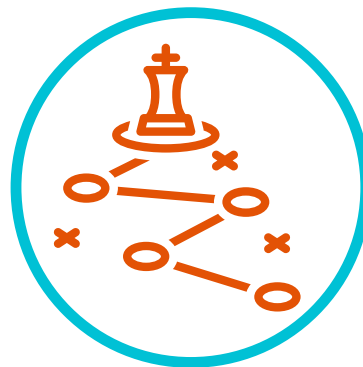


HOW TO: CREATE A CULTURE OF CONTINUOUS PERFORMANCE CONVERSATIONS



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Introduction

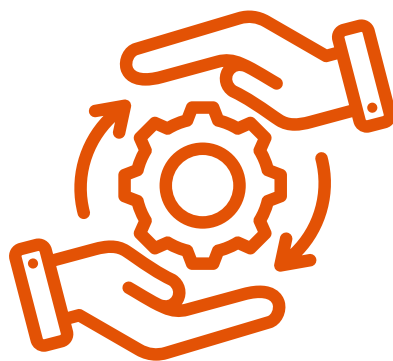
Performance management has evolved from an annual review model to a more dynamic, continuous process that fosters ongoing communication, feedback, and alignment with organisational goals. This approach, often termed "agile performance management," emphasises continuous conversation and support, empowering employees and managers alike. In this discussion, Lucinda Carney outlines six foundational steps for implementing continuous performance management successfully.

The Need for Continuous Performance Management

Performance management plays a critical role in organisational culture, directly impacting employee retention, engagement, and alignment with corporate objectives. Traditional annual reviews, while helpful in certain aspects, may lack the responsiveness needed in today's fast-paced environment. We suggest an agile model that fosters regular communication, goal setting, and development discussions throughout the year.

Key Objectives:

- 1 Strategic Alignment:** Link performance management with organisational purpose and strategy.
- 2 Employee Engagement:** Provide meaningful feedback and development opportunities to boost employee satisfaction and retention.
- 3 Agility and Responsiveness:** Create a flexible system that allows for real-time adjustments to goals and performance feedback.





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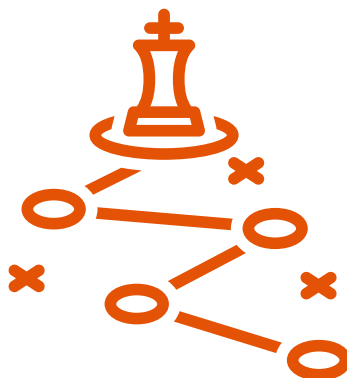
STEPS TO IMPLEMENTING CONTINUOUS PERFORMANCE MANAGEMENT

1 Define Strategy and Purpose

Purpose: To drive a culture shift towards ongoing performance conversations that reflect organisational goals. We emphasise that continuous performance management requires a clear understanding of organisational goals. By aligning the purpose of performance management with broader strategic goals, organisations can create a framework that motivates managers and employees to engage fully in the process. This involves identifying key challenges, such as high turnover, and framing performance management as a solution that benefits both the organisation and its employees.

Key Points:

- 1 Establish a compelling "why" behind performance management.
- 2 Link performance management outcomes to key organisational challenges, like retention or engagement.
- 3 Motivate line managers by highlighting how continuous feedback can reduce the need for time-consuming corrective action later on.



2. Clarify “What’s” In It For Me?

Purpose: To ensure both managers and employees understand the benefits of a continuous performance process.

It's essential to communicate the personal benefits of continuous performance management. For managers, regular feedback can simplify performance tracking and make management tasks less burdensome. For employees, ongoing feedback provides a clearer path for development and career advancement.

Key Points:

- 1 Emphasise personal and professional growth benefits for employees.
- 2 Highlight the management benefits of reduced attrition and underperformance.
- 3 Create a culture where employees are empowered to take ownership of their development.

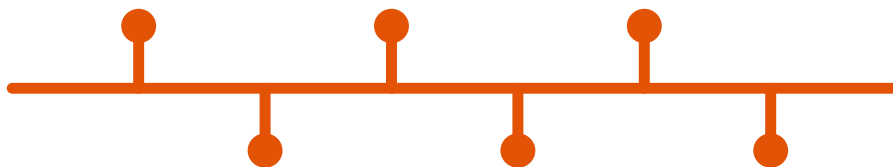


3. Set Clear Expectations and Timelines

Purpose: To establish a well-defined and consistent process that everyone understands.

Clarity around performance expectations and timelines is crucial. A common pitfall of performance management is vagueness around objectives and frequency of reviews. Organisations should define the annual process, whether it includes quarterly, monthly, or trimester-based checkpoints, ensuring it fits the organisational context.

Break down the performance review process into shorter, more meaningful performance conversations e.g. Objective setting; Development review; Values/Behaviours; Career aspirations. Rather than trying to achieve everything in one lengthy end of year conversation, it is far more effective to divide it up into 3 or 4 more succinct, focused conversations.



We have found that a four-point model works really effectively in most organisations (see diag 1) but this can be adapted to align with the natural cadence of your organisation cycle. For example a three touch point model can work well in education, if they work to 3 terms or semesters. The main thing is coming up with a clear timetable and model that works for you and enforcing it.



Key Points:

- 1 Define a clear timetable for performance reviews, tailored to the organisation's cycle.
- 2 Break down the performance review process into manageable, recurring conversations.
- 3 Set short-term and long-term goals that may vary in length but provide continual checkpoints for feedback and adjustment.

4. Empower Individuals and Managers

Purpose: To create a balanced, collaborative approach between managers and employees.

A successful performance management system should not be a one-sided, top-down process. We recommend empowering employees to take a proactive role in their performance management by scheduling one-on-one meetings and setting their objectives. Managers, meanwhile, should act as coaches, supporting employees in their career journeys.

Key Points:

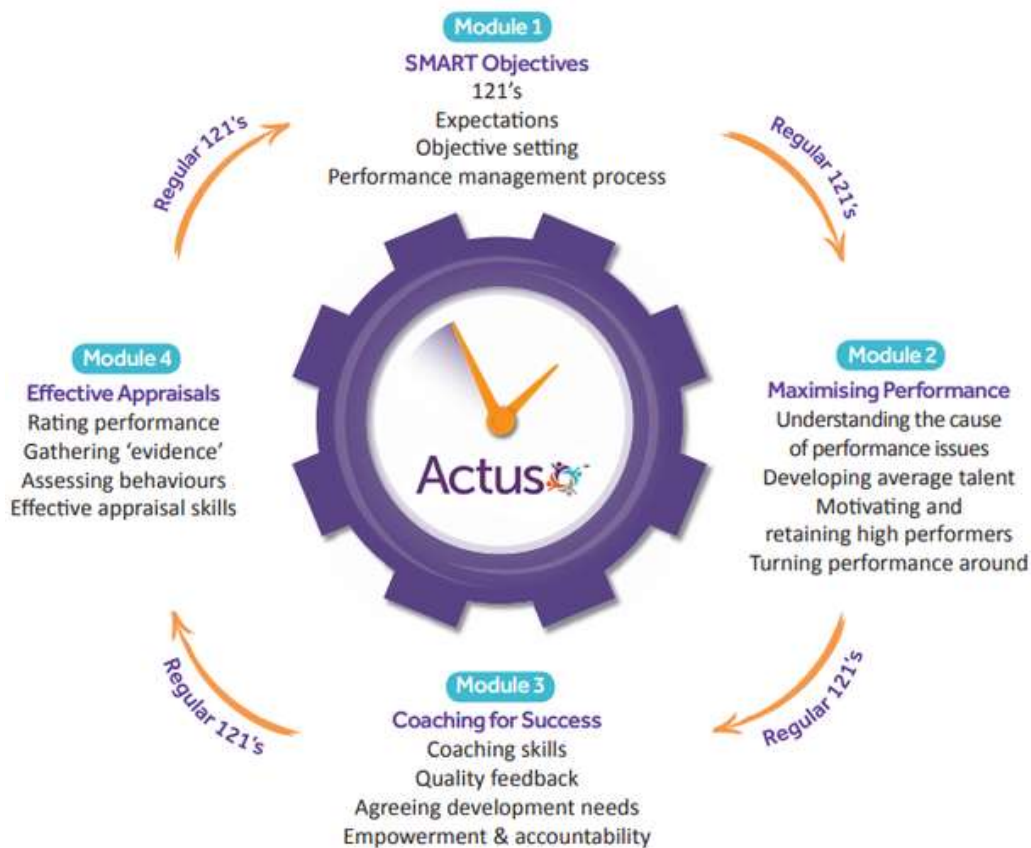
- 1 Encourage employees to take ownership of their performance and career progression.
- 2 Define clear roles for both managers and employees, fostering accountability.
- 3 Shift from a hierarchical approach to a partnership model where employees are more self-driven.



5. Provide Aligned Training and Support

Purpose: To create a balanced, collaborative approach between managers and employees.

A successful performance management system should not be a one-sided, top-down process. We recommend empowering employees to take a proactive role in their performance management by scheduling one-on-one meetings and setting their objectives. Managers, meanwhile, should act as coaches, supporting employees in their careers.



Actus Performance Management Cycle: A structured approach to driving employee performance and engagement through four key modules – SMART Objectives, Maximising Performance, Coaching for Success, and Effective Appraisals. Regular one-to-one sessions support ongoing development, feedback, and alignment with organisational goals.

Key Points:

- 1** Offer training sessions that align with the performance management cycle (e.g., goal-setting workshops at the start of the year).
- 2** Encourage skills development for managers on coaching, feedback delivery, and setting objectives.
- 3** Reinforce the process and quality by providing timely training that relates directly to upcoming performance activities.



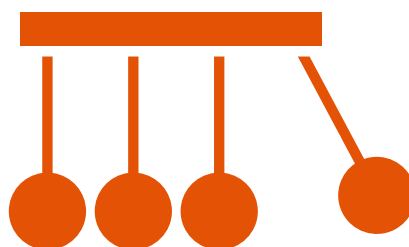
6. Ensure Follow-Through Consequences

Purpose: To reinforce the performance management process by ensuring accountability and celebrating adherence.

Establishing consequences for compliance with the performance management process is essential. We advocate for positive reinforcement for employees and managers who engage fully, such as recognition in succession planning or access to development opportunities. For those who don't, there should be accountability measures that ensure they are consistently following through on the process.

Key Points:

- 1 Track completion of performance management activities and follow up with employees and managers as needed.
- 2 Recognise individuals who consistently participate, rewarding them with developmental opportunities.
- 3 Address non-compliance in a constructive way, ensuring that the process remains consistent across the organisation.



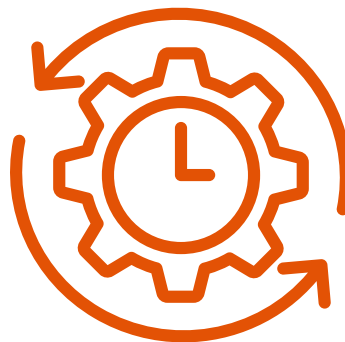
The Continuous Performance Management Cycle

We recommend structuring the continuous performance process around a yearly cycle that includes goal setting, regular feedback, development discussions, mid-year appraisals, and end-of-year reviews. Each conversation should be focused, brief, and tied to a specific purpose.

Sample Cycle:

- Q1: Goal setting and alignment.
- Q2: Development needs and skill assessments.
- Q3: Career aspirations and progression opportunities.
- Q4: Year-end appraisal and goal recalibration.

This structured cycle not only breaks down the workload into manageable chunks but also helps employees and managers build productive habits around feedback and development.



Conclusion

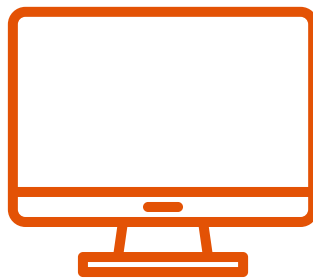
Adopting a continuous performance management approach requires clear strategic alignment, proactive role ownership, and ongoing support through training and structured timelines. By following these six steps, organisations can build a robust framework that not only enhances engagement and retention but also promotes a culture of agility and growth. This approach reduces management burdens in the long run and helps employees feel more supported and connected to their organisational roles.

For further resources and tools on implementing continuous performance management, visit [HR Uprising](#) or the [Actus website](#), where additional guides and templates are available.

Further Support

Our mission at Actus is to help build a better workplace for people. We achieve this through great performance and talent management software, a variety of [learning solutions](#), the [HR Uprising Podcast](#), and [free thought leadership resources](#).

To find out how Actus Software can support your talent management strategy, contact us at info@actus.co.uk.



References:

For more on evidence based performance management behaviours you can download our research review “What really works in performance management”.

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