



# THE CONVERSATION GAP

Using dialogue to build trust and inspire performance

Complimentary extract

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In every group of ten talented employees, on average four of them have an issue they wish to discuss with their manager, but feel unable to do so. This latest Ci research reveals the issues they wish they could discuss, how you can help close this 'conversation gap' and the benefits you'll gain as a result.

Complimentary extract from The Conversation Gap

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\* Chapter 3 onwards are available in the printed report available from [www.careerinnovation.com](http://www.careerinnovation.com)

### ABOUT THIS REPORT

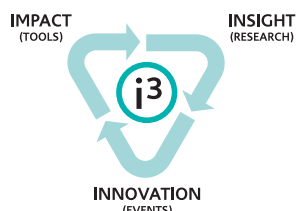
The Conversation Gap has been prepared for the Ci Group as a summary of the research phase of the 2004 Inspiring Performance programme. This substantial extract is provided free of charge, with compliments from all the member companies in the Ci Group. If you find it useful, please pass it on.

The Ci member companies include The Boeing Company, BT Group, Deloitte, Freshfields Bruckhaus Deringer, GlaxoSmithKline, Marriott International, Oxfam, PricewaterhouseCoopers, Toyota, UBS and Unilever.

Copies of the printed report (including chapters 3 onwards plus video interviews on CD ROM) are available from [www.careerinnovation.com](http://www.careerinnovation.com).

### ABOUT THE Ci GROUP

The Career Innovation Group is an alliance of global organisations whose goal is to be seen as 'inspiring companies'. Supported by a team of researchers, facilitators and coaches they jointly fund research, share experience at innovation events, and develop high-impact tools that support organisational change and promote 'Career Partnerships'.



## INTRODUCTION – WELCOME TO THE INVISIBLE BUSINESS

In a very real sense, a business is the sum of a thousand everyday conversations

*Not every aspect of business is visible, or appears in the annual report. Dialogue is one example. It is the place where work gets done. It is the place where objectives are set, feedback is given, problems are resolved, praise is received, support is offered, and where trust and relationships are maintained or restored.*

Through dialogue, a company's brand comes to life. It is therefore, arguably, one of the most important and least visible business processes that exist in any organisation. This is especially significant in companies that are more networked, dynamic and responsive than ever before. In a very real sense, a business is the sum of a thousand everyday conversations.

Yet somehow this self-evident truth becomes lost in the operational fog of managing a large, complex organisation. We tend to focus on processes and structures that we can more easily see and control, rather than on the quality of our conversations.

A prime example of this within companies is the annual appraisal and development process. Described to us by one manager as a 'bureaucratic nightmare', organisations have yet to find an alternative to this formal process as their central tool for leaders to inspire performance.

In 2004 the Ci Group set out to measure, understand and encourage effective conversations about trust, performance, development and success at work. We focused mainly on the conversations – both formal and informal – that people have about their own work.

Through an international web-based survey, supported by focus groups and individual interviews amongst high-flyers in six companies, we asked: What makes the best conversations so effective? Who is involved? What is the impact of formal conversations like appraisals or formal coaching? The result is a picture of a dimension of business that is normally invisible.

The goal of The Conversation Gap is to equip leaders and team members to agree a balanced, high-performing Career Partnership that will achieve sustainable success.

*Welcome to the invisible business of conversation.*



## 1. MAPPING CONVERSATIONS ABOUT WORK

The conversation validated that I am making a difference, and encouraged me to 'keep up the good fight', despite challenges that sometimes seem almost insurmountable

*First the good news: In these leading organisations, conversations are plentiful and effective. Nearly a quarter (23%) of respondents reported a significant and valuable conversation in the last 12 months on all 12 topics listed in the survey, and just 4% said they had no significant conversations.*

In particular, managers are doing a good job. Despite the changing shape of workplace relationships (eg. project-based working, virtual teams, matrix management) it is 'my manager' who remains the focus of most dialogue.

### (A) MY MANAGER (4868)

Feedback on performance (648)  
Clarity about what expected (531)  
Setting objectives for the future (489)

### (B) WORK COLLEAGUES (2345)

Feedback on performance (344)  
Quality of work relationships (285)  
How you feel about your work (282)

### (C) FAMILY & FRIENDS (2138)

Work-life balance (339)  
How you feel about your work (324)  
Future career opportunities outside this organisation (224)

### (D) OTHER MANAGERS (1278)

Future direction of the organisation (184)  
Feedback on performance (156)  
Quality of work relationships (126)

### (E) HR MANAGER (916)

Feedback on performance (113)  
Future career opportunities inside this organisation (98)  
Your development for the future (97)

### (F) INTERNAL MENTOR/COACH (735)

Your development for the future (86)  
Feedback on performance (82)  
Future career opportunities inside this organisation (80)

### (G) CUSTOMER (INTERNAL OR EXTERNAL) (452)

Feedback on performance (114)  
Quality of work relationships (62)  
Clarity about what is expected of you (58)

### (H) EXTERNAL MENTOR/COACH (446)

Individual strengths and weaknesses (59)  
Your development for the future (48)  
Future career opportunities outside this organisation (47)

### (I) SPECIALIST ADVISERS (306)

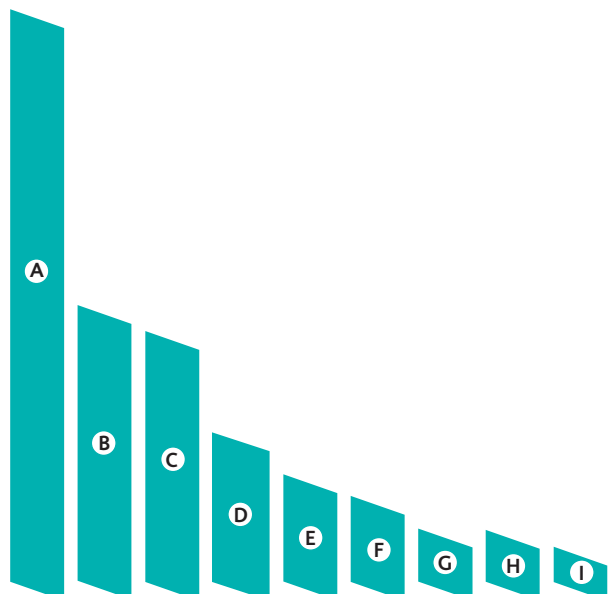
Future career opportunities outside this organisation (64)  
Individual strengths and weaknesses (39)  
Your development for the future (31)

On average, people reported valuable conversations with their manager on six of the twelve topics. Next in line are work colleagues and friends & family, each with 3 topics.

It is worth noting the overwhelming dominance of conversations with managers. For ten out of the twelve topics, managers are the people talked to most frequently. To illustrate how others are involved, Figure 1 shows the people (roles) listed in the Ci survey and the top three topics on which each one has been a partner for a 'significant and valuable' conversation.

**FIGURE 1 – MAPPING HIGH IMPACT CONVERSATIONS ABOUT WORK**

Numbers in brackets and in bold are number of times this person is mentioned for any topic. Other numbers in brackets are number of times this person is mentioned for this topic.



## 2. THE CONVERSATION GAP

The size and nature of this 'conversation gap' could be one of the most significant indicators of the health of any team or organisation

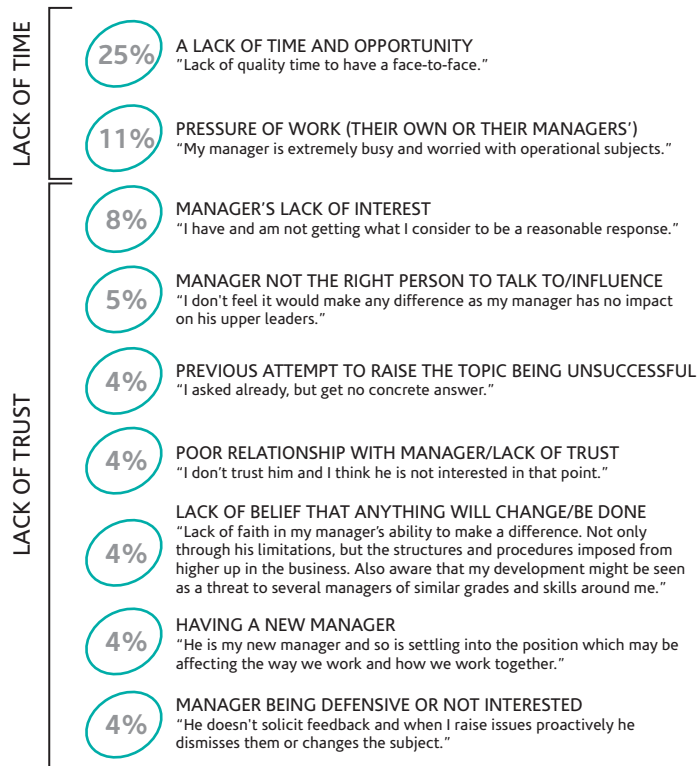
*Although people reported plentiful conversations over the past year, the Ci research identified a significant problem. Four in every ten respondents said they still have a topic they would like to raise with their manager, but are not doing so. We have called this the 'conversation gap'.*

A close look at the data reveals the huge impact of this gap. People with a topic to raise are less satisfied, less engaged and much more likely to be planning to leave. The issues that people want to discuss are individual and varied (Fig.2), but there is a recurring theme through the research: Future-focused and development-focused conversations are being squeezed out by a 'lack of quality time' (Fig.3), and the long-term invisible impact is substantial.

**FIGURE 2 – MISSING CONVERSATIONS**  
Is there any topic you would like to raise with your manager at this time?



**FIGURE 3 – CONVERSATION STOPPERS**  
**What's stopping you from raising this with your manager?**



It is not reasonable to rely on a single formal process at a fixed time to close the conversation gap

**HIGH-IMPACT CONVERSATIONS**

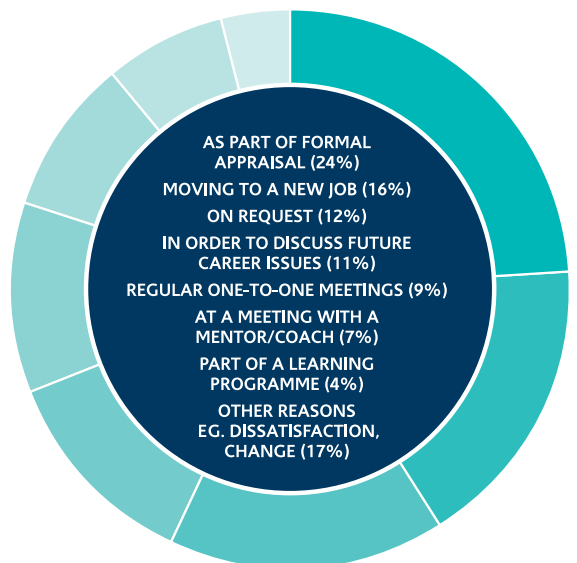
The research asked people to identify the conversation in the past twelve months that had highest impact on them, and why the conversation took place.

It emerged that 72% of performance-related conversations took place in formal settings (53% during appraisal), whereas less than half of development-related conversations (48%) took place in formal settings (Fig.4).

There are many different contexts for high-impact development conversations, and many of them prompted by specific career events such as a job move.

This indicates that while it may be reasonable to use a formal process for recording learning or documenting development plans, it is not reasonable to rely on a single formal process at a fixed time to close the conversation gap.

**FIGURE 4 – WHAT PROMPTS HIGH-IMPACT DEVELOPMENT CONVERSATIONS?**



# The conversation gap is associated with a threefold increase in leaving intention

*The effect of the conversation gap is dramatic. Those with a topic to discuss with their manager are nearly three times as likely to be planning to leave their present employer (17% vs 6% actively intend to leave in the next twelve months). Levels of satisfaction and engagement are also linked to the conversation gap. Bearing in mind that this research took place amongst selected high-performers, this result is even more significant.*

The positive impact of good conversations is equally impressive. Satisfaction and engagement are both strongly impacted. Conversations make people feel motivated in their work (19%), clearer about their work and career objectives (17%), more self-aware (16%) and generally feel reassured and valued (10%).

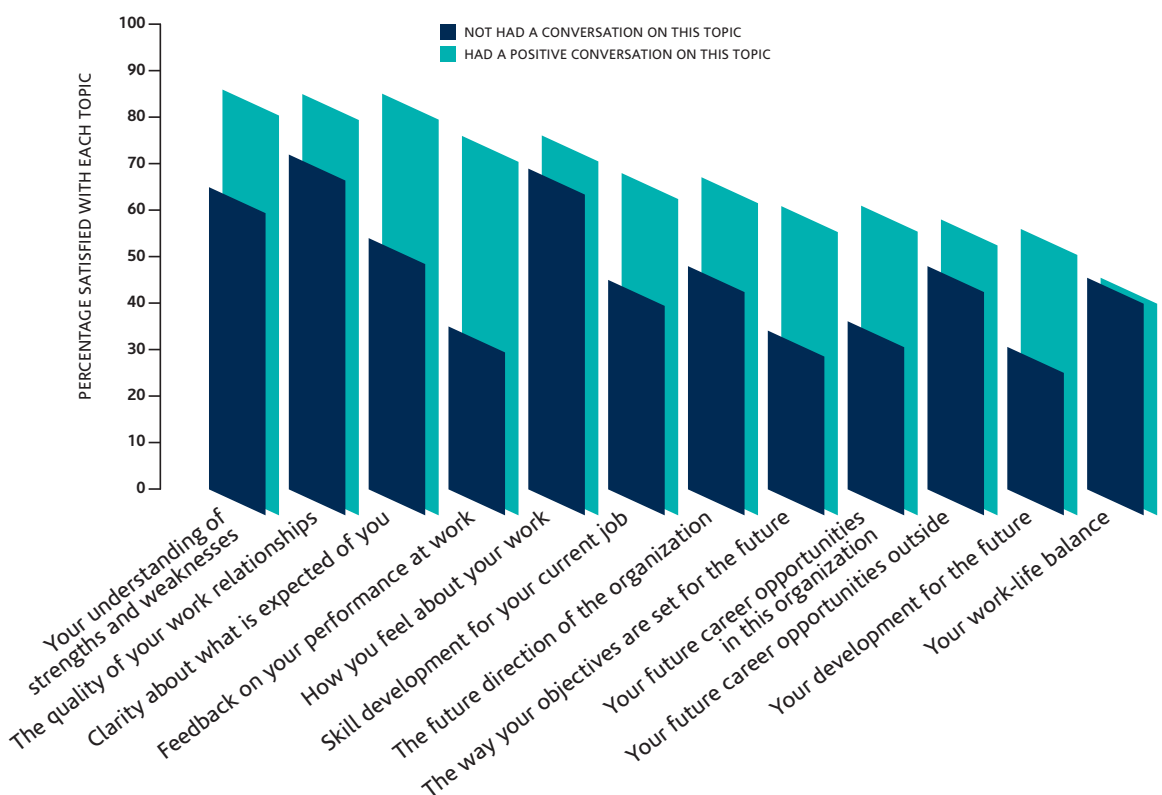
“For me, receiving feedback makes me stop and assess myself. Instead of careering off in the wrong direction or doing well but not understanding what it is that makes me do well. Feedback makes me think about the whats, the whys and the hows.”

Figure 5 shows the difference in satisfaction levels for people who have had a valuable conversation on each topic. It shows the positive effect of conversations that give ‘clarity...’ and ‘feedback...’, in improving people’s satisfaction with these issues. In particular, feedback on performance at work has the greatest impact.

Intriguingly, Figure 5 also shows the topics – especially work-life balance – that are not so strongly impacted even by ‘significant and valuable’ conversations. This may be partly because these conversations are often with people who have little power to change the situation, such as family and friends. Work-life balance may be easy to talk about, but it is hard to resolve.

Work-life balance may be easy to talk about, but it is hard to resolve

FIGURE 5 – IMPACT OF CONVERSATIONS ON SATISFACTION





It is also worth noting that, overall, people were more satisfied with performance-related aspects of their work, and much less satisfied with their development. Figure 6 shows the top four items for satisfaction and the worst for dissatisfaction amongst all respondents (whether or not they reported a valuable conversation).

FIGURE 6 – HIGHEST AND LOWEST SATISFACTION

BEST 4 - % SATISFIED	
The quality of your work relationships	(81%)
Your understanding of strengths and weaknesses	(80%)
The clarity of what's expected of you	(74%)
How you feel about your work	(74%)

WORST 4 - % DISSATISFIED	
Your work-life balance	(28%)
Your development for the future	(24%)
The way your objectives are set for the future	(21%)
Your future career opportunities in this organisation	(20%)

This raises an intriguing question about the nature of conversations about performance. If so many people are receiving feedback on their performance, and 80% are satisfied with the understanding of their strengths and weaknesses, why is this so difficult to translate into good development? After all, this kind of feedback and self-awareness is the essential foundation for development.

It seems that many performance conversations are backward-looking – as a record of achievement and often for the purpose of performance-related pay – rather than guiding plans for development. There is an inherent tension between these two types of conversation.

To close the conversation gap, conversations are needed that look forward to the future of the business, the future of the team, and the development that's needed to reach shared goals. We would argue that – for most people in complex jobs that require great autonomy and internal motivation – these future-focused conversations could have greater impact on motivation and performance than all the energy put into performance-related pay.





## INSPIRING PERFORMANCE AT TECHJUMP CORPORATION

A composite story drawn from Ci research interviews

Simon and Poonam worked together for four years at Industro Corporation, a global diversified manufacturing company. Poonam left two years ago to become head of product engineering at Techjump Group – a major step forward in her career. Simon is a senior design engineer at Industro. He is one of the most experienced and productive technical people in the unit. His performance is rock solid and he is proud of his work and gets on well with his colleagues. They are meeting for lunch at Simon's suggestion.

### As lunch arrives, Simon is relieved at the chance to open up to a trusted friend:

*“Whew... You know I’m beginning to wonder about this place Poonam... I’ve been here almost ten years but I’m not sure I can keep up this pace of work. And I don’t seem to ever have any time to learn new things unless they’re dumped on me when someone’s made redundant. Heaven knows my boss has been good to me and is a great person but she doesn’t seem seriously capable of doing anything about it.*

*Why do I think she’s good? Well I’m satisfied with the feedback she gives me on my performance, and my objectives are pretty clear. She is very constructive about helping me to handle some of the tough political problems, like the head-to-head battles we’ve been having with manufacturing over quality issues. But we never seem to talk about the future beyond the end of the quarter. There’s never any time. Her travel schedule is brutal and the pressure to get the next product release out the door overwhelms her. It’s always, ‘you’ll have to wait until next quarter’. I sometimes think she’s afraid to talk about the next quarter because she has no idea either. So I’ve stopped trying to ask.*

*The problem is, I want to know what paths and opportunities are open to me in this company to take a real step up in my responsibilities. Do they expect me to stay in this job forever or am I going to get a shot at something new? I worry that this industry and the engineering profession is changing faster than anyone appreciates. One of our biggest competitors just opened an advanced engineering centre in China. Will Industro do the same and will I lose my job if it does? I have no idea. Anyway, if they can’t show me some ways to move and grow then I’m going to start looking on the outside for another position that will give me the learning I’m not getting here. Poonam, any chance you can put in a good word for me with the some of the right people at Techjump?”*

### Later that day, Poonam muses about her lunch with Simon on the train home...

*“Poor Simon. I knew he wasn’t thrilled with Industro but I had no idea how desperate he is. What’s the matter with that company, anyway? Don’t they realise they are going to lose him and the rest of their best engineers if they don’t start paying attention to their future? Boy, I’m sure glad I left that company when I did. Our business is just as competitive as theirs and the short term pressures for performance are certainly no less. But our management team ‘gets it’. Somehow everything seems better planned, less reactive. For example my development is a real part of the formal process with my manager Steve. He does a good job of preparing for it, not just filling out forms and going through the motions, but really focusing on me and my future development and success – both in this organisation or outside of it. It’s true he has to postpone occasionally. But he always makes five minutes to explain. And in fact, some of the most helpful conversations have been at the airport, waiting for a flight.*

*I’m glad he is honest and constructive with his appraisals of my strengths and weaknesses. I sometimes think my problem in the past has been trying to be something I’m not. Steve has shown me that it is better for me to play to my strengths and pursue a development path that maximises them. Now, I never miss an opportunity to lobby for project assignments that allow me to apply my skills fully but also stretch on things I need to be better at. He doesn’t want to lose me from his team, but seems unafraid of letting me explore my career by talking with other people in the company. Another difference in this company is the role that HR plays. They are not paper pushers or process police. They really add some value to the mix. They’ve helped Steve to become a better coach. And they have shown me how to develop a mentoring network inside and outside the company. It didn’t occur how many potential mentors I could meet by becoming active in the engineering professional society. I’ve been able to stretch and learn so much more here in two years than I did at Industro in four! If only I could get a better work-life balance here, my job would be almost perfect. I’ll talk to Steve about Simon first thing tomorrow when he’s back in the office. Maybe if we could hire him into our team, I could spend a little more time with the kids.”*



## **ABOUT THE INSPIRING PERFORMANCE PROGRAMME**

This Ci programme was co-developed in 2004 by the Ci team together with the partner companies. It comprises a ground-breaking diagnostic survey tool that maps conversations across an organisation and identifies links between trust, engagement and performance. It also gives participants access to interactive career tools to support their future development.

Participating companies learn from other organisations, engage managers and employees in the process, and implement a plan to achieve improved performance. In addition, they gain access to the full Inspiring Performance research report which includes, amongst other things, data on the impact of formal coaching relationships.

Companies interested in taking part should contact the Ci team.

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## **ABOUT THE RESEARCH**

This report draws on four sources from the Ci Group's Inspiring Performance programme, in addition to previous large-scale Ci research:

- The latest Ci survey 2004: Mapping your Conversations about Work, which includes survey responses from more than 700 selected high-performers combined with focus group and interview data across six companies.
- A benchmarking study amongst all Ci member companies, documenting their priorities in the areas of HR Strategy and Talent Management.
- A Guide to Trust, published in June 2004 by Ci in partnership with The Relationships Foundation (available from the Ci website).
- Ci Innovation events including Virtual Roundtables, Think Tanks and the Ci Forum Building Trust, Inspiring Performance which took place in Hanover, Germany during August 2004.

## **ACKNOWLEDGEMENTS**

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