



Manager's Guide: End of Financial Year Performance



Each year, managers and leaders must reflect on their journey and what they have achieved over the past financial year. Equally, they must take the time to reflect on their team's performance and achievements. This aspect of people leadership can be tricky to navigate as some conversations can be harder than others.

For example:

- Addressing underperformance and missed expectations
- Explaining why a promotion or pay rise was not approved
- Managing defensiveness or emotional reactions to feedback
- Discussing burnout, stress, or declining wellbeing impacting performance
- Setting accountability and clear expectations for improvement

During performance reviews, leaders are expected to address challenges employees face and set clear, unambiguous goals for the year to come. Here is your guide on how to navigate a performance review...

Helping Leaders have meaningful career conversations

Performance reviews are an opportunity to reflect, celebrate achievements, identify growth areas, and plan for future success. They can also be challenging when feedback is unexpected or when career direction feels unclear.

As a leader, one of your many requirements is to ensure your team are performing and understand their duties and responsibilities clearly. Some of the major psychosocial hazard we often see is unclear communication, job demands, low job control, poor support, and lack of role clarity. These risks can have a significant impact on an employee's wellbeing. So, when you're holding performance reviews with your team:

- Communicate your feedback articulately
- Actively listen
- Take on feedback from employees
- Set definable and actionable expectations
- Provide ongoing support and follow-up after the review
- Recognise achievements and positive contributions
- Encourage open and psychologically safe conversations

How to active listen:

Performance reviews should be a two-way conversation, not just a feedback session. Active listening helps managers better understand employee concerns, strengths, goals, and wellbeing challenges while building trust, engagement, and psychological safety. When employees feel genuinely heard, conversations become more productive, collaborative, and solutions focused.

How to Practise Active Listening During Performance Reviews

- **Give your full attention:** Eliminate distractions, maintain eye contact, and focus fully on the employee speaking.
- **Listen to understand, not respond:** Avoid interrupting or planning your next response while the employee is talking.
- **Ask open-ended questions:** Encourage deeper discussion with questions like "How have you felt about your workload recently?"
- **Reflect and summarise key points:** Repeat or paraphrase what the employee has shared to confirm understanding and reduce miscommunication.
- **Acknowledge emotions and challenges:** Validate concerns professionally and show empathy where appropriate.
- **Pay attention to non-verbal cues:** Notice tone, body language, hesitation, or signs of stress that may indicate underlying issues.
- **Create actionable next steps together:** Collaboratively identify solutions, support strategies, and development opportunities moving forward.



Your performance review cheat sheet

Before the Conversation

Prepare by reviewing:

- Goals and performance expectations
- Achievements and challenges
- Specific examples and evidence
- Development opportunities

During the Conversation

- Create a respectful and supportive environment
- Encourage self-reflection
- Listen actively
- Provide balanced feedback
- Focus on behaviours and outcomes
- Collaboratively identify next steps

After the Conversation

- Summarise key takeaways
- Agree on development actions
- Schedule follow-up discussions

When discussing an employee's performance, use the SBI approach:

Situation

Describe when and where the behaviour occurred.

Behaviour

Explain the observable behaviour.

Impact

Describe the effect on the team, client, or outcome.

Example:

"In the recent project meeting (Situation), you provided a detailed update that addressed client concerns (Behaviour), which increased their confidence and helped secure the next phase of work (Impact)."

Navigating Difficult Performance Conversations Safely

When performance concerns exist:

Stay Objective

- Focus on facts and examples
- Avoid assumptions or generalisations

Be Clear and Respectful

- Explain expectations
- Discuss impact
- Invite the employee's perspective

Offer Support

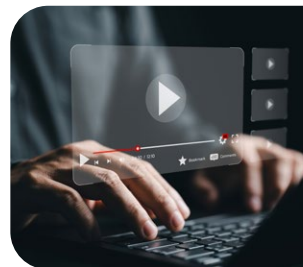
- Identify resources and coaching
- Agree on practical next steps

Manage Emotions

- Remain calm and professional
- Pause if the conversation becomes highly emotional

Common Performance Review Mistakes

- Speaking too generally without examples
- Raising issues for the first time during the review
- Focusing only on negatives
- Interrupting or dominating the conversation
- Comparing employees to coworkers
- Avoiding follow-up conversations afterward



Learn more by watching our podcast episode with our Career Coaches Nikki and Richard Taylore:

https://www.youtube.com/watch?v=KpF3ugG6X_M&t=5s



How to Start a Performance Review Conversation

Now you know the don'ts, it's time to begin thinking about your intro. Start by outlining the purpose of the discussion and creating a supportive tone. Employees are more likely to engage openly when they understand the conversation is intended to support development rather than simply evaluate performance.

Example opening:

"Today is an opportunity for us to reflect on the past year, discuss achievements, identify any challenges, and talk about goals and support moving forward."

Discussing Underperformance

Discussing underperformance can be challenging, but avoiding the conversation may lead to unclear expectations and ongoing issues. Effective leaders approach these discussions with professionalism, empathy, and clear examples. The goal should be to support improvement while maintaining accountability and role clarity.

Instead of: *"You need to improve your attitude."*

Try: *"Over the past two months, there have been several missed deadlines and reduced communication with the team. I'd like to understand what may be contributing to this and discuss what support or adjustments may help."*

If an Employee Becomes Defensive

- Stay calm and avoid escalating emotion
- Return to observable examples and outcomes
- Acknowledge the employee's perspective
- Focus on solutions and future actions

Example response:

"I understand this feedback may feel difficult to hear. My intention is to support your development and discuss practical steps we can take moving forward."

Your Simple Performance Review Structure

1. Open positively and explain the purpose
2. Reflect on achievements and strengths
3. Discuss challenges and development areas
4. Explore support needs and employee feedback
5. Set goals and expectations for the next period
6. Confirm follow-up actions and accountability

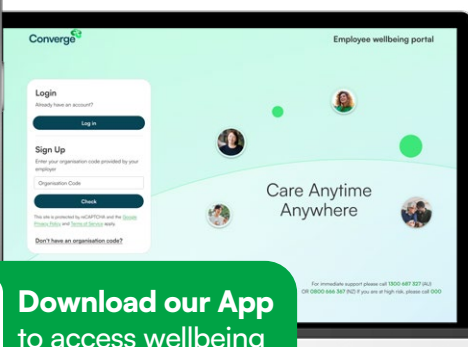
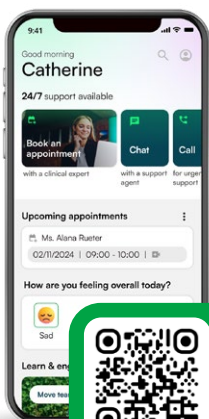
Career Coaching

Career coaching can support both leaders and employees before and after challenging performance conversations. Our coaches help individuals navigate career uncertainty, improve communication and confidence, manage workplace challenges, and set clear professional development goals to support long-term success and wellbeing.

Manager Support

Our Manager Support stream helps leaders navigate difficult conversations with confidence, care, and clarity. Managers can access guidance around communication, employee wellbeing concerns, psychosocial hazards, accountability, conflict management, and how to deliver constructive feedback while maintaining psychologically safe conversations. Each session is free and confidential and will offer you and your team supportive and productive, forward-focused conversations.

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Organisation Code: