



Chartered Institute
of Personnel and
Development

Research report

November 2017

Strengths-based
performance
conversations:
an organisational
field trial

An abstract graphic on the right side of the page featuring several overlapping speech bubbles in shades of purple and teal. The bubbles are semi-transparent and vary in size and orientation, creating a sense of dynamic conversation.

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 145,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Strengths-based performance conversations: an organisational field trial

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Acknowledgements

This report was written by Jonny Gifford, CIPD and Professor Peter Urwin and Dr Augusto Cerqua, both of Westminster University Business School.

We would like to thank all those who made this research possible, in particular: Stuart Young and Emma Fenn at CSEP; Saleha Dani, Sarah Lock and Maryam Ahmad at HMPPS; Joanne Atkinson, Carole Blackwell, Robert Schofield and Samantha Frenz at HMRC; Katherine Harman, Tracey Shrimplin, Katharine Thorpe and Marianne Lister at the VOA; Dr Matthew Gould at Westminster University Business School; Professor Adrian Furnham at University College London; and Dr Erik Bijleveld at Radboud University.

Foreword from the CIPD

‘The Civil Service plays a vital role in all our lives and is one of the most important employers in the country, with a large and diverse workforce.’

It’s difficult to think of something more important for the success of any organisation than employee performance. Unfortunately, performance management can all too easily be ineffective, a ritualised and bureaucratic process that distracts managers from the core aim of supporting current and future performance.

The research behind this report, conducted in partnership with the UK Civil Service, builds our understanding of an important area of people management. It shows the benefits of a strengths-based approach to performance management and focusing on how people can improve, distinct from a focus on past performance. Performance management should encourage regular meetings and dialogue on performance between employees and their managers, as well as more periodic reviews, and in both cases should be based around useful reflection and constructive feedback.

The Civil Service plays a vital role in all our lives and is one of the most important employers in the country, with a large and diverse workforce. It is undergoing a lot of change, and the HR professionals who work across it need to have the confidence, capabilities, and experience to play their role. The CIPD’s memorandum of understanding with Civil Service HR, signed a year ago, sets out our shared vision of building a strong, confident, and professional HR function that supports this transformation. Our research makes a contribution to a specific but central area in this ongoing journey.

This report also provides an example of how to conduct robust, useful research into what works in people management. At the CIPD, we have called out that HR and people development should be *principles led, evidence based, and outcomes driven*. This means HR professionals drawing on evidence that is both relevant and high quality to inform their practices. The profession needs more robust trials like this, to develop our knowledge of where people management policies and processes are effective in achieving the outcomes intended, and where they are not.

Peter Cheese
Chief Executive
CIPD

Foreword from the UK Civil Service

Having signed the Civil Service HR memorandum of understanding with the CIPD just over a year ago, I am delighted to see the publication of this report – a joint venture between the CIPD, Civil Service HR and my colleagues in HMRC, HMPPS and the VOA.

One of the most important parts of my job is to make sure the Civil Service has the right capability to meet current and future needs. The success of any organisation is based on the quality of its people, and an important factor in improving our services is to evolve our approach to performance management.

This report is particularly relevant as the Civil Service has moved to a new performance management framework (April 2017), which has enabled more flexibility for departments to adopt an approach which meets their circumstances, in addressing manager capability and confidence, motivating, engaging and developing people, and creating an inclusive performance culture.

This leading-edge research provides the Civil Service with high-quality evidence of the effectiveness of current innovations within performance management and demonstrates that a simple training intervention focused on building strengths positively influences the performance conversations (NOMS/HMRC). We also have evidence that the more holistic and extensive intervention (VOA), including having more frequent performance conversations and one-to-one

conversations that are more effective in supporting employees' learning and development, has had a very positive impact.

This has been a great start to the working relationship with the CIPD and I look forward to seeing further collaboration on work such as establishing a new framework for measuring inclusion within our ambition to create a brilliant Civil Service and be the most inclusive employer by 2020.

Rupert McNeil

Government Chief People Officer,
UK Civil Service

'The success of any organisation is based on the quality of its people, and an important factor in improving our services is to evolve our approach to performance management.'

Introduction

‘Maximising employee performance is absolutely fundamental to people management and development.’

Maximising employee performance is absolutely fundamental to people management and development. So much so, that one might expect it to be an area in which the best evidence on what works is enshrined in common practice. But on the contrary, recent years have seen performance management undergoing significant shifts and traditional practices being challenged.

At such a time of change, it is crucial for employers to be clear about what is most likely to be effective. On the one hand, we don't want to go chasing the latest unproven-yet-shiny fad. On the other hand, stubbornly holding on to received wisdom can be equally blind. The only way to reliably improve our practice is to take a considered view of the best available evidence (Gifford 2016b).

This report sets out to contribute to the body of knowledge on performance management and so builds on our short, systematic review of what works in goal setting and performance appraisal (Gifford 2016a). We do this by presenting a robust workplace trial on an under-researched area, namely the use of a strengths-based approach. We also use this research as an opportunity to discuss how, in line with the principles of evidence-based practice, controlled experimental research can be conducted in organisational settings.

Trends in performance management

There has been a great deal of discussion about performance

management over recent years. Some of this appears to be hype – for example, claims that organisations are ‘abolishing’ annual reviews when they are placing less emphasis on them (Baer 2014) – but there are genuine shifts taking place. Kinley (2016) summarises the most common changes as:

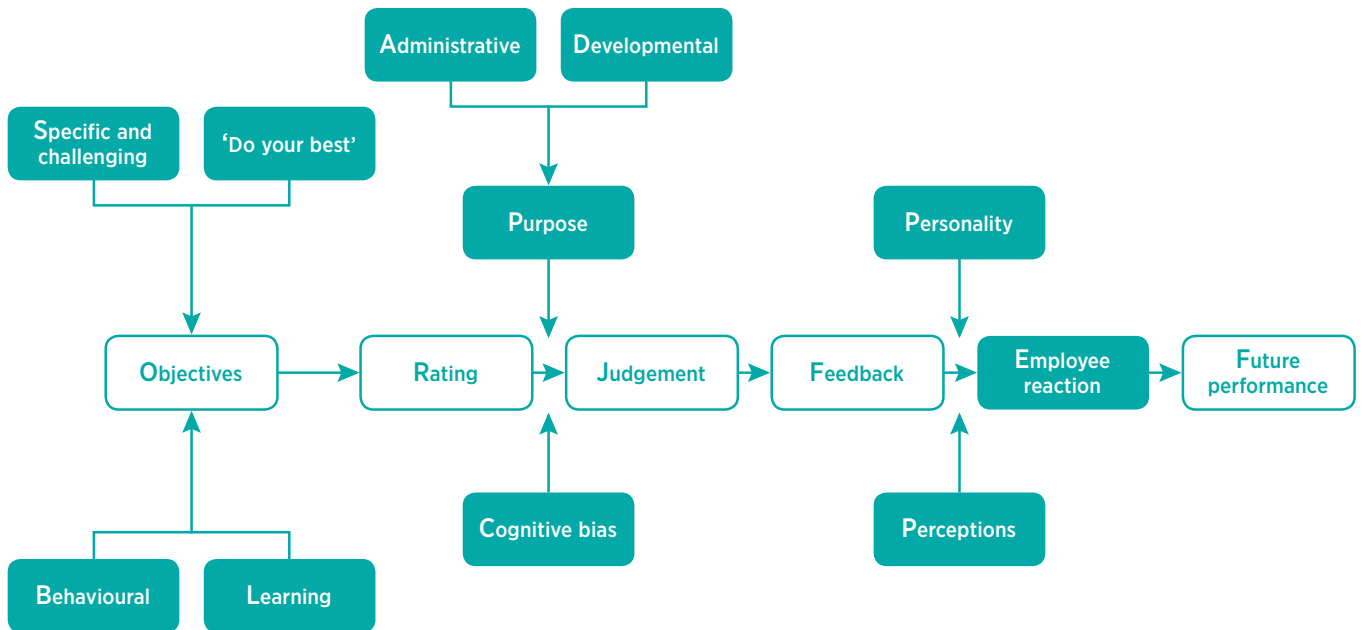
- ceasing to use forced ranking or guided distribution performance ratings
- more frequent performance conversations
- and related to this, more informal, two-way performance conversations in which managers use a non-directive coaching style.

Less commonly mentioned trends include increased employee involvement in objective setting, an idea proposed over 50 years ago by Douglas McGregor (1960, 1972) and which is believed to improve motivation and performance;¹ and adopting a strengths-based approach (Buckingham and Clifton 2004, Buckingham 2013).

What works in performance management?

While there are strong narratives on these changes, very often there is little evidence presented on their efficacy. To help address this, we conducted a rapid evidence assessment (a shortened version of a systematic review) to aggregate the best available evidence, focusing on research that demonstrates causality between management techniques and employee performance. This is published in our report, *Could Do Better?* (Gifford 2016a).

Figure 1: Factors influencing the performance management cycle (based on Gifford 2016a)



A summary of these findings is shown in Figure 1. This illustrates how the basic cycle of performance management is straightforward – from objective setting through to assessment, feedback and management decisions – but there are a number of complications.

First, objectives can be specific and challenging,² or a vaguer aim to do one’s best, or focused on behaviour or learning instead of outcomes. Which of these forms is most effective depends on the type of job, with specific and challenging objectives working best for predictable, straightforward tasks and other objectives working better for more complex jobs.

Second, the application of performance ratings usually requires judgement on the part of managers. We find that people are susceptible to a range of cognitive biases in exercising this judgement, many of which can be reduced. More fundamentally, we find differences in performance ratings depending on the purpose

for which they are used. Ratings used for administrative purposes (to inform decisions on pay, promotion and so on) are more generous than those used for developmental purposes, and also draw on a narrower range of evidence (focusing more on the negatives). This suggests that the two processes are psychologically distinct and may be best dealt with separately.

Third, while performance feedback or appraisal generally contributes towards performance, its effect varies a great deal and can often be negative. In particular, there are a range of factors that influence employees’ reactions to feedback, which in turn influences whether their performance is likely to improve subsequently. These factors include employees’ outlook and personality, but perhaps above all, the perceived fairness of appraisal. Various aspects of performance management can usefully be seen in this light. For example, employees generally see guided or forced distribution

ratings as unfair; this tends to result in a negative response to them and that makes it less likely that their performance will improve as a result.

A broad lesson we draw from this is that managers should check in with employees after performance feedback and use such insights to ‘appraise the appraisal’. It is not always the processes per se that are important, so much as employees’ reactions to them.

The strengths-based approach

The focus of our current research is the application of a strengths-based approach to performance conversations and appraisal.

The strengths-based approach is based on the theory and practice of ‘appreciative inquiry’ (Cooperrider and Srivastva 1987) and has roots in positive psychology (Seligman et al 2005). Its starting premise is that people have an unhelpful tendency to be deficit oriented when looking for

‘Instead of trying to fix our weaknesses, it is argued that we are more likely to improve if we attempt to build on our strengths.’

improvements, naturally honing in on failures and weaknesses. As one popular author puts it:

‘Current systems [of performance management] are explicitly remedial, built on the belief that to help people get better you must measure them against a series of competency bars, point out where they fall short, and then challenge them to jump higher.’ (Buckingham 2013)

Instead of trying to fix our weaknesses, it is argued that we are more likely to improve if we attempt to build on our strengths, developing a better understanding of what we naturally do well and looking for opportunities to develop, replicate and spread these successes.

The application of a strengths-based approach to performance feedback has most notably been developed by Kluger and Nir (2010), whose ‘feedforward interview’ (FFI) is based on the ‘appreciative interview’ component of appreciative inquiry. The technique includes three key stages:

- 1 eliciting a specific success story from the employee
- 2 helping them articulate their ‘personal code for success’
- 3 the ‘feedforward question’: challenging employees to reflect on how they can apply this code in the future.

The nature of the approach can be seen in the type of language it encourages managers to use, such as in the following:

‘I am sure that you have had both negative and positive experiences at work. Today, I would like to focus only on the positive aspects of your experiences ... Could you please tell me a story about an experience at work during which you felt at your best, full of life and in flow,

and you were content even before the results of your actions became known? ... What were the ... things you did, your capabilities and your strengths that made this story possible? ... [Now] think of your current actions, priorities and plans for the near future....’ (Kluger and Nir 2010, p237)

Previous research supporting strengths-based performance conversations

We are interested in how performance is discussed and the perceived usefulness and fairness of one-to-one conversations, and their impacts on employees’ motivation, well-being and performance. We are also interested to see if performance is discussed any more frequently.

From our rapid evidence assessment (Gifford 2016a) we found just one study giving strong evidence on the impact of a strengths-based approach on worker performance. This was a randomised controlled field trial of the feedforward technique in a Canadian business equipment firm, conducted by Budworth et al (2015). In addition, there is some qualitative research to show that a strengths-based approach can reduce employee defensiveness to performance feedback (Kluger and Nir 2010) and improve interpersonal relationships (Bouskila-Yam and Kluger 2011), but because of the research designs, these studies do not provide reliable insights into the impacts; and in any case, they do not directly assess impacts on performance.

The intervention in the Budworth et al (2015) study was a training course lasting 2.5 hours. All 25 managers in the firm were randomly assigned to a feedforward training group (these managers had a total of 75 staff)

or a control group of other training (70 staff). The managers' staff then had periodic performance conversations with their managers without knowing which experimental group they were in. The employees' performance was measured at baseline and four months later by a peer who could 'observe [their] job performance on an ongoing basis' and who had 'a thorough understanding of [their] role/tasks'.

The study found that the performance of employees in the 'feedforward' group was rated significantly higher than the control group. It also showed that part of the reason for the better performance is explained by the fact that feedforward was perceived to be a fairer process.

This study is good quality and methodologically appropriate to demonstrate cause and effect. However, by virtue of involving a small sample from a private sector Canadian study, it is limited and there is a clear need for further research. Our research aims to help address this gap by looking at different contexts – namely, three UK government bodies.

Purpose of this research

The main aim of this study is to contribute to the body of knowledge on what works in performance management with high-quality evidence on the strengths-based approach. Our purpose in this is to inform HR decisions that lead to:

more effective performance management processes and development of people management capability, in order to foster better quality conversations between line managers and their staff and ultimately improve performance.

We do this by running a rigorous workplace trial. The trial sets out to explore the impact of strengths-based training for managers and related initiatives, considering both the frequency and quality of performance conversations and the impact of these conversations on people development, motivation and performance. Our method is described in Section 2 and in more depth in Appendix 1 (see separate document).

Additionally, the study aims to provide an illustration of how HR and people development practitioners can be more evidence based through running workplace trials. We believe this to be a major challenge for the HR and people development profession, which often falls short in being evidence based. We discuss being 'principles led, evidence based and outcomes driven' in our ongoing project on a new Professional Standards Framework (CIPD no date), and our report *In Search of the Best Available Evidence* (Gifford 2016b) goes into more detail on the implications of evidence-based practice.³

Structure of the report

The remainder of this report is structured as follows. First, we look at the organisational contexts in which the trials took place (Section 1). We then describe our research approach to the workplace trial (Section 2, with a fuller methodology available in Appendix 1).

We present our findings on the interventions in Sections 3 to 7. These include:

- the perceived quality and relevance of the strengths-based intervention (Section 3)

- the impact on managers' attitudes to and understanding of performance conversations (Section 4)
- the impact on how frequently performance is discussed (Section 5)
- the impact on the way in which performance is discussed (Section 6)
- the impact on the effectiveness of performance conversations (Section 7).

Finally, we draw together conclusions from the study and discuss implications for management practice.

1 Organisational contexts of the study

In this section we present findings from our initial diagnostic research in the three organisations.

This background research centred on in-depth interviews with 18 Civil Service employees – including HR professionals, business leaders, employee policy advisers and a social scientist – plus 7 focus groups with line managers and non-line managers. This is clearly not a representative group but gave us good-quality insight into how performance management is perceived. We also drew on supporting internal documents. The majority of research participants were from the three government bodies, but we also spoke to people from the Civil Service Employee Policy Team about the development of performance management approaches in the Civil Service.

Participating organisations

This research focuses on three UK government bodies:

Her Majesty's Revenue and Customs (HMRC) is the government department responsible for the administration and collection of taxes and duties including income tax, corporation tax, National Insurance and VAT. HMRC is a large organisation employing around 56,000 staff who are required to interact with a wide variety of customers, from businesses to individuals, and collectively they have a diverse skill set, from analysts to customer service specialists. HMRC underwent a modernisation programme and restructure in 2016, which included reducing the number of local offices to be

replaced by a much smaller number of more modern regional centres.

The National Offender Management Service (NOMS), an agency in the Ministry of Justice, was replaced in April 2017 by Her Majesty's Prison and Probation Service (HMPPS). HMPPS, and NOMS before it, runs prison and probation services across the public and private sectors and employs over 42,000 full-time-equivalent staff. HMPPS's mission is to drive the biggest reform of the prison system in a generation. Across the UK, HMPPS is committed to improving rehabilitation of offenders and protecting the public. Hereon, we refer to the organisation as NOMS, not HMPPS, as the data for this research was collected before the change of name.

The Valuation Office Agency (VOA) gives the Government the valuations and property advice needed to support taxation and benefits. The VOA is an executive agency, sponsored by HMRC. It is a geographically dispersed organisation, employing approximately 3,500 people across 70 offices in England, Wales and Scotland, and promotes homeworking. As a result, a lot of communication – including much performance management – is conducted remotely. As a small government body, the VOA was seen as a good testbed for new approaches and, from summer 2016, with the approval of the Cabinet Office, it was alone in rolling out a new performance management system (see Section 2 on interventions).

Variation in performance and its management

Good performance looks different across and within the organisations. Predominantly, performance assessment centres on discussions with job holders, managerial knowledge about the work being done and feedback from other colleagues. But there are other approaches – for example, within HMRC, customer service staff in call centres can in part be assessed using numerical real-time data reflecting their performance against key performance indicators.

Equally, while a number of features – such as annual reviews – were common across the three organisations, performance management processes differed in various respects.

For example, in HMRC, managers and their staff were expected to meet at least monthly, with a formal review every six months and performance markings given every 12 months. Until the start of the trial, the VOA collected formal assessments of performance twice yearly using a guided distribution. In NOMS, there was a general expectation of at least three one-to-one meetings a year.

Variations could also occur within organisations. For example, in NOMS, managers at headquarters and within the National Probation Service held more regular meetings with their staff (for example, monthly), whereas in the Prison Service, it was accepted that because of operational pressures, they would happen on a more ad hoc basis.

Also, a central element in NOMS was the staff performance and development report (SPDR), designed to form the basis of one-to-one meetings. However, because many staff were seen to struggle with longer objective-setting forms, a shorter alternative was developed and employees (not their managers) were given the option of choosing which one to use. The idea behind the shorter ('quick SPDR') was to move the focus away from the paperwork and to focus on quality conversations instead.

As well as processes, the culture of performance conversations could also differ. In HMRC, one-to-one meetings were generally seen as developmental discussion, reviewing performance by checking if there are any issues to be dealt with or further support provided. In contrast, conversations in the prison service tended to be more hands-on and parental, being a way for managers to address performance challenges, provide emotional support and help staff with the day-to-day demands of the role:

'[Increasingly] I've found myself having to ... not just manage performance, but also manage people emotionally. So, trying to be a little bit more intuitive, trying to be a little bit more responsive to how people are feeling about their job and make that experience better for them. Because ... [it's a workplace] that is quite stark, that's got a lot of challenges.' (Manager, NOMS)

'It's about instilling that confidence and having a bit of faith in their abilities to perform their roles effectively, as well, while encouraging the areas of development where I feel that there might be some weaknesses.' (Manager, NOMS)

A common view in the VOA was that performance conversations tended to be more focused on work and delivery than on the development of individuals, in particular for more junior staff, for whom there was less discussion on their career development.

There is a mixed picture across the Civil Service of how performance is linked with pay. In line with many departments, the three organisations in the study had reduced the scope for pay progression since austerity measures were introduced in 2010. While HMRC continues to have end-of-year bonuses based on individual performance, in other departments, there has been a recent shift away from this. In particular, previous end-of-year bonuses have been replaced with much smaller, ad hoc rewards in the form of vouchers or cash, which are designed to show recognition more than boost pay.

CSEP performance management guidelines

A key influence on people management practices on government bodies is the Civil Service Employee Policy (CSEP) Team, which was set up in 2011 under Civil Service HR and now sits within the Cabinet Office.

In 2012, as part of a wider programme to reform the Civil Service, CSEP worked with departments to introduce a common performance management policy and process for staff performance focused on both outcome objectives (what is achieved) and behaviours (how objectives are achieved). The process and its surrounding guidance was informed by research into HR practices in government bodies and comparison with 'best practice' in leading private and public

sector employers. The new process was based around three key principles, described in an internal document as:

- 'People need to be assessed on "how" they do things in equal measure to "what" they do;
- 'Performance management needs to become business as usual, less bureaucratic and not just an end of year process;
- 'The management of poor performance needs to be improved.' (CSEP 2013)

This included setting objectives that were stretching and SMART (specific, measurable, achievable, realistic and timed) or similar; keeping notes of development and progress; and the use of guided distribution performance ratings at end-of-year reviews (see below).

The process required annual reviews with performance ratings, with mid-year reviews (usually at the six-month mark) and regular (usually monthly) one-to-one meetings between managers and their people. Having agreed the need for a standardised approach, government bodies were expected to adopt a cross-government model, or seek to align their current processes to it. When our research started in 2016, most government bodies had typically been using the CSEP process for two or three years.

These were not the only expectations set out of people management in the Civil Service. Others included an ethos of supportiveness, empowerment and professional development. For example, items from the Civil Service Leadership Statement (Cabinet Office 2016a) include:

'We will give clear, honest feedback, supporting our teams to succeed.'

‘In the government organisations involved in the trial, the guided distribution was often seen to have caused concern among employees, tension in employee relations and not been an effective driver of performance.’

‘We will give our teams the space and authority to deliver their clearly set objectives.’

‘We will invest in the capabilities of our people, to be effective now and in the future.’

Guided distribution ratings

The guided distribution for performance ratings received particular attention in a number of government departments, sometimes being singled out as the most problematic aspect of current performance management processes. A common, but by no means universal, view within these departments was that it had done more to hinder than help productive performance conversations.

Guided distributions set out standardised proportions that informed how many employees are given which performance ratings. The standard cross-government model proposed that 10–25% of employees are rated as having ‘exceeded’ objectives; 50–75% as having ‘met’ their objectives; and 10–25% as ‘must improve’. Supporting guidelines gave flexibility with this, stating that government bodies should identify indicative ranges for three categories of performance that are appropriate for the organisation. Thus, for example, the ranges in NOMS were 10–25% ‘exceeded’, 60–80% ‘good’ and 5–10% ‘improvement required’.

The thinking behind guided distributions

A general HR assumption underpinning guided distribution ratings has been that employee performance follows a predictable normal distribution, with most performing adequately, some outperforming and some underperforming. As we discuss in our evidence review of what

works in performance management (Gifford 2016a), the body of evidence is still unclear as to whether or not this is actually the case.⁴

In the case of the Civil Service, guided distribution was introduced as an attempt to encourage performance differentiation, prompt managers to have open conversations with their people about performance, redress problems through training, support and improvement plans where necessary, and encourage the driving up of performance across the Civil Service.

The ‘must improve’ category was designed to include employees who were formally being managed for poor performance or had been dismissed for poor performance during the year, but also employees who face lower-level challenges in performance. In an internal document, this was described as those employees *‘whose performance is sometimes satisfactory and sometimes not; or who are not at the overall standard of performance or competencies required e.g. if new to role or have had consistent dips in performance’* (CSEP 2013).

Experience and views of the guided distribution

In the government organisations involved in the trial, the guided distribution was often seen to have caused concern among employees, tension in employee relations and not been an effective driver of performance. Some saw it as a poor use of time, as it has little to no effect on pay. More serious comments included that it was ‘unfair’, ‘divisive’, ‘toxic’, eroding of trust and demotivating:

‘I think it has driven a culture of a bit of a fear, that people feel afraid to challenge and fear that they

go in and collect loads and loads of evidence, because they want to justify, they're not in the "must improve" box, even though there's no pay link to it anymore.' (Senior manager, VOA, speaking before the pilot changes)

'I can't think of a single thing we've done that's disengaged our staff more ... It takes us away from celebrating success and achievement.' (Business leader, HMRC)

Despite the fact that CSEP guidelines emphasised flexibility within the guided distribution ranges and that it was not a forced distribution, some employees – both managers giving the ratings and non-managers receiving them – perceived it as such. This has resulted in complaints submitted through the grievance system:

'You ... have to grab a whole load of people who previously had met their targets and shoved them in the box three ["must improve"]. I mean it made no sense at all.' (Non-managerial employee, VOA)

'Moderation [of performance ratings] is fine until you get the guided distribution and somebody's got to end up in "needs development". When [employees] might be achieving on everything that you've set out, and they're delivering their expectations, but ... somebody has got to be in that bottom 10% ... they're going to appeal, when you've been saying to them for six months, "Yes you're doing alright".' (Manager, HMRC)

At a cultural level, this seems to have focused attention on gathering evidence on past work, rather than reflecting on how to improve performance.

However, these views were not universal. Criticism was

particularly apparent in HMRC, where the guided distribution was implemented fairly strictly, with an expectation that managers achieved the set distribution within their individual teams. Further, there was a perception in some areas of the Civil Service of a forced distribution, which impacted on the level to which employees accepted the guided distribution model.

In other departments, it is less clear that the guided distribution was problematic. Managers we interviewed in NOMS typically saw it as indeed guided, not forced, and part of a policy that had usefully *'put a spotlight on performance management'* (HR manager):

'We've got the annual appraisal system, which works.... If you just apply the tools correctly and you invest the time, it's more than possible to make sure we acknowledge and recognise good performance and we challenge robustly bad performance. It's culture that holds us back, not our tools.' (Senior manager, NOMS)

'It is like any performance management system. ... It's about the individual conversations with some of the staff and unfortunately a lot of our managers just don't feel comfortable having those conversations – particularly the challenging ones. ... We need to give it more time. I think we need to emphasise it as being something really critical.' (HR Manager, NOMS)

Nonetheless, there was recognition in NOMS that non-managerial employees tended to view the guided distribution as forced and were more critical of it.

Overall, these findings reflect existing research on guided and forced distribution ratings. While they have been a standard HR

practice in many organisations – especially in the private sector – for decades, evidence shows that they tend to have negative impacts: employees tend to view the cut-off points as artificial and unfair, feel demotivated by them and consequently don't improve their performance. We discuss this and current trends in HR practice in our evidence review, *Could Do Better?* (Gifford 2016a).

Changes to the guidance

In April 2016, Civil Service HR decided to support a number of pilots in various departments and agencies to test possible improvements to the current performance management system. In addition, it agreed for the VOA to pilot a new holistic performance management scheme. This scheme was based on monthly performance conversations with quarterly reviews by more senior managers. Further, the pilot scheme would not have a traditional rating system or any form of guided distribution or any link to pay.

Subsequently in December 2016, following extensive research looking at external and internal sources and following collective departmental agreement, Civil Service HR increased the flexibility in performance management guidelines. It announced that all departments would work to a broad performance management framework. Within this, there is continued consistency throughout all departments focusing on elements, such as differentiation, that have been seen to be successful. However, departments were given flexibility to stop applying a guided distribution from April 2017 and HMRC adopted this approach.

The announcement that HMRC would be removing the guided

‘Departments were given flexibility to stop applying a guided distribution from April 2017 and HMRC adopted this approach.’

distribution came part way through our study and may have affected attitudes towards performance management. While managers were expected to continue with the existing system until the end of that financial year, it is possible that they gave less attention to the guided distribution in anticipation of the change, or felt less pressure for the need to gather evidence on past performance and more able to focus on supporting future performance. Fortunately, if this was a factor, our research design accounts for such unexpected changes by using control groups as well as intervention or treatment groups (see Section 2).

NOMS made no changes to its performance management system following the December 2016 announcements, and currently HMPPS plans to continue using the guided distribution. Instead, its focus centred on manager capability and making the cultural change to hold quality conversations as part of the norm. The VOA was already planning a move away from guided distribution ratings as part of its performance achievement scheme (PAS) pilot – this is discussed in Section 2.

Challenging conversations

Various managers described the process of having performance conversations as ‘relentless’, ‘very stressful’, ‘tough’ and ‘challenging’. The most difficult conversations were felt to include those where it was necessary to discuss poor performance or behaviour, particularly if this was long standing and had not been dealt with adequately by a previous manager.

More generally, differing perceptions of performance between employees and their manager could also create challenges – including disagreement about whether performance was

average, good or excellent, as well as underperformance. This was regarded as especially difficult during end-of-year reviews, but was often seen as a feature of performance conversations through the year.

A common view across the organisations was that such conversations about performance – especially underperformance – were inherently difficult and many line managers were not skilled or confident enough in approaching them.

A deficit orientation: honing in on the negatives

However, the challenge of frank conversations about performance is not only a question of manager capability. Performance management systems, especially the formal ratings system, were often seen to exacerbate this challenge, making performance conversations more fraught.

A number of our interviews and focus groups across the three organisations pointed to an ingrained performance management culture that was deficit oriented, focusing on the negatives. This extended to some people not really seeing the point of one-to-one meetings unless there was a problem to be addressed:

‘If there’s [targets] that I’m not meeting it can be helpful because she can discuss it with you and what you need to do. ... If you’re meeting all the targets I think it’s pointless.’ (Non-managerial employee, HMRC)

More broadly, a common belief was that a strong focus on holding people to account for work deliverables meant that the development of individuals and consideration of what they have

achieved got overlooked. Some respondents also thought that when learning and development was considered, too much time was spent redressing poor performance rather than supporting performance among all staff.

In essence, it seems that in many cases, a focus on assessing past performance in a robust and fair way has promoted a culture that overemphasises the need for evidence on performance. This in turn seems to have detracted from useful conversations about how performance can be improved and increased the chances of disagreements about individual performance. In this context, we can expect a shift towards strengths-based conversations to mark a substantial difference in how performance is managed.

Time to talk

Finding time for one-to-one conversations was flagged up as a particular challenge in NOMS, where they were supposed to happen at least three times a year. Resources were especially constrained in the Prison Service – some line managers had up to 40 people in their remit – and the organisation had had an unusually challenging year in operations and employment relations:

'I think people shy away from performance management because it's so time-consuming to do it [and] I think there's very little time.' (Manager, NOMS)

'I just feel like they're far too busy to dedicate themselves to you. ... [Before], you could have the one-to-ones and you had regular team meetings, and training needs were identified. ... They had more time to do that, but now it's quite rushed. ... "I've done your SPDR, read it, sign it and give it back."' (Non-managerial employee, NOMS)

'Operational custodial managers have a lot on their plate. ... It's about a balancing act. It's about trying to give adequate time to your staff members so that they feel valued, and that they feel they know what they're supposed to be doing, and they feel that they're being kept informed about how well they're performing.' (Manager, NOMS)

Nonetheless, managers did value ad hoc conversations and regular meetings with their teams to brief them on organisational priorities as well as current operations. Where there was an issue with a particular employee, they would seek to address it face-to-face as soon as possible:

'In my daily briefings I quite often say, "Anything from the floor?" In terms of if they have got issues they want to address... I don't believe in managing by email either. If I want to talk to Norman over there ... I will go over and speak to him, which I think is much better than emailing.' (Manager, NOMS)

Learning and development

Learning and development was delivered through a range of channels. Civil Service Learning provides a wide suite of courses that are open to Civil Service employees. In addition there are a number of targeted programmes in the three organisations. These include professional entry-level training for specific jobs, rapid development programmes for identified talent, leadership development and programmes to help employees who are clearly underperforming.

Some managers used a coaching approach to encourage and support their people in their learning, as well as offering more directive advice. Day-to-day exchanges with colleagues were

'Finding time for one-to-one conversations was flagged up as a particular challenge in NOMS, where they were supposed to happen at least three times a year.'

‘All three organisations were looking to increase people manager capability to lead more effective conversations.’

also seen to be useful points for learning, and in the VOA ‘buddying’ was encouraged as a way for colleagues to support each other.

In NOMS, some respondents saw employee skills as a particular current challenge, with the loss of experienced staff, non-managers acting up to managerial roles and the recruitment of a high number of inexperienced staff.

Summary: building a more positive performance culture

All three organisations were looking to increase people manager capability to lead more effective conversations and make significant shifts in the culture of performance management. Common aims between the three organisations included for managers to lead a more positive approach to tackling issues and improving performance, and also to use coaching techniques to empower employees to make more decisions about how they worked and encourage them to take more responsibility for their performance.

HMRC in particular identified a desire for performance management to be more future focused and less focused on evidence gathering for past performance. Currently there was a recognition that HMRC committed a huge time investment in performance management, but because the focus was firmly on holding people to account for their performance in a fair, properly evidenced way, this often detracted from open and honest conversations and did not drive actual improvements.

The VOA also saw particular issues with a lack of trust between managers and staff. On the one hand, a need was seen for managers to be prepared

to challenge and hold difficult conversations about performance. But equally, there was seen to be a need for performance conversations that were less confrontational, more supportive – to help both in-role improvement and wider staff development – and helped build strong relationships.

NOMS was looking to further bed in the cross-government performance management system it had adopted over the previous two years. This included introducing behavioural aspects of performance management – how staff work as well as what they do. NOMS also saw a particular challenge in helping staff to find sufficient time for one-to-one meetings and performance management more widely.

Finally, our qualitative data suggest that the guided distribution ratings system was most contentious in HMRC and less so in NOMS, whereas in the VOA this was removed at the start of the pilot. This gives us an interesting mix of contexts to investigate whether a capability-building intervention for line managers is enough to make an improvement in performance conversations on its own, or whether the surrounding aspects of HR policy also need to be changed.

It is against this rich backdrop that we conducted our trial. In the next section we discuss our approach to the trial, including how we considered contextual factors.

2 Research approach

Following the background research described in the previous section, our research centred on a workplace trial of interventions to improve performance conversations between managers and their staff. This was carried out between June 2016 and May 2017, with historical data being used from October 2015 and October 2014.

This section summarises our approach to running the trial in the three participating organisations. Further detail on the interventions and research methods is presented in Appendix 1.

A dual intervention

Our trial used two different levels of intervention:

- 1 a discrete exercise in developing line manager capability in performance management conducted in HMRC and NOMS
- 2 a wider and more holistic intervention in the VOA developing line manager capability and also changing the surrounding HR policy on performance management – this made use of plans already being developed in the VOA to pilot a new approach to performance management.

The intervention in HMRC and NOMS was a half-day training workshop for people managers designed to help them develop knowledge and skills in using a coaching, strengths-based approach to performance conversations.

The workshop centred on the underlying theory and techniques relating to strengths-based performance conversations (see Introduction). Based on Kluger and Nir's (2010) description of the 'feedforward interview', the technique included three key stages:

- 1 eliciting a specific success story from the employee
- 2 helping them articulate their 'personal code for success'
- 3 the 'feedforward question': challenging employees to reflect on how they can apply this code in the future.

Supporting this, the workshop also covered using a coaching, non-directional style of management, theory of employee motivation and developing active listening and questioning skills.

The VOA intervention included a one-day workshop for line managers focused on similar themes – coaching, using a strengths-based approach and having difficult conversations – plus an additional element called 'Words Matter' on the use of language in performance management. This was followed up with a later workshop on unconscious bias and coaching.

In addition, the VOA changed its HR policy on performance management. This included:

- a simplified approach to objective setting

- removing the guided distribution performance rating and the formal annual performance review
- monthly performance conversations between line managers and their staff that should be done in a coaching, strengths-based, developing style
- supporting these monthly meetings, a short form was designed to guide discussions and record the results
- quarterly performance development reviews undertaken by senior managers to discuss a minority of employees who were either underperforming or high potential, as identified in monthly performance conversations.

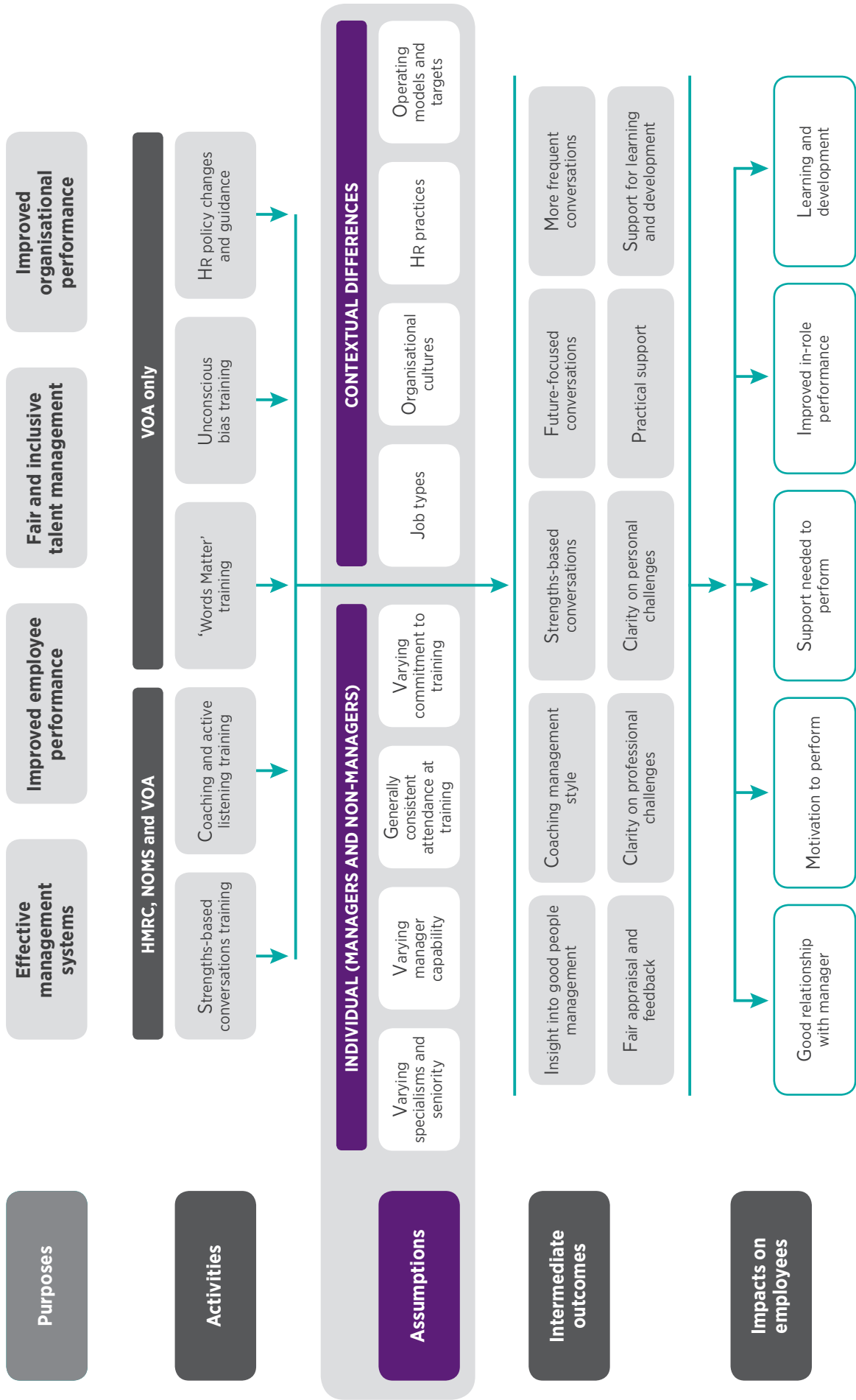
Theory of change

Our core research question was: **does an intervention promoting strengths-based performance management have a measurable impact on performance conversations**, including in their frequency, nature and impact on employee motivation, learning and development, and performance?

A secondary question was: **what evidence is there of a differing impact for the half-day workshop intervention and the more extensive intervention?** In looking at this, we consider the complexity involved in changing organisational behaviour, including the tension or alignment between skills development for people managers and HR policies and processes.

Our overarching research question – do the interventions work – is

Figure 2: Theory of change for the performance conversations field trial



essentially a simple one. But this needs to be broken down into a more specific theory of change that makes explicit the overriding purpose of the two interventions, the activities involved, the assumptions in running them, and the anticipated intermediate outcomes and impacts on employees. Our theory of change is presented in Figure 2. This is the model we look to evidence and we return to it in our Conclusions section.

Research design

The main method we used to evaluate the interventions was a **group randomised trial**. This involves allocating groups of employees to intervention and control groups, collecting standard measurements before and after the intervention, and analysing the differences between the measurements of the two groups. The design is highly appropriate for demonstrating cause and effect.

This approach has two core strengths. First, a **longitudinal** design meant that we could better ensure any impact of the intervention was not because of long-term differences in trends across groups. Second, the use of a randomised **control group** is widely accepted as the most effective estimate of ‘counterfactual’ outcomes – that is, helping us to answer the question of what would have occurred without the intervention. The study therefore utilises a combination of randomised allocation of employees to intervention or control, and **historical measurements**, to control for the possibility that changes following the intervention were part of an existing trend, as opposed to something new. The combination of approaches makes this study one of the most robust carried out to date across OECD countries.

However, it is important to note that while we had control groups in HMRC and NOMS, this was not the case in the VOA, as the whole organisation was undergoing the pilot. This gave us three experimental groups overall:

- control groups in HMRC and NOMS, in which no training workshops were delivered
- intervention groups in HMRC and NOMS, for the more discrete intervention on line manager capability, and
- an intervention group in the VOA, for the more extensive intervention also including HR policy change.

Overall, while not without limitations (see Appendix 1), the method we use gives a much stronger indication of what actually makes a difference than is the case with light-touch evaluations. For example, retrospective evaluations are open to substantial bias, as participants in an intervention may not remember accurately what their experience or behaviour was beforehand, or their assessment of impact may be swayed by what they think they should see as a result of the intervention. But even longitudinal studies can be open to bias. If they don’t have a control group, it is often very difficult to determine cause-and-effect relationships, as other changes can take place that interfere with the impact. By introducing a control, we can see both changes over time and relative changes with and without the intervention.

Data sources

Our quantitative analysis draws on self-reported employee survey data. This data is well suited to measuring the impact of interventions on the *utility* of performance conversations. We did not have access to key performance indicators,

‘The method we use gives a much stronger indication of what actually makes a difference than is the case with light-touch evaluations.’

which would be a more robust measure of actual employee or organisational performance, but self-report surveys are an adequate proxy for the impact of one-to-one conversations on outcomes such as employee learning and development and performance.

First, we collected **measurements from individual employees**

before and after the intervention through a bespoke online survey. This survey went into detail on a range of aspects of how often, how and to what effect employees discuss performance with their line managers. Across the two waves, we obtained 2,904 usable responses for the three organisations. The response rate was low, at 16% overall, and especially low in NOMS (see Appendix 1 for more detail).

Second, for the historical perspective, we drew upon existing data from the annual Civil Service People Survey. For data protection reasons, this was provided as aggregated **unit-level data**, not individual employee responses. Across the three organisations, we had data for 52 cases (each case being an organisational unit) that we could track across the different time points.

These data sources were supported by feedback forms which all workshop participants were asked to complete, retrospective questions on whether managers had changed their approach and post-intervention focus groups with managers and non-managers in HMRC and NOMS. Because of other internal activity at the time, we were not able to run post-intervention focus groups in the VOA, although we were able to draw on a summary of an internal review of their activity.

Analysis

We used a '**difference-in-differences**' approach to analysis of the survey data, comparing the *relative differences* in before-and-after changes for the intervention and control groups – in other words, whether the intervention group improved more or worsened less when compared with the control group.

We conducted statistical testing using multivariate analysis (regression) so that we could control for other factors – in particular which organisation employees were from and whether they were line managers themselves.⁵ Informed by the types of variables, we ran **logit model** regressions computed with **marginal effects** on the individual-level dataset (for binary variables) and **ordinary least squares (OLS)** regressions on the unit-level dataset (for ratio variables). In both cases, we used an **interaction effect** between time point (0=baseline, 1=post-intervention) and experimental group (0=control, 1=treatment) to calculate the difference in differences.

We included all organisations in our main regression models, both to maximise the numbers of cases and thus the power of the analysis, and because we had no control group within the VOA. To compare the two interventions, we removed the VOA cases and re-ran the analysis for HMRC and NOMS only.

Overall, there are strengths and limitations to our method: the strengths come from the experimental research design and use of controls in statistical testing; the weaknesses lie in a lack of control in the VOA, the small number of cases in the historical analysis, and some low response rates. In general, we can consider the trial to present very good

quality evidence on the impact of the interventions, which is far more persuasive than the evidence typically produced by workplace evaluations.

In the following sections, we present our findings from the different sources of data.

3 Relevance and quality of the interventions

Initial ratings from workshop participants

Before we conducted difference-in-differences analysis comparing intervention and control groups, our first step in assessing the usefulness of a training intervention was to look at participants' initial opinions and reactions.

Looking at the intervention delivered in HMRC and NOMS, we find that most managers who took part rated the workshop overall as good to excellent. An internally administered feedback sheet for the VOA workshops suggested that here, too, the clear majority of participants thought they were effective. Typical ratings in areas such as how well the workshop helped managers develop a coaching style were eight out of ten (Civil Service Learning 2017).

These positive results are also fairly consistent across the different aspects we considered, including the content of presentations and practical exercises, but especially the facilitated discussions. We return to this point in the next section.

There were only very small differences between the average results for the two organisations, suggesting that the workshop was equally relevant to both organisations. We can infer from this that there was little difference in the reception of the workshop whether it was delivered through an expert-led workshop (as in NOMS) or a train-the-trainer model (as in HMRC) – see Section 2 for more detail on the method.

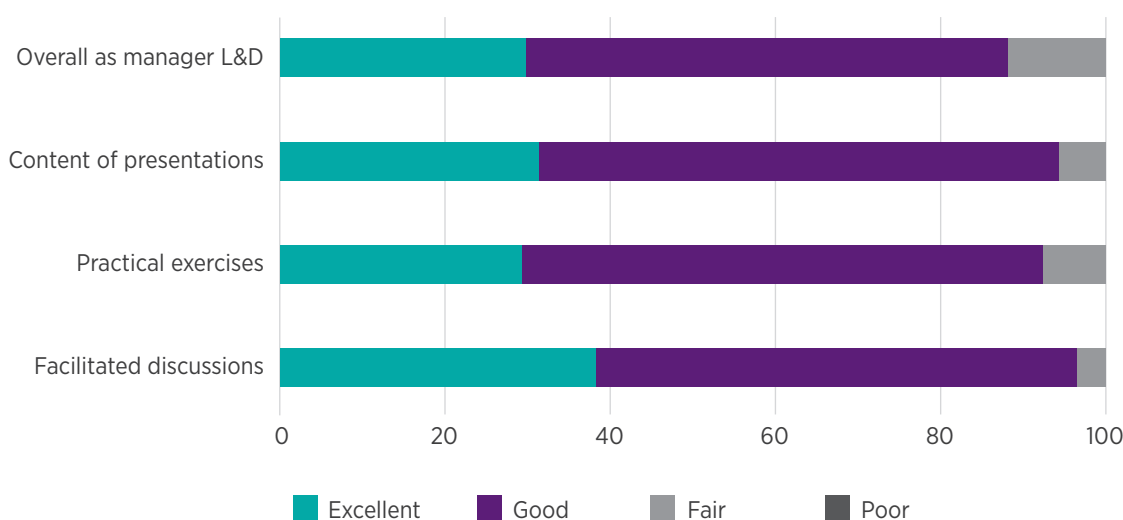
There are clear limitations to this evidence. Feedback questionnaires

are often referred to as 'happy sheets', collecting participants' views on practicalities such as satisfaction with facilities and food, as well as the quality of the facilitators and course. This slightly derisory term suggests that they pick up on the feel-good glow at the end of a day's workshop and, as such, give only a cursory, superficial insight into the value of an intervention.

There is some truth to this view. Although we supplement it here with the more considered views of managers a few months later, this level of data does not go any way to demonstrate behaviour change or impact on performance (FutureWorkCentre 2015).

Nonetheless, it is important data. In particular, if we find that there is no impact of an intervention,

Figure 3: Manager ratings of the development course, Strengths-based Performance Conversations: end-of-course feedback (HMRC and NOMS, n=265)⁶ (%)



'A number of managers described how they had left the workshop feeling more positive about their work or feeling invigorated by it.'

or no impact in certain areas, we need to know if this is because it was the wrong intervention or the right intervention poorly delivered. This first step in piecing together a picture of the impact gives us insight into this.

To understand more about what sits behind these positive overall results, we now consider some of the comments from focus groups with intervention group managers who attended the workshop.

Qualitative insights to the people manager development

The reaction in our focus groups to the workshops was complimentary, especially among managers from NOMS. A number of managers described how they had left the workshop feeling more positive about their work or feeling invigorated by it. It was felt to be an effective session for a number of reasons, including the fact that it refocused managers on important principles of good management; provided insight into effective people management; offered space and time to interact with other managers, share ideas and reflect on what improvements can be made. One manager described the importance of having a relatively short, but focused, session rather than a full day of training:

'I think there's more of an emphasis now on how to be an effective manager, things like the workshop that we attended, whereas ten years ago I don't really recall much of that sort of thing happening.' (Manager, NOMS)

'It is making them think about what's happened in that last month, what help they need, support they need, anything that's gone really well. It's putting the onus on them as well, because ... they do have to take some responsibility, don't they?' (Manager, HMRC)

'I feel that there's been a long period where everybody here has not been trained, and we're relying on our own experiences and our own sense of standard to actually deal with people. Now we're getting some of these training programmes to help us out, which I think are invaluable, because it sometimes shows that some of the ways we do things don't work.' (Manager, NOMS)

Potential limitations of an isolated intervention

Whereas in the VOA the intervention was constructed as a holistic multifaceted suite of activities – including policy changes, wide communications and more workshops – in HMRC and NOMS, the intervention was a relatively isolated half-day workshop (see Section 2).

As a result, some staff – in particular from HMRC – questioned how the workshop aligned with other practices and processes in their organisations. This point was made on various grounds. First, the workshop wasn't aligned with the existing performance management system, especially the emphasis on ratings. Thus, some managers may have felt that there were inconsistent messages and expectations pulling them in different directions.

Second, and almost conversely, some respondents in HMRC called the workshop into question on the grounds that the performance management system was going to change wholesale anyway (see Section 1: organisational contexts):

'Given that it was all going to take place in the context of a performance management system that may well have been changing anyway, it's difficult to buy into that and understand what's the point.' (Manager, HMRC)

We do not know how representative this view is and it may be that over a longer time (our fieldwork period only being a few months long) employees accepted that the strengths-based approach was aligned to related policy changes. Nonetheless, there is a potential challenge here regarding communication, which may have meant some employees were unclear how the intervention fitted in with wider changes and found it harder to engage with it as a result.

In addition, some comment was made about the workshop being rushed, which may have contributed to a feeling that the intervention was not well thought through:

'The trainers were honest enough to say, "We only got the training on how to deliver this last week," ... it was all rushed in ... you've got to come to the training in the next two weeks and start the conversations within the next four weeks.'
(Manager, HMRC)

A number of managers mentioned the need for further, follow-up sessions, perhaps repeating some of the exercises, or reminders of the content to further reinforce the workshop's messages. Indeed, one manager had been under the impression it would in fact be the first in a series of workshops, so was left feeling like 'what happened?'

Overall, we found some opinion that the broader message surrounding the intervention could have been more consistent. This can be interpreted in two ways: either as support for the wider approach taken by the VOA of basing a cluster of interventions around complementary themes; or that communications on a single workshop on strengths-based conversations need careful positioning.

Summary: what can and can't we conclude on the quality of the workshop?

From the immediate feedback questionnaires, we can conclude that the intervention was generally seen to be relevant and good-to-excellent in quality. The view was consistent across different aspects of the workshop, including the taught content and practical exercises, but especially for the facilitated discussions. Managers were consistently very positive in both organisations, HMRC and NOMS. This does give us some indication of the quality of the workshop, although not a robust one, as it says nothing about impact and may pick up on the feel-good factor of being on an interactive workshop.

In our post-intervention focus groups, some clear critiques and limitations of the workshop arose, such as that the intervention needed further support to embed the learning; that it was not aligned with HR procedures, or would be made irrelevant because of changes in HR procedures; or indeed that the delivery was rushed or the workshop too short. But despite these criticisms, we should bear in mind that the more representative survey data presents a positive view overall.

In the next section, we go into more detail on how the workshop was seen to contribute to managers' understanding and shape their approaches to performance conversations.

4 Manager attitudes and understanding

'It's very easy to say, "You don't do that... You don't do that" and all you do is drum somebody into the ground.' (Manager, NOMS)

We now come to the first outcome in our impact chain and ask: did the intervention affect managers' attitudes towards and understanding of performance conversations?

Indications managers took on board key messages

We did not test managers' knowledge and understanding of performance conversations before and after the workshop, but from the focus groups, we can see that the intervention influenced at least some managers in their thinking. Comments showed that they recognised the emphasis on strengths and understood the key messages:

'Before [the workshop], the line of business was very much focused on a stick to beat you with. It was all about, "You're not good enough with this. This isn't good enough. We've got to get this up." It was a numbers game. Talk about quality? Quality didn't come into it. It was just get the numbers out. So, when we did the workshop it was a bit of a, "Oh, this is different. We've gone back to appreciative inquiry," which we'd done years previously.' (Manager, HMRC)

'I think there is more of an emphasis on the strengths-based approach. I think that's probably due to the workshops and that cascading, that kind of an approach being encouraged ... from governor grades downwards ... and I think that managers are aware of that.' (Manager, NOMS)

An experienced custodial manager working in a prison felt that they

had got a lot out of the workshop, particularly ways to involve their staff more in performance conversations. They described the impact of the workshop as follows:

'It makes you look at delivering something as negative in a constructive manner. It's very easy to say, "You don't do that. You don't do that. You don't do that" and all you do is drum somebody into the ground. Instead of sometimes using different methods and using a conversation. What staff will do is they'll sit there and just wait for you to finish your speech, get their "good" and off they go, and think they don't have any responsibility in that process. But it's putting the onus on them, "How do you think you've done this year?"' (Manager, NOMS)

Is it new and does it need to be?

Equally, we also found people who did not see the strengths-based approach as anything genuinely new, although with different attitudes attached to this view. Thus, some seemed bemused at having a development course on such a topic:

'I wasn't really sure what the difference was intended to be. It was being put forward as being something which was quite different in what we were doing. To me ... it seemed to be, at most, more difference in emphasis.' (Manager, HMRC)

'I don't think I got an awful lot out of it. I felt I was already doing, pretty much, looking at the positive aspects of people and trying to encourage them through that.' (Manager, HMRC)

But others appeared to recognise that the workshop didn't need to be based on new content to be worthwhile, its value being to give managers legitimacy to take a less constrained, more positive approach to performance management:

'I think it's only what we've always wanted to really do. Now it's given us the go-ahead to actually formalise that and make sure that we are doing it.' (Manager, HMRC)

'I remember coming away from it feeling good. Sort of, feeling refreshed. So, although a lot of the concepts were not new to our service, it was a good refresher, and invigorating.' (Manager, NOMS)

'Maybe, unconsciously, it has contributed to a path that I was on already but I'm trying to follow, basically.' (Manager, NOMS)

The lack of perceived novelty may also explain the particular value placed on facilitated discussions (see Section 3 on views of the interventions).

Summary: manager attitudes and understanding

Although we do not have quantified assessments of how the interventions led to changes in managers' understanding of and attitudes towards performance conversations, we have some insights from the qualitative data. These show that, for some managers at least, the principles were thought to be relevant, important and a sign of wider intended culture change. They also show that some managers saw the insights as novel, or if not novel, encouraging reminders of approaches they valued.

These views are clearly not representative, as they come from a few qualitative discussions. Indeed,

even within the focus groups, these views were not universally held. As we discuss in Section 6, some managers explained why they thought the workshop intervention was too limited or even irrelevant.

Nonetheless, our focus group data point to an intervention that holds value for some managers. In reflecting on which aspects of the workshop were most useful, it is worth noting that, while the concept of strengths-based conversations is basic, its application to practice is more complicated. This is particularly so when it comes to marrying a strengths-based approach with holding people to account for their performance, a balancing act that requires self-awareness and good judgement on the part of people managers. It seems that the opportunity to grapple with how this can be done – through facilitated discussions – along with the message that it is worthwhile, and indeed expected, were the most valuable aspects of the workshop.

'...while the concept of strengths-based conversations is basic, its application to practice is more complicated.'

5 Is performance discussed more often?

Having considered how managers thought about and approached performance conversations, we now turn to the impact on how often performance is discussed.

In contrast with the VOA intervention, the HMRC and NOMS intervention did not aim to increase the frequency of one-to-one conversations, so much as improve the focus and quality of interactions when they occurred (when designing the workshops, it was agreed that managers and employees would struggle to find more time for one-to-one meetings). But even if one-to-one meetings per se are not happening more often, different aspects of performance may be discussed more frequently within them. Thus, the frequency of performance conversations is still a relevant area to investigate.

In support of this possibility, our initial focus groups and interviews suggested that a lack of time is not the only reason performance is not discussed more often. Although not representative, this data suggests part of the reason may be a lack of line manager skills and confidence in approaching the subject of employee performance. Some of these barriers to effective performance conversations may be reduced if they are seen less as 'difficult conversations', the positives being emphasised more, and people managers are better equipped to lead these conversations.

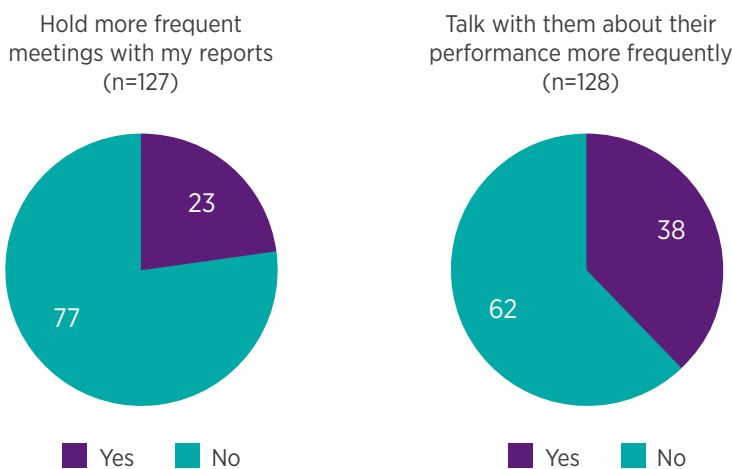
So it is relevant for us to test whether the intervention led to more one-to-one meetings taking place, or performance being discussed more often when they do take place.

Managers' views on the frequency of conversations

As a first step, we can look at the views of managers who attended the HMRC and NOMS workshops a few months after they took place. As can be seen in Figure 4, the majority of managers did not see an increase in the frequency of these meetings, but nearly one in four (23%) did report meeting more often with their staff and more than one in three (38%) said they discussed performance more often.

This finding is positive, but needs to be looked at with caution. We are dealing with relatively small numbers of respondents and there is likely to be bias in this retrospective self-reported measure, managers' views potentially being swayed by their best intentions or desire to value performance conversations more.

Figure 4: Managers' retrospective views on the frequency of conversations with their staff following the workshop (HMRC and NOMS) (%)



We consider these questions separately for the VOA because, in contrast to the other organisations, the VOA did explicitly set out to increase the frequency of performance conversations. The number of responses from VOA managers here is small and should be treated with caution (n=46). Nonetheless, our initial findings suggest that performance conversations were happening more often according to a clear majority of managers (see Figure 5). This is in line with the VOA's own qualitative assessment as recorded in a quarterly internal HR report (VOA 2017).

It is also worth noting how the VOA's quarterly performance development reviews worked in practice. As mentioned in Section 2, this was a panel of senior managers set up to meet quarterly to discuss

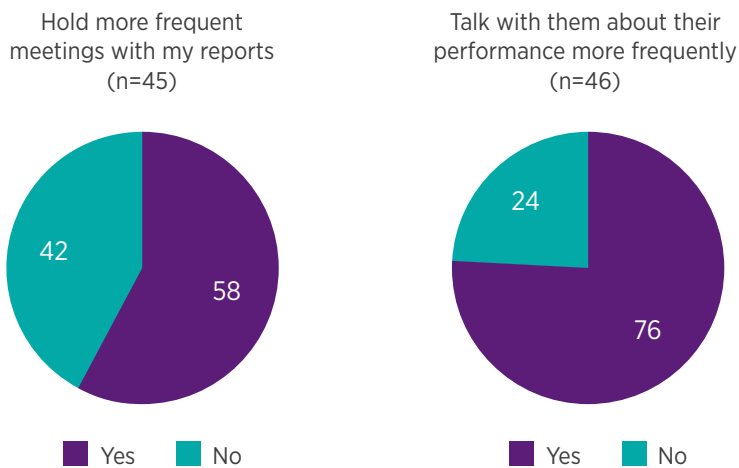
high-potential and low-performing staff as identified in monthly one-to-one meetings. While we do not investigate this as part of our trial, management information (VOA 2017) shows that almost 30% of all staff were referred to this panel, either as high potential, emerging potential, new to role, or needs support/underperforming. This suggests that the mechanisms put in place were being used as intended.

Employee views on the frequency of conversations

A second, much more robust approach is to look at the views of these managers' staff, comparing the change that occurred in the intervention group with the change in the control group. As described in Section 2, we do this through a difference-in-differences analysis across the three organisations.

'...our initial findings suggest that performance conversations were happening more often.'

Figure 5: Managers' views of the frequency of conversations with their staff following the workshop (VOA)⁸ (%)



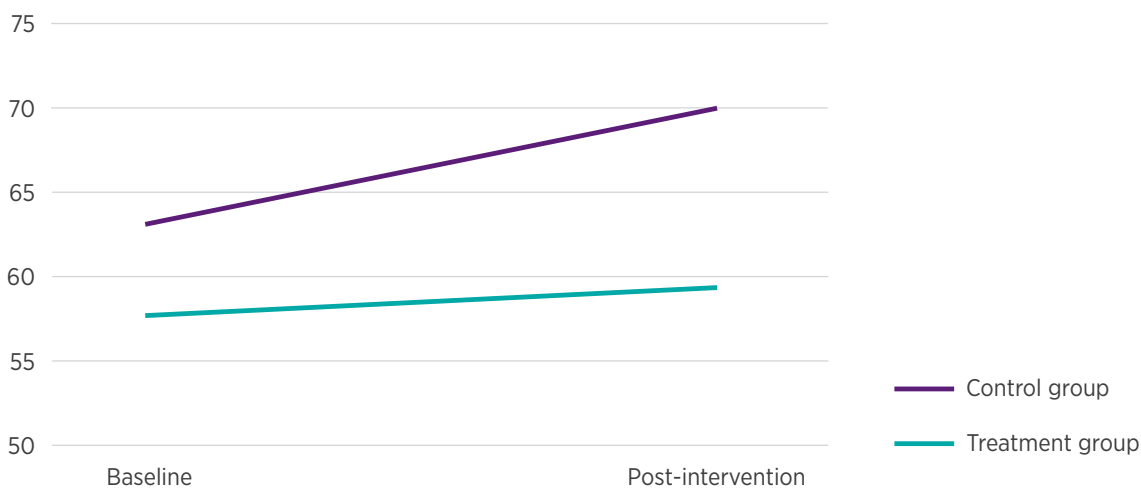
In our bespoke survey, we fleshed out the basic question of how often employees meet with or discuss performance with their line managers to ask about a range of topics. An example of the raw results of the difference-in-differences approach can be seen in Figure 6. This shows that, while the frequency of conversations on how well employees are doing their jobs increased for both groups, it increased more for the intervention group (7.0 percentage points) and only very slightly for the control (1.8 percentage points). In short, it suggests a better outcome for the intervention group.

But we are interested in a range of aspects of performance conversations, not only discussions of performance in role. We also need to test for statistical significance, for which we run regression analysis, also controlling for differences between the organisations and whether the respondent was a line manager. Further, because the intervention in HMRC and NOMS was different from the more extensive intervention in the VOA, we also look at whether there are any differences between their respective impacts (see Section 2: method).

Figure 6: Intervention impact on how often role performance is discussed (all organisations, n=2,903)⁹

How well I am carrying out my job role

% discussing with manager once a month or more



The statistical test results on a range of areas for all organisations are summarised in Figure 7. From this analysis we can conclude, first, that there were general impacts (from both interventions) on the frequency of conversations on:

- ‘Any challenges I am facing in my personal life’ – a large increase of 9.6 percentage points from the baseline percentage.¹¹
- ‘My career or development ambitions’ – a very large increase of 17.4 percentage points.
- ‘Non-job-related chat (for example personal activities, interests, or relationships)’ – a moderate increase of 6.8 percentage points.

Second, we also see impacts on the following areas that are driven more by the VOA intervention:

- ‘How well I am carrying out my job role’ – a moderate increase of 6.6 percentage points from the baseline percentage.

- ‘Any challenges I am facing in my job role’ – a moderate increase of 9.6 percentage points.
- ‘How [my manager] can support me in my job role’ – a moderate increase of 9.0 percentage points.
- ‘My skills development needs’ – a large increase of 6.8 percentage points.

We found no significant impacts on the frequency with which staff and their managers discussed either: updates on activity, or plans for the department or organisation; or employees’ progress towards explicit performance objectives.

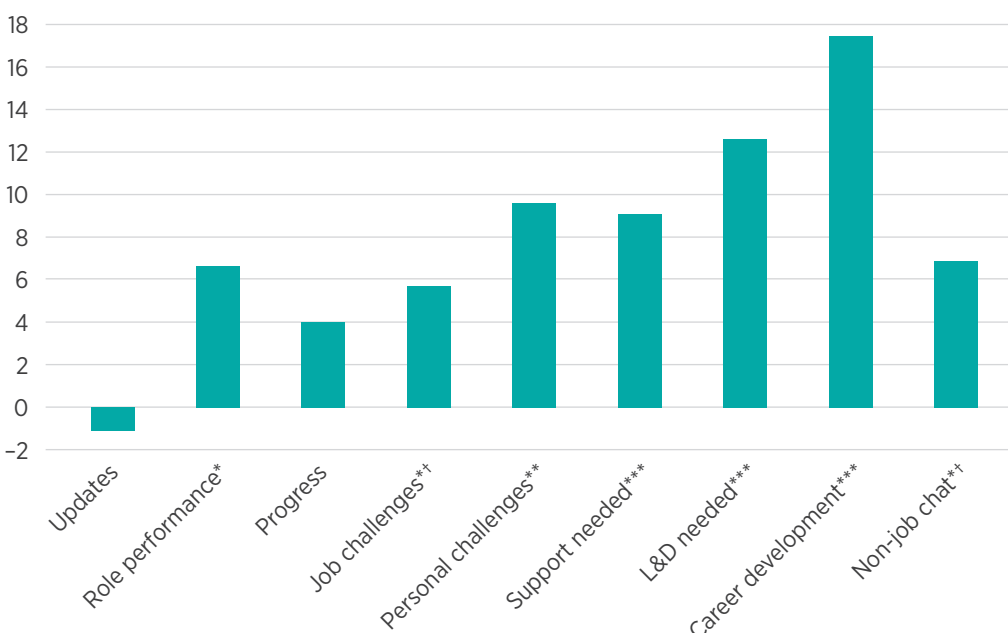
Overall, we have good evidence that both interventions increased the frequency of conversations about personal challenges and career ambitions. However, the safest interpretation of our evidence is that conversations actually addressing employee performance – including their performance levels, challenges and

support needed – only became more frequent following the more holistic intervention.

Historical analysis on the frequency of conversations

As a third step, to further strengthen the analysis, we conduct historical-level analysis. This draws on Civil Service People Survey data (see Section 2: method) and again uses a difference-in-differences approach. This survey gives us fewer questions on the frequency of performance conversations than our bespoke survey. Nonetheless, we find that across all organisations, the interventions had a significant impact on employees agreeing with the statement ‘I receive regular feedback on my performance’. From baseline to post-intervention, controlling for differences between the organisations, we observe a fairly large **9.1% increase** across the three organisations.¹²

Figure 7: Intervention impact on how often employees discuss a range of areas with their managers: percentage increases in ‘once a month’ or more (all organisations, n=2,903)¹⁰ (%)



*significant at 10%; **significant at 5%; ***significant at 1%
 †control for organisation only; not significant when control for whether line manager

From Figure 8, two things are apparent. Most importantly, by looking at the historical data, we can see that the post-intervention difference in differences is indeed a new trend, as the previous changes for treatment and control groups were very similar. Second, it is interesting to note that the impact was to prevent a decline that would otherwise have occurred in this time, rather than increase the frequency of feedback in the intervention group. We do not know why this decline occurred in the control groups, but it could be a number of factors, from the business or the time of year, to other changes that occurred in these organisational units.

This analysis gives further evidence that the changes in performance conversations seen in Figure 7 are indeed impacts from the interventions.

Qualitative insights into the frequency of conversations

In theory, impacts on the frequency of performance conversations could be due to meetings taking place more often – whether more formal one-to-ones or ad hoc meetings between staff and managers – or that, when managers and their staff do meet, they are more likely to discuss aspects of performance. As noted above, it is not only a question of how much time employees have for one-to-one meetings but also managers’ capability and confidence in leading performance conversations.

Our post-intervention focus groups give some evidence for this. Even some managers who felt that the approach was not new now felt more confident that they were doing things in the right way. And various managers noted the benefit of having a wider range of techniques to draw on when dealing with staff.

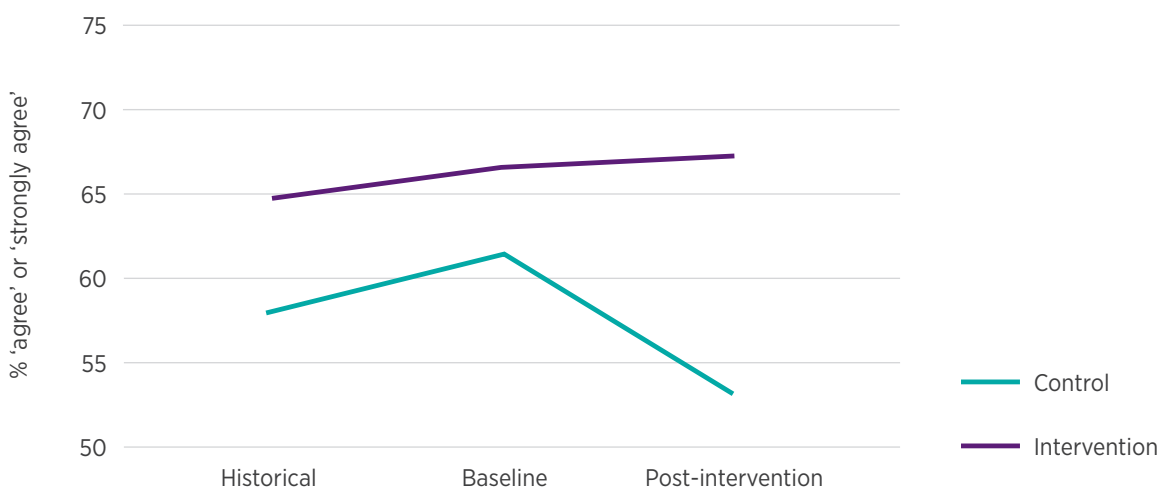
There was also a suggestion that the workshop had a galvanising effect. Some managers reflected that the workshop influenced their thinking by reinforcing the importance of having regular conversations with staff and by showing how much more positive these meetings could be. The workshop challenged the assumption that performance conversations are difficult conversations. Distinct from building capability, this is a question of the organisation signalling what is important:

‘I think the emphasis in that workshop on having regular meetings, on having to sit down ... where other people are not around to interrupt, whether they be other staff members or prisoners, is important ... the emphasising of how important that is; and how those opportunities help staff feel empowered; and that they have an opportunity to discuss things that they’re concerned about or they wish to communicate back to me, as well.’
(Manager, NOMS)

Figure 8: Intervention impact on regular performance conversations (all organisations, n=150)¹⁵

I receive regular feedback on my performance

(mean % across units by wave)



Summary: the frequency of performance conversations

We can confirm a positive impact on the frequency of performance conversations. At a broad level, our results show that, controlling for differences between the three organisations, **the interventions had a substantial positive impact on regular performance feedback** and that this was a genuine impact from the interventions, as it was not a continuation of a previous trend.

Going into more detail, we see large impacts on how often managers and their employees discussed both **challenges they face in their personal lives** and their **career or development ambitions**, and also a moderate positive impact on **non-job-related chat**. These impacts hold more or less equally across the discrete capability development intervention (in HMRC and NOMS) on the one hand, and the more extensive holistic intervention (in the VOA) on the other.

In addition, we find impacts that are mainly evident with the more extensive VOA intervention. These include a large impact on conversations about **the skills and development that employees need** to perform in their roles, and moderate increases in discussions on three aspects of their jobs: **how well they are doing, challenges they face, and how their managers can support them**.

In short, our evidence indicates that both interventions – including the discrete capability-building workshop – led to more frequent *personal* conversations between managers and their staff, but the more holistic and extensive intervention was necessary for more frequent *performance* conversations. To some extent, the difference reflects the different

aims: as already noted, unlike the VOA intervention, the discrete intervention did not aim to make one-to-one meetings more frequent; although in principle, even within the same meetings, performance could be discussed more.

It's no surprise that we didn't see an impact for discussions on how often updates on activity or plans for the department or organisation, as the aim of the interventions was to focus on individual performance rather than organisational change.

But it is interesting that we didn't see an impact on employees' **progress towards explicit performance objectives**, as this is potentially a major part of performance conversations. Given the impacts we did see, a likely explanation for this is that the shift in focus concerned *supporting people* – either by discussing challenges they faced, or learning and development or practical support that they needed – rather than *holding them to account*. This is actually in line with the workshops' emphasis on coaching and building on strengths. It might also be the case that there was simply insufficient time for the training to bed in.

Non-job chat was clearly not a focus of the interventions, but the increase here may be a sign that managers and their employees are building stronger relationships in general.

In the next section we build on this view of what is discussed to consider *how* it is discussed.

6 How is performance discussed?

‘...if workers see feedback as fair and experience positive emotions immediately after receiving feedback, they are more likely to improve their performance in response to that feedback.’

Core to the interventions was helping managers and their staff have better quality and more effective performance conversations. As discussed in Section 2 (research approach), a particular area the workshop attempted to address was the tendency to be deficit oriented when thinking about how we can improve. It aimed to help managers to focus less on fixing weaknesses and more on building on strengths, helping them and their staff develop a better understanding of what they do effectively and look for opportunities to replicate their successes.

In this section, we look at evidence of impacts on behaviour change. This evidence is limited, focusing on before-and-after measures of how strengths based employees think their managers are; and on retrospective views of the managers themselves. Thus, we also look at related factors, including how comfortable staff are discussing their work with their managers and how fair they think their performance evaluations are.

Previous research has shown that **perceived fairness of performance feedback** is an important influence on its impact (for example, Smither et al 2005, Colquitt et al 2013, Brockner and Wiesenfeld 1996). In particular, this body of evidence shows that if workers see feedback as fair and experience positive emotions immediately after receiving feedback, they are more likely to improve their performance in response to that feedback (see Gifford 2016a for more discussion

of this). More specifically for the current research, at baseline, 63% of employees across the Civil Service viewed their evaluation as fair (Cabinet Office 2016b). While this represents a clear majority, it still shows that a large proportion are unconvinced or feel unfairly treated.

Qualitative insights into behaviour change

We start with insights from our focus groups, to illustrate the sorts of shifts that the interventions could bring about. We heard from managers who had obviously reflected on challenges that the workshop posed and made efforts to put the principles into practice:

‘Immediately afterwards I was more conscious about how I was addressing one person in my team and more positive about his strengths. I can very easily hone in on his weaknesses. Sometimes his weaknesses really annoy me ... but actually, when I think about the work he does ... he will literally go anywhere. I could send him to the Moon, and he will be like, “Yes, I will go. When do you want me to go?” Literally he is always smiling, happy ... He’s really dedicated ... That workshop made me think, “I need to focus more on his strengths and ... be more positive with him about how good he is, because actually he gets around the bits he’s not good at.”’ (Manager, NOMS)

‘I suppose I’ve found myself exploring more things with them and getting them to open up and look at themselves, which I found has been quite positive.’ (Manager, NOMS)

'Definitely, much nicer meetings. Don't get me wrong; you still have to address many issues ... [but] my team do look forward to it and they ask me when the next meeting is going to be.' (Manager, HMRC)

'It's been really, really positive. I mentioned about my manager, she's very much focused on, she'll tell me what I've done really, really well, there might be a couple of things in there that aren't on track, but you do come out of it thinking, "I'm playing my part and I'm making a contribution to the business." ... I have to say, it's the culture that we've moved into. The culture that we've got now is very – don't like to say it's inclusive, but it is. They're very open, the communication's there. There's a lot of discussion ... I feel awful when I'm decrying the previous line of business, but it wasn't there ... you were expected to do a lot but you didn't see it happening at the top. Whereas now, the culture where I am now is that, "Yes, we're in it together." That's been driven by my manager, but that's also been driven by my manager's manager. So, there is a feeling

that, "Yes, we are in this and we are doing it together." (Manager, HMRC)

Similarly, in the VOA's separate internal evaluation of its pilot (VOA 2017), interviews with employees found *'a widespread view that the conversations were more constructive'*. Comments included:

'It feels more like my show now.' (Non-managerial employee, VOA)

'It feels much more empowering. I don't feel like I'm having to gather lots of evidence to justify my performance.' (Non-managerial employee, VOA)

Finally, one HMRC manager also argued that, by creating a more positive atmosphere in performance conversations, the intervention had improved the end-of-year appraisal process. Previously, the appraisal validation meetings were seen as energy-sapping, and even fraught, processes, in which 'reams and reams' of evidence was sometimes provided and 'horse trading' took place to avoid 'must improve' ratings. This manager said that the

process this year had been far easier and argued that this was a result of the strengths-based approach to performance conversations. This link is tenuous. A smoother and quicker validation process could have been due to the planned changes in performance management in HMRC, including stopping guided distribution ratings. Nonetheless, these comments again show an appreciation of the intervention as one part of a move towards a more positive performance management culture.

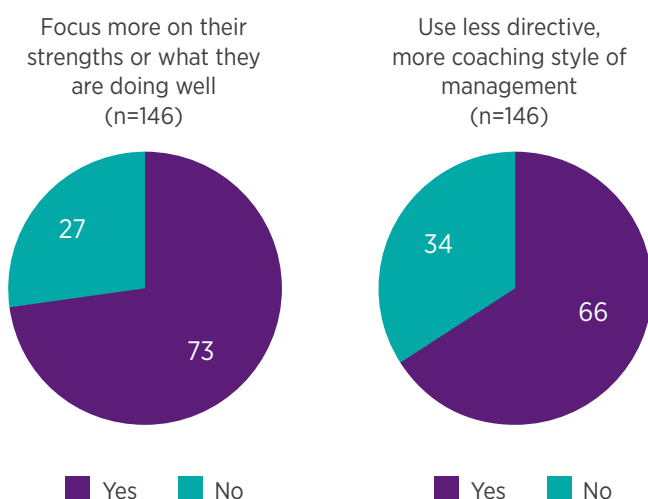
To find out what impact there was across the board, we turn to our survey data.

Managers' views on behaviour change

First, in our survey a few months after the workshops, we asked managers who attended whether they thought in retrospect that they had changed their approach to meetings with their staff. The results in Figure 9 show that as a result of the workshop, **over two-thirds of managers believed that they were more strengths oriented and less directive, more coaching** with their staff.

These figures are strikingly positive but – as with managers' views on the frequency of conversations (see Section 5) – they represent a small number of respondents and may be biased as a retrospective view of the 'intervention' managers. Thus, they need to be treated with caution.

Figure 9: Managers' retrospective views of the nature of conversations they had with their staff following the workshop (all organisations)¹⁴ (%)



Employee views on behaviour change

For a more robust assessment, we again look at before-and-after assessments of managers by their staff, comparing treatment and control groups at baseline and a few months later.

In the bespoke survey, we asked all respondents whether, when discussing how they could improve their performance, their manager focused only or mainly on their current strengths, only or mainly on weaknesses, or equally on both. The basic results, presented in Figure 10, show very stable proportions of employees who report that their managers focus on their strengths. One can observe a

very slight relative improvement for the intervention group, but when we test this we find the difference is not statistically significant.

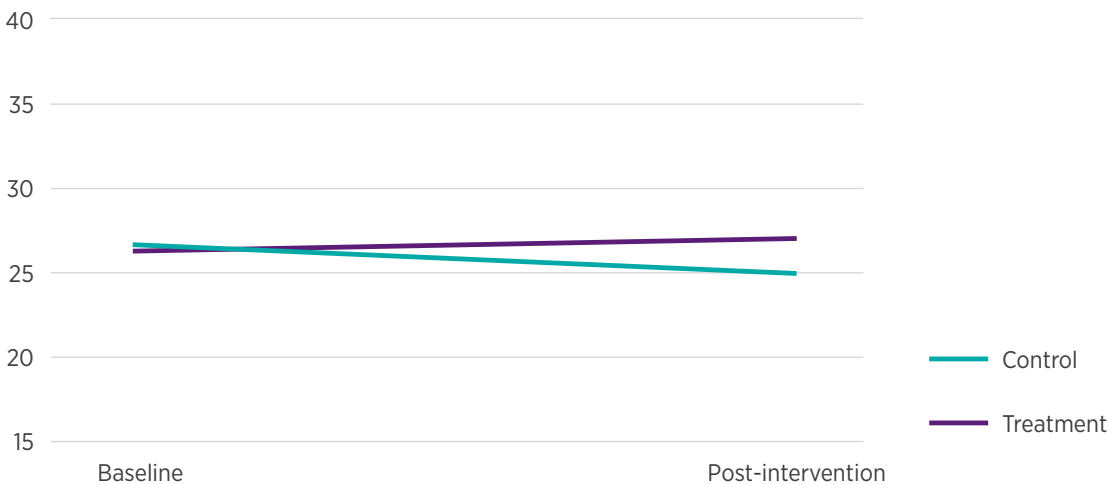
So we do not find direct evidence of widespread change in a core aspect of behaviour that the workshop was trying to affect. What about other aspects of how performance and relevant areas are discussed?

In fact, we find no significant impacts from our bespoke survey that managers are more **available for their staff** when they want to discuss their work with them, nor that employees feel more **comfortable discussing their work** with their line managers.

Figure 10: Intervention impact on strengths-based performance conversations (all organisations, n=2,904)¹⁵

Does your manager focus more on your strengths or weaknesses?

(% only or mainly on strengths)



Historical analysis on behaviour change

Further, from the Civil Service People Survey data, we don't find significant before-and-after impacts on several important aspects of behaviour that one might expect. These include the extent to which employees believe **managers are open to their ideas**, and **considerate of their lives outside work**.

Looking at our historical data, as can be seen in Figure 11, it appears at first sight that more employees believe their **performance is evaluated fairly** as a result of the intervention.¹⁷ Yet here, too, when we test the before-and-after relationship, we find that the relationship with perceived fairness of appraisal is not significant at the 10% level, so we can't be sufficiently confident in this.

Potential reasons for a lack of wide-scale change

Overall, therefore, we have no significant findings within this trial on a range of aspects of behaviour change. But despite this, it would appear that the interventions have some potential for impact, as testified by the focus group and managers' retrospective views. It is also worth noting at this point that we find evidence for more frequent conversations (Section 5) and for meetings between managers and their staff being more productive, as discussed in Section 7 below. The lack of clear behaviour change is thus somewhat of a missing link in our impact chain.

Why might it be that employees did not generally perceive a change in their managers' behaviour and the nature of the conversations they have together?

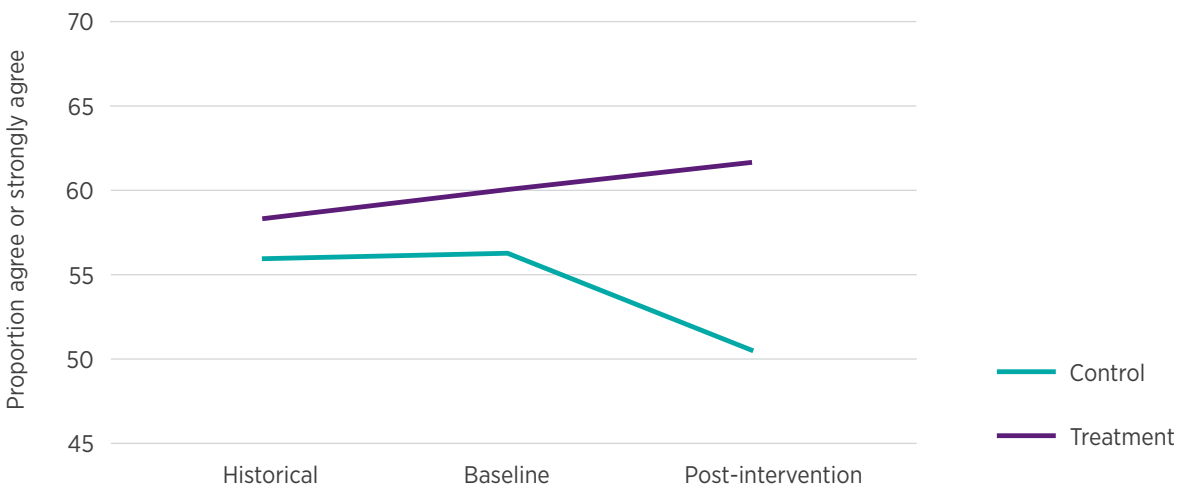
To gain some insight into this, and the discrepancy between the views of employees in general and managers who went on the workshop, we turn to the focus group data.

One potential explanation is that the discrete workshop was not extensive enough to effect behaviour change and needed to be delivered as part of a broader package of management development. Additionally, some HMRC managers questioned running an intervention without making changes in HR policies, some even suggesting that skilling managers in performance conversations was irrelevant, as the flaws in the surrounding policy were the only thing to resolve (see Section 1 on organisational context):

Figure 11: Intervention impact on perceived fairness of appraisal (all organisations, n=150 units)¹⁶

I think that my performance is evaluated fairly

(mean % across units by wave)



'What people didn't like was ... the fact that there was a guided distribution ... "How can we shove 10% of people into 'development needed', and who's it going to be?" ... So the conversations between the line manager and the job-holder may not have been the problem. I'm wondering, actually, if this [workshop] is (a) trying to fix something that wasn't broken and (b) isn't going to fix what actually was broken.' (Manager, HMRC)

'In terms of how we manage performance, I haven't seen much of a change, because the whole overarching system of what those conversations then feed into hadn't changed.' (Manager, HMRC)

Another potential reason is that managers encountered challenges in putting lessons from the workshop into practice. We heard some views that pressure and lack of time got in the way of both holding strengths-based conversations, which can require quality time, and also the reflection and persistence needed to embed learning and change behaviour. A couple of managers highlighted how work pressures could lead them to revert to their old ways of working, rather than invest time and energy into consciously doing things differently. As a result of this, they felt that the impact of the workshop had dissipated over time:

'The pressures on everyone in the team, including my managers, just now are quite immense. So, the resources they have had to be able to dedicate to try and change their style, I'm not sure they're there.' (Non-managerial employee, HMRC)

It may also be that the extent of change required is more than a half-day workshop can deliver. In the case of NOMS, some considered that the organisational culture in general could be very

negative, including in how they viewed prisoners:

'We're very, very good at giving out negative entries for prisoners; if somebody does something really good we're not that good at giving good entries for prisoners. Maybe the whole thing needs to change; people's outlook needs to change a little bit.' (Manager, NOMS)

This highlights the value of follow-up sessions, perhaps repeating some of the exercises, and reminder communications to further reinforce the workshop's messages (see Section 3 – relevance and quality of the interventions).

Summary: the nature of performance conversations

In summary, managers who took part in the workshop tended to see an impact on their own behaviour – specifically related to the core message of focusing more on strengths and less on weaknesses – but overall there was no tangible change in the eyes of their staff.

These views are clearly at odds. The difference-in-differences analysis of employee views is certainly more reliable and we give this much more weight. But it would be unwise to simply say that this finding is 'right' and dismiss the manager views entirely, as there may be valid reasons for the discrepancy.

The difference in views may boil down to the amount of behaviour change. It appears that managers' best intentions have not followed through into action as much as some of them might like to think, but it may also be that employees have not picked up on actual changes in their managers' behaviour. Managers might change their behaviour with some of their people some of the time, but not most people most of the time.

We find potential reasons for a lack of tangible impact on manager behaviour and the nature of conversations from our focus groups. These include that the workshop was too narrow in scope and not worthwhile without broader change to performance management processes. But contrarily to this, some managers felt that the workshop aim was indeed valuable, but hard to put into practice: for example, that they lacked the time and energy to implement the techniques and change their management style.

However, this is certainly not the last word on impact. Separate from observed behaviour change – on which we get an unclear picture – we also need to look at impacts on employee performance and development. We turn to this in the next section.

7 The impact on employee performance and development

We now come to the core question of the trial: did the interventions have an impact on how productive performance conversations were – that is to say, whether performance reviews and more regular one-to-one meetings actually help staff develop and improve performance.

Managers' views on the impact of conversations

We asked managers at baseline and several months afterwards how much they thought their meetings with their direct reports helped them to **learn and develop as professionals**, and to **improve their performance**. To measure any impact in this, we analyse the difference in differences for treatment and control group managers, comparing them at baseline and a few months later.

Looking across the two interventions (and controlling for differences between organisations), we measured marginal effects of 6.6 percentage points for learning and development and 8.0 percentage points for improvements in performance.¹⁸ However, neither of these findings were statistically significant and, while this is likely due in part to smaller number of respondents (n=732 across both time points), the fact remains we cannot be confident in these results.

Employee views on the impact of conversations

However, looking at the views of employees in general, analysis of our bespoke survey shows significant positive impacts in the two key areas. Again, we do this by

comparing treatment and control groups over time and analysing the difference in differences.

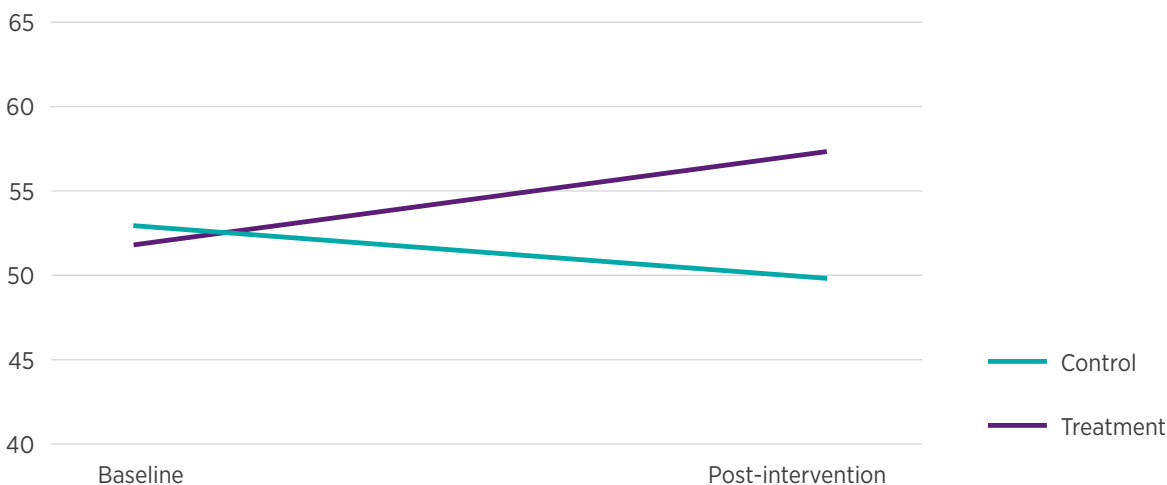
First, as shown in Figure 12, we find that looking across all organisations, the interventions had **a 9.7% positive impact on employee learning and development** (specifically, the likelihood of employees agreeing with the statement, 'My meetings with my line manager help me learn and develop as a professional').¹⁹ This is a large percentage point increase, given the baseline percentage of about 52%.

Second, as shown in Figure 13, we find **a moderate 7.4% impact on employee performance** (that is, the likelihood of employees agreeing with the statement 'My meetings

Figure 12: Intervention impact on employee learning and development (all organisations, n=2,904)²¹

My meetings with my line manager help me learn and develop as a professional

(% agree or strongly agree)



with my line manager help to improve my performance’).²⁰

It is important to note that we lose significance in the basic model when we remove the VOA and test only the interventions in HMRC and NOMS. Looking closer, we see that for performance, the size of impact is similar (6.7% compared with 7.4%), but for learning and development, it clearly drops (from 9.7% to 7.0%). This suggests that, in the case of performance, the loss of significance is due to the smaller numbers of respondents, but in the case of learning and development it is also because the observed change is driven more by the different intervention in the VOA.

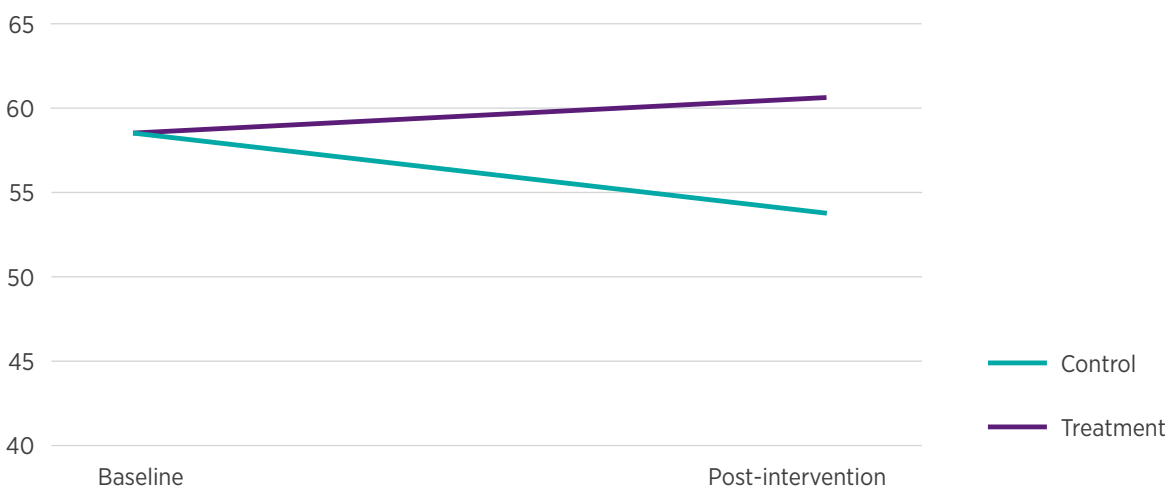
In sum, we have good evidence that both interventions led to conversations that better supported employee performance, but it seems that the more extensive and holistic VOA intervention was necessary for an impact on employees’ learning and development.

It should be noted that these findings are not conclusive, as we are relying on a less rigorous form of analysis than would be ideal. In both cases, we find significant results when we control for differences between organisations – in the case of learning and development we have 95% confidence in the results ($p < 0.05$) and for performance we have 90% confidence ($p < 0.1$). When we make the test more robust by controlling for whether employees are line managers, we lose significance.

Figure 13: Intervention impact on employee performance (all organisations, n=2,904)

My meetings with my line manager help to improve my performance

(% agree or strongly agree)



Historical analysis on the impact of conversations

Turning to the Civil Service People Survey data, we look at two relevant questions for which we have historical data. These relate to how much employees think that managers motivate them to perform well (Figure 14), and if the feedback they receive helps them

perform (Figure 15). As shown in Figures 14 and 15, we can observe relative improvements (difference in differences) for both areas that appear to be genuinely new trends.

However, when we test for difference in differences between baseline and post-intervention time points, we find that **neither of**

these relationships are statistically significant at the 10% level. This is the case even at the most basic level of analysis, controlling only for differences between the three organisations.

In short, the historical analysis does not give reliable evidence that the interventions impacted on employee

Figure 14: Intervention impact on employee motivation (all organisations; n=150²² units)

My manager motivates me to be more effective in my job

(mean % across units by wave)

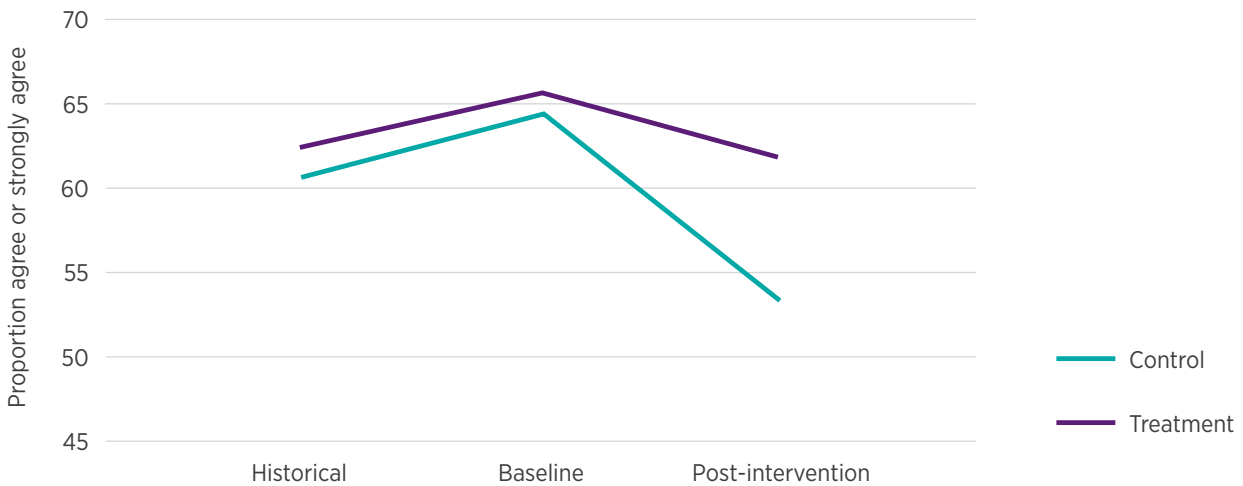
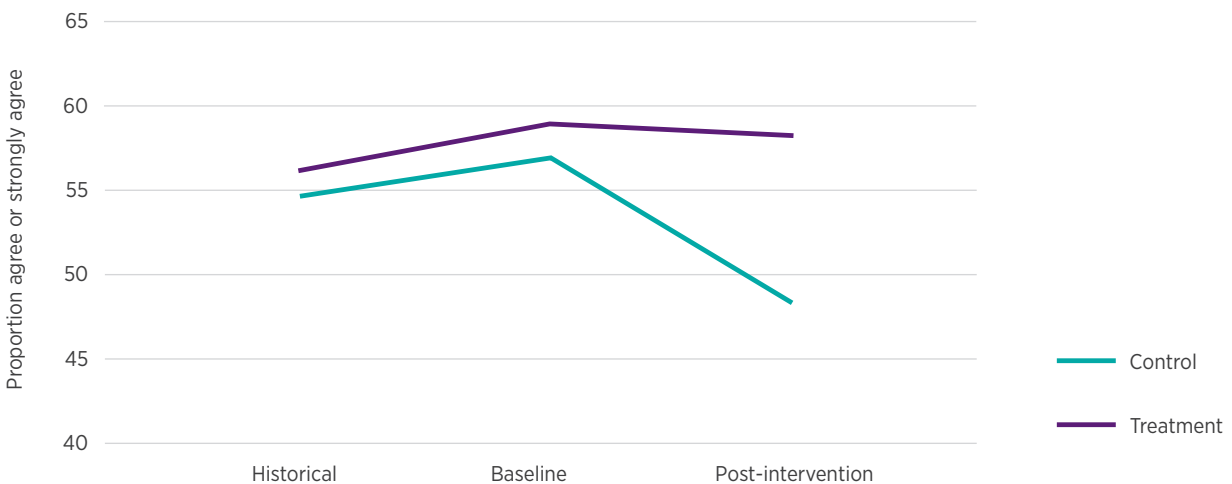


Figure 15: Intervention impact on performance (all organisations, n=150 units)

The feedback I receive helps me to improve my performance

(mean % across units by wave)



‘I would say since we’ve been on this trial, that I found the conversations to be a lot more productive.’
(Manager, HMRC)

motivation or performance. As with other historical analysis we conducted, the lack of significant findings do not necessarily mean that there is no effect; indeed, it is likely that non-significance is a result of the small size of this dataset (52 units of analysis per wave for the before-and-after analysis). Moreover, it is important to view this analysis alongside the stronger evidence we find from the bespoke survey (see above).

Qualitative insights into the impact of conversations

Impacts on the effectiveness of performance conversations were apparent in various comments in the focus groups:

‘I would say since we’ve been on this trial, that I found the conversations to be a lot more productive.’ (Manager, HMRC)

‘I do think this was useful ... I had one particular conversation where I thought to myself, “I wouldn’t have had that had it not been for the workshop.” It was probably my only real strengths-based conversation where I said to a member of my team, “I noticed you were really, really enthusiastic. When you do this kind of work you’re really enthusiastic, and I wonder if there’s some kind of way we could get that enthusiasm over in to this bit of work here. How could we do that?” We did have a very interesting conversation that turned out, in the end, with them saying to me they’ve got a bit of a problem with personal time management. That they respond really well to deadlines, and the bit of work over here was all about really sharp deadlines and the bit of work over here, well, there weren’t any, and that’s why they couldn’t get excited about it. So, I think the strengths-based conversations uncovered something quite interesting about their personality and a, sort of,

development need that I wouldn’t have got to otherwise. So, there’s definitely something there.’
(Manager, HMRC)

Similarly, in its separate internal evaluation of its pilot, the VOA (2017) concluded from a range of qualitative interviews that, as well as employees finding performance conversations more constructive, they found it ‘helpful to receive more regular feedback from line managers’. Comments from employees included:

‘It helps me to focus on my development more regularly and reflect on what I’ve learnt each month.’ (Non-managerial employee, VOA)

These views were not reflected by everyone. Some cited one-to-one meetings that felt negative, or in the case of the VOA, thought that more regular meetings were not a good use of time:

‘It doesn’t work so well if you’re in quite a routine job. There’s not much different to say each month.’ (Non-managerial employee, VOA)

Moreover, the frustration of one employee highlights that the strengths-based technique may not always be appropriate, or, at least, done in a helpful way:

‘I kept saying, every month. “Why do you keep asking what I’m proud of doing? ... I just find it ridiculous that you’re asking me that.” I find some of those things as well are really quite patronising ... I think they’ve done some sorts of workshops like this before and they’ve been ... encouraged to use all these buzzwords.’ (Non-managerial employee, HMRC)

It is possible that some employees’ personal outlook means that they are not receptive to strengths-

based performance conversations. Equally, however, it may be that the manager in question framed the discussion in a way that landed badly with this employee.

If this is the case, it would seem to highlight an important point. A technique such as strengths-based performance conversations is unlikely to be effective if stock phrases are simply learned by rote. Conversation remains an art as much as a set of techniques and leading effective performance discussions needs a wider skills base, including self-awareness. The VOA intervention, which included a module on the effective use of language, seems to be a good example of how this can be developed.

Summary: employee performance and development

Before-and-after measures of *managers'* opinions did not point to an impact from the interventions on their employees' learning and development or performance. However, looking at the larger dataset capturing the views of employees themselves, we did find impacts at a broad level.

In particular, we found a fairly large positive impact on employee learning and development (9.7%) and a moderate impact on employee performance (7.4%). There is a limit to the power of this analysis, in particular because it does not control for whether or not respondents were line managers. This means that we cannot wholly rule out some sort of placebo effect, by which managers who attended the strengths-based workshop may not only try to change the conversations with their staff, but also be more disposed to viewing their conversations with their own managers more favourably. However, it is also likely

(given the nature of our findings) that this lack of significance when controlling for managers is a result of small numbers.

Lastly, we also get some insight into the different interventions. The observed impact appears to be driven more by the broader VOA intervention than the discrete workshop intervention in HMRC and NOMS. In particular, it seems that the VOA intervention has a greater impact on conversations that support employees' learning and development; the findings are more similar for the impact on employee performance.

Overall, the difference-in-differences analysis gives us good evidence that both interventions – the discrete capability-building workshop and the holistic change programme – led to conversations that better supported employee *performance*. However, it seems that the more extensive and holistic intervention was necessary for an impact on employees' *learning and development*.

'...strengths-based performance conversations [are] unlikely to be effective if stock phrases are simply learned by rote.'

Conclusions and implications

‘...we have robust evidence that both interventions... had positive impacts.’

This field study – a group randomised trial – set out to explore the impact of strengths-based training for managers and related initiatives, considering impacts on the frequency, the nature and the outcomes of performance conversations.

At a broad level, we have robust evidence that **both interventions** – the discrete capability-building workshop for line managers and the more holistic and extensive intervention – had positive impacts on:

- more frequent **personal conversations** between managers and their staff – for example, on personal issues, career ambitions and non-job-related chat
- one-to-one conversations that better supported **employee performance**.

We also have evidence of impacts in the following areas, but it seems that here the more holistic and extensive intervention was necessary:

- more frequent **performance conversations**
- one-to-one conversations that better supported employees’ **learning and development**.

We have a missing link in the impact on behaviour change or management style, in that we don’t have clear evidence of impact. However, we do have retrospective self-reported data and some qualitative findings that suggest managers may have changed their approach, focusing more on helping staff build strengths rather than fix weaknesses.

Below we draw conclusions from our main findings, before discussing implications for organisational practice, the strength and limitations of our research and finally some options for future research.

The findings are visually related to our theory of change in Figure 16. The blue boxes are areas on which we have high-quality evidence and the purple boxes are areas on which we have tentative evidence.

Topics of discussion in one-to-one meetings

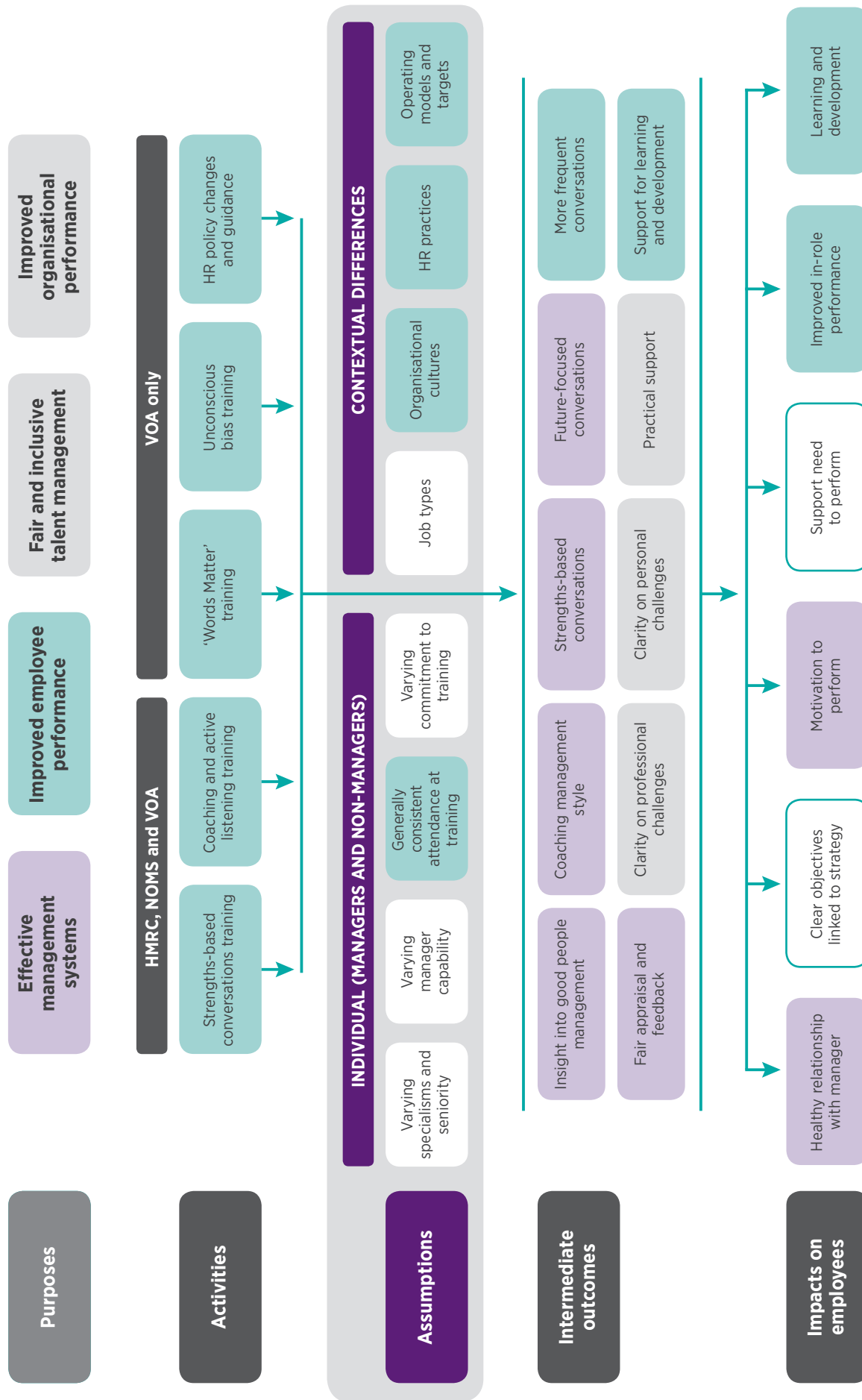
Our findings show that, following both interventions, employees and managers became more likely to hold regular discussions on: employees’ development and careers; challenges they face in their personal lives; and non-job-related chat. This suggests that the discrete workshop intervention alone led to more conversations on **personal aspects relating to work** and possibly strengthened **line management relationships**.

There is also evidence on the regularity of conversations on their role performance (in general terms, though not specifically in relation to set objectives), challenges in the job role, and the managerial support and skill development they need to do their jobs, although these effects seem to have been driven by the more extensive VOA intervention.

This difference may be due to a combination of the fact that the VOA provided a short form to guide meetings and the fact that the line manager development

Figure 16: Evidence for performance conversations theory of change

Colour coding:
 Tentative evidence provided
 High-quality evidence provided



was more extensive. In either case, these findings suggest that a more extensive intervention may have been necessary to see more conversation on **performance, job-specific issues and routes to in-role improvement**.

We found no impact on organisational updates, or discussion of business plans and targets (progress towards objectives). This confirms that – in line with their design – the interventions did not lead to greater **communication on performance**, but rather to helping employees grapple with the issues they personally faced and their development.

Managerial styles and the nature of performance conversations

We have mixed findings on whether the interventions made a noteworthy change to managers' understanding of performance conversations and how they led them in practice.

On the one hand, we find that across both interventions, managers who took part in the workshops generally believed they subsequently **focused more on strengths**. Our qualitative data supports this, showing that for some managers at least, the principles and techniques of a strengths-based approach were seen as relevant, important and a positive sign of intended culture change; and that the insights were either novel or helpful reminders of approaches they already valued.

On the other hand, we did not see this filter through to a measurable impact in staff views on the extent to which managers emphasised strengths or weaknesses, or indeed other areas such as managers' openness to employees' ideas and the fairness of performance evaluation.

The difference in views may be that managers' best intentions did not follow through into action as much as some of them might like to think, or that employees did not pick up on actual changes in their managers' behaviour. Equally, it may be that our metrics are at fault, and these areas are inherently more elusive and harder to assess. However, the lack of findings here on these points should be seen in the light of related impacts that we did see, notably on frequency of discussions on certain points and the effectiveness of performance conversations.

Signs of improvements to performance

While we do not have assessments of performance per se, we see impacts on employee ratings of the **utility and impact of their conversations** with their managers. In particular the interventions led to one-to-one conversations that supported employee learning and development and contributed to performance.

Interestingly, we did not find impacts on employees' perceptions of the **quality of feedback** their managers gave them. This is a hugely important aspect of performance management to get right – as mentioned in the Introduction, its effect on performance varies a great deal and can often be negative. But when we consider the content of the intervention workshops, we see that although they covered related areas – notably listening and questioning skills and the use of language – they did not specifically address what constitutes good-quality or useful performance feedback.

It's also worth noting that we saw no impact on **employee**

motivation. While we might expect an impact here, we can again distinguish it from the focus of the interventions as potentially existing at a different level. It is possible that improvements can be made in how managers and their staff grapple with the practicalities of performance and development needs without affecting the basic level of motivation that employees have for their jobs.

Nonetheless, we can conclude that overall, the strengths-based interventions did indeed create more **productive and effective performance conversations**. These findings appear to be driven more by the VOA intervention than the HMRC and NOMS workshops, suggesting that the more extensive and holistic intervention is more likely to have an impact.

Implications for practice

In drawing out implications of these findings for performance management practice, we need to consider various factors, including *how worthwhile* the interventions are, *what makes the difference* in how they are run, and the context in question.

How big was the impact effect?

The size of that impact is very important to note. How we interpret the **effect sizes** partly depends on the starting point. For example, our measurement of the intervention impact on agreement with the item 'My meetings with my line manager help me learn and develop as a professional' gives a marginal effects size of 0.097. This indicates an increase of 9.7% in performance conversations that help employee learning and development. If this increase came from a baseline of 10%, the impact would be huge, as it would double the probability; if the starting point was 80% it would constitute only a moderate change. As it

is, we consider it a fairly large increase, given the baseline of 52%. In approximate terms, it can be considered to improve this aspect of performance conversations by a fifth.

On this basis, we can point to various impacts that are moderate or large in size.

Furthermore, it is worth considering the size of impact relative to the investment. Although we do not attempt a cost-benefit analysis in this research, we can say that some of the larger impacts – such as the 9.7% impact above – are highly likely to make the intervention worthwhile, given the relatively modest investment of a half-day workshop run with groups.

Make a start or wait for wholesale change?

While there are some limitations of running a discrete contained intervention, there are resource implications of running a more intensive holistic approach, so the question then becomes whether the additional resource required is worthwhile.

For the purposes of our study this issue primarily boils down to the question: was it worth running a discrete skills development workshop on strengths-based performance conversations, or was it necessary or beneficial to clearly align it with related HR policy, guidance and support?

It is essentially a question of context – the extent to which people management practices and interventions must fit into a cohesive whole. In the language of ‘high-performance work practices’ (HPWPs), these are referred to as ‘bundles’ or ‘clusters’ of practices that create systems (Tamkin

2004). We can accept that holistic integrated systems are likely to be more effective and the whole may well be greater than the sum of its parts, but to what extent? Is it still worth making a start where we can, or is this no more than tinkering at the edges?

This is an important question for HR and people development practitioners, who may not always have the scope to make wholesale policy changes, or the resources for a large-scale intervention, but want to start shifting behaviour in their organisations nonetheless. An authentic message to sceptics who want nothing short of wholesale change would be: we recognise that there may be inconsistencies in the short term, and let’s carry on discussing them, but work with us on this in the meantime.

The evidence from our study suggests that it was worth making a start with a discrete intervention without more holistic change. The limitations of the intervention in HMRC and NOMS – which during our trial did not include policy changes, such as on guided distribution performance ratings – may explain why the VOA intervention appears to have had more impact in some areas. Nonetheless, the HMRC and NOMS intervention had positive impacts on what was discussed in one-to-one meetings and to what effect.

Strengthening and improving the interventions

Nonetheless, we do find some evidence that the more extensive intervention had a greater impact than the discrete half-day workshops in HMRC and NOMS. If we are looking for ways to strengthen the intervention, the VOA example is a good place to start.

‘The evidence from our study suggests that it was worth making a start with a discrete intervention without more holistic change.’

Additional **support and guidance** seems to have helped as well as the change in HR policy. For example, from our focus groups with HMRC and NOMS, some managers struggled to put the strengths-based approach into practice – for example, because of a perceived lack of ongoing support or time to reflect on changing their behaviour. Follow-up activity – for example through blended learning – and wider communications to support the transfer of learning would be one way of redressing this.

It is also worth noting that while the concept of strengths-based conversations is basic, its application to practice is more complicated and requires good self-awareness and people skills. It is possible that applying the techniques by rote may not work, or may even backfire – as it seemed to have done with one focus group participant for whom some of the strengths-based language jarred. For some managers, further **skill development in one-to-one conversations** may be helpful.

Our analysis is limited in the comparisons between the impacts in NOMS, where the workshop was expert-led, and HMRC, where a train-the-trainer model was used. Nonetheless, the positive results included in HMRC suggest that a **train-the-trainer model** was an effective option.

A contextual view

In broad terms, we can infer from our findings that the interventions will bring an improvement for *certain groups of workers* (for example, given job types and industry sector) over a *certain time period* (about three to five months) and in a *certain organisational context* (for example, considering HR policy and cultural norms).

More specifically, our diagnostic qualitative work pointed to overly negative and directive styles of management in the three organisations. This being the case, it would make the interventions more relevant and likely to have an impact, as they challenged existing norms and led to an adjustment in behaviour away from a deficit-oriented approach.

Extending this line of argument, it follows that we cannot conclude from this research alone that managers should *only* focus on employees' strengths, and never on their weaknesses, or that managers should *only* use a coaching style and never be directive. Nor can we conclude that the interventions we trialled will work similarly in any organisational context, or even that they will always have the same impact in the current context.

While we should be in no doubt that our interventions can have an impact, successfully applying them to practice requires judgement on how appropriate they are in a given setting.

Further application of a strengths-based approach

It is encouraging that there is already growing interest in the Civil Service in developing a more strengths-based approach to performance management. In particular, HMRC has committed to providing the strengths-based training for an additional 200 managers to date. There have also been wider policy changes – most notably, a number of major departments including HMRC halted the use of guided distribution ratings from April 2017 (just after this research was conducted). This shows commitment both to the specific strengths-based approach and to making holistic changes to performance management systems.

Strength of evidence and limitations of the research

The strength of our evidence stems from the research design, which is longitudinal and includes a randomly allocated control. This allows us to establish that the intervention precedes the effect in time, and helps us to rule out other plausible alternative explanations for the observed effect, which would limit our interpretation of impacts as being 'causal'.

In contrast, for example, cross-sectional correlations can be misleading, because the relationships can be spurious (because of other hidden factors), or the direction of causality can be unclear (does X affect Y or does Y affect X?).

However, there are some limitations to our analysis. First, while our preference in statistical testing would be to include a number of controls for all our analysis – for example, whether respondents were line managers, as well as their gender, age, ethnicity, and so on – we often lose statistical significance when we do this, so we rely on analysis without controlling for all these factors. Some bias is thus possible in these results, as we can be less sure that our control and intervention groups are comparing like with like. Though we should emphasise that random allocation to treatment and control limits our concerns here.

Potential bias from managers as employees is particularly noteworthy. Intervention group managers who went on the skills development workshops may have changed their own management style, but as a side effect, taking part in the training may have also made them more disposed to noticing changes in their own managers' style.

Second, we would ideally have more historical analysis showing that the changes we observe are genuinely new, rather than a continuation of previous trends. This would strengthen the confidence we can have that the results reflect actual intervention impacts, rather than being due to unobserved differences between the organisational units allocated to intervention and control. However, again, any concerns are limited by the randomisation of units to treatment and control.

Third, poor response rates (see Section 2 and Appendix 1) meant that the risk of non-response error was heightened in the bespoke surveys. This means that we cannot be sure in this case that the before or after results are genuinely representative of the target populations (all employees in the relevant organisational units).

A final limitation relates to the timeframe of the trial. The timeframes we looked at are reasonable, in that a few months had passed to allow managers to put their learning and insight into practice. But it may be that without further support – such as reminders or refresher training – and without embedding the changes into formal policies and procedures (in the case of HMRC and NOMS), the impact of the interventions fade. More data points would be needed further down the line to test whether the

impacts we have seen are short-lived ‘flashes in the pan’.

Nonetheless, despite these limitations, the quality of evidence presented here for causal impact can be considered excellent, and far beyond most studies in this area of academic investigation.

Future research

As well as further longitudinal work to test the longevity of any impacts, we can identify other potential areas for further research.

One key area is the links to diversity in performance management. This is especially relevant in the UK Civil Service. It has set out an ambition to be the most inclusive UK employer (Heywood 2015) and – as identified in our background research – there is a common observation in some departments that black, Asian and minority ethnic (BAME) employees fare less well in performance management than their white British peers. Performance management that ‘works for all’, across all demographic groups, is thus a core concern.

Because of the limitations of our datasets, we were not able to investigate whether the impacts of a strengths-based approach were particularly beneficial for minority groups. However, this would be a potential area for further enquiry.

Another area to explore would be to trial initiatives explicitly combining a coaching style strengths approach with better quality feedback; and indeed to explore the different dimensions of what people think constitutes useful or good-quality feedback.

Finally, extensions of the current trial would also be valuable. These include trialling the same types of intervention in different sectors and organisational contexts; and tracking further developments in the same organisations. The latter would be a possibility in HMRC, for example, where following the strengths-based intervention, it has changed its HR policy by removing the use of guided distribution ratings. Researching how this subsequent change affects performance conversations would add further evidence on the relative value of a holistic approach compared with discrete exercises developing manager capability.

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Endnotes

- 1 Although there is evidence to suggest this is not always, or even usually, the case (Gifford 2016a).
- 2 These are often referred to as 'SMART' objectives – specific, measurable, achievable or assignable, relevant or realistic, and time-bound.
- 3 See also our short video on evidence-based practice at www.cipd.co.uk/knowledge/strategy/analytics/evidence-based-decision-making
- 4 Instead of a normal distribution, some research suggests a 'power law' distribution is a better description of performance, with most employees achieving a basic minimum, fewer good performers and a very small proportion of super-performers.
- 5 The latter was to control for potential for bias from intervention group managers: taking part in the workshop may have made them more predisposed to noticing a change in their own manager's approach.
- 6 We did not have comparable data from the VOA.
- 7 Intervention group managers only, answering retrospective questions a few months after the training workshops.
- 8 Intervention managers who had attended the first VOA workshop, answering retrospective questions. Figures are indicative and should be treated with caution because of low response numbers.
- 9 Difference-in-differences analysis on data collected through bespoke CIPD survey at the time of the workshops and a few months later. N across data points=2,903; control group does not include VOA.
- 10 Figures show the results from difference-in-differences analysis (logit model computing marginal effects) comparing baseline and post-intervention. Data from bespoke survey of intervention and control group employees. Total N for all organisations across both waves=2,903.
- 11 It is worth noting that we judge the effect size as 'large', 'moderate' or 'small' in relation to the baseline percentage. For example, in this case the treatment group baseline was relatively low at 44.7%, so a 9.6% increase is large.
- 12 OLS regression model, weighted by numbers of responses per organisational unit. The 9.1% increase (coefficient=0.0908) is significant at the 10% level ($p=0.059$); $n=52$ at both baseline and post-intervention.
- 13 Historical difference-in-differences analysis on Civil Service People Survey data for intervention and control group employees. N for all organisations across data points=150 units; control group excludes VOA.
- 14 Intervention group managers only, answering retrospective questions a few months after the training workshops.
- 15 Difference-in-differences analysis on data collected through bespoke CIPD survey at the time of the workshops and a few months later. N across data points=2,904; control group does not include VOA.
- 16 Historical difference-in-differences analysis on Civil Service People Survey data for intervention and control group employees. N for all organisations across data points=150 units; control group excludes VOA.
- 17 As noted at the beginning of this section, previous research shows that perceived fairness is an important factor influencing the impact of performance feedback.
- 18 These figures refer to the proportion of managers who responded 'A great deal', or 'A fair amount', versus 'A little' or 'Not at all'.
- 19 Marginal effect (dy/dx)=0.09749; $p=0.018$; $n=2,903$.
- 20 Marginal effect (dy/dx)=0.07442; $p=0.065$; $n=2,903$.
- 21 Difference-in-differences analysis on data collected through bespoke CIPD survey at the time of the workshops and a few months later. N across data points=2,904; control group does not include VOA.
- 22 Historical difference-in-differences analysis on Civil Service People Survey data for intervention and control group employees. N for all organisations across data points=150 units; control group excludes VOA.



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Registered as a charity in England and Wales (1079797) and Scotland (SC045154)

Issued: November 2017 Reference: 7602 © CIPD 2017