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Summary report

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Strengths-based
performance
conversations:
an organisational
field trial



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Strengths-based performance conversations: an organisational field trial

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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.'

1 Overview

‘One particular area where there is growing interest but a lack of evidence is the strengths-based approach to performance management.’

Performance management has received a great deal of attention over recent years, including debates on what some believe are radical changes. For example, a view that is common in some quarters is that established approaches, such as annual appraisals, are irrelevant and ineffective and should be replaced by more regular coaching-style conversations (Cappelli and Tavis 2016, Kinley 2016). Our report, *Could Do Better?* (Gifford 2016a), discusses this and other changes and reviews the best available evidence (for example, from randomised trials and meta-analyses) on what works.

Strengths-based performance conversations

One particular area where there is growing interest but a lack of evidence is the strengths-based approach to performance management. This is based on the theory and practice of ‘appreciative inquiry’ (Cooperrider and Srivastva 1987), which suggests that people’s greatest opportunity for improvement comes from understanding and building on their strengths, rather than fixing their weaknesses. It is thus presented as a way to help employees develop and improve their effectiveness and performance.

In the strengths-based approach, managers adopt a coaching style in conversing with their employees and use questions and language such as in the following example:

‘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)

This marks a big shift in mindset for many if not most of us. Our default mode of thought when looking for improvements is often deficit oriented – we hone in on what’s gone wrong and consider how we can avoid that in the future. There will always be cases where it’s imperative to do this, but a strengths-based approach aims to ensure that the norm in regular performance conversations is to reflect instead on what worked well, why, and how this can be replicated.

The current study

Our evidence review (Gifford 2016a) found just one robust study on the impact of the strengths-based approach to performance management, a randomised controlled trial in a Canadian private sector organisation (Budworth et al 2015). The current research report presents further high-quality evidence on the strengths-based approach, but focuses on a UK public sector context.

Our study looks at two interventions, both designed to make performance conversations

more strengths based and effective. One was a discrete, one-off workshop to develop people manager capability in leading strengths-based conversations. The second, a more extensive and holistic intervention, included a similar workshop, plus additional training workshops, aligned changes in HR policy, supporting resources and wider communication.

The impacts of these interventions were tested through a robust field study, that is, a longitudinal trial with intervention (treatment) and control groups (no treatment) in a real-life organisational context.

Key findings

Most importantly, the study shows that as a result of the **one-off training intervention** for people managers, employees felt that one-to-one conversations were useful in **improving performance**. However, for employees to feel more supported in their **learning and development**, it seems that a **more extensive and holistic intervention** is necessary.

More specifically, we provide evidence that, as a whole, both interventions had positive impacts on:

- more frequent **personal conversations** between managers and their staff – for example, discussion of personal issues and career ambitions and non-job-related chat
- one-to-one conversations that were more effective in supporting **employee performance**.

We also have evidence that the more holistic and extensive intervention was necessary for positive impacts in the following areas:

- more frequent **performance conversations**
- one-to-one conversations that were more effective in supporting employees' **learning and development**.

Overall, these findings show clear benefits from developing a strengths-based approach to performance conversations.

They also suggest that, in contexts where HR leaders are not able to run wide-scale holistic or extensive change programmes, it is worth making a start with a more discrete, one-off approach of running capability-building workshops. Even a one-off workshop can offer meaningful change in the utility of performance conversations. Nonetheless, our findings also suggest that to effect wider change, a simple skills development workshop will not be enough and a more holistic and extensive approach will bring additional benefit.

Below we present more detailed summaries of our method and findings and discuss the implications of our findings for HR practice and research.

2 A field trial on strengths-based performance conversations

‘One particular area where there is growing interest but a lack of evidence is the strengths-based approach to performance management.’

This research centres on the nature and quality of performance conversations that take place between managers and their staff. Currently, there is little high-quality evidence on the efficacy of a strengths-based approach, other than in the private sector in Canada (Budworth et al 2015). Our study builds on this, applying the technique in a UK public sector context in three government bodies – **Her Majesty’s Revenue and Customs (HMRC)**, the **National Offender Management Service (NOMS, now called Her Majesty’s Prison and Probation Service, or HMPPS)** and the **Valuation Office Agency (VOA)**.

Interventions

The study contrasts two employee interventions. First, in HMRC and NOMS, we ran a discrete **half-day skills development workshop for people managers** on having strengths-based performance conversations. Second, in the VOA, we also observed a more extensive and holistic intervention that included similar capability development for line managers, plus **further support and guidance and an aligned change in HR policy** on performance management.

These differing contexts allow us to investigate whether a discrete, one-off capability-building intervention for line managers is enough to enhance performance conversations on its own, or whether an aligned holistic approach is necessary and the surrounding aspects of HR policy also need to be changed.

Research method

Our research started with a range of in-depth interviews and focus groups in the government bodies and with the Civil Service Employee Policy team. This gave us background and diagnostic information that informed our main research method, the workplace trial.

Research design

First, in HMRC and NOMS, we conducted a **group randomised trial** of the half-day workshop for people managers on strengths-based performance conversations. This involved randomly allocating geographically based units within each organisation (for example, different prisons in NOMS) to either the intervention group (in which all managers were asked to attend the training workshop) or the control group (no training) and comparing changes in measurement before and after the training took place.

Our sample contained 23 units in NOMS – including two London prisons, non-London prisons, probation service units and the central HR directorate – and 14 units in HMRC that included a range of functions, specialisms and job types, from call centre workers to specialist tax investigators. We randomly assigned units to treatment (meaning all managers were asked to attend the training) or control (no training). We randomised within strata to make sure we were comparing like with like (for example, allocating one London prison to intervention and one to control) and on the basis of geographical location to reduce the risk of a spill-over

effect from intervention to control (for example, intervention-group managers sharing training materials with control-group managers).

Second, in contrast to the group randomised trial, the whole of the VOA underwent the more extensive and holistic intervention. Thus, the approach here was to conduct a simple **before-and-after trial** with no control.

Measurements

Our core measurements come from two sources. In all three organisations we took baseline and post-intervention measurements through a bespoke online employee survey. We also drew on Civil Service People Survey data to add a historical element to our analysis. This strengthened the method further by establishing whether any change is clearly something new or a continuation of a pre-existing trend. Our analysis compared relevant measurements between the intervention and control groups, looking at the relative changes over time from pre-baseline (historical), to baseline (immediately before or at the start of the intervention) to post-intervention (a few months later).

We also complemented this core statistical analysis with other methods: we gathered participant feedback on the workshops on the day through a short paper questionnaire; we asked retrospective survey questions for managers who had completed

the training; and we ran post-intervention focus groups with a small selection of staff in HMRC and NOMS, which gave us insight into what worked well and why, as well as what could have made the interventions more effective.

There are some limitations of our measurements – in particular we have a small number of cases in the historical series and some low response rates in the survey used for the before-and-after analysis. These are discussed further in Appendix 1 (see separate report).

Strength of our method

Overall, we can consider that we have high-quality evidence and a much stronger indication of what actually makes a difference than is the case for most existing evaluations, whether ‘light touch’ or otherwise. For example, retrospective evaluations are open to substantial bias, because participants may not remember accurately what their experience or behaviour was beforehand, or their assessment of an intervention’s impact may be swayed by what they think they should see as a result.

Moreover, simple longitudinal studies are also open to bias. If they don’t have a randomly allocated control group, it is often very difficult to determine cause-and-effect relationships, as other changes can take place in the same time period that interfere with the impact.

Introducing a control overcomes these problems, as it allows assessment of both changes *over time* and relative changes *with and without the intervention*. In this way, assessing the ‘difference in differences’ gives us a much more reliable picture of the actual impact, as we are comparing changes for the intervention group with the ‘counterfactual’ – in other words, what would have happened without the intervention.

In short, our approach is highly appropriate for demonstrating cause and effect: the method gives us evidence not only that certain changes occurred in the few months following the intervention, but that these changes are a result of that intervention.

3 Main research findings

‘Employees in the intervention group were 9.1% more likely to agree with the statement “I receive regular feedback on my performance”.’

Our research provides high-quality evidence that a simple training intervention focused on building strengths instead of fixing weaknesses positively influences the performance conversations that take place between managers and their staff, in particular the impact that these conversations have on performance. However, we also find that a more holistic and extensive intervention – which includes wider communication, related changes in HR policy and set forms for guidance, as well as manager training – has additional impacts.

A summary of the theory of change and areas of evidence provided by the study is shown in Figure 1. This represents the impact chain that we expect to see from the intervention and our assumptions we make in how this impact chain works. The boxes coloured blue are areas on which we have good-quality evidence; the purple boxes are areas on which we have tentative evidence; and the light grey and white boxes are areas we do not evidence.

Relevance and quality of the workshop

Nine out of ten HMRC and NOMS managers saw the discrete intervention workshop on strengths-based conversations as relevant and high quality. Based on survey feedback on the day, the facilitated discussions were the most effective part of the workshop, as they gave the opportunity to grapple with how a strengths-based approach can be put into practice.

However, from focus groups a few months later, it was clear that some managers had struggled to find the time and energy to embed the learning and change their approach. Thus, a way of strengthening the workshop interventions may be to provide additional support to embed learning. This may include prompts, such as short forms to guide conversations that were introduced in the VOA, reminders of the key learning points, or one-to-one support through coaching or action learning.

Manager understanding

We do not have quantified assessments of changes in managers’ understanding of and attitudes towards performance conversations, but we have some insights on this from qualitative data. These show that, for some managers at least, the insights into a strengths-based approach were either novel or helpful reminders of approaches they already valued. It seems that helping managers apply strengths-based conversations in practice was an especially useful aspect of the intervention, as it is a balancing act that requires self-awareness and good judgement.

The frequency of performance conversations

Our analysis shows that the interventions had a substantial positive impact on whether employees receive **regular performance feedback**. The statistical tests show that employees in the intervention group were 9.1% more likely

Figure 1: Evidence for performance conversations theory of change

Colour coding:
 Tentative evidence provided
 High-quality evidence provided

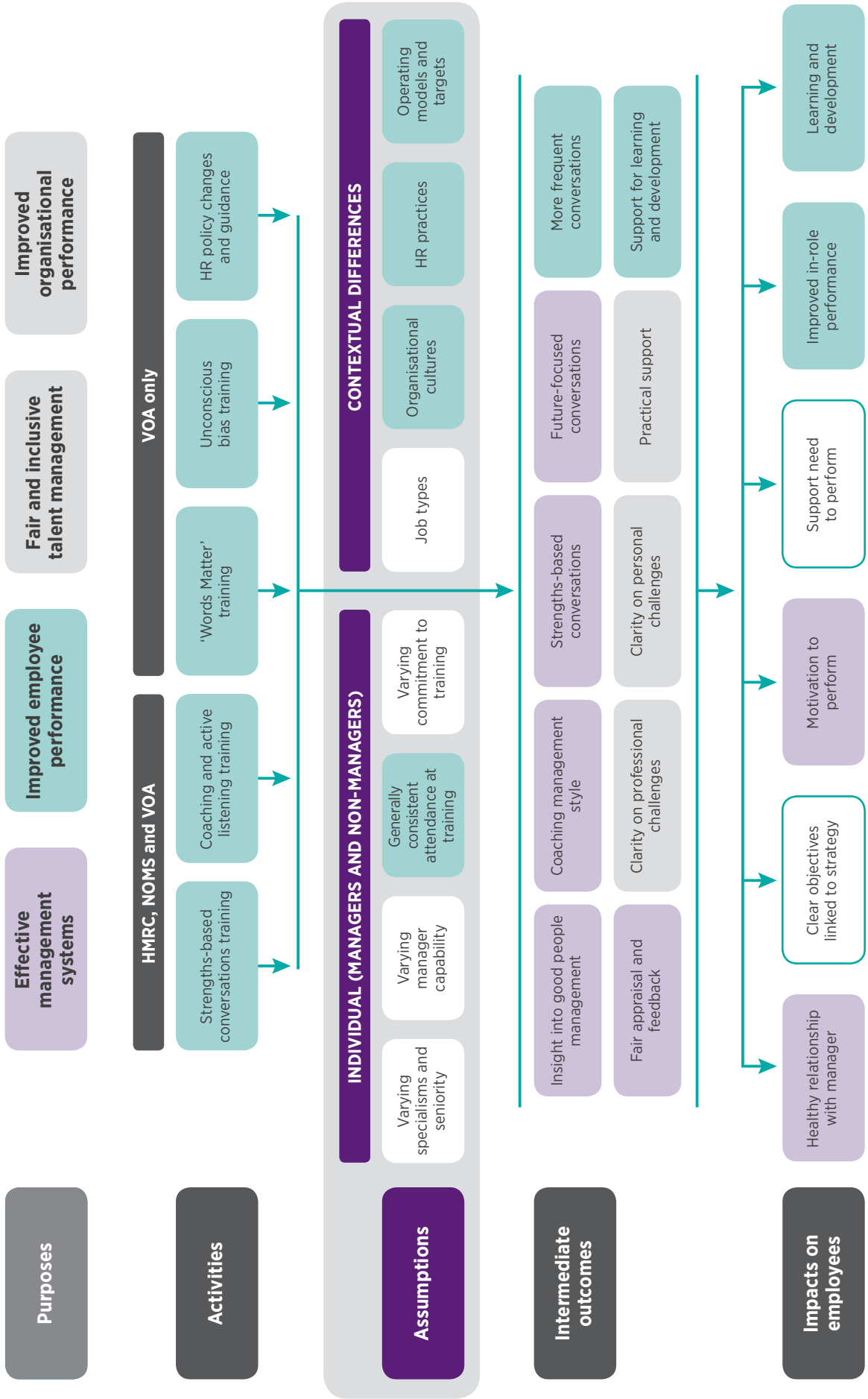
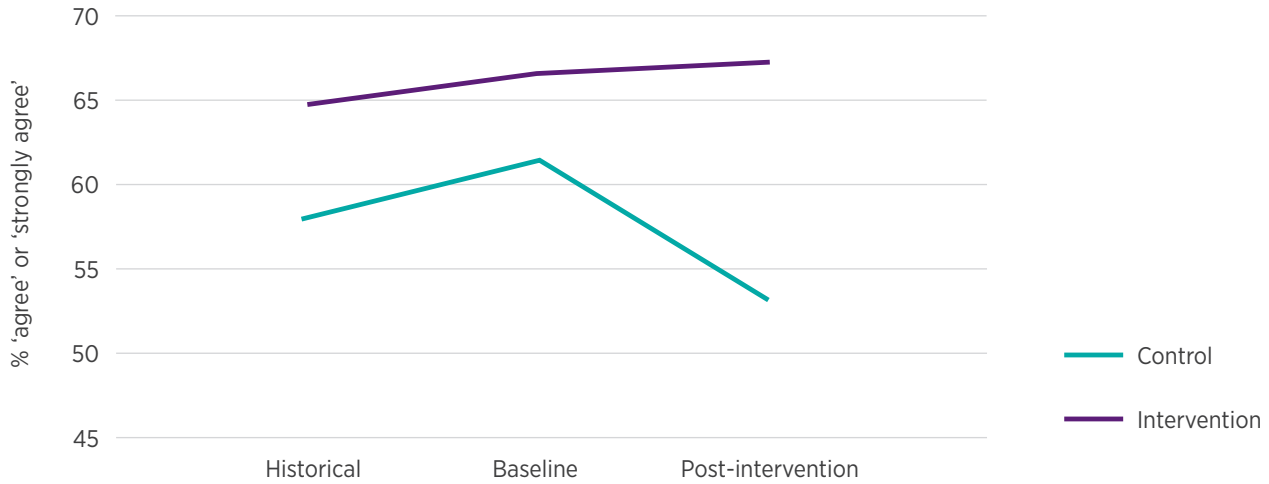


Figure 2: Intervention impact on regular performance conversations (all organisations, n=150)¹

I receive regular feedback on my performance

(mean % across units by wave)



to agree with the statement 'I receive regular feedback on my performance'. As can be seen in Figure 2, this was a new difference in the treatment group, not a continuation of a pre-existing trend, and in this case a result of avoiding a decline more than increasing the frequency per se.

More specifically, we see evidence of a range of different topics being discussed more often in one-to-one meetings. The various impact effects of these are shown in

Figure 3. In particular, these point to a more supportive environment: namely, we see large impacts on how often employees talked to their managers about **challenges in their personal lives** (an increase of 9.6 percentage points) and their **career or development ambitions** (17.4 percentage points).²

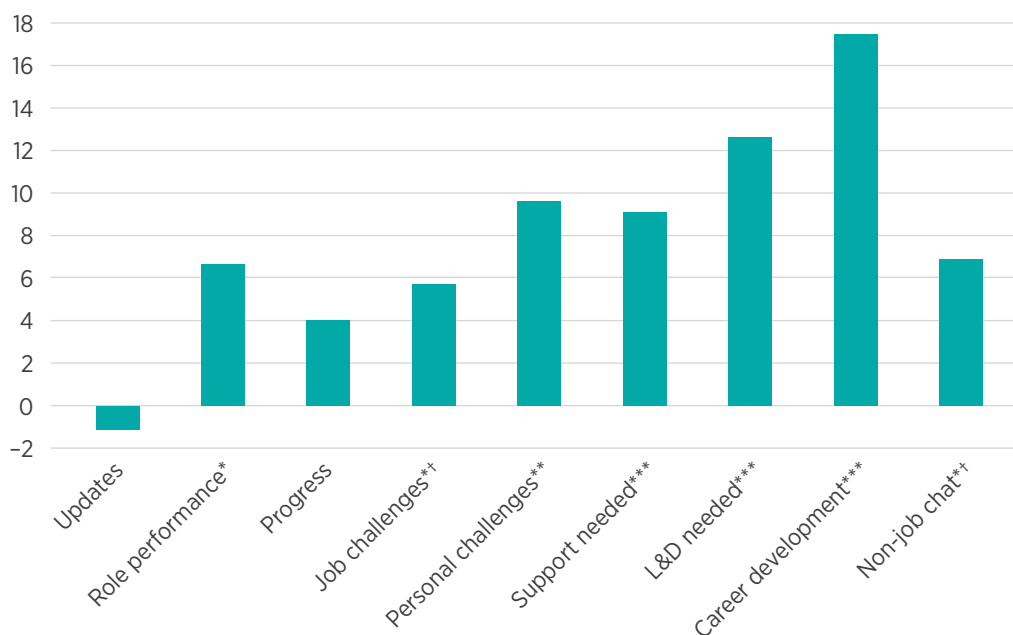
We also find evidence that other areas were discussed more often as a result of the more extensive and holistic VOA intervention. These include the **learning and**

development that employees need to perform in their roles (6.8 percentage points), **employees' performance in their job roles** (6.6 percentage points), **challenges they face in their work** (9.6 percentage points) and **how their managers can support them** (9.0 percentage points).

¹ 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.

² 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.

Figure 3: 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)³ (%)



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

We saw a moderate increase in the frequency of **non-job-related chat** between managers and their employees (6.8 percentage points). This was not a focus of the interventions, but the increase may be a sign of stronger line management relationships in general.

The nature of performance conversations

We have tentative evidence on **behaviour change or management style**, in the form of both retrospective self-reported data from line managers and qualitative findings. Both these sources suggest that, as a result of the

intervention workshop, some managers changed, or tried to change, their style, focusing more on helping staff **build strengths rather than fix weaknesses** (see Figure 4).

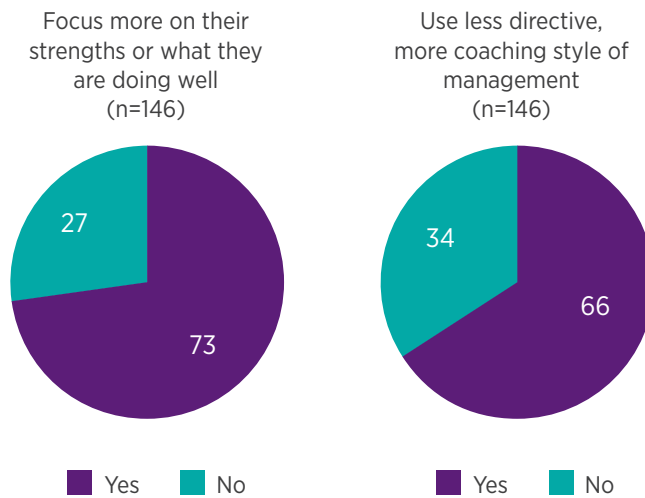
However, our trial does not give any statistically significant results on this: the changes that managers reported were not reflected in before-and-after changes in employee views. This difference in findings may be explained by the difference between intended and actual behaviour change: for example, managers might change their behaviour with some of their staff

some of the time, but not the majority of staff most of the time. Thus, it may be the case both that managers’ best intentions did not follow through into action as much as some of them might like to have thought, yet also that employees did not pick up on actual changes in their managers’ behaviour.

³ 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.

‘The most important finding from our trial is evidence of a positive impact on how useful employees believe performance conversations with their managers are.’

Figure 4: Manager views of the nature of conversations they had with their staff following the workshop (all organisations)⁴ (%)



In short, we have a missing link in the impact chain when it comes to high-quality evidence on manager behaviour change. However, we must bear in mind that we do have strong evidence that certain aspects of work and performance are discussed more frequently (see above) and that performance conversations are more effective (see below), suggesting a change in behaviour.

Employee performance and development

The most important finding from our trial is evidence of a positive impact on how useful employees believe performance conversations with their managers are. As shown in Figures 5 and 6, we find evidence of a large impact on whether performance conversations are seen

to help **learning and development** (9.7%) and a moderate impact on whether they are seen to contribute to **employee performance** (7.4%).

The impact on learning and development is driven more by the VOA intervention than the HMRC and NOMS workshops. In other words, while both interventions led to conversations that better supported employee performance, it seems that the more extensive and holistic intervention was necessary for an impact on employees’ learning and development.

⁴ Intervention group managers only, answering retrospective questions a few months after the training workshops.

Figure 5: Intervention impact on employee learning and development (all organisations, n=2,904)⁵

My meetings with my line manager help me learn and develop as a professional
(% agree or strongly agree)

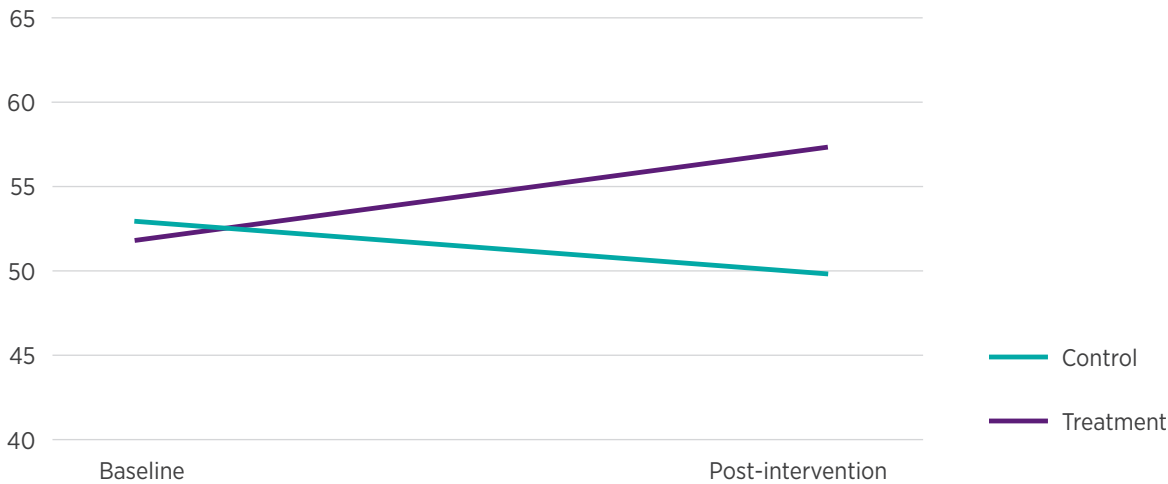
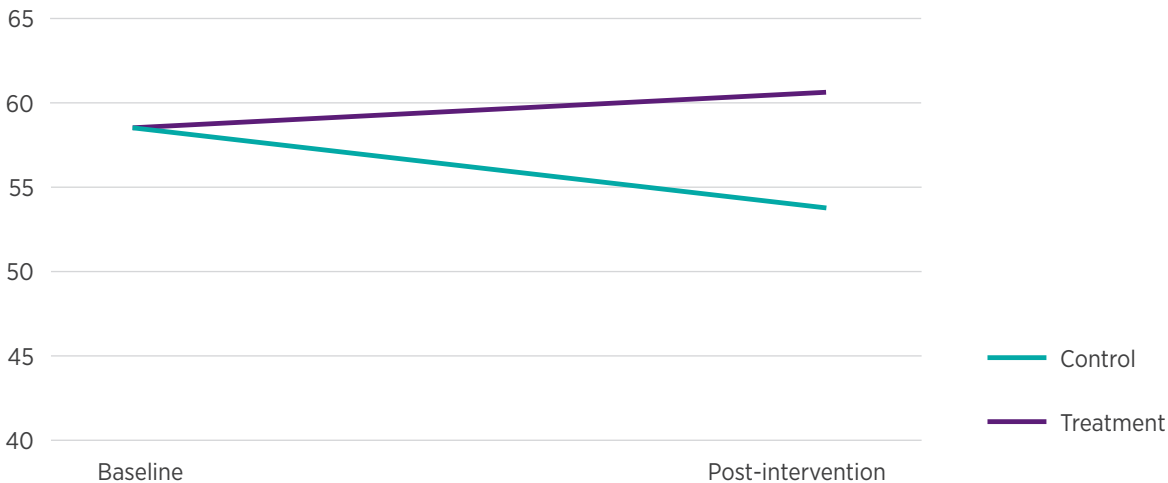


Figure 6: Intervention impact on employee performance (all organisations, n=2,904)

My meetings with my line manager help to improve my performance
(% agree or strongly agree)



⁵ 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.

4 Improvements to the interventions

‘Consciously doing things differently and creating new habits of behaviour can take time and energy, and it can be easy to revert to one’s old ways of working.’

From our comparison of the two interventions’ respective impacts, it’s clear that we can enhance the one-off skills development workshop for managers on strengths-based performance conversations.

First, on the basis of our trial, we can recommend the additional actions taken in the VOA, which include a simplified approach to objective setting, removing the guided distribution performance rating (this has since been done by HMRC too) and a short form to guide regular performance conversations. However, in adopting these, attention should be paid to organisational context. If the context is very different from the VOA, the same changes may not have the same effect.

Second, our focus group data suggests that the strengths-based workshop could be supported through further, follow-up sessions, perhaps repeating some of the exercises; or reminders of the content to further reinforce the workshop’s messages.

Ongoing support, reminders and prompts are particularly worth considering. In our focus groups, some managers had found it difficult to transfer lessons from the workshop into action. This could be because of work pressure making it hard to find the time for in-depth strengths-based conversations, or to create space for the reflection and persistence needed to embed learning and change behaviour. Consciously doing things differently and creating new habits of behaviour can take time and energy, and it can be easy to revert to one’s old ways of working.

5 Contribution to the body of knowledge

This study provides robust evidence on an under-researched area: the development and use of strengths-based performance conversations.

At a broad level, we can say that both types of intervention included in the study – a discrete capability-building workshop for line managers and a more holistic and extensive approach – can have sizable positive impacts on the nature of one-to-one conversations between managers and their staff.

This suggests that, in contexts where HR leaders are not able to run wide-scale holistic or extensive change programmes, it is worth making a start with a more discrete approach of running capability-building workshops.

However, there are some impacts that appear to be driven by the more extensive and holistic intervention, providing evidence that for certain areas, a simple skills development workshop for line managers will not be enough to effect significant change.

It is also worth noting which impacts seem to be driven by which interventions. On the one hand, both interventions drove more frequent conversations

about *personal issues* and *career ambitions*, and made one-to-one conversations more effective in supporting *employee performance*. On the other hand, the more extensive and holistic intervention appears to have driven more frequent *performance conversations* and made these conversations more effective in supporting employees' *learning and development*.

This gives us a slightly mixed picture with regard to the relative impacts of the two interventions on how often employee performance is discussed and how much it improves as a result of conversations. This may reflect the difficulty of separating some of these factors, or it may be that our current analysis has not been sensitive enough to detect further impacts.

What we can say with certainty is that while the discrete one-off skills development workshop had some impact, the more extensive and holistic intervention had a larger impact.

'...while the discrete one-off skills development workshop had some impact, the more extensive and holistic intervention had a larger impact.'

6 Further research

Further studies can usefully be carried out in this area: both on what makes performance conversations more effective in general; and more specifically on the strengths-based approach to performance management. This could include testing similar techniques in different organisational settings, or looking at the impacts on different outcomes, such as diversity and equality. For example, we can see that strengths-based performance conversations benefit employees and their performance, but do they benefit certain groups of employees in particular, such as minority groups, who have often been seen to fare less well than their counterparts in performance management and progression?

The strength of the current study lies in the main aspect of the research design, namely a group randomised trial that compares control and intervention groups before and after the interventions. We present further detail of our research method in Appendix 1, in part to illustrate how such an

approach can be conducted in workplace settings.

Conducting robust trials in ‘real-world’ contexts is an important aspect of how the HR and people development profession can engage with research, become more evidence based and ultimately make better decisions. We would encourage employers to work together with academic researchers to conduct more such trials, both to inform practices in their specific contexts and to contribute to the wider body of knowledge.

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