programme in teams        | → Webinars                       |
|   | → Emails                         |



## Template: Creating your performance management vision



Complete this table to clarify what your vision of success for performance management is in your company. Consider four different perspectives to ensure you capture the 'what's in it for me' from all these viewpoints:

- > **Leaders**
- > **Managers**
- > **Employees**
- > **HR (if relevant)**

### Why embark on this journey? What's the vision of success?

What tangible difference do these stakeholders want to see / experience?  
How will they judge success?



**Leaders**



**Managers**



**Employees**



**HR**



## Template: Understanding and influencing key stakeholders



- To make a successful change, it is useful to understand who your key stakeholders are and how they feel about the change. This helps you work out who you need to influence.
- Take a look at this simple Stakeholder Mapping exercise which helps you plot how important different individuals are to the change programme and how committed they need to be.
- Plot your key stakeholders on this table
  - Identify any 'barriers' who you will need to influence and on whom you need to focus your energy
  - Identify any 'advocates' and 'champions' who will help make the change happen



High

Importance of stakeholder success

37

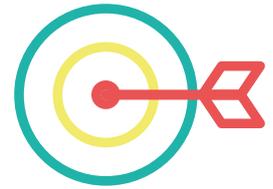
Low

High

Stakeholder level of commitment



## Template: Understanding your change readiness



- To make a successful change, it is important to understand how big a deal the change is for your company. This helps you work out what is realistic in the short and longer term. It also helps you figure out the appropriate speed at which to make any changes as it is essential to keep people engaged.
- Take a look at this simple table which helps you plot how significant the change is for each group – is it a minor change or a more significant change?
- Consider how much each group will benefit from the change – what is in it for them?

	How significant is the change for this group? (high / medium / low)	How much will they benefit from the change? (high / medium / low)
<b>Leaders</b>		
<b>Managers</b>		
<b>Employees</b>		
<b>HR (if relevant)</b>		



## 5. Conclusion

### Consider your culture and what approach will work best for your company

When building a performance management framework that works for your company, the focus should not be about building the perfect process because ultimately there isn't a one-size-fits-all solution. The nature and manner of how you design and implement your chosen approach should be reflective of what best fits your existing culture while also taking into account how you would like your culture to evolve over time.

While your performance management approach should include a range of key elements such as fluid real-time feedback, regular check-ins, goal-setting, development, recognition and reflection or review, you should consider carefully how to embed these practices into your company. What is right for one business will not necessarily work for another, so proceed with caution when making decisions on areas such as goal frameworks (SMART versus OKR versus Agile) or whether to use rating scales. If your culture is highly reliant on strong collaboration and teamwork it may be better to use a more informal approach to performance management, built around check-in frameworks and regular feedback and touchpoints. Whatever approach you choose will ultimately depend on what will serve your greater purpose and culture.

### Support your managers to build the necessary skills for effective performance management

Introducing new performance management interventions is a leadership journey as much as a cultural one. Consider upskilling your leaders in coaching techniques and helping them with guided discussion tips or prompted feedback to get them started. Over time, your leaders and managers will build a greater 'muscle' around these activities and they will come naturally. However, in the early days, like all new activities, it may not feel natural to have these more structured conversations or feedback practices - so don't expect overnight skill in this regard. The key to success here is to create discipline and habits around these practices, so be very clear about what is expected and how often it should happen. This will help normalise the practices and develop capability around them over time.

### Building a performance culture is a journey so consider both the new practices to introduce and the process of introducing them

When developing a new framework for your business, spend as much time considering how you embed these new activities, as you do considering the process itself and the practices. Change management is key to successfully embedding these new practices and ensuring that your managers have the right capability and technologies to enable them to deliver your new practices effectively. When done well, you will see the rewards for yourself, through heightened engagement, greater levels of trusted relationships, clear understanding and accountability, and ultimately higher levels of performance.

Building a performance culture is a journey and it shouldn't be considered an overnight one. Consider phasing in new interventions over time, as opposed to a 'big-bang' introduction that could overwhelm your business with too many new interventions introduced all at once. Your employees' capacity to take on additional change should also be a key consideration so, as always, timing is everything here. Initially, you may face resistance and challenge in introducing new practices, but commit to your end goal and when your people build their capability and skillset over time, they will thank you for a better working environment.

## **Adapt the practices you introduce to suit the requirements and maturity levels of the different teams in your business**

Your organisation's maturity in any of the performance management practices will dictate the speed at which you embed your practices and their effectiveness. Bear in mind that not all areas of your business will carry the same levels of maturity or requirements and you may need to adjust your practices to suit differing parts of the business.

While we recommend that there is a consistent baseline across the business to your performance management framework, it may at times make sense to adjust certain cadences to suit departmental needs (for example, salespeople on the road may not want regular face to face check-ins, and may be more comfortable with real-time feedback practices). While you should consider the day-to-day realities of the business don't let it be a factor that stops you from taking your performance management framework forward.

## **The right performance management framework for your business can deliver real benefits and help you drive bottom-line results**

Ultimately, people like to know where they stand, and having regular performance conversations and feedback, with real clarity on goals, helps them achieve that. It is an innate human need to want to grow, evolve and develop so ensuring there are appropriate processes in place can make a real difference to the engagement and ultimately the retention of your people.

With the right performance management framework, you can not only manage employees' expectations, but manage high performance, low performance and everything in between. The right performance management framework for your business can deliver real benefits in terms of employee engagement, retention and team spirit and will help you drive the bottom-line results of your business.

## 6. Glossary of Terms

### Agile Goals

Setting near-term business goals with an expectation that goals will be updated, amended, replaced, and even deleted quite frequently.

### Calibration

An optional step in the process where you can compare and contrast individual ratings, sometimes according to a predefined bell curve, to create an aligned perspective on what high performance means for your organisation and ensure a consistent rating philosophy among your managers.

### Change Management

A deliberate process and tools to lead the people side of change to achieve a desired outcome.

### Check-in Conversations

Check-in conversations provide a framework for frequent performance discussions to keep communication open and free flowing at all times between an employee and their manager.

### Coaching Leadership

A leadership style that involves recognising team members' strengths, weaknesses and motivations to help each individual improve.

### Feedback Culture

A strong feedback culture can help companies to improve performance, improving the levels of trust and communication, and strengthening bonds between employees and managers.

### Performance Management

Performance management is an integrated and developmental approach to driving high performance by maximising employee potential and growth.

### Goal Alignment

Alignment is both a 'bottom up' and 'top down' process that ensures linkage between overall business priorities and employee goals.

### Goals or Objectives

Some companies may choose to use the term 'objectives' or 'priorities' rather than 'goals'. Throughout this guide we always use the term 'goals' but these terms are interchangeable.

### Objectives and Key Results (OKRs)

A methodology which breaks goals into Objectives and Key Results.

### Performance Reviews

A vital part of the performance management process, proving an opportunity for the employee to understand how their performance is viewed by their manager and their company.

### Personal Development Goals

Personal development goals help an individual to grow and perform to their maximum potential and help employees to maximise their strengths and mitigate their development areas.

### SMART Goal-Setting Framework

A useful acronym used to ensure goals are Specific Measurable Achievable Relevant and Timebound. On occasion 'A' stands for Actionable and 'R' stands for Results Oriented.

### Sprint Goals

Sprint goals clarify the purpose of the next stage in a development process.

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# Our Tandem

In conjunction with  
Enterprise Ireland

## About Enterprise Ireland

Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets. We work in partnership with Irish enterprises to help them start, grow, innovate and win export sales in global markets. In this way, we support sustainable economic growth, regional development and secure employment.

## About Our Tandem

Our Tandem is an award-winning Continuous Performance Management platform, trusted by enterprise organisations in 53 countries, on six continents around the world. Our Tandem helps organisations deliver a human centric approach to performance management with a platform that is designed to inspire, with simplicity and ease of use. We help you transform performance management from a process to an experience. Designed to accelerate leadership coaching capability and provide the tools for employees to own and drive their own development. Our Tandem, where performance management meets employee experience.

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