



# Leading the conversation

## FY26 Year-end review

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# Why we're here



## By the end of this session, you'll be able to:

-  Lead a fair, evidence-based performance review
-  Navigate the FY26 review timeline and key milestones
-  Handle challenging performance conversations with confidence
-  Understand how remuneration outcomes are determined

### A note on entity differences

Generation Life, Evidentia and Lonsec each have their own performance framework. This session focuses on the principles and process common across the Group. Your HR Business Partner will guide you through any entity-specific requirements.

## AGENDA

### > Leading the Performance Review

- Timeline and responsibilities
- Preparing for review conversations
- Rating consistently and fairly
- Avoiding common bias traps

### > Remuneration Review

- How pay decisions are made
- Understanding Compa-ratio
- The quiet period

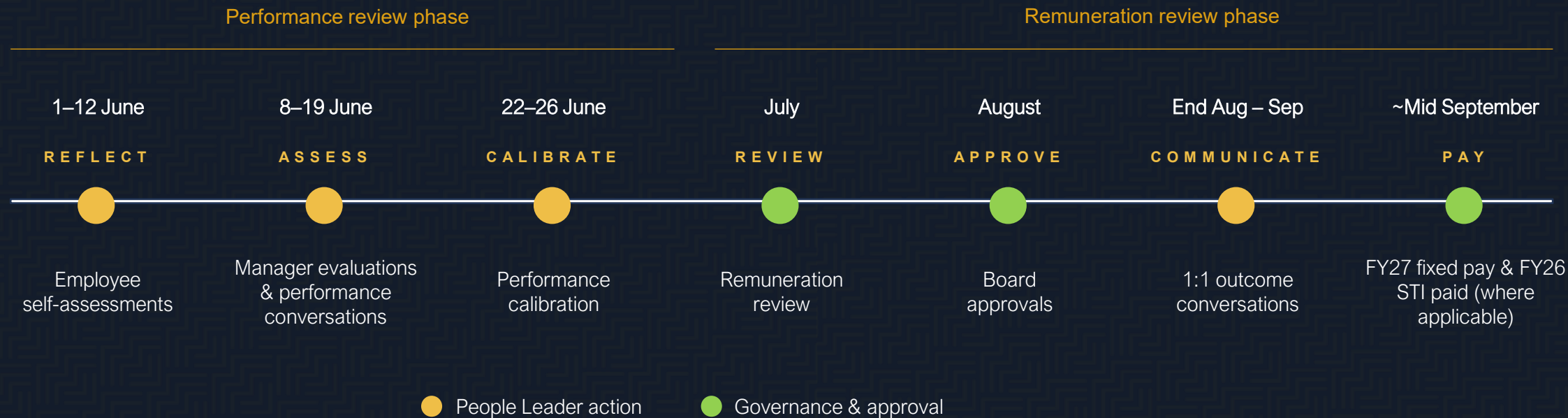




## Leading the Performance Review

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# FY26 Year-end review timeline



**Your role is most active in June and September.**

June is for evaluations and performance conversations. September is for communicating final outcomes. Calibration, remuneration review and Board approvals occur between these stages.





# Understanding your role in the review process

A fair and consistent review process depends on everyone understanding their role

## Employees

- Complete self-assessment by 12 June
- Reflect on achievements, challenges and development opportunities
- Come prepared to the 1:1 performance conversation
- Engage openly in the outcome conversation

## Managers (You)

- Review self-assessments and gather evidence
- Hold meaningful performance conversations
- Submit evidence-based performance assessments
- Participate in calibration discussions
- Communicate final outcomes

## Executive Leadership

- Review and endorse performance assessments for consistency
- Lead calibration discussions across the business
- Review outcomes in the context of business performance and affordability
- Approve final remuneration outcomes





# The Ask of Leaders

Great performance conversations are evidence-based, respectful, and focused on helping people succeed.



## Evidence First

Anchor feedback on outcomes, behaviours and impact.



## Prioritise the conversation

Prepare properly. Be present. Listen actively.



## Calibrate Consistently

Performance assessments are reviewed for consistency across each business.



## Differentiate Performance

Recognise strong performance. Outcomes should reflect contribution and impact.



# Five ways to prepare for a great review



## Review the self-assessment

Understand achievements, challenges and context.



## Look across the full year

Avoid over-weighting recent events.



## Focus on outcomes and impact

What was achieved and why did it matter?



## Gather broader feedback

Seek input from relevant stakeholders where appropriate.



## Document your rationale

Be ready to explain your assessment.

## Common assessment traps

### Recency bias

Overweighting recent events over the full year.

### Halo / horns effect

Letting one strength or weakness drive the overall rating.

### Effort ≠ Outcomes

Strong effort doesn't always mean strong outcomes.

### Similarity bias

Rating people who think like you more favourably.

### Tenure bias

Avoid allowing tenure, work pattern or familiarity to influence performance outcome.

### Visibility bias

Overvaluing employees with greater visibility, exposure or interaction, rather than focusing on outcomes and impact.



# Difficult conversations

Two conversations that often challenge managers – and how to handle them effectively.



## SCENARIO 1

### When your assessment is lower than the employee's expectations

- **Don't soften the message**  
Mixed signals are worse than clear feedback.
- **Lead with evidence**  
Use specific examples to explain the assessment.
- **Acknowledge effort without confusing it with outcomes**  
Effort matters, but performance is ultimately assessed on outcomes and impact.
- **Make room for their reaction**  
Pause. Listen. Don't rush to fill the silence.
- **Focus on future success and development**  
Focus on what success looks like going forward and how you can support it.

## SCENARIO 2

### When expectations aren't being met

- **Don't use the review to raise underperformance for the first time**  
Performance concerns should never come as a surprise.
- **Name the gap clearly**  
Be specific about which expectations have not been met and what 'meets expectations' look like.
- **Distinguish a difficult period from a pattern**  
A one-off setback requires a different response to sustained underperformance
- **Talk to your HR Business Partner early**  
Seek support before the review cycle if coaching, support plans or formal processes may be needed.
- **Document expectations, actions and next steps**  
Record what was discussed, what is expected and any agreed actions.





## Completing the performance review phase

Once performance assessments have been submitted, the focus shifts from performance reviews to determining remuneration outcomes.

1.

Review every self-assessment

2.

Hold quality performance conversations

3.

Submit evaluations and supporting rationale

4.

Support calibration discussions where required

5.

Prepare for the remuneration review phase





## Remuneration Review

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# How remuneration decisions are made



## Performance & Differentiation

- Stronger performance generally leads to stronger outcomes
- Performance is an important input, but not the only one



## Market Position (Compa-ratio)

- We compare pay against market benchmarks
- Employees paid below market may be prioritised for increases



## Role scope & capability

- Role complexity
- Experience and capability
- Growth in responsibilities



## Internal equity & fairness

- Outcomes are reviewed against comparable roles
- We monitor gender pay equity and work-pattern impacts



## Business performance & governance

- Overall remuneration outcomes reflect business performance
- Outcomes are reviewed and approved through governance processes

Performance is a key driver of remuneration outcomes, but decisions also reflect market position, role scope, internal equity and business performance.



# Compa-ratio explained



**Compa-ratio** = employee fixed pay ÷ the market median for the role

Why it matters: it shows where an employee sits relative to the market and helps inform remuneration decisions.

**BELOW 85%**

## Below market

May be prioritised for fixed pay movement where performance supports it.

**EXAMPLE**

Sam — \$90k vs \$110k median → CR 82%

**85% - 115%**

## At market

Typical range. Increases shaped by performance and budget.

**EXAMPLE**

Alex — \$105k vs \$110k median → CR 95%

**ABOVE 115%**

## Above market

Fixed pay movement may be more limited unless there has been a significant change in performance, capability or role scope.

**EXAMPLE**

Jordan — \$130k vs \$110k median → CR 118%

## THE TAKEAWAY

Two employees with the same performance rating may receive different remuneration outcomes. Market position is one of several factors considered when determining pay outcomes.



# The quiet period: what managers can share

July until outcome conversations commence

You can share

## Process and principles

- The timeline and next steps in the review process
- That performance assessments are reviewed and calibrated before outcomes are finalised
- The principles that guide remuneration decisions
- That remuneration outcomes consider performance, market position, internal equity and business performance
- That outcomes are not final until approvals are complete

You must hold

## Outcomes and specifics

- Any proposed performance outcome before calibration and approvals are complete
- Any indication of STI outcomes or fixed pay increases
- Comparisons with other employees' outcomes
- Promises or commitments about future outcomes
- Speculation about budgets, remuneration pools or likely outcomes

Managers can discuss performance feedback and development openly, but should not indicate likely remuneration outcomes or preliminary performance assessments before approvals are complete.



# Q & A



## Additional coaching resources<sup>1</sup>

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<sup>1</sup>Adapted from the ©Institute of Executive Coaching and Leadership (ICECL) coaching framework.



# Growth structure

Use this structure to guide your performance conversation – backwards for learning, forwards for growth.



## BACKWARDS

With honesty – for recognition and learning

- What impact, through contribution and behaviours, did your team member have?
- What have they done well – and what would you have liked to see more of?
- What are the key learnings?



## FORWARDS

With clarity – for growth and agreed actions

- How could your team member apply these learnings going forward?
- Whose support or feedback do they need?
- What are the agreed next steps?



# The BIFFO feedback framework

## Constructive feedback in practice



B.	<b>BEHAVIOUR</b>	Describe the behaviour as factually and specifically as possible.	<i>"In the project meeting last week, I noticed you cut the discussion short when people were sharing their perspectives."</i>
I.	<b>IMPACT</b>	Provide some insight as to the impact of the behaviour.	<i>"This meant we didn't get the full picture from key stakeholders on some of the delays and issues on the project."</i>
F.	<b>FEELING</b>	Express how you feel.	<i>"I was concerned because the meeting was an important opportunity to gather stakeholder input, and we may have missed valuable insights that could have helped address some of the project's challenges."</i>
F.	<b>FUTURE</b>	State what you see as a way forward or would like in the future.	<i>"I'd like to discuss how we can address this, to ensure you make the most of face-to-face meetings and that we get the discussion we need to get the project back on track."</i>
O.	<b>OPPORTUNITIES</b>	Ask the other person for their input through open dialogue.	<i>"What are your thoughts on this? What were your objectives for that meeting? What could you do differently going forward? How will you get the information we need?"</i>



# The BIFFO feedback framework

## Positive feedback in practice



B.	<b>BEHAVIOUR</b>	Describe the behaviour as factually and specifically as possible.	<i>"During yesterday's client presentation, I noticed how well prepared you were and how confidently you presented the proposed solution. You explained some complex concepts in a way that was easy for the client to understand and responded thoughtfully to their questions."</i>
I.	<b>IMPACT</b>	Provide some insight as to the impact of the behaviour.	<i>"This helped build the client's confidence in our team and the proposed approach. It also kept the meeting productive and ensured the client remained engaged throughout the discussion."</i>
F.	<b>FEELING</b>	Express how you feel.	<i>"I felt proud to see the way you represented the business and reassured by how effectively you managed the conversation."</i>
F.	<b>FUTURE</b>	State what you see as a way forward or would like in the future.	<i>"I'd love to see you continue taking the lead in client presentations and sharing some of your presentation techniques with the broader team."</i>
O.	<b>OPPORTUNITIES</b>	Ask the other person for their input through open dialogue.	<i>"What do you think worked particularly well in that meeting? Is there anything you learned that you'd like to apply in future client presentations?"</i>



# GROW model

Use this when you're helping a team member think through a goal, challenge, or decision.

## Goal

- What would you like to achieve?
- What does success look like?



## Reality

- What is the situation right now?
- What are you feeling?
- What are others saying?
- What factors are influencing the situation?



## Wrap-up

- What will you do next?
- What support do you need?



## Options

- What options have you considered?
- What might get in the way?
- What do you need to do to overcome that?
- What else could you try?

