

Making Performance the Conversation at Newcastle Building Society



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*Cheryl Heslewood,
Newcastle Building
Society*

Newcastle Building Society's performance review had been typical of many a large organisation: a paper-based, once-a-year, process-driven, backward-focused activity. The result was a single, cumbersome, manager-led performance review meeting that generated a single performance rating validated through manager feedback.

Unsurprisingly, feedback on the process from managers and team members was not positive. It was perceived as an administrative burden and entirely disconnected with improving engagement with, and achievement of, goals.

This needed to change.

Cheryl Heslewood, Strategic People Partner at Newcastle Building Society comments: "As a business, we are focused on driving growth. Each colleague has a role to play and a contribution to make. We want them to take ownership of and steer their own performance and determine the impact they are making on the business. We know that the check-ins and conversations between a manager and a team member are crucial to progress, and it was time to rethink how these could be best facilitated."

Translating best practice into tangible action

The starting point was to understand current best practice with regard to performance conversations and to learn from the implementations of others. The team at Newcastle Building Society invited an external consultant to help shape a new, empowering and coaching-based approach.

Cheryl explains: "Getting external advice was invaluable to us and we combined this with our own feedback from the consultation across the business. We knew performance management had moved on and buy-in to any new approach was crucial. We wanted to make sure that how we designed the process was exactly as the managers and colleagues wanted it to be, while still embracing what we knew as a business we needed. It was a hugely collaborative exercise for us."

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This regular check-in is a significant shift in the firm’s thinking – moving away from the check-box exercise of an annual meeting. Cheryl explains: *“The focus is very much on making sure these conversations take place, are future-focused, action-oriented and centred on how the individual can make their own contribution. This approach is in line with our central message: our people are empowered to manage their own performance and that the manager’s role is one of coach.”*

Collecting feedback and getting buy-in

To shape the new process, the talent team at Newcastle Building Society hosted and facilitated focus groups, carried out individual interviews, gained feedback and tested ideas. For Cheryl, it was a valuable opportunity to get feedback from every function and from each level of the business, from managers and non-managers, and to test out how the process needed to work.

To maximise the value of each conversation, the team wanted a readily accessible online tool for all 1,300 colleagues (regardless of how and where they work) that could capture and record actions, decisions, and progress.

No off-the-shelf tool – or even one marketed as customisable – would deliver what Newcastle Building Society needed. The performance tool they would choose needed to have the capability of configuration to the very specific process needs of the team. Talent Performance was selected.

Configuring the system for the firm

Talent Performance is one of the most configurable talent systems on the market. The team at Newcastle Building Society had a very clear vision of how they wanted it to support their approach.

Head Light was able to build on the already-established core functionality and extend and configure this to deliver precisely the portal that Newcastle Building Society required. Cheryl comments: *“We challenged Head Light to deliver our vision. They delivered what we needed – and it works.”*

The firm has an incumbent HRIS and wanted to ensure that its performance module could seamlessly integrate with this. As an additional piece of work, Cheryl explains that *“Head Light took ownership of this integration. They understood what was needed, talked directly with our HRIS supplier and drove the implementation through to completion.”*



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Meeting the needs of all colleagues – regardless of how and where they work

The team invested in the roll-out with road shows, drop-ins and a strong comms campaign. Business leaders bought into the new approach and took on the mantle of making sure they worked with each team member. It was crucial for the success of the new approach to performance conversations that the system could support office-based colleagues and those based across the branch network.

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When the global COVID-19 pandemic forced some colleagues to work remotely, Talent Performance ensured that performance conversations could continue. Cheryl adds: *“The capabilities of our online performance portal came into their own. Team leaders were still able to drop into the system and record progress against objectives, using the system to support performance conversations. They had the tool to do this – and to maintain connection.”*

Cheryl and the team worked closely with Head Light throughout the initial implementation and beyond. At the outset, the system needed configuring – and some adaptation needed to be made – in order to deliver the precise workflow process that Newcastle Building Society desired.

Cheryl comments: *“There were challenges – but Head Light embraced these and worked through each, finding a way forward for us. Each member of the Head Light team played their part. From the support of the Customer Success Manager who answered each and every question with patience and in-depth knowledge, to the help desk team who are quick to respond. We are really happy with the ongoing day-to-day support we receive.”*

Making conversations strategic and aligned with the business

The updated performance cycle includes a minimum of a once-a-month conversation between manager and colleague. This is the ‘Check-in’. Rather than looking back at past performance, which is often the hallmark of an outdated performance management approach, these conversations focus on the here and now for 80% and adopt a future focus for 20% of the time.

This ratio gets switched three times a year when the firm’s Big Picture Conversations take place. Eighty percent of a Big Picture Conversation focuses forward with approximately 20% acknowledging and celebrating what has been achieved and delivered. Cheryl explains that these conversations focus less on the immediate actions but take a more strategic view of how the individual can contribute to the organisation’s success in each of the seven core business areas defined by the senior leadership team. These areas or questions are common to everyone and include those topics known to be critical to business success, such as community, customer service and innovation.



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Cheryl comments: *“The three Big Picture Conversations that take place through the year are the opportunity to focus on these strategy-linked areas and for each colleague to consider how they can define and develop their own deliverables to implement success.”*

Cheryl explains the importance of these, saying: *“When each of us recognises the organisational strategy and the priorities for our own function or department, we can look with greater understanding at our role and contribution. These are the times when we think about and discuss our development journey and the actions we need to take. In short, our performance conversations are translating business strategy into individual contributions.”*

Retaining the annual ratings and rooting them in wider feedback

Not everything about the performance cycle changed. The annual ratings stayed and the general timetable remained; however, a new level of agility is now baked in.

The firm retained, but updated, its performance ratings approach, separating this out from the on-going performance conversations and feeding into its performance-related pay structure. Cheryl comments: *“Our focus is on gathering enriched feedback – not only from the manager but from an individual’s peers. It is gathered, in part, through the Talent Performance system, focusing on experiential feedback backed up with evidence and narrative.”*

Success: conversations taking place

Over one year on from initial implementation and a real shift can be seen.

Success for Cheryl is defined not only by performance conversations taking place but are adopting a whole new lease of life right across the firm. Cheryl explains: *“Conversations are more frequent. There’s a strong focus on what action needs to be taken and we have put the ownership of success firmly in the hands of each team member.”*

For Cheryl and the team, it is essential that the conversations taking place are built into regular practice before exploring the next talent steps. After all, this is how sustainable change happens.

Cheryl comments: *“We are on a journey of maturity from a talent perspective. We want to see how we can link these performance conversations with broader talent and development plans. However, we needed to begin with making sure the conversations are taking place and are well-supported.”*

“Our new approach to on-going performance conversations is working and Talent Performance is the tool that is supporting this. Our people welcome the seemingly simplistic system and its uncomplicated approach. Without it, there would be no easy-to-access record of goals, no place for individuals to update their actions or ask for feedback. Talent Performance is helping our people to focus on their performance conversations, empower them to take action and understand how their contribution is changing our business,” Cheryl concludes.

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