THE STATE OF PERFORMANCE ENABLEMENT

Redefining performance management to develop top talent and reduce churn

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A LETTER FROM THE CEO

At the onset of the pandemic, the human resources teams at companies across the world were suddenly confronted with a set of urgent and complex issues that we had collectively never faced before. Leadership teams mobilized to equip and enable brand new remote workforces while simultaneously trying to figure out how to best help these employees navigate the myriad other challenges they faced. Our lives were upended, and the changes seemed indefinite.

We know that some of the most impacted employees have been HR practitioners and leaders themselves. Tasked with solving crisis upon crisis, the very people responsible for the engagement and retention of employees are experiencing record rates of burnout, too, and turnover is at a high. And now, as we navigate the workforce dynamics of the Great Resignation, there are new, urgent questions people chiefs are working to answer: how do we create an environment where manager and employee relationships are productive and encouraging, and talent is recognized and rewarded in meaningful ways? Where employees feel agency and are empowered to do the work that drives business results?

> How do we create real growth opportunities and strong cultures that motivate our people to stay?

The key to answering these questions is understanding why people really leave. We sponsored this research to not only provide insight into those reasons but to uncover the strategies and technologies that companies can use to create better employee experiences. Some of the findings were surprising, but others confirmed what we had already learned through our work with customers. Enabling employees to do their best work requires a culture of ongoing conversations, check-ins, and feedback so that challenges and risks can be identified early. A culture where employees are in control of

their own goals and are empowered to focus relentlessly on the most valuable work for the business. Growth and development are discussed regularly, and there's an emphasis on cultivating internal talent versus hiring outside.

For over 70 years, we've accepted that annual performance reviews based on static goals (if any) and one's best recollection of a whole year of activity and output can determine an employee's growth path, readiness for promotion, compensation and more. The better model for performance management, is one of ongoing performance enablement. Since 2013, Betterworks has worked to develop best-in-class technology that enables great performance, by giving organizations a flexible solution that puts employee experience at the heart of how they align, motivate, retain and develop their people.

I'm excited to introduce our inaugural *The State of Performance Enablement Report*. Each year, we'll survey the workforce to understand what motivates them to leave, what encourages them to stay, and the impact that performance management and enablement technology have on the employee experience. I look forward to the conversation that comes from these findings.

Doug Dennerline | CEO, Betterworks

INTRODUCTION

Before the global pandemic, companies faced a tight labor market with high turnover and growing employee expectations. The past two years have changed much about how we work — but fixing the talent squeeze was not one. In fact, the pandemic has delivered consistent turmoil in the labor markets that has directly impacted many companies' ability to deliver on business outcomes.

Faced with this existential labor crisis, companies have been reassessing not just their hiring and total rewards — but also how they engage, develop and motivate the talent they have. A search for root causation has caused companies to rebalance their priorities. Companies now understand that empathy, purpose, autonomy, and flexibility are more important to employees than ever before — and that they have an outsized impact on productivity, engagement, and ultimately shareholder value.

In response, companies have refocused on building a more positive employee experience — which for our purposes here we'll loosely define as "the sum of all the moments that matter between an employee and an employer." If employee experience (EX) was already languishing pre-pandemic, it has now reached an alarming state. According to Gartner, only 13% of today's employees are fully satisfied with their employee experience. This may be a result of employees' increased awareness that they have other options. A recent Prudential study revealed that that pandemic has made fully half of American workers reevaluate their career goals and take more control in deciding the direction of their career.

EX is top of mind for most companies. And according to McKinsey, people who report having a positive employee experience have 16x the engagement level of employees with a negative experience, and they are 8x more likely to want to stay at a company. Efforts to build a strong EX pay off exponentially for organizations.

> Companies have been reassessing not just their hiring and total rewards — but also **how they engage, develop and motivate the talent they have.**

92% of employers are making EX a priority… when only 52% cited it as a priority before the pandemic.*

92%
Post Pandemic

52%
Pre Pandemic
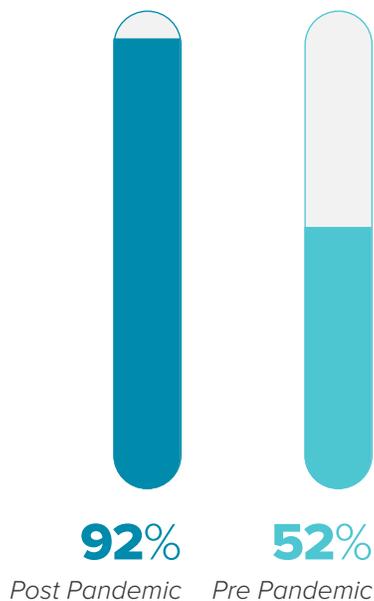
Employers understand this in a way they did not in 2019. In fact, 92% of employers are making EX a priority, according to Willis Towers Watson's research, when only 52% cited it as a priority before the pandemic. "This shift in priority reflects the employer view that the EX drives engagement (81%) and employee wellbeing (80%) they say, "as well as productivity (79%) and overall business performance (78%), thus creating value for both employees and the business."

Everyone agrees EX is pivotal to survival in the new labor market. But what they don't all align on is how to cultivate that positive employee experience.

Understanding the broader impact of performance enablement practices and technology.

When we began this research, our aim was to better understand the role of performance enablement in building a better employee experience and delivering the outcomes businesses need to thrive.

Performance enablement is the driving force behind the employee experience. It forms the infrastructure upon which engagement depends — inclusive of processes, tools, and behaviors that give employees agency over their own work experience and career trajectory.

As McKinsey has observed, "Employees want to feel a powerful sense of agency — being able to influence outcomes that matter to them—allied with a strong sense of identity and belonging. That means agency in work and agency about work."

Employees want autonomy over where, how and when they work — but also over the work itself. They also want tools that help them to better control their work and their careers. As Josh Bersin, a leading HR, corporate talent, and learning expert and board observer for Betterworks, has noted, "The use of technology is critical to creating and sustaining positive employee experiences. Without the right technology, companies can't get insights into employee sentiment, provide personalized and job-relevant experiences and development opportunities, or support employees at scale." Bersin's work has found that the use of certain types of technology correlate to different maturity levels for employee experience.

*Willis Towers Watson

With our clients at Betterworks, we have observed three main practices that comprise strong performance enablement programs — all of which contribute positively to employee engagement and the employee experience.

1 Frequent conversations and feedback

2 Goal-setting and tracking

3 Strategic talent development and career planning

Academic studies have shown that participatory goal-setting has a major impact in driving proactive behavior — helping to keep employees motivated and productive. Employees feel more connected, motivated, and attached to the organization when they have access to goal-setting, feedback, and multilateral communication, increasing their participation and self-determination. And more than one study has confirmed the relationship between career planning, employee autonomy, manager recognition, and employee engagement — particularly when goal-setting, career planning, and feedback are combined.

To this end, we embarked on the current research, our first annual survey of employees who work for mid-sized or enterprise companies in the US and UK. We wanted to understand the relationship between employee experience and performance enablement, map the effect on business outcomes, and present recommendations for companies looking to strengthen both.

What we found was fascinating, and in some cases surprising. While employees are still job-searching in large numbers, it is not because they do not like their companies or managers. On the contrary, they like and highly recommend their employers. Employers could be doing more to keep them happy by focusing on empowering them.

Overall employees want to be more active in controlling their own work and career paths. To stay with an employer, they want to partner with managers and organizations on their development. In the short term, this takes the form of more actionable goals and in the longer term, it requires more meaningful, ongoing conversations about performance and career pathing.

To support this, a majority of companies appear to be making some efforts toward providing tools for feedback. But employees prefer more targeted technology. One-size-fits-all big-box solutions are not getting it done, and overall targeted solutions are more effective. Employees who feel trapped by inadequate performance management programs and insufficient tools are considerably more likely to have a negative employee experience overall.

Read on for our findings.

SUMMARY OF FINDINGS

This report revealed clear trends about the importance of agile goal setting, meaningful conversations, and feedback to employee career development, and the technology used to support all of these processes. We learned that performance enablement programs are essential to cultivating an experience where employees feel connected to important work, engaged, and optimistic about their career development and advancement opportunities with their current employer. The data suggest that companies that have implemented dedicated technology to support more strategic, robust conversations around employee growth are most likely to reap the benefits in terms of positive sentiment, engagement, productivity, and retention. ***Here are the key findings from our 2022 report.***

1 Companies have more control over voluntary churn than they realize.

2 Counteroffers can be used more effectively to retain top talent.

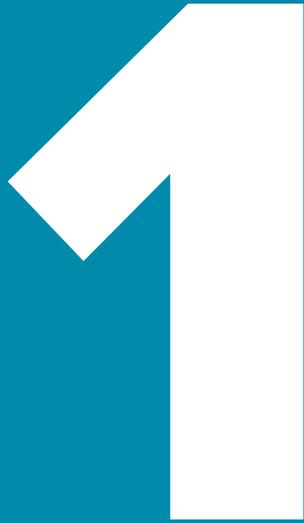**3** Employees feel trapped by rigid, out-of-date goals.

4 To be effective, feedback and check-ins must expand to include both goals and growth.

5 Dedicated software tools are more effective — but having underperforming tools can be worse than having no tools at all.

1

Companies have more control over voluntary churn than they realize.

Whether we call it the Great Resignation, the Big Quit, or the Great Reset, there is no denying the recent pandemic has dramatically changed how workers think about changing jobs and companies — and increased their mobility significantly.

As companies scramble to both attract and retain workers, many are looking for deeper insights into exactly why employees choose to stay or go. In this report, we set out to better understand where turnover intent sits in early 2022, and explore the considerations and criteria employees are using to make their decision to remain or move on.

To no one's surprise, even after two years of upheaval, general turnover intent is still high. We see that 13% of employees are in the process of actively searching for new jobs and more than 46% are planning to be actively or passively looking in the next year.
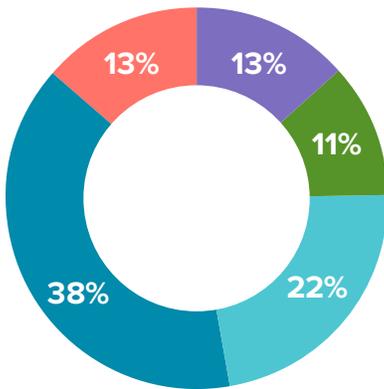
46% of employees plan to change companies in the next year.

- Actively looking for a job in a new company
- Looking for a new job and company in the next year
- Open to recruitment by a new company, not actively searching
- Staying in current role with current company
- Looking for a new role or promotion in current company

When we asked people about their reasons for giving notice or choosing to stay, we heard many common refrains. Those who changed jobs in the past two years cited pay, stress, and a desire for more flexible work. When we asked the top reasons for staying, these also included pay and benefits, flexible work, as well as a desire to stick with their co-workers.

It's never surprising when pay tops the list of considerations, particularly in the current environment. In fact, it's generally expected to always be at the top of the list for a question like this. It's important, however, to look deeper into this data for the whole picture, particularly in organizations where pay and raises are less available. Here we see some interesting levers that companies may be less aware are influencing retention and churn. For example, career goals and advancement were high on the list of reasons employees jumped ship. And nearly one in three of those staying say they could be lured away by better career development opportunities.

There is a silver lining here, as another 13% told us they will be looking for opportunities within their current company. This represents a real opportunity for companies to establish their own organizations as the first and best place for employees to look for development opportunities. Managers should be encouraged to have regular conversations with employees around career goals and development, to better signal these opportunities and lay the foundation for a thriving internal job marketplace.

There is a silver lining here, as another **13% told us they will be looking for opportunities within** their current company.

Of the people who said they are currently looking for work, **30% said they are still active supporters who recommend their company to others** (via eNPS/employee net promoter score).

What is **keeping** employees with their **current company**?

Pay: **52**%

Benefits: **41**%

Recognition and appreciation for work: **15**%

Direct manager cares about career pathing for employee: **14**%

What **might lure** employees away to **another company**?
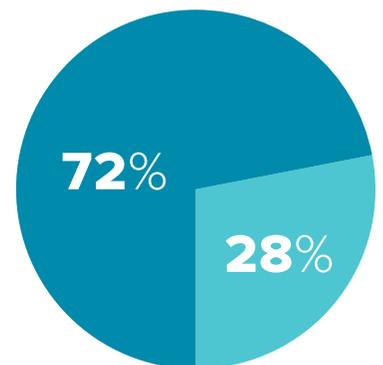
Better pay & benefits: **74**%

1 in 3 for **better career development** opportunities

In fact, organizations have more control over voluntary churn than they may realize. Employees told us they are more likely to be running from companies to get away from their old job (72%) rather than toward new companies for exciting new opportunities (28%).

72%

28%

Perhaps the most revealing information we uncovered here was around reasons for turnover. It is tempting for many employers to believe that employees would only leave for an offer they could not refuse — but the reality is much more nuanced. In fact, organizations have more control over voluntary churn than they may realize. Employees told us they are more likely to be running from companies to get away from their old job (72%) rather than toward new companies for exciting new opportunities (28%).

This begs the question of what it is about their current organization employees are trying to escape, and here we encountered another surprise. Of the people who said they are currently looking for work, 30% said they are still active supporters who recommend their company to others. (via eNPS/employee net promoter score).

eNPS

EMPLOYEE NET PROMOTER SCORE

Of people actively looking for work:

44% Detractors	**26**% Passives	**30**% Promoters

0%   25%   50%   75%   100%
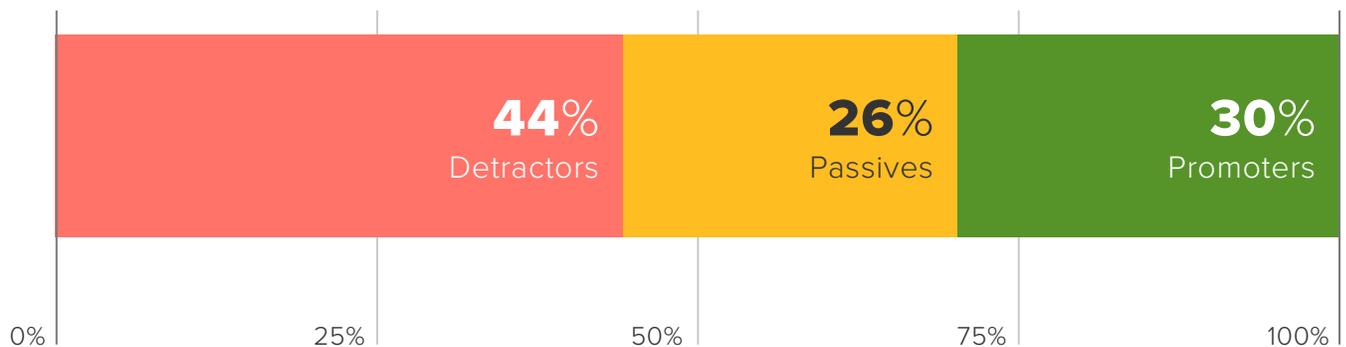
When we triangulate these last three data points, it suggests that a steady loss of employees is not at all inevitable. In fact, there appears to be considerable retention opportunity for companies who are willing to invest more effort — specifically by creating an environment with more meaningful opportunities and more robust enablement for current employees. We will explore some of the options for how to do this in further findings.

2

Counteroffers can be used more effectively to retain top talent.

When employees give notice, it may be tempting to assume they are a lost cause and simply focus on transitioning and re-filling the role. However, this survey data suggests that cutting your losses may be premature. In fact, most companies could be doing more to retain employees — even after they've notified you they are leaving.

In Finding #1 we noted that companies might be able to proactively influence turnover by creating a culture more focused on feedback and career development, strengthening talent pipelines, and internal job marketplaces. This way, fewer employees get to the point of even looking for a new job, let alone accepting another offer.

47% of employees said they would have stayed for the right counteroffer. More than a third indicated they would have **stayed for better pay and benefits**…two in ten also said they would have **stayed for better career development.**

The data indicates that many companies could be counteroffering more effectively to reduce turnover levels. After all, keeping employees is considerably less expensive than the process of rehiring and retraining – particularly in the current competitive environment. Counteroffers appear to be an area many more companies could tap to retain valuable human capital.

According to our findings, about 55% of companies are making some kind of counteroffer — whether that is in the form of pay and benefits, or in the form of career development or other opportunities designed to make employees reconsider.

We noted that smaller companies tend to be more likely to counteroffer – particularly with a monetary offer. This may be because smaller companies are less constrained by tiers of pay, it may speak to a flexible culture, or it may reflect higher stakes for smaller companies when they lose employees.

But we also found that counteroffers may have the power to reduce churn significantly. Of the workers who left in the past two years, 47% said they would have stayed for the right counteroffer. More than a third (37%) indicated they would have stayed for better pay and benefits. Not every company has the resources to counteroffer in that way — but two in ten (21%) also said they would have stayed for better career development.

Nearly **4 in 5 people** who plan to look could be **convinced to stay with a counteroffer**.
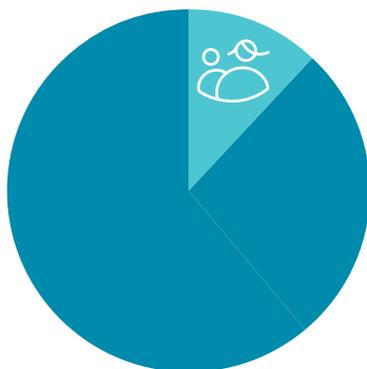
77%

18%
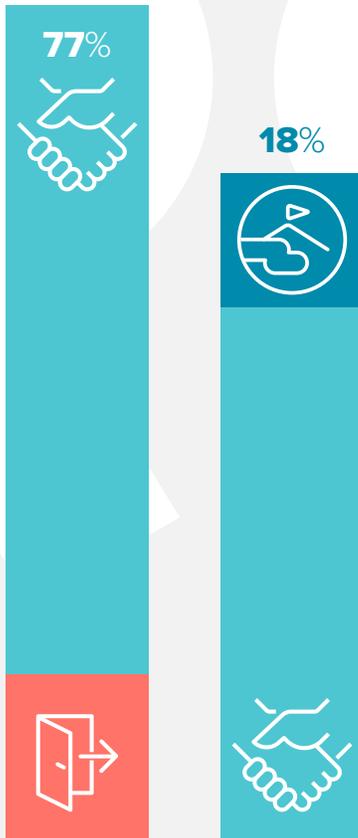
In fact, nearly **eight in ten said they would consider a counteroffer** — and of those, nearly **two in ten said they would stay simply for better career opportunities.**

12% of employees have stayed as a result of a counteroffer

And of those employees who have stuck it out over the past two years but are now planning to look in the next year, a large majority indicated they would be open to a counteroffer from their companies. In fact, nearly eight in ten (77%) said they would consider a counteroffer — and of those, nearly two in ten (18%) said they would stay simply for better career opportunities.

It seems clear that counteroffers have the power to work, and not only in the form of a pay increase. When we asked employees who have stayed if they had received job offers, 39% said they had — but 30% of those (12%) said the company had successfully counteroffered. Companies who can properly leverage this tactic may find they are able to leverage the good feelings departing employees have about their organizations and use it to retain those flight risks.
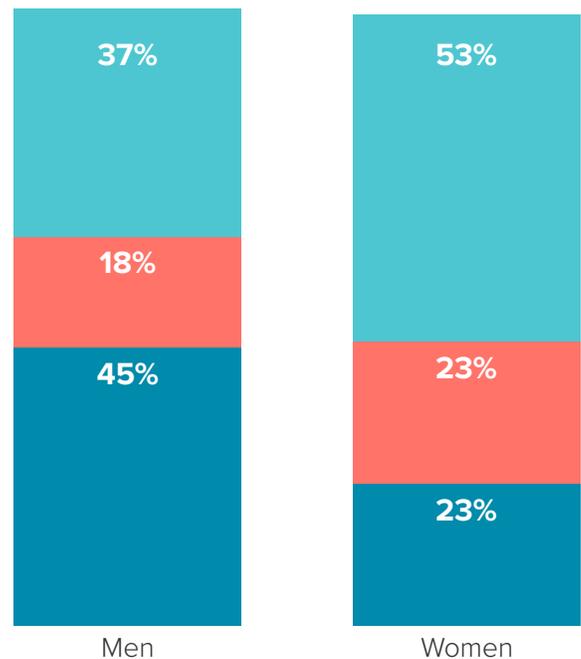
GENDER & COUNTEROFFERS

Though we looked at all of our survey data through the lens of gender, we found few significant differences across the regions and roles. The one place we did notice a significant diversion in the male and female experience, however, was in their likelihood of receiving a counteroffer.

In fact, we found that women are somewhat less likely to get counteroffers than their male counterparts — and when they do receive one, it is less likely to be monetary, and more likely to be non-monetary conversations or offers.

This is particularly interesting because women were no less likely to be open to a counteroffer, and just as likely as male employees to say yes.

Women are somewhat less likely to get counteroffers

	Men	Women
The company did not make an attempt to retain	37%	53%
The company did try to retain with non-monetary conversations or offers	18%	23%
The company made a monetary offer to retain	45%	23%

● The company did not make an attempt to retain

● The company did try to retain with non-monetary conversations or offers

● The company made a monetary offer to retain

3

## Employees feel trapped by rigid, out-of-date goals.

To understand the influence of performance enablement on the overall employee experience, one key area we sought to explore was how employees think about goals, and how their use — or misuse — can impact important organizational metrics and drive employee sentiment.

We let survey respondents interpret for themselves the level at which those goals might be formal or informal, and how they might be recorded or tracked. It was clear from the responses that goals are currently used and thought about in a wide variety of ways. They are also influenced by the presence of software tools to track and measure them. (We will explore the impact of these tools in more depth in Finding #4.)

Our experience has revealed that the **best practice for using goals is to integrate them into everyday work** as part of a broader performance enablement strategy that includes frequent check-in conversations and feedback.

48% of employees feel somewhat trapped in goals by the end of the quarter/year.
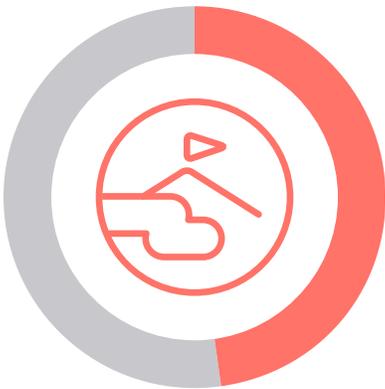
The role of goals in work — according to employees we surveyed — is inconsistent. Nearly one in three of our respondents said they use their goals as a metric for compensation — perhaps reflecting a more traditional MBO approach to goals — but another third use them as a dynamic daily guide for setting priorities, and more than a quarter consider goals to be the source of their current to-do list. However, not all employees are free to use goals in a way that is constructive for productivity or professional development. We saw 21% of employees report that their goals are set annually and never looked at again, and 16% of employees said they do not set goals at all.

Our experience has revealed that the best practice for using goals is to integrate them into everyday work as part of a broader performance enablement strategy that includes frequent check-in conversations and feedback. To that end, this survey found that goals are much more likely to be used in this continuous way when companies have effective tools dedicated to feedback and goal setting.

The utility of goals in a daily context often boils down to how agile and adaptable those goals are. Are employees being empowered to create new goals or adjust existing goals when circumstances change? One in four employees (25%) said they are able to make changes as situations require. Another 15% said they could adjust their goals either weekly or monthly. However, 49% of employees said they can only make changes on a quarterly, biannual or annual basis — and one in ten employees (10%) aren't able to ever adjust goals.
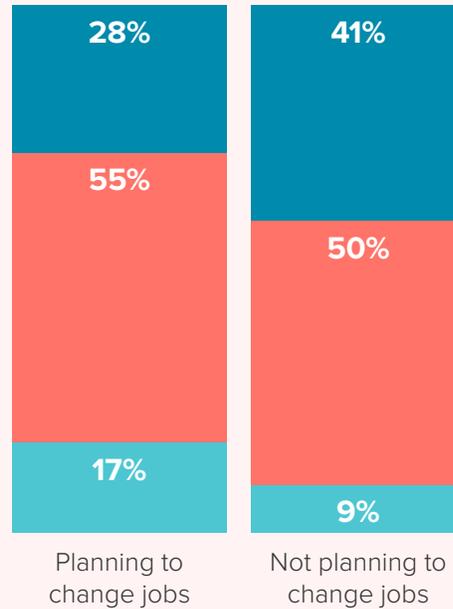
This kind of rigidity should be concerning to organizations and leaders, as it can lead to employees feeling trapped in irrelevant and out-of-date goals. Indeed, 48% of survey respondents told us they feel trapped or somewhat trapped by out-of-date goals by the end of the quarter/year. This represents a real vulnerability for companies hoping to ensure a positive employee experience.

The silver lining here is that the employee appetite for goal setting is high. Even with so many companies using goals in a counter-productive way — **six in ten employees who don't have a way to update goals told us they wanted this ability** — which would undoubtedly go a long way toward freeing those who feel trapped.

Employees with the ability to update goals have lower turnover intent.

	Planning to change jobs	Not planning to change jobs
Very flexible	28%	41%
Somewhat flexible	55%	50%
Not at all flexible	17%	9%

- Very flexible. Goal-setting is agile and responsive to change.
- Somewhat flexible. Goals are hard — but not impossible — to change.
- Not at all flexible. Goals are set in stone.

Goals are a powerful tool for helping employees feel aligned with their team's and organization's most important objectives, and more satisfied overall with their work and employers. That means goals that are not flexible or attenuated to the realities of work can backfire. People who feel trapped in goals told us they don't like working at their companies and are less likely to think they're working on the right things. We found that employees who felt trapped in their goals or did not feel empowered to update their goals when priorities change were much more likely to say they are looking for work.

The silver lining here is that the employee appetite for goal setting is high. Even with so many companies using goals in a counter-productive way — six in ten employees who don't have a way to update goals told us they wanted this ability — which would undoubtedly go a long way toward freeing those who feel trapped.
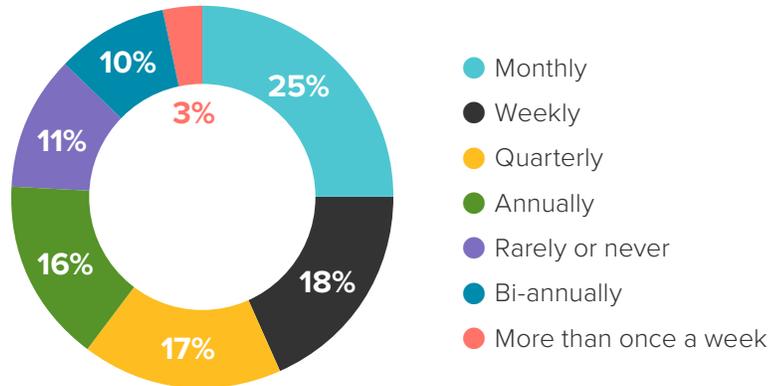
4

To be effective, feedback and check-ins must expand to include both goals and growth.

Another critical component of performance enablement is establishing effective, documented channels for providing employees with feedback, recognition, and development.

We wanted to understand the impact of check-ins on the employee experience, including the frequency, quality and content of those conversations. Are current check-ins working for employees? Do they contain the right mix of feedback and development to help employees feel like their managers are invested in their career progression? How could companies be calibrating and delivering feedback in a way that helps employees feel aligned and supported?
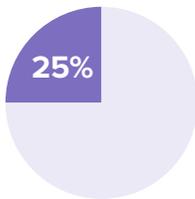
One-third of employees said they **don't get 1:1 check-ins with a direct manager** to get feedback and coaching on work and progress toward goals more than twice a year. In fact, **one in ten employees said they rarely or never receive this kind of feedback.**
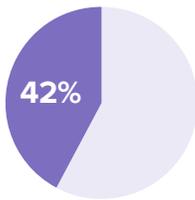
- 25% Monthly
- 18% Weekly
- 17% Quarterly
- 16% Annually
- 11% Rarely or never
- 10% Bi-annually
- 3% More than once a week

Lack of feedback

Never see feedback outside of their direct managers — 25%

42% without non-linear feedback more than once a quarter — 42%

Check-ins are a crucial part of performance management — but to be effective, they must include goals. Goals provide context and relevance for check-in discussions. They are also a way to focus employees' efforts and ensure they are able to accomplish what they've set out to do — in both a business and a career context. Likewise, check-ins are an important component of goal-setting. Looking at results from the end of the period means it is too late to change the outcomes. As a critical engine of continuous performance management and performance enablement, goals give managers the context they need to assess performance and check-ins allow employees to work with leaders to clear barriers when there is still time to impact the end result.

We found that despite the widespread availability of various tools, current check-in patterns tend to be sporadic. One-third of employees said they don't get 1:1 check-ins with a direct manager to get feedback and coaching on work and progress toward goals more than twice a year. In fact, one in ten employees said they rarely or never receive this kind of feedback.

Feedback is even more sparse from other parts of the organization — such as peers, team members, matrix managers, skip-level managers, or direct reports. More than a quarter of employees never see feedback from anyone but their direct manager, and another 42% don't get non-linear feedback more than once a quarter.

Only **4 in 10** employees feel like they have the right tools to track their career growth.

Only **2 in 10** employees feel like they are always tasked to work on the right things.

If feedback on goals is lacking, conversations around career goals and growth are even more rare. More than half (53%) of employees don't discuss career and growth more than once a quarter and 20% say they rarely or never have such discussions with managers.

The takeaway here is that for most, the current processes and tools are not getting the job done. It's not surprising that only 39% of employees say current check-ins are working well for them.

What would make these check-ins better? A more deliberate, dedicated focus on goals and growth is a good place for companies to start. Respondents told us they'd like check-ins to be more focused on goals (31%), and career growth (33%) and more collaborative with managers (30%), overall. Interestingly the timing and frequency of check-ins — whether more or less — appeared to be of significantly lower importance than the content.

The lack of focus on development and career growth we see in these numbers may in part be a result of a lack of technology and process infrastructure to support such conversations. Only four in ten employees told us they feel they have a helpful tool to document their career aspirations and determine skills needed to reach them. We look deeper into the question of technology in Finding #5.

Why do these conversations matter? We are seeing a clear trickle-down dynamic from effective check-ins that reverberates in other key metrics. Alignment and productivity are clearly being challenged by the status quo – as only two in ten employees said they feel they are always tasked to work on the right things. Conversely, employees with a process for capturing career aspirations and opportunities for skill development were much more likely to say they feel engaged and like working for their company and their direct manager.
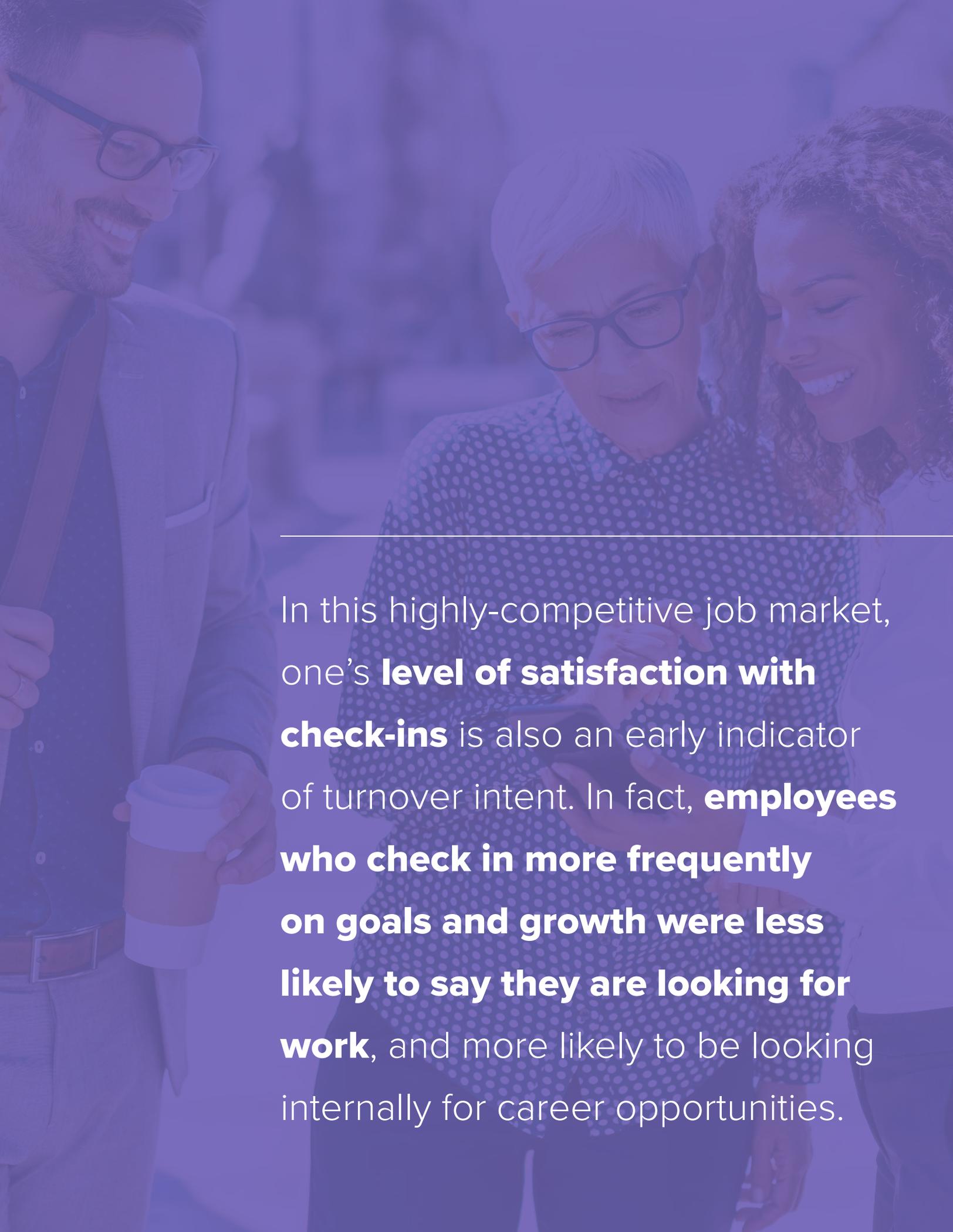
In this highly-competitive job market, one's **level of satisfaction with check-ins** is also an early indicator of turnover intent. In fact, **employees who check in more frequently on goals and growth were less likely to say they are looking for work**, and more likely to be looking internally for career opportunities.
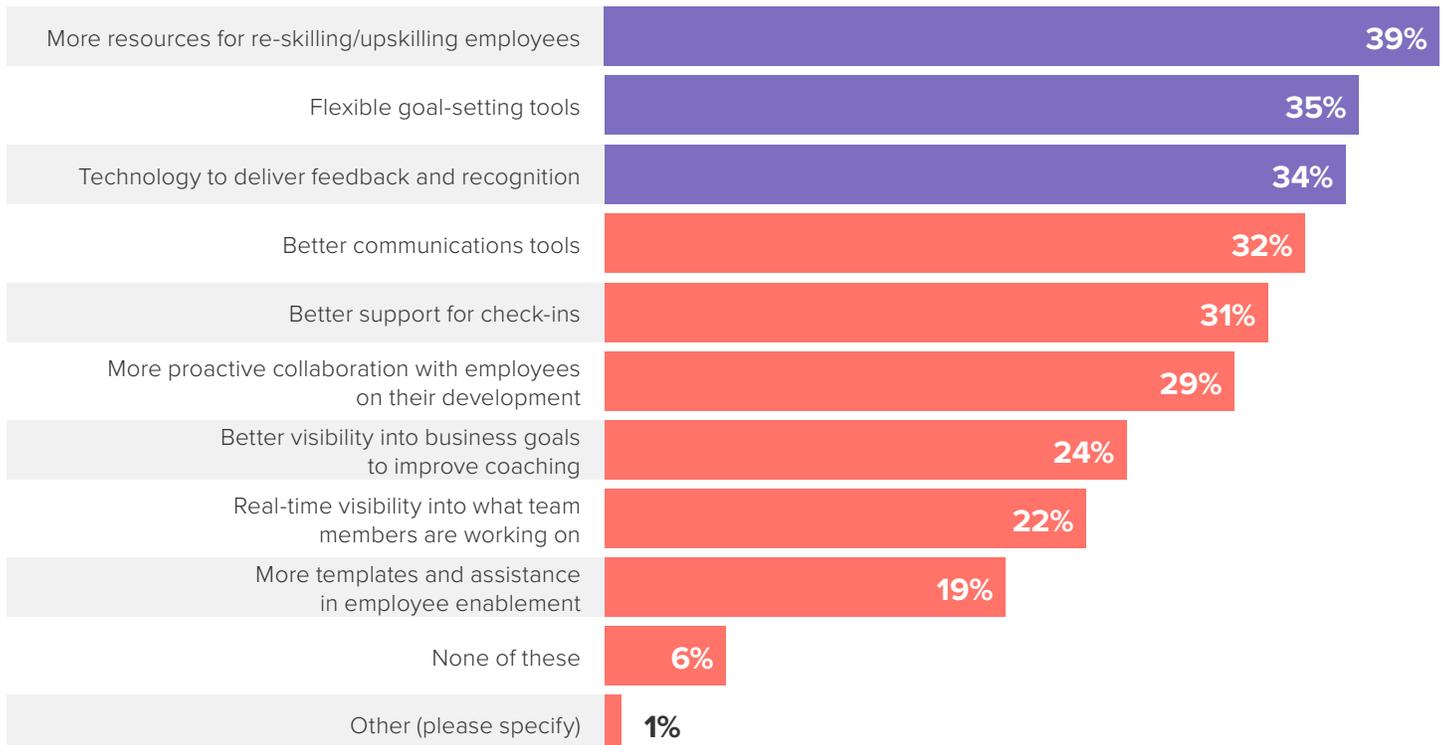
Companies should also know, in this highly-competitive job market, one's level of satisfaction with check-ins is also an early indicator of turnover intent. In fact, employees who check in more frequently on goals and growth were less likely to say they are looking for work, and more likely to be looking internally for career opportunities.

Managers are also in agreement that more robust resources around check-ins will be required to address these shortfalls. This is particularly important as analysts like Willis Towers Watson have stressed the need to equip leaders and managers to lead through change and cited gaps in management competencies as a challenge to deliver an effective employee experience. Managers who participated in this survey told us that tools for upskilling employees (39%), feedback and recognition technology (34%), and flexible goal-setting tools (34%) are all solutions that would make them better at managing and enabling employee performance.

Managers cited upskilling resources, feedback and recognition technology and goal-setting tools as the top three things they would need to help them be a better manager.

More resources for re-skilling/upskilling employees	39%
Flexible goal-setting tools	35%
Technology to deliver feedback and recognition	34%
Better communications tools	32%
Better support for check-ins	31%
More proactive collaboration with employees on their development	29%
Better visibility into business goals to improve coaching	24%
Real-time visibility into what team members are working on	22%
More templates and assistance in employee enablement	19%
None of these	6%
Other (please specify)	1%

5

Dedicated software tools are more effective — but having underperforming tools can be worse than having no tools at all.

Our final area of inquiry into the state of performance enablement was around the technology employees have at their disposal to support check-ins, goals, and feedback. We also wanted to understand how they feel about the efficacy of those solutions in helping them deliver impactful results.

As we have hinted already in several findings, having access to the right software is a foundational part of performance enablement. Just the presence of effective, dedicated tools can change how employees think about their day-to-day work, as we saw in Finding #1, and provide the vital structure needed to move their careers forward, as we saw in Finding #4.

We know that a majority of employees have access to some kind of technology that can deliver feedback. However, there is a broad variability in both the kinds of solutions available and the perceived efficacy of those solutions. Four in ten survey participants told us they have access to feedback and goal setting in the same software they use for payroll and benefits.
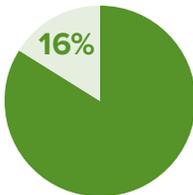
System Shortfalls

Current HCM system meets the needs of the team

20%
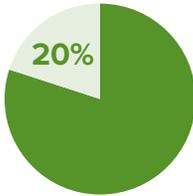
HCM system capable of supporting feedback and goal tracking

16%

These multi-function solutions have mixed results, however. Of that group, only 20% of respondents indicated that such a broad solution is able to always meet the needs of their team. Similarly, only 16% of managers believe their HCM is always capable of supporting employee feedback and goal management.

Similarly, more than half of all survey participants (56%) told us they have access to software dedicated to feedback and goal-setting, where 68% said they have access to software dedicated to documenting career aspirations and determining the competencies and skills needed to reach them. However, only 30% say that they like the platform they have for feedback and goals, and only 36% found their career competency platform helpful.

That said, a significant number of survey respondents from companies of all sizes told us they have none of these options. Two in ten (22%) said they don't have access to a dedicated career aspirations and skills tool, three in ten (31%) said don't have access to a dedicated feedback and goals tool, and one in ten (13%) indicated they have neither tool available. And, as noted elsewhere, 10% of employees said their companies are not doing goal setting and feedback at all.

Employees Lack the Right Tools

31%
No dedicated feedback and goals tool

13%
Neither tool

22%
No dedicated career aspirations tool

Fewer than half of managers say they have a fair, transparent, and effective tool for calibrating, auditing and balancing reviews and rankings, and **only one in three managers say they have an effective way** to plan succession on their teams.

People who **have a dedicated platform** told us their tools were:

EASY TO USE
SIMPLE
FLEXIBLE
CLUNKY
HELPFUL

Those **without a dedicated platform** told us their tools were:

LIMITED
USELESS
OLD-FASHIONED
UNIMAGINATIVE
RESTRICTIVE

We delved into the effects of having software dedicated to these important performance enablement activities and found that using software that is focused on feedback and goal-setting correlates with liking working at a company and for a direct manager — as well as feeling aligned, engaged, productive and confident that they are working.

In one of our most interesting findings in the survey, we also clearly saw the importance of having the right software. Simply checking the box is not enough. The data consistently shows that having software employees don't like or don't find helpful actually underperforms having *no software at all*. If your goal is to foster a greater sense of alignment and engagement, and help enployees feel like their work is productive — no tool is better than the wrong tool.

Employees seem to be aware of the potential of these tools for their own enablement and success. Of those who don't already have such a tool, 64% of employees told us they wish they had a technology solution for more easily giving and receiving feedback and recognition.

The problems with consolidated tools became more clear when we asked employees to share their perceptions of them. When we compared the descriptions of tools provided by those who have a dedicated platform for feedback, vs. those with no dedicated platform, we see a stark juxtaposition. People who have a dedicated platform told us their tools were: easy to use, simple, flexible, clunky and helpful — considerably more positive than the top words used by those without a dedicated platform: limited, useless, old-fashioned, unimaginative, and restrictive.

Similarly, managers seem acutely aware of the shortfalls of their current technology. Fewer than half of managers say they have a fair, transparent, and effective tool for calibrating, auditing and balancing reviews and rankings, and only one in three managers say they have an effective way to plan succession on their teams.

CONCLUSION

The take-aways here are clear: having a best-in-class performance enablement solution, focused on conversations, feedback, goal-setting, and employee growth and development, is the new norm for HR professionals and their organizations that strive to deliver an exceptional employee experience that drives real engagement, productivity, development and loyalty.

Here are four recommendations to best position your company to take advantage of these insights.

1 Ensure employees have the power to update goals consistently as situations change.

Employees want to be autonomous and dislike being trapped in goals that might be irrelevant — particularly if the achievement of those goals has a direct impact on compensation. Provide employees with processes and tools that allow goals to be an intrinsic part of how they set priorities and complete work.

2 Strengthen your internal job market through regular conversations between employees and their managers about career goals and development.

For employees to feel like they have a future with your company, you must show them there is a plan for their career development and enable them to have agency in that plan. Knowing managers care about their career growth and are actively helping them to achieve long-term development goals will go far in helping to motivate and retain talent.

3

Use a dedicated, purpose-built platform for goals and feedback.

All-in-one solutions may have a big feature list, but they do not offer the nuanced capabilities and expertise that a dedicated solution can deliver. Employees can see the difference between a tool that checks the box and one that actually helps them to do work and advance their careers. Ensure you do, too.

4

Consider using counteroffers — both monetary and non-monetary — when employees do give notice.

Just because an employee gives notice doesn't mean they want to go. Start with the proactive things on this list and when the time comes to make a counteroffer you will have the foundation and trust to lean on to show employees how bright their futures will be with you. Remember, not all counter-offers need to involve pay and benefits. If you have established the groundwork, development can go a long way.

To ensure the effectiveness of teams and retain top talent, it is critical that companies provide employees with the tools they need to participate in their own development and have agency over their career trajectory.

Betterworks can help your organization create a better experience for your people with best-in-class performance management capabilities that include lightweight and flexible goal setting, feedback, survey, and development tools. Get in touch with us today to learn how our experts can help your company build a better employee experience and a more successful team.

To learn more about the trends, challenges and issues most top of mind for HR leaders — as well as the best practices, strategies and ideas the most innovative companies are applying to solve for them visit:

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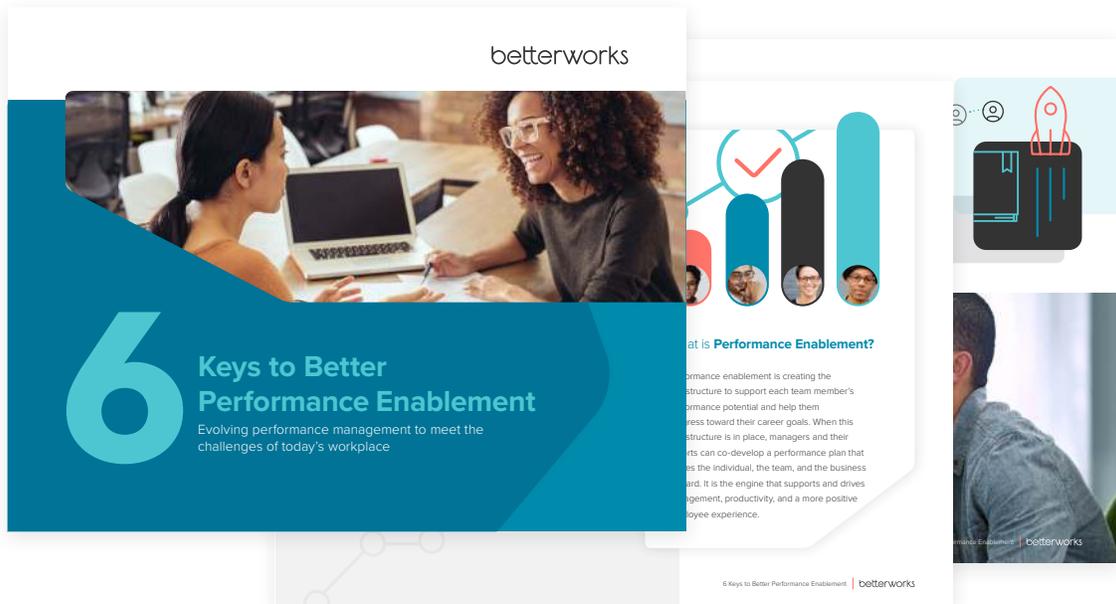
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SURVEY METHODOLOGY

The State of Performance Enablement survey was conducted by Betterworks® from February 16-23, 2022. This is the first annual deployment of this survey. The final sample of the survey was composed of 2506 randomly selected fully employed persons (aged 18 or older), balanced for gender and age, who are employed at organizations with a staff size of 500 or more employees. Respondents were randomly provided by independent market research firm SurveyMonkey, from the US and the UK. The survey had a margin of error of +/- 3 percentage points at a 95% level of confidence.

2506 TOTAL RESPONDENTS

1520 IN THE US

BALANCED **AGE** & **GENDER**

986 IN THE UK

500+ STAFF SIZE

About Betterworks

Founded in 2013, Betterworks develops best-in-class performance management solutions that enable exceptional results and put employee experience at the heart of how companies align, motivate, retain and develop their people. Unlike monolithic legacy HR technology, Betterworks' lightweight and enterprise-ready SaaS solutions for check-ins, feedback, employee engagement and recognition are built to scale for businesses of all sizes. Our customers' employees are proven more engaged and satisfied in their roles, which is why industry leaders like Intuit, Freddie Mac, Asurion, Udemy, Vertiv, HCSC, and the University of Phoenix rely on Betterworks to manage and enable performance. Betterworks is backed by Kleiner Perkins, Emergence Capital, and John Doerr.

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