



THE STATE OF PERFORMANCE ENABLEMENT

Using Performance Enablement to Forge a Fairer Employee Deal

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FORWARD: A LETTER FROM THE CEO



The **best companies** don't just focus on their customers; **they focus internally on their employees** as well. Happy, engaged, and empowered employees are what make an organization go beyond being **successful to being truly transformational.**

As HR and business leaders, we live in a uniquely exciting time. At no other point in modern history have we dealt with a confluence of forces in such a short period that are fundamentally changing the way we work and what we expect from it.

The pandemic forever altered our perspectives on the importance of work in relation to our lives, what we value, and where and how we work. Concurrently, we are dealing with the need to up-level the employee experience, accelerate the development of a new generation of managers, and provide transparency to company leaders around a myriad of metrics — from workforce productivity to agility. Businesses are coping with how to upskill and reskill the workforce, accelerate digital transformation, and understand and assimilate a younger generation of workers with a different set of values. They must retain and attract talent in a competitive marketplace and a continually evolving business environment where success requires agility.

I know some of you may be thinking, “What? Addressing the challenges of the workforce and improving the employee experience has never been more complex, and I’m exhausted, not excited!”

I completely understand having taken Betterworks through this period as the CEO. But I want to challenge you to view all of this through a different lens. Yes, it’s been difficult to say the least. But you have the opportunity now — and I would say the privilege — to be bold, to lead your organization into the next frontier by helping evolve the way your people work into a far better state.

Our second annual State of Performance Enablement report is our effort to help us and you truly understand what matters to the workforce — what employees want, what enhances their experience of work and what diminishes it, why they leave, and why they stay. Six key findings came out of our research, and from these, we derived six key themes.

Above all, we see that the employee deal — essentially, the employee value proposition — must be re-engineered. Employees feel they have given their all, especially since 2020, and they expect more from their employers in return. The employee deal comprises the explicit and implicit promises to employees, encompassing everything from total rewards to broader concepts such as fairness, inclusion, career care, purpose, and well-being.

The supporting themes fall under this overarching theme of delivering a better employee deal. Employers must respond to the desire for career growth and development if they wish to avoid the retention cliff — our second theme. Third, fairness matters greatly to employees and colors their entire experience. Feelings of bias in systems like performance management can undermine a multitude of other workforce sentiments, and fairness is sorely absent in performance reviews according to a majority of employees. Bias leads to mistrust, and as we explain in our fourth theme, trust in HR is at a low point. Organizations must be mindful of this gap. With the recent conversations about burnout, which put everyone at all levels at risk, businesses must double down on their efforts to relieve this pressure point. Nowhere is this more true than for managers. Our fifth theme is about better supporting managers by up-leveling performance and, especially, development coaching. Empowering your managers to coach will have an outsized impact on your organization. Lastly, we see that good performance enablement — which allows employees to create meaningful developmental and performance goals that align with their company's strategic goals and equips managers to frequently coach and enable employees — has a multiplier effect on the organization. Employee feelings

of productivity, confidence, engagement, optimism, focus, and relevance are higher across the board for employees who have tools that enable great performance.

It's clear from our research and from third-party studies that the shift from traditional performance management to a contemporary solution — what we call performance enablement — is underway.

Now is the time to adapt, change, and grow to evolve and elevate the employee experience. The best companies don't just focus on their customers; they focus internally on their employees as well. Happy, engaged, and empowered employees are what make an organization go beyond being successful to being truly transformational.

At Betterworks, we've been on a mission to enable great performance and improve the employee experience with best-in-class, consumer-grade technology that helps companies align, motivate, develop, and retain their people. I hope that this research provides you with the insights and data you need to move toward a human-centric way of operating. And I look forward to engaging in a rich conversation about how we can all make work better.

Doug Dennerline | CEO, Betterworks



EXECUTIVE SUMMARY & KEY THEMES

Growth, Enablement, and a Fairer Employee Deal

To meet the future of work, companies must help employees to see a clear and fair path for growth. This means reforging the employee deal and proactively enabling employees to develop their careers in place, ensuring that development is unbiased and elevating perceptions of inclusion.

Companies must focus on providing employees and managers with the skills and technology to talk not only about performance — but also their careers and long-term skill development. They must also try to eradicate the perceptions of bias and stagnancy that make employees feel less valued and drive them toward quitting — either quietly or loudly.

Disruption has become the new normal in the workplace (and all our lives), and 2023 is shaping up to be no different. The Great Reshuffle

is still underway — powered not only by employee resignations but also by layoffs due to technology shifts, inflation worries, and a threat of recession. As we surveyed employees for this second annual performance enablement survey, many did say they are still looking for new jobs — but a majority said they would actually much prefer to develop and grow where they are.

Moreover, employees are stepping up their game. They are feeling positive about work and are more engaged and contributing at higher levels than last year. They are doing their part to help their teams succeed, but many are concerned about fairness in the system.

To retain these employees and help them deliver on their potential, companies must focus on a new and broader definition of the “employee deal.” That means crafting an employee value proposition (EVP) that includes not only traditional total rewards, but a modern performance management approach that reflects the needs of today’s workforce and embraces skills development and career

pathing for tomorrow. Our data shows that cultivating a good employee experience must be laser-focused on fairness and belonging for companies to succeed.

The difference a year makes

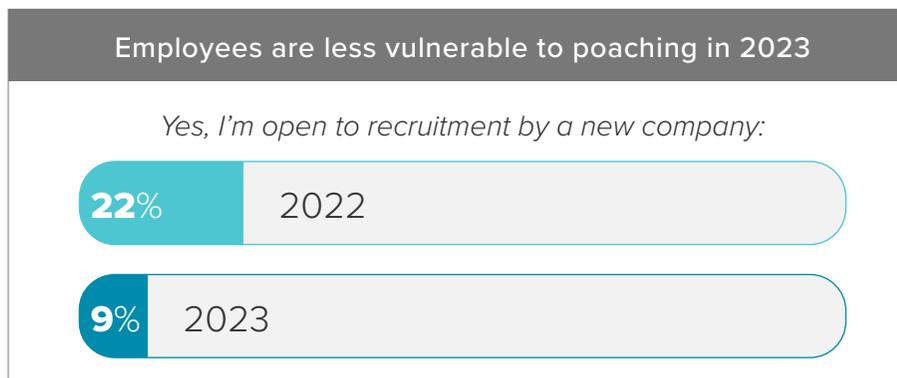
We began this year’s survey by looking to see what had changed compared to our 2022 data. Although some continuity in the results remained, there were also notable changes. Employee intent to leave is roughly the same as it was last year: 14% of employees say they are actively seeking new work versus 13% in 2022. Still, overall, the momentum of the revolving door is slowing. Passive job searching has dropped significantly — to 9% versus 22% last year. There is an uptick in people who are waiting out the economy (6%) before they go, but there are more people who plan to stay in their current job (40%), and more people who are looking for advancement in their current company (17% versus 13% last year.)

What does all this mean? The good news is your employees don't want to leave you. A majority of people like working for their companies. The bad news is they might go anyway if you cannot give them the tools and opportunities they need to grow in place.

Last year, we were still seeing a 'pandemic effect' in the reasons people stayed and went. After pay/benefits (43%), the most influential factors in changing jobs were stress/well-being (30%) and flexible work options (22%). Career advancement opportunities trailed in fourth place (20%).

This year, the focus on pay has increased even more than usual (51%) as the top reason for leaving a job. This is not surprising, given the concerns of a possible recession.

Our questions were slightly different this year, but we can still see how people have also shifted to a longer-term view. Flexibility, while still in the mix, has dropped to fifth place. Development concerns have ascended and are top-of-mind. Career advancement is the No. 2 reason people are thinking of leaving in 2023 (35%), followed by professional growth (34%) and wanting a better company culture (30%).



The good news is, your employees don't want to leave you.

The bad news is, they might go anyway if you cannot give them the tools and opportunities they need to grow in place.

OVERALL, WE SAW **SIX MEANINGFUL THEMES EMERGE** FROM THIS YEAR'S DATA.



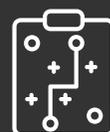
The current employee deal needs to be reimagined



HR must mind the trust gap



Avoiding the retention cliff requires focusing on career development



Accelerating manager effectiveness through coaching and resources is vital



Fairness matters – it colors the employee experience



Good performance enablement has a multiplier effect



The current employee deal needs to be reimagined

The employee deal is about more than pay and rewards. It includes skills development, purpose, fairness, inclusion, culture, and more. It comprises the totality of the employee experience, including health and financial well-being and long-term career aspirations.

The employee deal has two sides to it, and employees feel they are working hard at delivering on theirs — giving their all and fulfilling their part of the “contract.” Employees’ assessment of their own productivity and engagement has significantly outpaced what we saw in 2022. Employees’ sense of their own productivity has risen eight points to 67% while their view of their discretionary effort has jumped 19 points to 60%.

They’ve dealt with layoffs and re-assignments, readjusted to new ways of working, and borne stress and burnout, not just from work but from everything that has happened in the world in the past few years. They’ve persevered.

But as resilient and productive as they have been, they are not always seeing a return on what they’ve put into the system.

Employers have absolutely been working on trying to improve the system, too. Many

employees have seen significant changes to their performance management processes and tools in the past two years. Anecdotally, we also have seen employers making real efforts with well-being programs, customized

The employee deal is about **more than pay and rewards.** It includes skills development, purpose, fairness, inclusion, culture, and more.

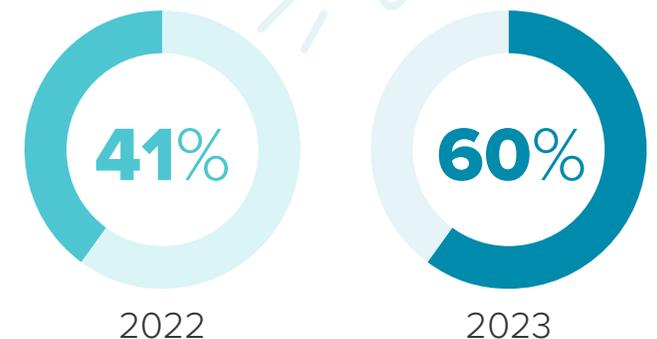
benefits, flexible work, and more. Employees generally really like working for their companies, and want to stay.

Yet, workers are also showing frustration with the lack of options open to them. They believe their organizations are not providing adequate opportunities for growth and career advancement, and sometimes their managers — especially newer managers — are ill-equipped to help them.

To keep them, employers must expand their vision for the employee deal. This includes showing workers a path for advancement and providing them with the tools and guidance to move internally.



Employees who answered that they **Always Go Above and Beyond**



Avoiding the retention cliff requires focusing on career development



First, the good news. The preference for employees seems to be growing where they are planted, over job-hopping. A majority (75%) of people said they would rather stay with their company to advance in their careers.

More than half of employees don't see a path for advancement in their current company — a lack of career advancement and professional growth are the No. 2 and No. 3 reasons for employees to be looking for work.

It's worth noting that this is true at all ages — for Gen Z and Millennials as for older workers. In both of those cohorts, 72% said they would prefer to advance in their current companies, versus 77% of those 45-60 and 78% of those over 60.

Now, the tougher news. Even though most employees want to stay, if the organization fails to live up to the employee deal, those employees will leave anyway. More than half of employees don't see a path for advancement in their current company — and career advancement and professional growth are the No. 2 and No. 3 reasons for employees to be looking for work.

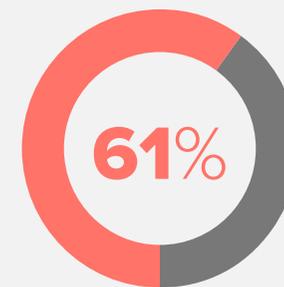
When we asked employees who may leave what would help them decide to stay with their company, pay and benefits predictably topped the list. And, here again, career took the No. 2 spot. This year's respondents cited internal career opportunities (41%) and better skills development (36%) as their other top reasons for staying.

Ongoing competition for the best talent coupled with an uncertain economy means companies are in danger of losing talented employees if they can't deliver on the promise of career growth and advancement.

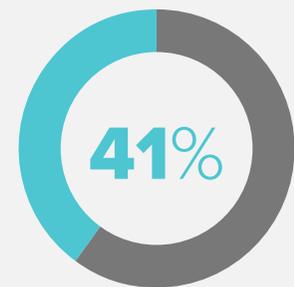
3 out of 4 employees would **prefer to advance** at their **current company**



Total **rewards are top of mind**, but people will **stay for development and career growth**



Pay & Benefits



Career Growth



Fairness matters – it colors the employee experience

This year's data also showcases the growing importance of the relational and social factors of work. People want to feel they are part of something bigger than themselves — valued, recognized, and treated fairly — as well as on the road to a brighter future. Fairness, good culture, and team support were all themes that bubbled up in this year's data.

Fairness was one theme that stood out. This year's data shows that many employees feel performance reviews are not entirely fair, mainly due to inadequate feedback from people the employee works with day in and day out. Most people work in teams or in cross-functional,

matrixed organizations. A manager is best served by having a complete picture of an employee and their performance through the feedback of team members and other colleagues.

When employees feel they are not being treated fairly, there is a knock-on effect on productivity and engagement — resulting in the long-standing phenomenon that has recently been coined as “quiet quitting.” In many ways, this is a self-inflicted wound, albeit often unintentional, for companies. But it's fixable, and organizations that address feelings of fairness will have more success in retaining talent and ensuring their people stay engaged, happy, and productive.

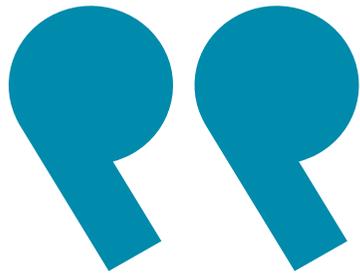
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↓
↑ **HR must mind the trust gap**

Concerns about fairness have a reciprocal relationship with trust — as bias in the system can affect trust in leaders and vice versa. Trust has stagnated — and once eroded, it can be difficult to rebuild. In 2023, employee levels of trust are at a dangerously low ebb. The upside is that many employees report high trust in their managers. Still, three in ten don't trust team members

working to elevate the employee experience and shifting their values toward stakeholder — rather than shareholder—value.

This is a snapshot in time. Distrust may still be high due to economic uncertainty, or it may simply be that stakeholder-focused initiatives, such as those around employee well-being,

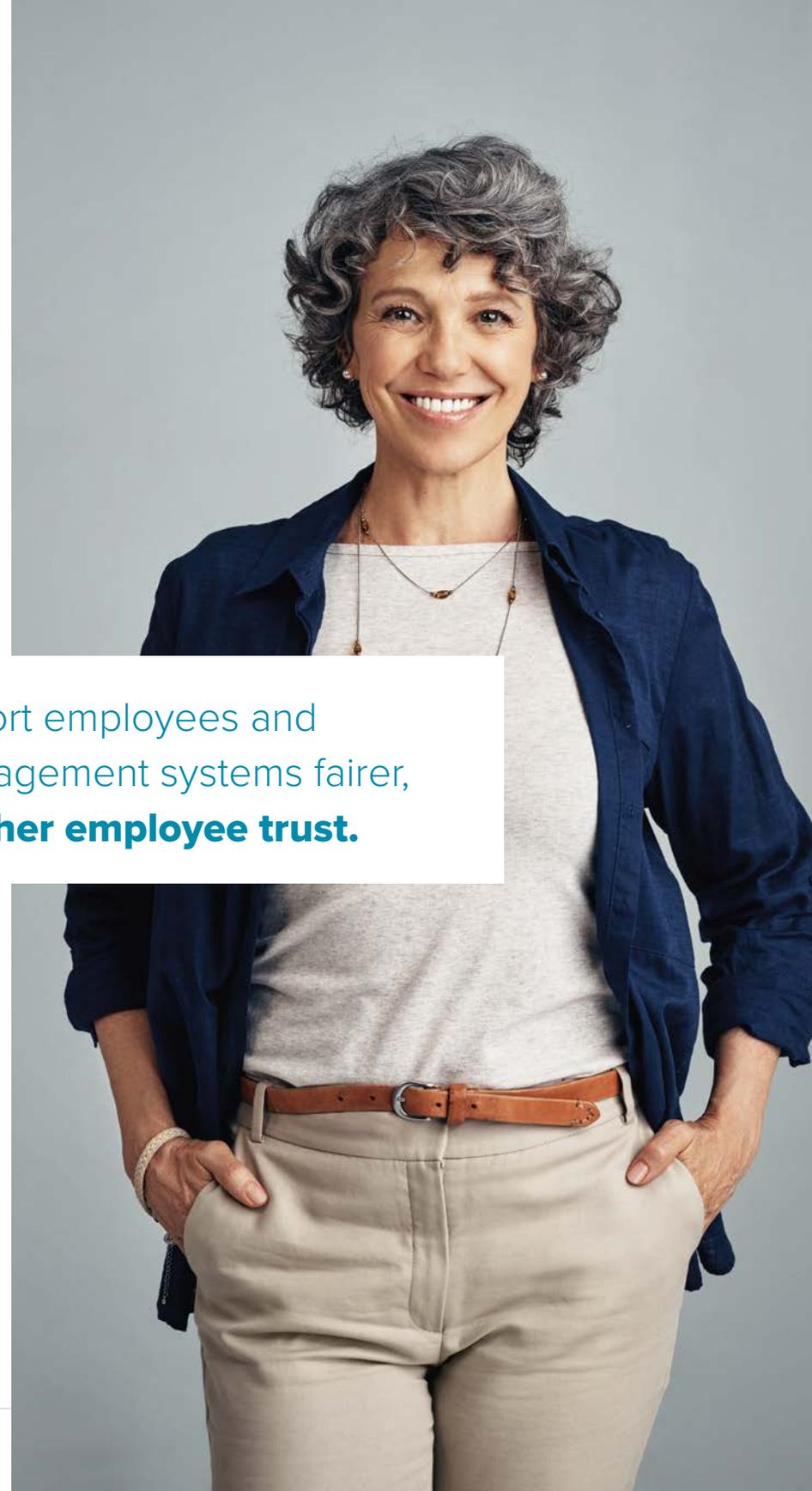


With continued good-faith efforts to support employees and managers and to make performance management systems fairer, **HR and company leaders can forge higher employee trust.**

or managers, and about seven in ten don't trust leaders or HR. Ten percent of employees don't trust anyone at all.

Low trust is not a big surprise. According to multiple other studies, trust in HR and leadership were low prior to the pandemic. But they may be disappointing to read, nonetheless, given how organizations have been

have yet to be fully realized. With continued good-faith efforts to support employees and managers and to make performance management systems fairer, HR and company leaders can forge higher employee trust. This can assure employees that leaders and HR — often the custodians of the performance process — are working in their best interests.





Accelerating manager effectiveness through coaching and resources is vital

Managers are the linchpin that holds your organization together. This year's analysis reveals that employees trust their managers as much as their teammates. Nine out of ten people said they always or sometimes like working for their manager — with 48% saying



‘always.’ A strong plurality believes managers care about their progress and are trying to be a help to their careers. But managers — especially inexperienced ones — are ill-equipped when it comes to coaching for growth and career development. And employees will leave if they see no path for career advancement. The bottom line: your coaches need coaching.

Regular and effective manager-employee conversations about both performance and development are tremendously important to the employee experience when it comes to engagement, inclusiveness, belonging, value, and satisfaction. This is significant because half of employees (49%) also told us they've considered leaving a job because their manager was bad at giving feedback or reviews. There is also enormous potential for organizations to use managers to promote career and skills development, but most companies do not appear to be leveraging them to capacity.

To effectively take advantage of the relationships managers have built with employees — and to better support those relationships over the long term — HR must provide managers with more training and tools to coach for skills and career development, not just performance.

Your coaches need coaching.

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Good performance enablement has a multiplier effect

Rethinking your performance management today will have a multiplier effect, yielding far better sentiments and outcomes across your organization.



Employees want performance enablement to help them increase their effectiveness and grow their careers. The half of workers who get meaningful performance enablement — including goal-setting and tracking, feedback, and purposeful and ongoing conversations — have far higher levels of optimism, confidence, engagement, and productivity than the half of employees who don't. Among the latter group, two-thirds want adequate performance enablement.

Some of this comes down to the tools companies use. Those tools must be lightweight, dedicated, and easy to use in the flow of work to be useful for both performance and development. Otherwise, employees use them only once or twice a year for performance reviews, rendering these tools largely ineffective when it comes to continuous performance improvement.

The data in this report makes clear how acutely performance enablement affects sentiment, well-being, and feelings of mastery and autonomy. Good enablement is a transformational approach that changes the way employees feel about their work, purpose, efforts, interests, and feelings of belonging. The effects are synergistic. A performance enablement mindset has the ability to change hearts and minds, as well as bottom lines. It's a new way of thinking about how we view our people — one that connects people, promotes collaboration, values employees, and elevates the employee experience.

Let's dig into the findings.

The half of workers who get meaningful performance enablement — have **far higher levels of optimism, confidence, engagement, and productivity** than the half of employees who don't.

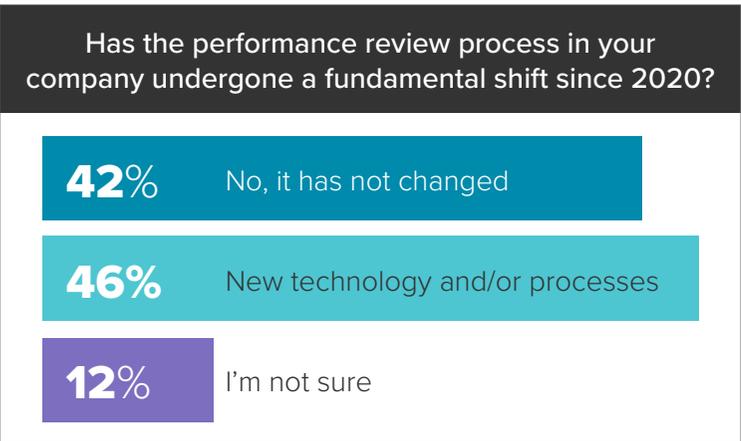




Only 1 in 3 employees say the performance management review process **helps them perform better.**

Employees who have confidence in their performance management review process have much higher trust in their organizations.

Performance review processes have undergone significant changes since the pandemic, but it's clear that the changes either have not gone far enough to substantially improve employee experience or have not yet been fully realized. Employees have mixed perceptions of how performance reviews are working, with many citing them as a waste of their time and 1 in 3 calling them an outright failure. While team trust is largely unaffected by performance reviews, faith in the success or failure of these processes goes hand in hand with trust in managers, leaders, and HR.



37% of workers with an opinion said that performance management is an outright failure in their company. That's an "F" grade when it comes to their performance, alignment, and career growth.



Performance reviews are changing. Since 2020, 46% of our survey respondents told us their companies have added new performance management technology (17%), new processes (18%), or both (11%).

This likely reflects efforts on the part of leaders to streamline performance development and create more equitable review and development processes in response to major changes in how we work and the ongoing talent crunch.

Some of these efforts are paying off. For example, employees whose companies implemented new technology and/or processes were more likely to see their performance reviews as fair and unbiased, say they felt recognized, view performance management as relevant to their daily work, and were twice as likely to feel the performance management process was useful to their performance (61% versus 28%).

Despite these trends, only 1 in 3 (32%) of all employees today said their current performance management system helps them perform better.

This may account for why so few employees believe the performance review process was a good use of their time: **19% said the process was never a waste** of time and effort, and **64% see it as always or sometimes a waste.**

Similarly, only 46% of employees said they believe performance management is a success. But 27% of respondents said they didn't know, and another 27% of workers said that performance management is a failure in their company.

If we remove those who do not know and recalculate, that's 37% of those with an opinion on their performance management saying it is an outright failure. That's an "F" grade when it comes to their performance, alignment, and career growth.



Only 32% of people trust their leaders, and **only 26% said they trust HR**. This gap may be undermining overall faith in the system.

One reason so many workers lack confidence in their performance management and assessments may be a lack of organizational trust.

While 68% of respondents told us they trust their teams and 63% trust managers, only 32% of people trust their leaders, and only 26% said they trust HR — who are often the custodians of the performance appraisal process. This gap may be undermining overall faith in the system.

It's worth noting that trust in managers drops 23% when people have lost confidence in

the performance review process. Conversely, we see more trust in managers when people believe performance management is a success — rising to 79% from a baseline of 63%. This is nearly double the level of trust in managers compared with employees who see performance management as a failure.

We saw similarly dramatic shifts in the levels of trust people have in organizational leaders and human resources — where trust in both organizational leaders and HR leaders is more than 4x higher when employees view performance management as successful.

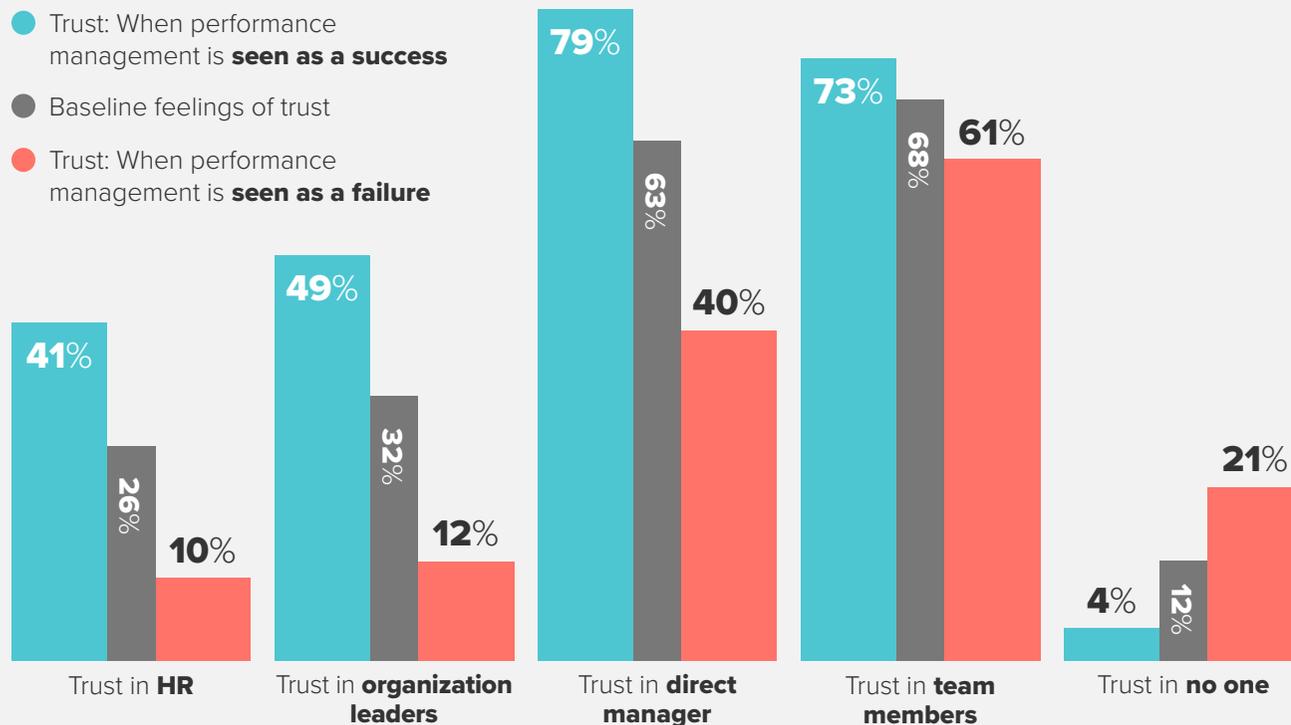
» RECOMMENDATION

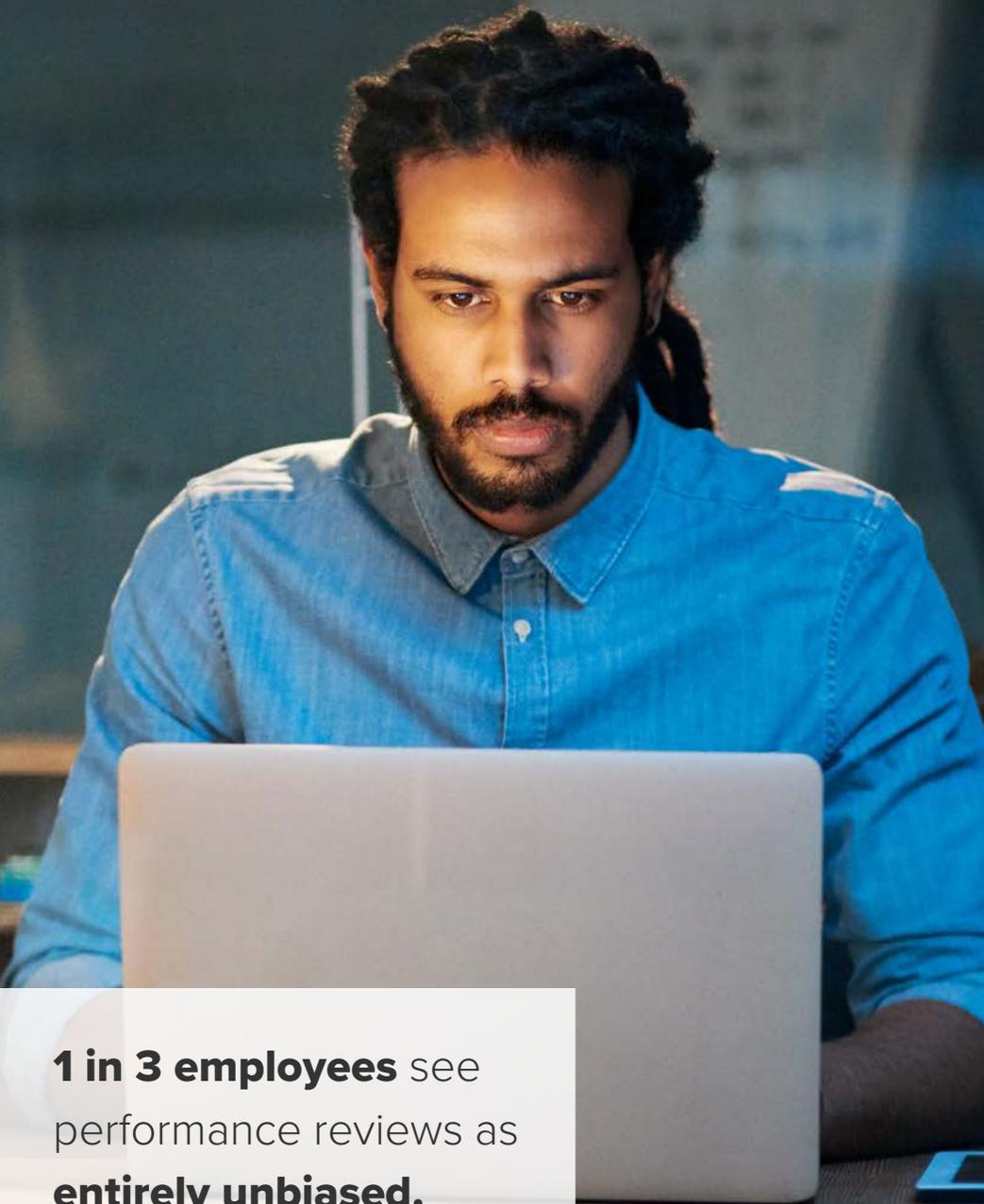
Traditional performance management has 100-year-old roots. While it has changed over time, the approach is not well-suited to employee expectations, the realities of modern work, and the speed of change. It breaks rather than builds trust.

Organizations and employees increasingly realize and expect that performance management must continuously drive employee engagement to improve organizational performance. With agile and matrixed working models on the rise, enabling discussions of progress against targets needs to be more frequent to help employees stay aligned with their organization's strategic goals.

Employers also have the opportunity to increase trust. First, they can show they care about career development through meaningful training and growth opportunities and more thoughtful conversations between managers and their employees. Second, they can actively remove bias from performance processes.

The success of performance management correlates with levels of trust across the organization





1 in 3 employees see performance reviews as **entirely unbiased.**

Many employees see performance reviews as biased, with downstream effects that show up in higher levels of quiet quitting.

A majority of employees say performance reviews are biased, which explains why many see them as somewhat or completely ineffective. This negative sentiment shows in important outcomes such as productivity and discretionary effort — resulting in the kind of quiet quitting discussed on social media. Our data shows that when employees get feedback from team members as well as managers — and the feedback is used in reviews — it correlates with employees' feeling that reviews are fairer.

In addition to lackluster feelings of confidence in performance management systems, 25% of employees told us they see their current performance review systems as either biased or very biased.

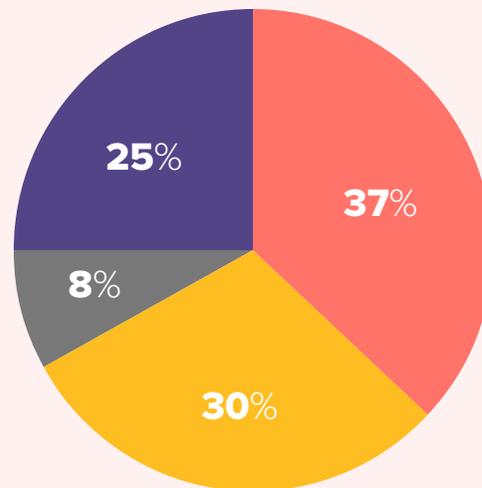
Another 37% said they see the system as only somewhat fair, and only 30% of employees said they believe their review process is completely fair and equitable.

Those who see the review process as **very biased** are more than **twice as likely to say** they are **looking for work elsewhere.**

This directly correlates to some of employees' most important metrics around performance and engagement. When they see performance management as biased, they often also exhibit signs of quiet quitting. Productivity and engagement levels drop measurably for people who believe reviews are somewhat or very biased.

Similarly, those who see the review process as very biased are more than twice as likely to say they are looking for work elsewhere — whether actively or passively.

Fewer than 1 in 3 employees see performance reviews as very fair and equitable



- They are somewhat fair and equitable
- They are very fair and equitable
- They are biased
- Don't know

Productivity is up to **23 points higher** (83% vs. 60%) and **engagement** is up to **14 points higher** (71% vs. 57%) among employees who **see their reviews as very fair and equitable.**

Feelings of overall equity and fairness in the employee experience also take a hit. When people feel there is bias in the system, their feelings of belonging and value at work drop 42 to 60 percentage points from a high of 70% (when they feel reviews are very fair and equitable).

Feelings of belonging are **up to 60 percentage points higher** among employees who **see their reviews as very fair and equitable.**

One way to address the fairness gap in reviews may be to look more closely at the people involved in the process. Input from a broader array of stakeholders correlates with increased confidence in fairness: 84% of this survey's respondents work in teams at least some of the time, but only 29% said feedback from team members is part of how their performance is measured. Nearly 4 in 5 employees said that they think incorporating feedback from two or more colleagues would make the performance reviews feel unbiased.

A photograph of two women in an office environment. The woman on the right is looking down at a laptop screen, while the woman on the left is looking towards her. The image has a red overlay and a white text box at the bottom.

Nearly **4 in 5 employees** said that they think incorporating feedback from two or more colleagues **would make the performance reviews feel unbiased.**

For reviews to feel unbiased, 78% of employees want more than one source of feedback on their work



- 1 person
- 2 - 5 people
- 6 - 10+ people
- No amount of people will make me feel feedback is fair and unbiased

The sweet spot here seems to be between two to five people — but just having more than a manager involved in giving feedback is likely to help.

When we asked employees if they had the ability to get feedback from team leaders or members, 70% said ‘yes’ and 46% said that managers used feedback in performance conversations.

Employees who get feedback from their team in reviews are 2–4.5x more likely to feel reviews are unbiased



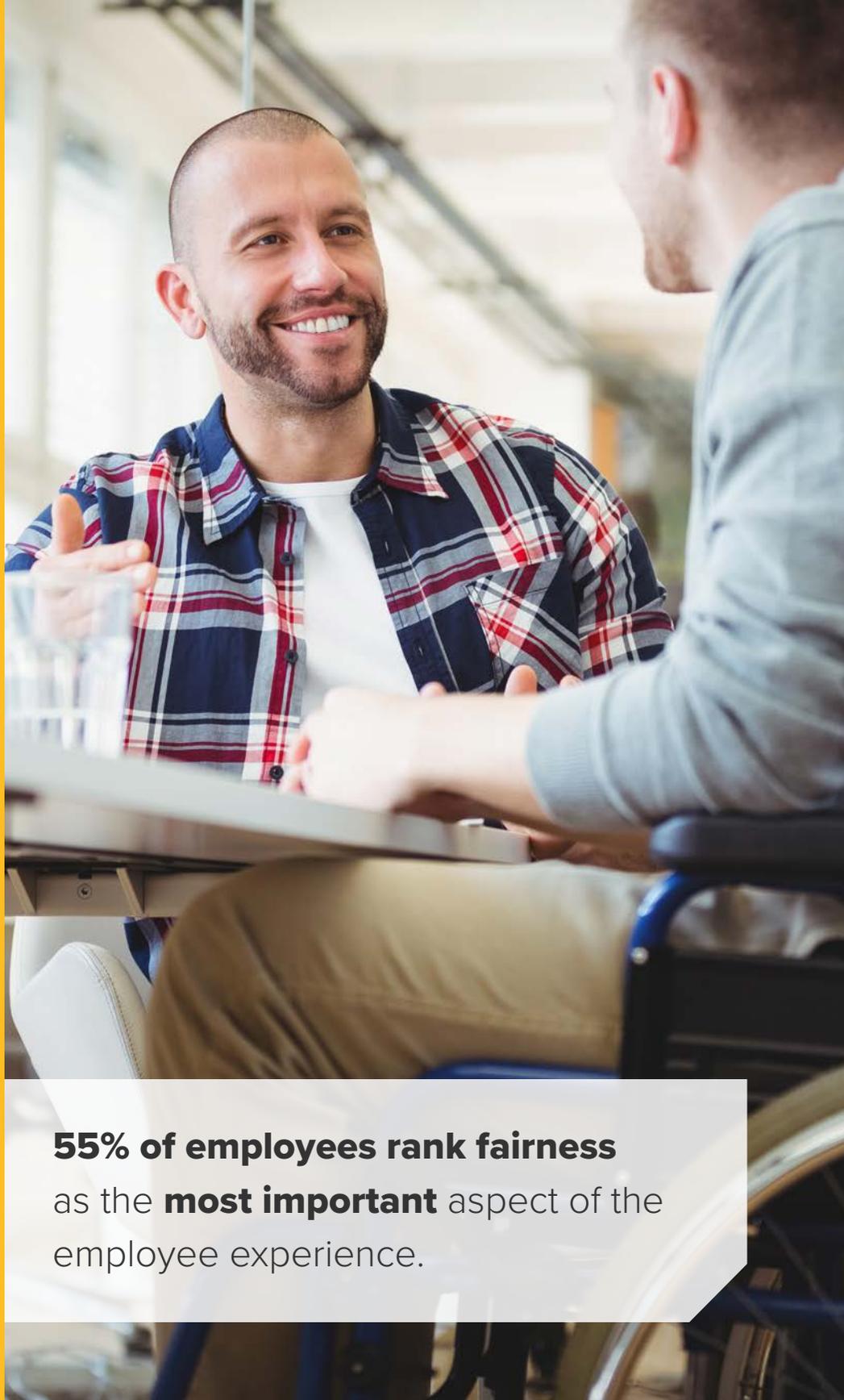
Workers who had feedback from team leaders and members included in reviews were 2.5x less likely to report bias. Those who had no ability for teams to give them performance feedback were 4.5x more likely to say they saw bias in the system.



» RECOMMENDATION

Implement an anytime feedback model so that employees and managers can freely request and provide written feedback, and use peer feedback in the performance review process. Additionally, review your performance management process for biases, such as recency, confirmation, and negativity bias.

To truly root out bias, HR should go one step further. Leverage AI, data, analytics, and reports to determine whether there are systemic biases. Audit your workforce practices, including performance ratings, calibration, promotions, and compensation decisions. Investigate “leading indicators” of bias. These could include whether underrepresented employees receive coaching conversations with the same frequency as other employees and whether the language used in feedback questions and responses varies across underrepresented employee groups.



55% of employees rank fairness as the **most important** aspect of the employee experience.

Employees feel generally positive about work, ranking fairness as their top concern for a good employee experience.

Relational and social aspects of work, such as fairness, belonging, and trust, are becoming more important as organizations tune into the employee experience. We found that employees are generally positive and feel good about the contributions they are making. However, they surfaced fairness as an important value — which should be instructive as employers examine their performance management processes for equity and bias.

The “softer” aspects of work have become dramatically more important in recent years as companies reorient around employee well-being and inclusion, and as purpose and corporate responsibility become essential parts of the employee value proposition. The transition to hybrid and remote work and the impact of Gen Z workers are likely also factors in these shifts.



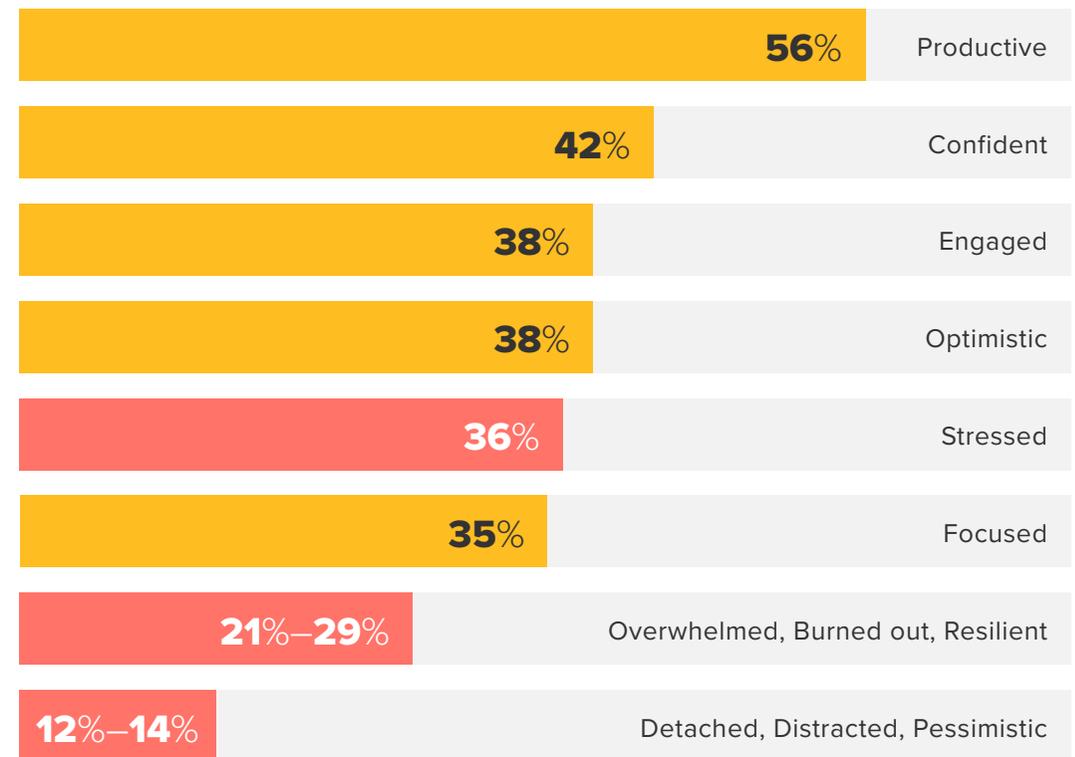
Since the pandemic, companies have focused on areas like employee experience, DEI, and trust. While new economic forces have tempered some companies’ reactions to The Great Reshuffle, the labor market is still tight in most industries, and the competition for talent will likely continue as population trends assert themselves.



We have seen a growing emphasis from companies on offering a better employee deal — which incorporates not only total rewards but skills development, purpose, culture, financial well-being, health and wellness, and more.

We asked employees how they felt about work, and there was much good news. A plurality said they felt productive, confident, engaged, and even optimistic.

Employees are feeling positive overall



This positivity from employees may come as a surprise to those who are only tuned into calls for improvement. Organizations should take this as a good sign overall.

Employees still see room for improvement nonetheless: only 37% said they always feel they belong and are valued at work.

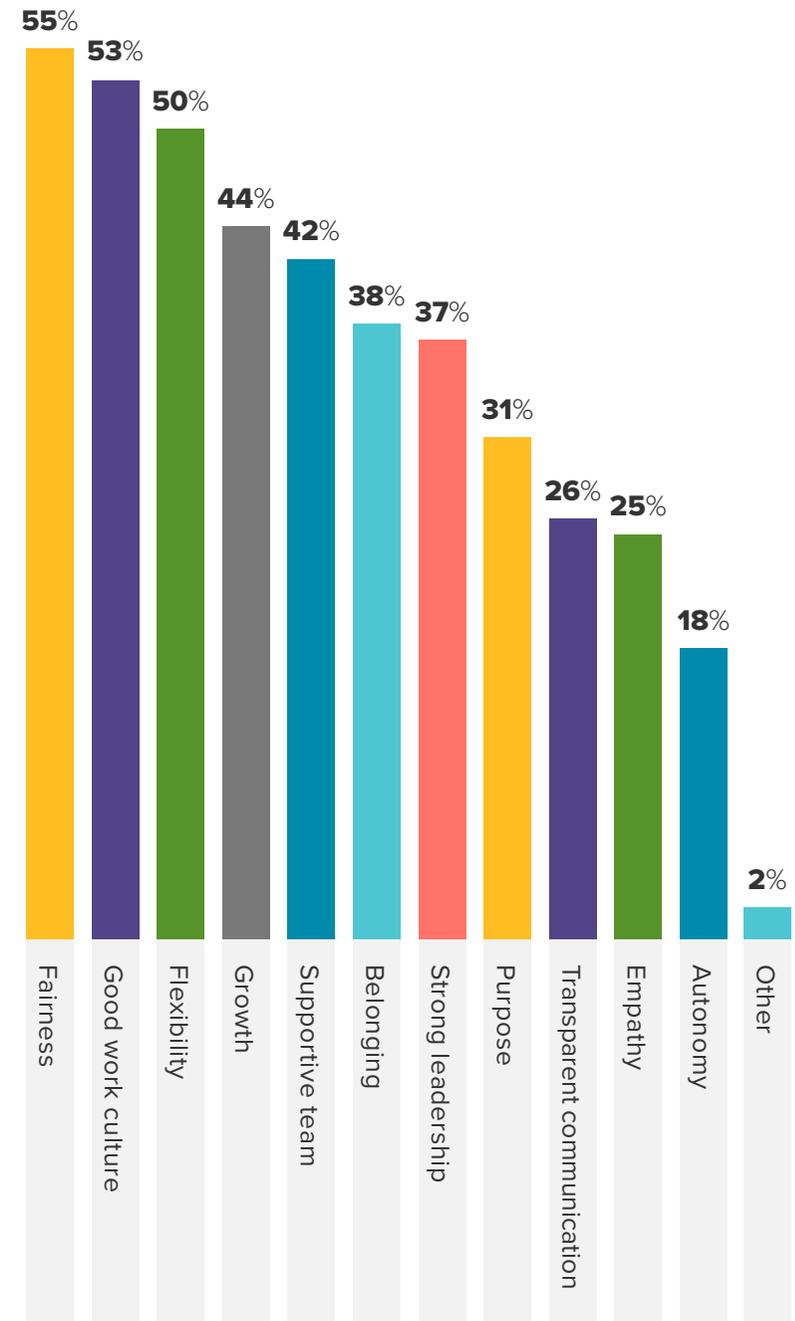
When we asked employees what was most important to their experience, fairness topped the list, followed, unsurprisingly, by culture.

Given our observations in Findings 1 and 2 — with regard to a lack of confidence in performance reviews and perceptions of bias in performance management — it’s easy to see how fairness has bubbled to the top of employees’ concerns in 2023.

We did not ask employees to define fairness in this report, but given the findings across the rest of this data, we can reasonably surmise that perceptions of fairness include elements of equity (in both access and pay), trust, inclusion, elimination of bias, the inclusion of more voices, and delivery of the promises made by the evolving employee deal.

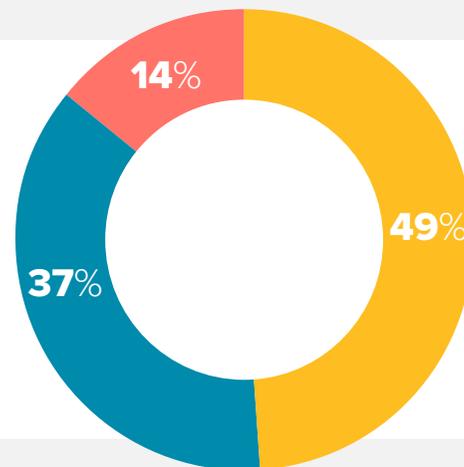
Additionally, a good work culture, flexibility, growth, and having a supportive team rounded out the top five contributors to the employee experience — underscoring the points we’ve made here about the importance of building a culture that supports career growth and pathing. Each of these elements works together to create an environment that values career development as much as performance.

Fairness is the most important factor in the employee experience



Only 37% of employees always feel they belong and are valued at work

- Sometimes
- Always
- Rarely/Never





We can reasonably surmise that **perceptions of fairness** include elements of equity (in both access and pay), trust, inclusion, elimination of bias, the inclusion of more voices, and delivery of the **promises of the employee deal.**

>> RECOMMENDATION

With fairness, inclusion, belonging, and trust so intertwined — and elemental — to the employee experience, it behooves HR leaders to examine the processes and behaviors that undermine these in an organization. This includes reviewing your performance management approach with your workforce to determine if and how it is viewed as unfair and biased, especially when it comes to how you enable career growth.

If you don't already have one, institute a calibration process that's fair and rates everybody the same way for similar types of achievements and behaviors. The right technology will allow you to easily peer into your data to uncover sources of hidden bias.

The results may require making adjustments to your performance management processes or they may lead you to consider overhauling them all together. The time to act is now, while employees are generally feeling positive.



Only 48% see a path for advancement in their current company.

Employees don't feel supported in their careers.

While 75% of employees would prefer to stay and grow with their organizations, less than half see a clear path for advancement in their current company. Only 46% report feeling supported in their career aspirations. But manager-employee career check-ins help employees feel much better supported. And there's also a clear tie to important outcomes like productivity and engagement.

Employees are thinking more deeply than ever about their career development — and specifically how to develop skills, grow, and advance in their current company.

To stay and thrive, employees want more and better conversations about growth and to feel that someone cares about their development. This is part of the employee deal: Employees want to feel that in exchange for their efforts, their employers are committed to investing in their growth and advancement.

While 38% told us they felt supported in both their career aspirations and performance, 28% said they felt supported in performance goals only. More than a quarter (26%) said they did not feel their organization supported them in either their performance or career aspirations.

The disconnect is troubling: As we saw mentioned earlier, 75% of employees prefer to grow and advance at their current organization but less than half (48%) see a pathway for advancement.

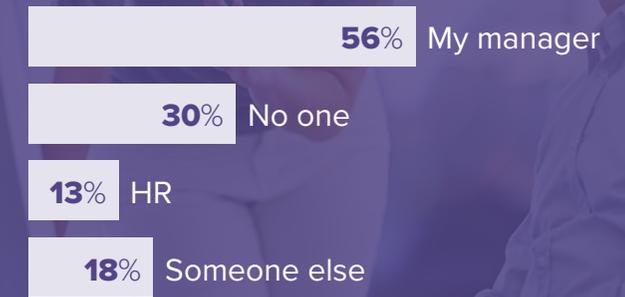
The news is worse for front-line employees. Only 40% of individual contributors saw a way forward. This is skewed a bit. Many employees at the higher levels were also older workers who indicated they didn't need or want career development or advancement because they were already at the top of their careers or close to retirement.

This begs the question, "Are employees getting adequate conversations around career development?" The answer is no.

About half of employees are getting check-ins on career, advancement, and growth more than once a year. A quarter of employees have check-ins more often, but another quarter receive no check-ins about their careers at all.

Among employees who have check-ins, only 31% said they are always satisfied with those conversations. We see the fallout from this in the way employees feel supported by their managers.

Employees are most likely to **think their manager cares** about their career growth — but **1 in 3 don't think anyone cares.**



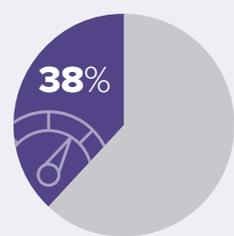
Check all that apply

In Finding 1, we saw that trust in managers is as high as it is in teammates. Employees echoed that same sense of confidence in their managers when we asked who at their company supports them. More than half of respondents said the person who most cared about their advancement at work was their manager.

Still, that number (56%) leaves a lot of room for improvement, and 30% of people said that no one cares about their career growth.

It is worth noting that — as with trust — employees do not think many in HR have their back when it comes to career development.

While this may feel disheartening, given the outpouring of effort by HR to protect employees and enhance their well-being, it simply indicates that there is more to be accomplished.



Only 38% of employees **feel both their performance and career aspirations** are fully supported by their organizations



Fewer than **1 in 2 employees see a clear path for advancement** in their current company.



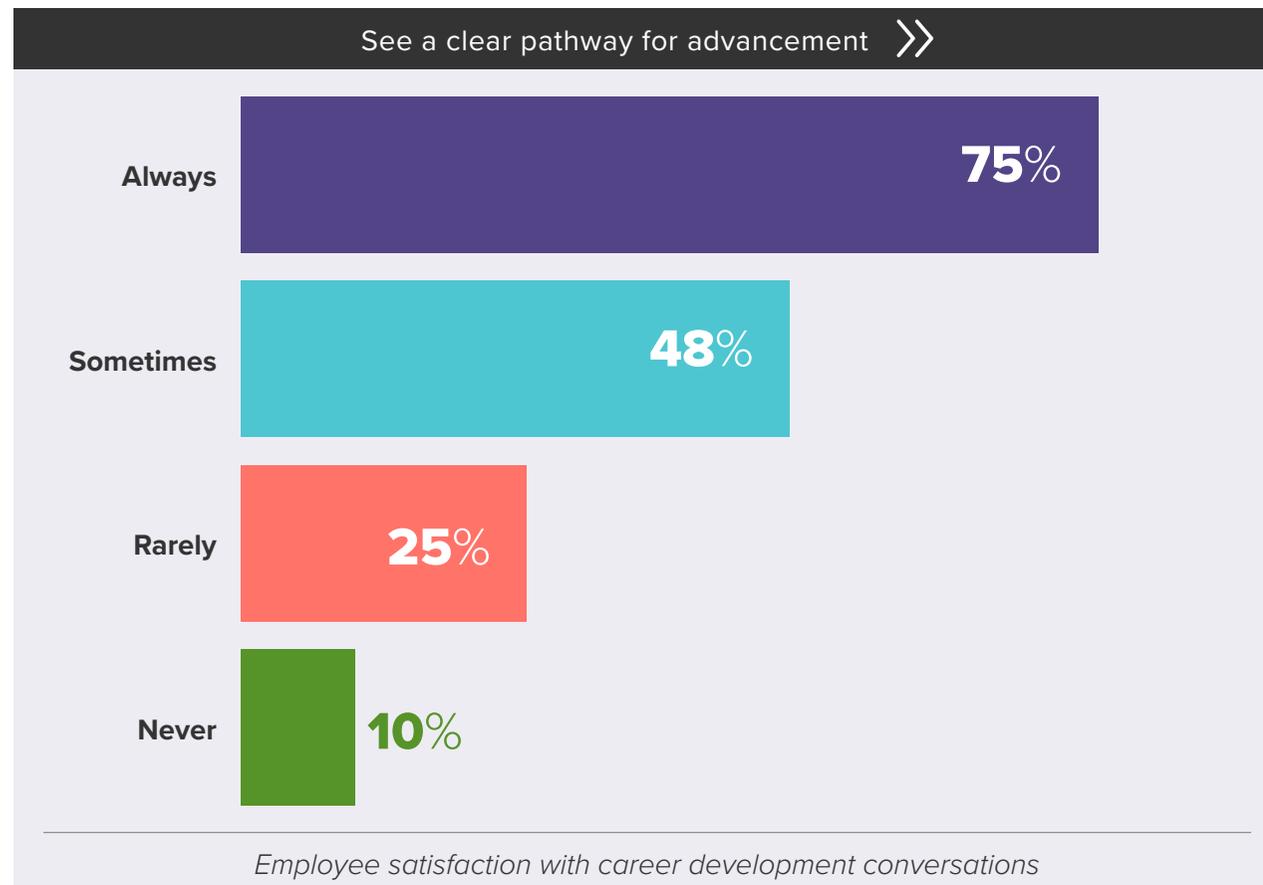
Employees who are **satisfied with career and development** check-ins are up to **750% more likely to see a path for advancement.**

There is an opportunity for HR to continue making a meaningful impact by helping employees develop and advance their careers and by demonstrating that HR is advocating for their success.

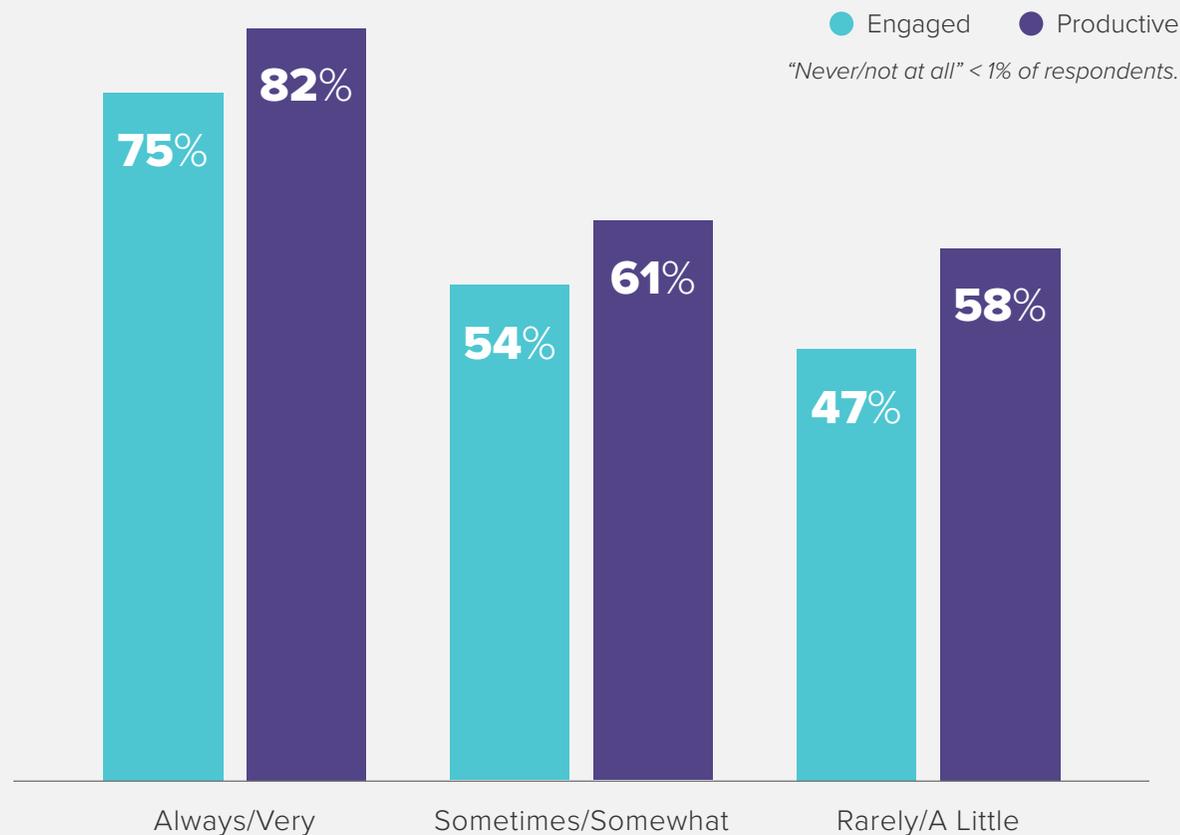
Check-ins make a tangible difference in feelings of support and perceptions of career

pathing. Employees who are always satisfied with the conversations they have with their manager about their career, advancement, and professional growth were 65 percentage points more likely to feel there was a path for advancement for them in their current company versus those who were never satisfied.

That means employees who are **always satisfied** with career and development check-ins are **up to 7.5x more likely to see a path for advancement**



Employees who are satisfied with career and development check-ins are also more likely to say they are **always engaged and productive.**



People who said they are always satisfied with the career conversations they have with managers were also less than half as likely to be looking to join a new company this year (20% versus 59%).

Additionally, these employees were up to 28 percentage points more likely to say they are

engaged and putting in extra effort and up to 24 percentage points more likely to say they are always productive.

This data shows that when you take care of your employees, they will take care of you.

» RECOMMENDATION

Career pathing works. If you haven't done so already, make sure manager-employee conversations are frequent and structured. Managers should be encouraged to regularly include questions about the employee's career aspirations and discuss opportunities for building related skills. These should be documented, added to the employee's performance plan, and discussed regularly to monitor and promote progress.

Examine the effectiveness of your upskilling and other L&D programs. Unless courses and progress tie into an employee's performance, managers won't necessarily see the impact of the employee's efforts. Without this visibility, the ability to level up and be promoted may not come to fruition. Make sure learning is expressed as a goal and be sure that HR can track the impact of learning on career development and advancement.



46% of **managers don't feel confident** coaching for career development.

Managers — especially newer managers — want and need help having conversations with employees on career, advancement, and professional growth.

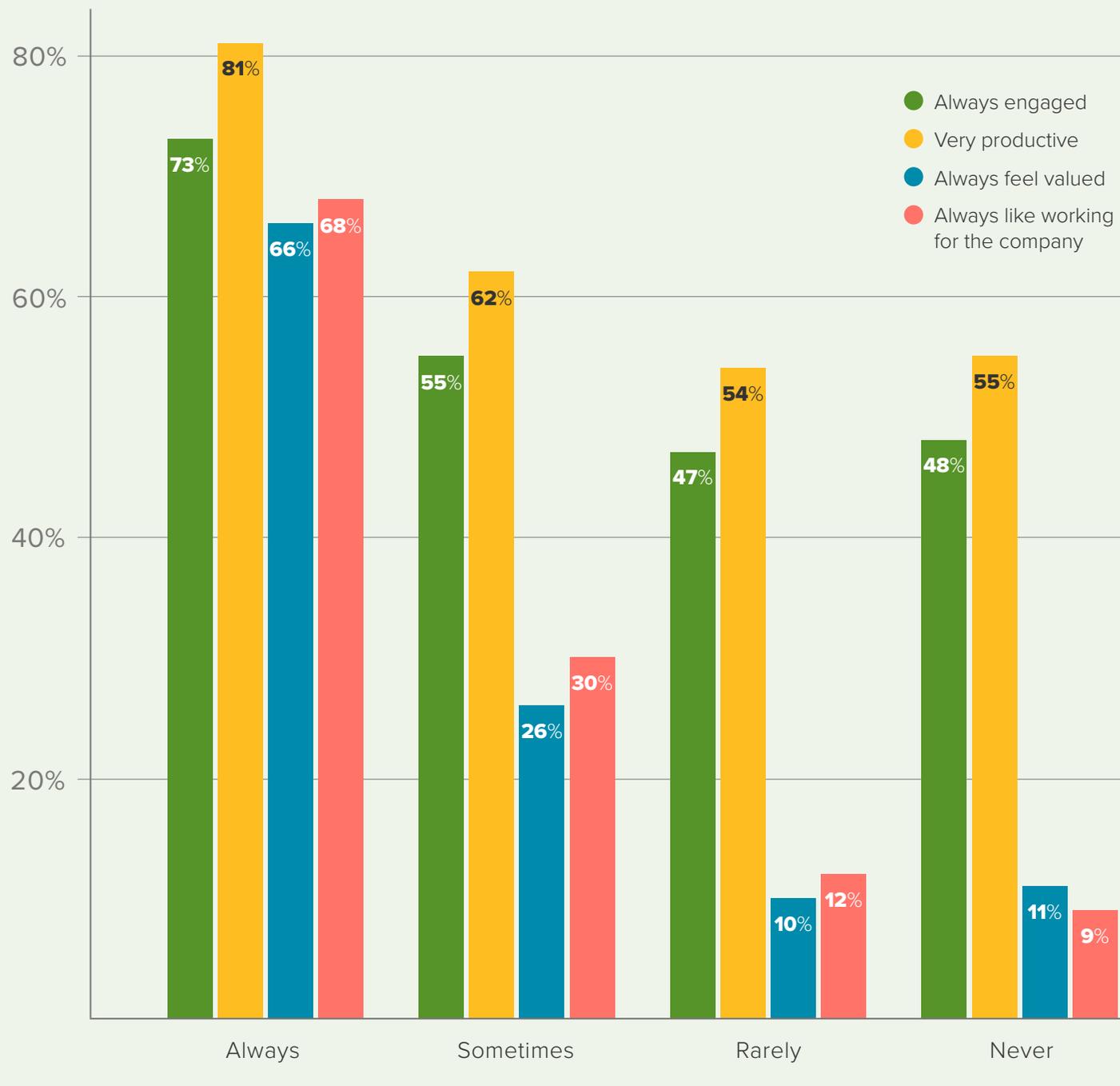
Managers are the linchpin for organizations in delivering important conversations around performance and career development. So, how equipped are these people leaders when it comes to having critical check-ins? Managers expressed confidence in their ability to have effective conversations around performance but said they need more tools and support — particularly from HR — to coach for career growth and advancement. This data reveals a need to support newer managers, in particular, because they are not providing the same experience to employees as their more tenured colleagues.



The manager is one of the most critical levers of employee experience, and overall, this research shows employee confidence in their managers. Where only 39% of people said they always like working for their company, 48% said they always like working for their direct manager — and only 11% said they rarely or never like working for their boss.

Let's begin with conversations around performance. When people are satisfied with the conversations they have with managers about their performance and work goals, there is a multiplier effect on outcomes across the board. Well-coached employees are more likely to say they are always engaged, very productive, always feel they belong and are valued, and like working at their company.

Good performance conversations with managers have a **multiplier effect on outcomes** across the board



Satisfaction with manager conversations



Where only 39% of people said they always like working for their company, **48% said they always like working for their direct manager.**

In Finding 4, we saw how important career conversations are to making employees feel supported and able to see a critical pathway for internal advancement.

A large group of employees remains unsatisfied with the support their managers are giving them for career and development. This should be a red flag for managers. Only half (51%) said their manager is a help to them in their professional growth. Another 33% said their manager is neither a help nor a hindrance, and 16% considered them an outright barrier to their careers.

This may be in part because managers are simply not confident in having conversations about careers with their direct reports. Many supervisors — especially new managers — said they feel ill-equipped for conversations about career and advancement.

The coaches want coaching. While 71% of respondents said they were able to deliver high-quality performance feedback, only 54% felt confident offering career development and coaching. One in ten didn't feel confident in either one.



Only 54% of managers feel confident delivering career development and coaching



Only 24% of managers say they always get the support they need from HR

Managers want better support from their organizations. Their top priorities are more guidance in coaching performance (41%); help with reviews, assessments, and ratings (40%); and assistance in helping employees develop skills and path careers (38%).

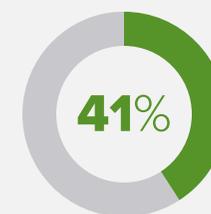
Managers are highly receptive to receiving help and feedback. In fact, they were 15 percentage points more likely than individual contributors to say they want more feedback on their work.

Supporting managers is particularly important in the current climate because they were significantly more likely than individual contributors to say they were looking for or open to changing jobs in the next year (47% versus 34% of individual contributors).

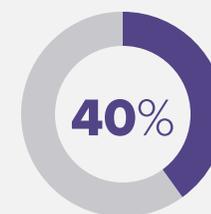
Like individual contributors, managers also have low trust in their organization's leaders (31%) and HR (24%) — something that should be concerning for their business partners in those areas.

Only 24% of managers felt they always get the support they need from partners in human resources, while nearly a third (32%) said they rarely or never do.

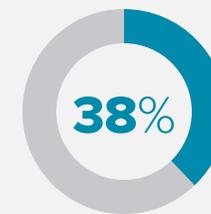
Managers want more support in...



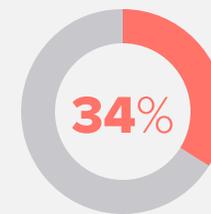
Coaching performance



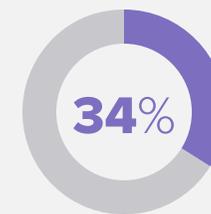
Reviews, assessments, and ratings



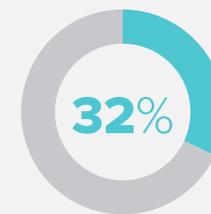
Helping employees develop skills and path careers



Setting and tracking goals



Giving feedback



Providing support and empathy to employees

Tenure is an important part of this story. Employee satisfaction with manager conversations on performance and career growth correlates with the tenure of one's manager.

While new managers have roughly the same frequency of check-ins with their reports on performance and career, we saw that experience level significantly impacted employees' satisfaction with these conversations.

Employees with more tenured managers were far more likely to say they liked working for their manager: 56% said they always like working for managers with 10+ years of tenure versus 40% for new managers with less than two years of experience. Similarly, employees are more likely to feel their manager cares about their career development when that manager has 10+ years of tenure (63%) versus 43% for new managers.

All of this should set off alarm bells for leaders who want to ensure a consistent employee experience across all managers in the organization. It is clear that employers need to do a better job of training and supporting managers earlier in their tenure.

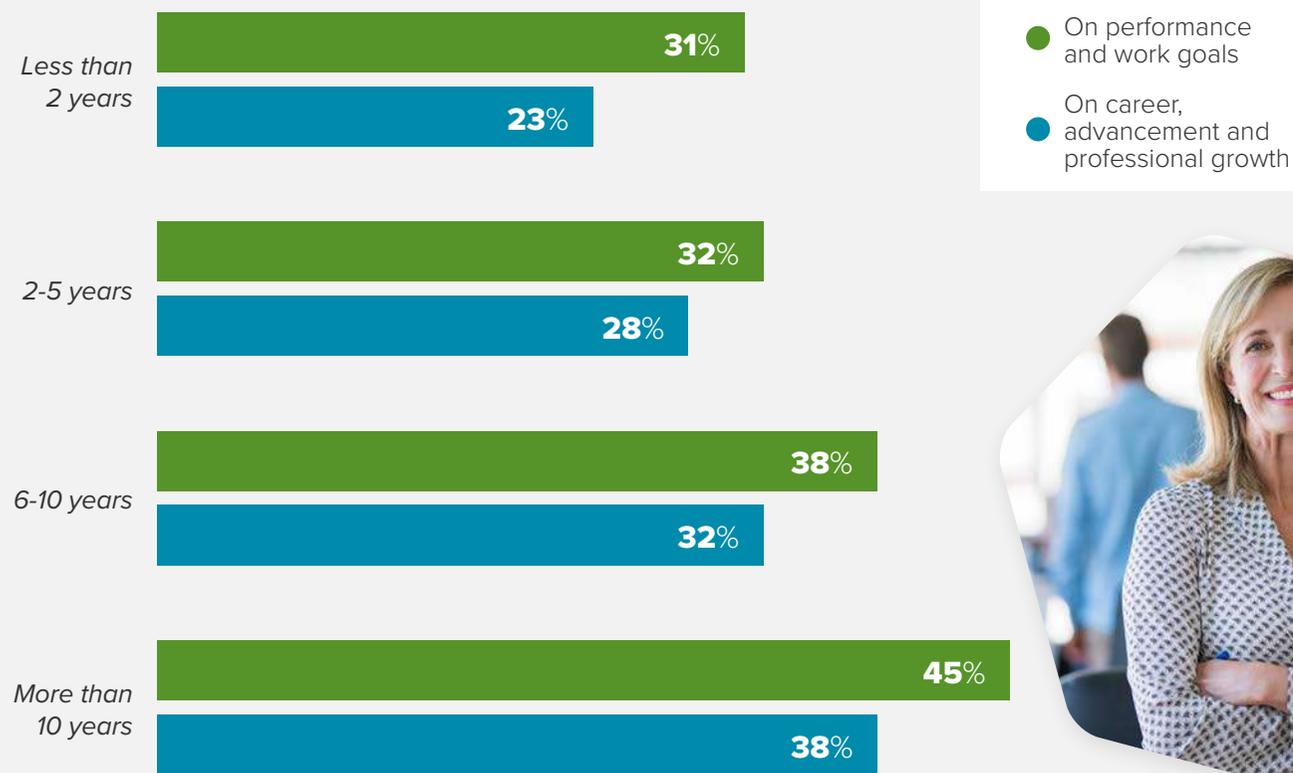
RECOMMENDATION

Being an effective manager requires relational and coaching skills that may not come naturally. HR should support managers with the resources and training they need to communicate and connect employees' work to the organization's purpose as well as to coach and enable their teams and direct reports.

Strengthening your managers will have an outsized impact on the business. Ask them what resources and tools they require, and develop a menu of support options that address significant needs. To make your effort cost-effective and scalable, leverage a technology solution that allows you to embed these capabilities in the flow of work and with just-in-time, context-aware nudges, recommendations, and best practices that empower managers to be their best.

Seek to continuously improve and fine-tune your plan with managers to ensure you meet their evolving needs.

Satisfaction with manager conversations is linked to manager tenure





52% of employees receive **adequate performance enablement.**

Half of employees are not getting adequate performance enablement — such as goal setting and tracking, feedback, and meaningful, ongoing conversations.

Performance enablement— comprising goal setting and tracking, feedback, and meaningful and ongoing conversations — is an important way to help employees increase their effectiveness and advance their careers. The half of workers who said they get meaningful performance enablement had stronger feelings of belonging, higher productivity, and a better employee experience across the board.



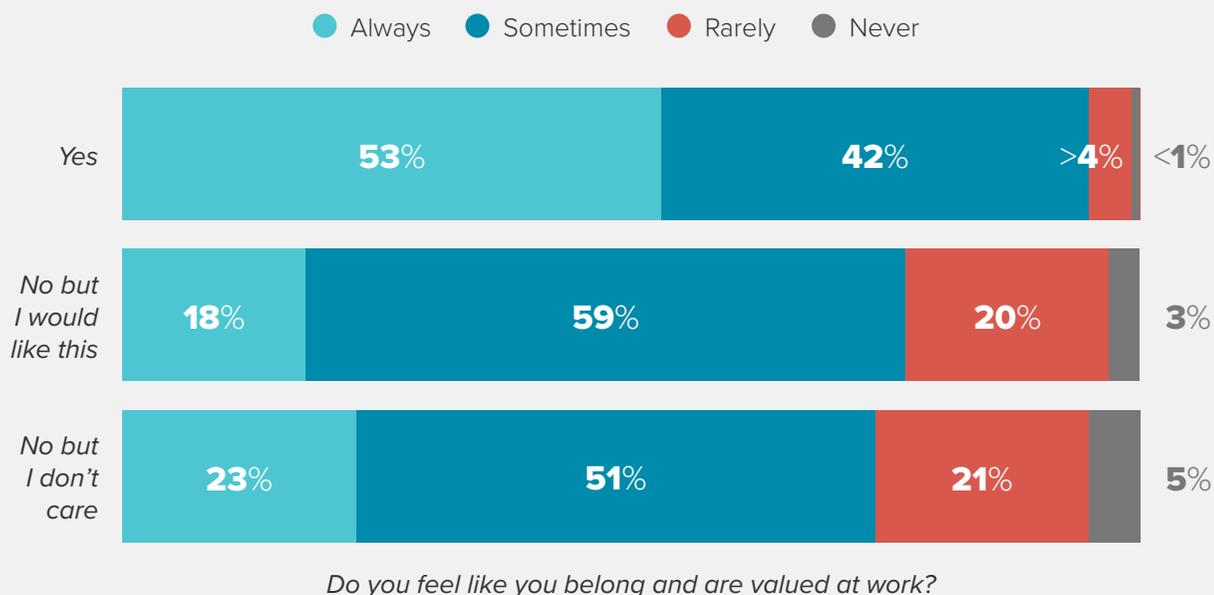
When employees **do not feel enabled**, we see spikes in feelings of **stress, overwhelm, burnout, distraction, detachment, and pessimism.** The results could hardly be starker.

Performance enablement is performance elevation. It is essential in helping employees succeed. In addition to strengthening the manager-employee relationship with meaningful conversations that incorporate coaching, performance enablement should promote feedback and collaboration with peers and teams. It must also be well-supported by the organization’s technology stack.

Just over half (52%) of people said they are receiving adequate performance enablement to help their performance and long-term career growth. Nearly one-third (32%) would like performance enablement but don’t have it and 16% said they don’t care.

When recalculating for the people who said they don’t currently have adequate performance enablement, 67% said they would like to have it.

Employees who get good enablement are 2x as likely to feel they always belong and are valued at work.

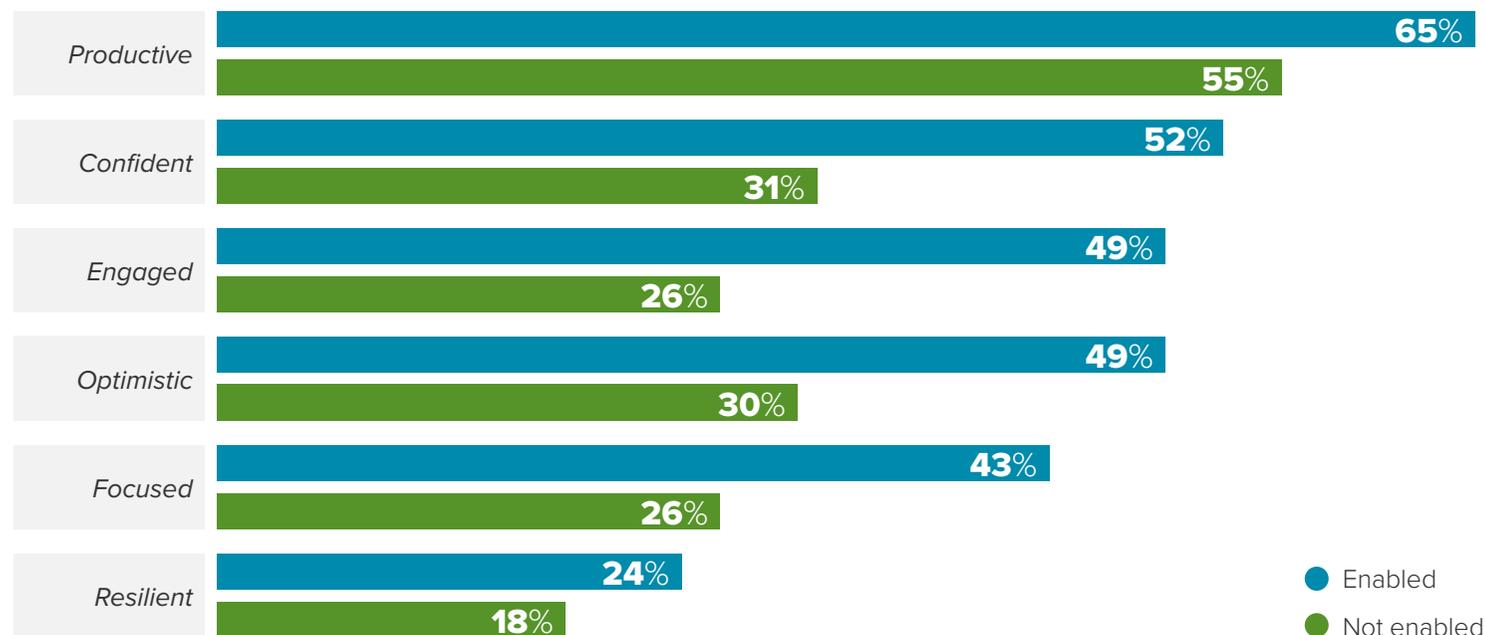


Strong performance enablement is one way to ensure higher levels of employee belonging and feelings of value. Employees who feel their organization provides them with proper performance enablement are more than twice as likely to feel they belong and are valued at work.

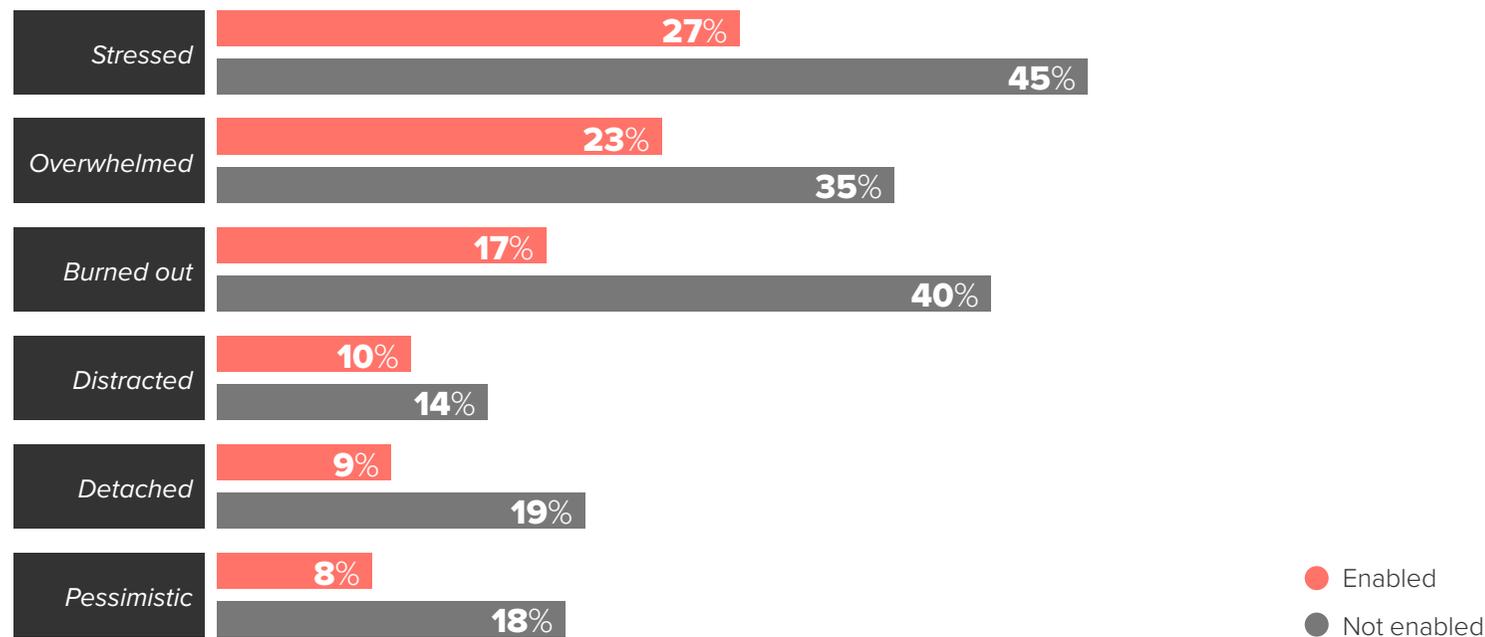


**Enabled employees feel more productive, engaged, and confident.
Lack of enablement correlates with high stress and burnout.**

Positive Sentiment



Negative Sentiment



The data show better results and sentiment across the board — including employee feelings of productivity, confidence, engagement, optimism, focus, and resilience.

When employees do not feel enabled, we see spikes in feelings of stress, overwhelm, burnout, distraction, detachment, and pessimism. The results could hardly be starker, or the case for enablement more compelling.

Technology plays a critical role in supporting managers and employees so that positive sentiments can take root and flourish. The numbers we see above track closely to the number of people who have dedicated tools for performance management and career development. Doing both the right way matters.

Of the 57% who said they have a dedicated tool for feedback, performance management, and goal-setting, 31% like their tool.

Similarly, only 53% of people have a process or tool to document their career aspirations and determine the competencies and skills they need to reach them, and of those, 30% have a tool they like.

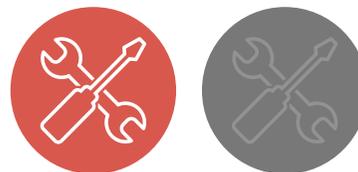
When we looked closely at those **people who said they have (and like) dedicated tools for performance and career development, 92% said they felt adequately enabled** — versus 26% of people without those tools.

What's more, this group had better experiences across the board. A large majority (85%) said they saw a clear path for advancement in their organization versus 26% of those without dedicated tools.

Similarly, **91% of this group said they thought performance management in their company was a success** — a 67-point improvement over those who didn't have either a performance or career development solution.

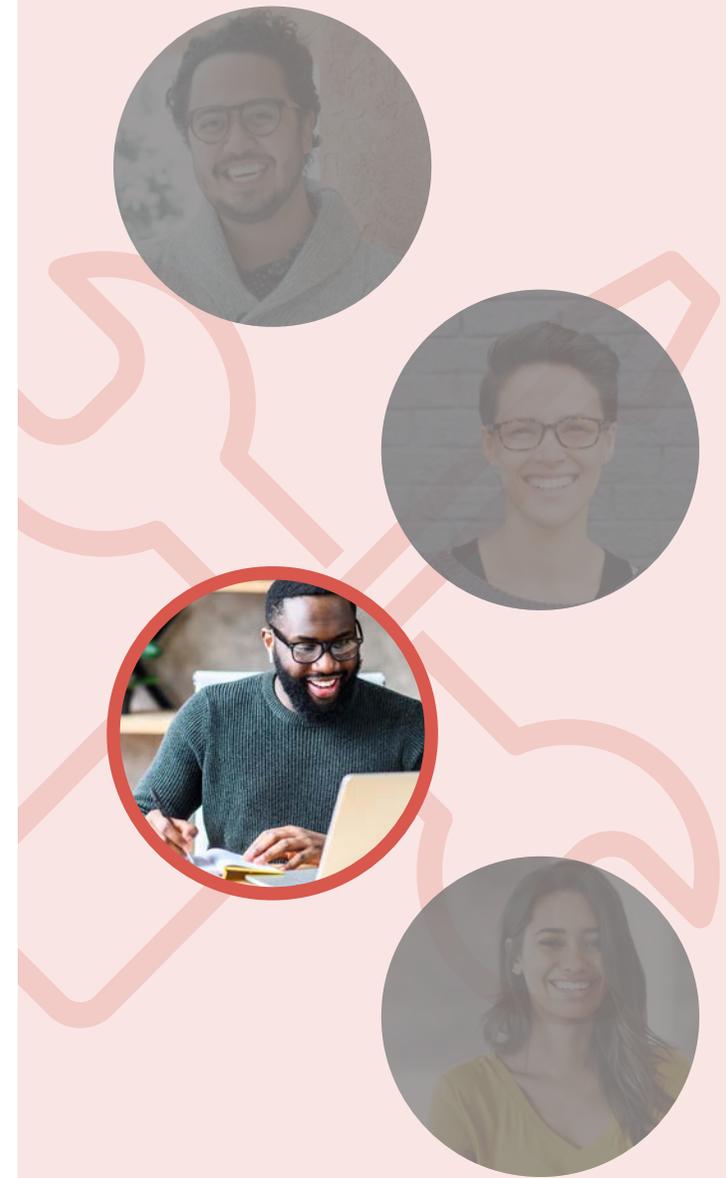
Another factor in feeling enabled is how integrated performance management technology is into the flow of work. When employees have to log in and out of systems, they are far less likely to use them. Only 23% of our respondents said their performance management process (e.g., feedback, check-ins, goal tracking, career development) is fully integrated into the applications they use every day.

Another 26% said it is in some of their tools, but 51% of respondents told us they have to interrupt their flow of work and go to another platform for performance management — and 28% do so only during annual review time.



Only about **1 in 2 people have access to dedicated tools** for feedback/ performance or career/ skills development

Only **1 in 4 employees** have performance management **integrated into the tools** they use every day





» RECOMMENDATION

Ask yourself if your performance management approach is yielding the results you want or is hampering or harming your employees' ability to perform at their best. Do they view it as biased, a waste of time, or difficult to maneuver?

If so, whatever investment you have made is, at best, being wasted, and at worst, undermining employees' internal motivation, engagement, and sense of well-being. This could be costly to your business if lower productivity and higher turnover result.

Modern performance management is really about performance enablement, not managing. It is:

- *Forward-looking*
- *Focused on setting agile goals that align with business objectives*
- *Achievement-oriented*
- *Delivered through frequent and structured conversations and feedback that strengthen collaboration, trust, intrinsic motivation, and a sense of accomplishment*
- *Reinforced by recognizing and celebrating achievement*

This approach elevates and empowers your people, culture, and organization.

When we looked at those whose enablement is integrated into the tools they use every day, they were:

- » **Up to 20 percentage points more likely** to say they were **productive**
- » **Twice as likely** to say they were being tasked to **work on the right things**
- » **25-53 percentage points more likely** to say they have an **easy, intuitive, and flexible way** to set, update, and track personal and **professional goals**
- » **41-60 percentage points more likely** to say their current performance management system **helps them to perform better in their work**

C O N C L U S I O N

Key Takeaways and Next Steps

This year's survey results taught us that employees generally prefer to stay and grow with their companies. It is concerning, therefore, how few are getting the career development they need to thrive and advance in place. This perfectly explains the disconnect we first noticed last year — where we saw, and continue to see, how many people are willing to walk away from companies they love.

Another surprise was the theme of fairness — which runs throughout the findings. When we consider how reviews and ratings are the gatekeepers for pay and advancement opportunities, it is absolutely critical that employers ensure all employees have an equal shot at a consistent and fair employee experience.

Throughout this report, we have offered recommendations for companies looking to improve the employee experience and their overall employee deal.

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:

Betterworks Resource Center

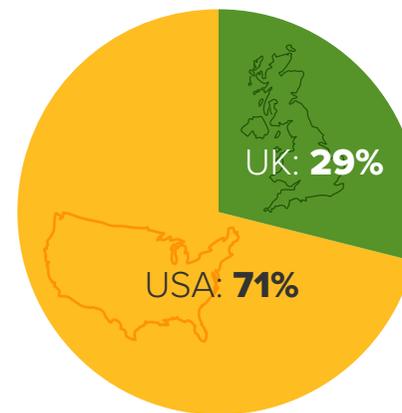


ABOUT OUR SURVEY

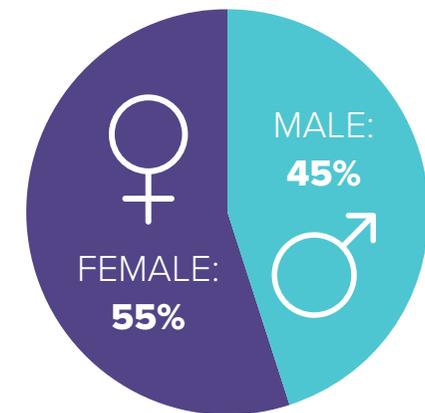
The State of Performance Enablement survey was conducted by Betterworks from December 20-22, 2022. This is the second annual deployment of this survey. The final sample of the survey was composed of 2029 randomly selected fully employed persons (aged 18 or older), balanced for gender and age, who are employed at organizations with a staff size of 1,000 or more employees. Respondents from the US and the UK were randomly provided by the independent market research firm SurveyMonkey. The survey had a margin of error of +/- 3 percentage points at a 95% level of confidence.

2029 TOTAL RESPONDENTS

Location



Gender



Discover Betterworks

Companies like Colgate-Palmolive, Intuit, Freddie Mac, and Udemy rely on Betterworks as their performance management infrastructure — enabling great performance through dedicated people technology.

Betterworks' best-in-class HR talent management solutions are designed to drive exceptional performance by putting employee experience at the heart of how companies align, motivate, retain, and develop their people. Unlike legacy HR technology, Betterworks is a lightweight, enterprise-ready solution that integrates with the tools.



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