

THE STATE OF PERFORMANCE ENABLEMENT

The Big

Disconnect

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Letter From the CEO

In an era where AI, demographic shifts, and evolving customer expectations redefine our landscape daily, the imperative for reinventing performance processes is clear. The conventional wisdom that underlies how we view employees and their relationship with work no longer holds. Employees want and need to be enabled, aligned, valued, invested in, and treated as catalysts, not cogs, by their employers. HR leaders, leveraging intelligent performance management, stand at the vanguard, reshaping their organizations to not just survive, but thrive amidst these relentless forces and changing perspectives. This journey is about efficiency and productivity becoming our foundation.

In the year since Jamie Aitken, our VP of HR Transformation, and I released our book, [Make Work Better](#), we've had numerous conversations with leaders looking to transform their workforces. They understand that they must apply new rules for managing performance if their companies are to maintain engaged and properly skilled employees who feel connected to their work, continually seek to be cutting-edge, and have the tools that enable them to react with agility.

The link between an empowered, innovative workforce and business sustainability has never been more critical. However, as business leaders concentrate more on productivity and customer experience in order to navigate the changing business landscape, the shift is producing a gap — a disconnect between leadership's perception and employees' reality.

It is this disconnect that threatens to undermine the very progress we need to make and is the subject of our third annual *State of Performance Enablement* report. Our findings reveal significant discrepancies affecting retention, productivity, and the ability of organizations to achieve their strategic goals. The pressing need is to bridge these divides with solutions that enhance communication, clarity, purpose, efficiency, and skill development.

Now is the moment for HR and organizational leaders to align with the experiences of their teams. In this era of rapid transformation, alignment is crucial. **Time is short.**

This report aims to be your guide in addressing these challenges and enhancing work for your entire organization. I look forward to engaging in a rich conversation about how we make that happen.

Doug Dennerline | CEO, Betterworks

Executive Summary

The story that emerges from this year's *State of Performance Management* data is one of troubling disconnects and promising bridges. Gaps exist in the experiences of different groups when it comes to accessing performance support. These are already impacting employees and managers — creating cracks in outcomes. Leaders who think the system is working well enough to support productivity goals may be surprised to learn just how risky — and pervasive — these gaps really are. But there is a way across.

The performance blind spot

In a time of head-spinning workplace change, how we support employee performance through goal alignment, coaching and feedback, and skill and career development is evolving quickly. Changing norms around where and how we work, and the blazingly fast acceleration of automation and AI, have irrevocably shifted the ground under workforce management. Both optimism and anxiety are high.

However, one of the challenges in any great leap forward is the risk of overlooking the gaps we are bounding past. In this case, being blind to the different experiences in performance support that exist across organizations. Gaps like this can swallow up retention, productivity, succession, and ultimately an organization's strategic business outcomes. Leaders ignore them at their peril.

A tale of three gaps

In this year's *State of Performance Enablement* report, we saw a concerning pattern of fissures and disconnects across performance management access. The gaps occur in three key ways:

1 Whether or not employees have access to table-stakes performance enablement, such as manager 1:1s and peer feedback.

We saw that a shocking 2 in 5 employees still aren't getting all of the basic performance management fundamentals that boost engagement, productivity, and belonging — and many more are making do with manual workarounds for manager conversations, peer feedback, goals, and career/skills development.





Feelings of high productivity jump

31%

when employees view performance management processes as successful

Employees are

57%

less likely than leaders to think performance management processes are a success

Employees are keeping the faith...for now

2 The technology employees have — or lack — to support performance, goals, skills management, and career development.

We saw significant upticks in outcomes when employees have access to not just a basic HCM, but also to purpose-built tools for goals, skills, career, and performance management. When employees view these systems as a success, outcomes improve.

3 An employee's level in the organization: leaders and employees have diverging perceptions of their performance management system's success or failure.

At a time when connecting with and engaging employees is more important than ever, the chasm between how organizational leaders and their employees view the experience of work is broad and deep. Performance management is overwhelmingly working for leaders — but for many employees and people managers, it is not.

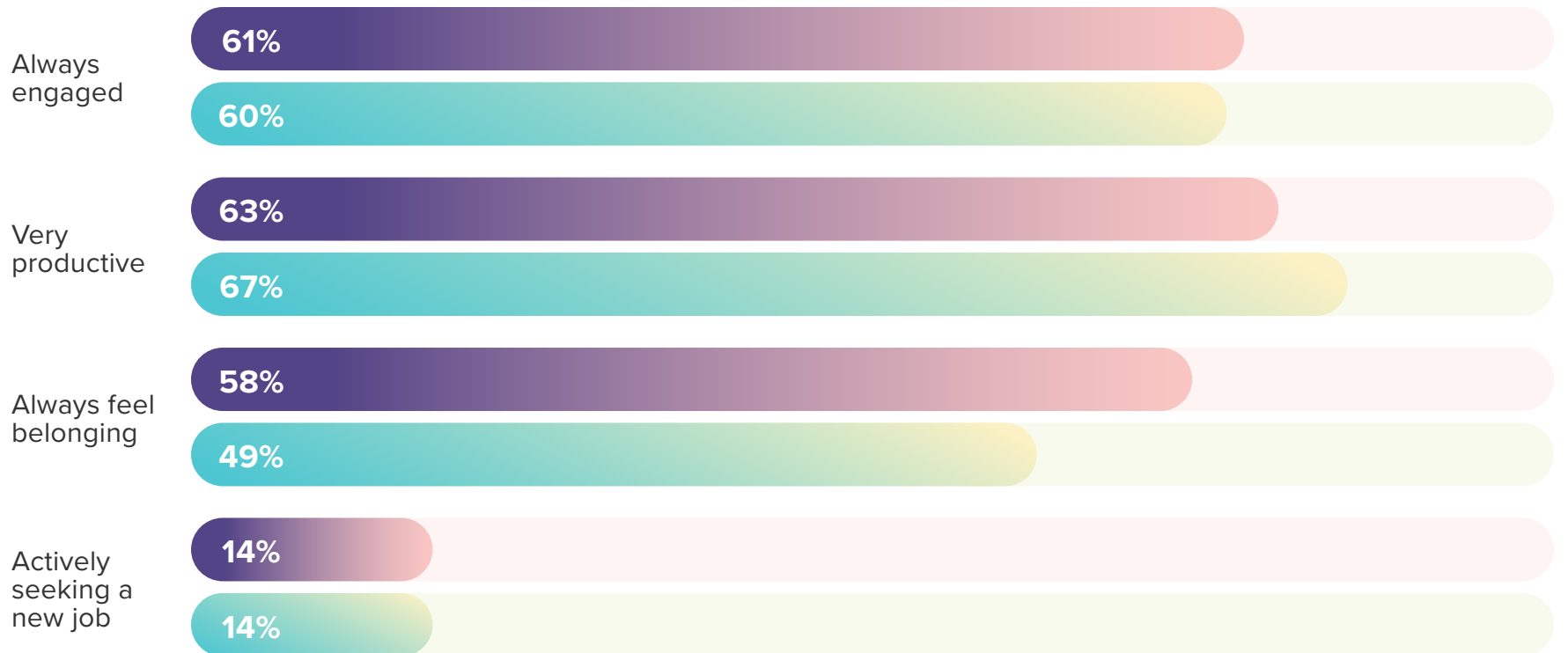
Overall, executives and HR managers are simply not witnessing the shortfalls in performance management and technology that workers and middle managers feel. It is a blind spot. And without that first-hand experience, will leaders be willing to take action to bridge the gaps?

Looking at recent research from other firms, the signs suggest they may not. Productivity has crowded out almost every other priority in 2024. In the race for results, leaders have been tempted to shift focus from guiding and supporting performance to merely tracking output. In its **March 2024 report**, RedThread Research found that while productivity was the top reason for managing performance in 2023 according to employees, companies that prioritized productivity did not see better results.

Luckily, employee disappointment in performance support has not yet caught up to performance outcomes. On the surface, employees' assessment of their own engagement and productivity rates remain steady and high. Workers continue to deliver on their part of the employee deal that we laid out in our *2023 State of Performance Enablement* report.



2024 vs. 2023



Employees are

10x

more likely to see a path for advancement in their company when they view performance management as a success

However, there is a blind spot within these numbers, so it is important not to be lulled by year-over-year consistency. They are an average of dual experiences — some of which are highly polarized. As we will see throughout this research, some employees are well-supported and performing well. Others are very much not.

History also suggests a reckoning may be on its way. We are already seeing an impact on outcomes when performance management is seen as a success versus a failure. As the pendulum swings in the competition for scarce talent, companies that push employee development into the backseat will feel the impact of any gaps they fail to bridge now. Employees who cannot see a path for advancement in their current company will not continue to deliver discretionary effort — or stick around.

The role of technology bridges

As you read through this year’s research, we hope you are inspired to explore and bridge the gaps in your own organizations — using targeted performance management technology solutions to align with managers and individual contributors on the smartest path forward. In this era of accelerating change, time is short. Action must happen now.

Six Key Findings From the 2024 Research

MIND THE GAP

Performance Management Is Not as Good as You Think It Is

GAME CHANGERS FOR BUSINESS

Conversations and Feedback

MIDDLE MANAGEMENT CRISIS

The Squeeze Is Real

“GOOD ENOUGH” ISN’T

What You Leave on the Table With an HCM-Only Approach

MEET THE MOMENT

Deliver Impact Through Skills-Based Performance Management

GOAL-GETTERS

The High Flyers of Performance

Glossary

We use the terms **HCM**, **ERP**, and **purpose-built performance management solutions** in this report. Here are their definitions:

HCM (human capital management) — An integrated suite of technologies that help companies manage all aspects of the employee life cycle overseen by HR, including recruiting, training, payroll, compensation, and performance management.

ERP (enterprise resource planning) — Software that organizations use to manage day-to-day business activities such as accounting, procurement, project management, risk management, and supply chain operations.

Purpose-built performance management — Software that is specifically designed for performance management, enabling lightweight and continuous performance enablement in the flow of work through agile goal setting, manager-employee conversations, peer feedback and recognition, and employee surveys.

FINDING

01



MIND THE GAP

Performance Management Is Not as Good as You Think It Is

Execs and HR give performance management an A+ but more than 2 in 5 employees say it's a big fail.

Our Take

The view from the other side

It is clear from this data that many organizations are failing employees and managers on performance support — but most leaders and HR managers may be blissfully unaware. Leaders who assess systems through the rosy perspective of their own experience are likely to see the status quo as perfectly sufficient. However, it is clear that perceptions and outcomes for individual contributors and managers lag significantly.

Organizations must take the time to understand underlying sentiments on performance management. Failing systems will be felt not only in employee experience but in the hard metrics that are top of mind for CEOs and the boards they report to.



Where most executives and HR departments give their performance management systems top marks — a staggering 44% of employees see them as a failure.

A perception mismatch

Performance programs receive a failing grade from:

44%

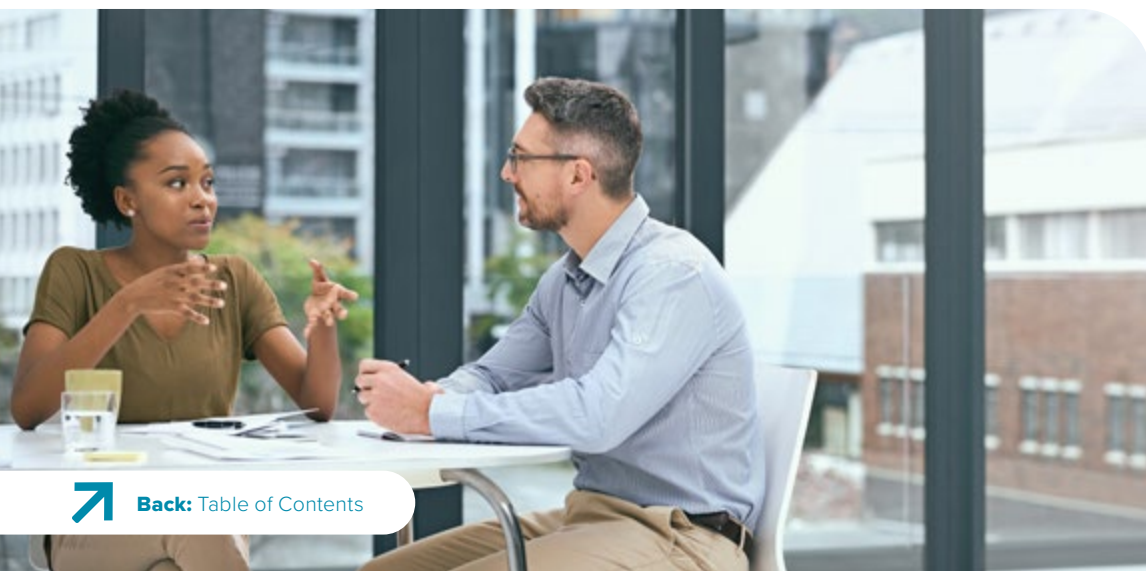
Individual Contributors

28%

Managers

12%

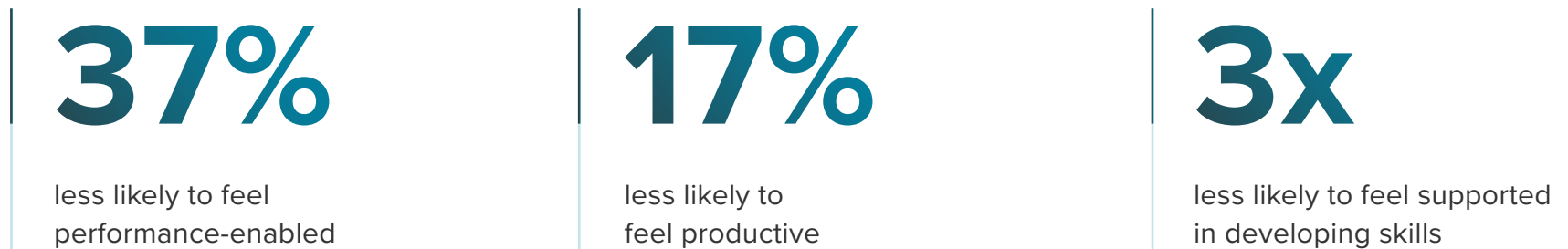
Executives/HR



The fallout is significant. Individual contributors, feeling the brunt of failed processes, report lower rates of productivity, performance enablement, and skill development support compared to their higher-ups. This is the underside of the apparent year-over-year consistency in numbers that we

saw in our introduction. It's a gap many higher-ups may be demotivated to address because they are not experiencing it firsthand, a pattern of systemic oversight that is already undermining results.

Compared to leaders, individual contributors are:



This effect snowballs. When all performance management processes — which comprise systems for manager conversations, peer feedback, ratings and reviews, goals management, and career/skills development — are perceived as successful, employees thrive, exhibiting productivity, confidence, and optimism. By contrast, a perception of failure across all of these processes correlates with increased stress, burnout, and a pervasive sense of pessimism.

The message is clear: The success of performance management processes is not just a metric of efficiency but a barometer for the overall health and future of an organization.

The snowball effect of failure



Employee sentiments by system success

All systems: passing	All systems: failing
Productive	Stressed
Confident	Burnt Out
Optimistic	Productive
Engaged	Overwhelmed
Focused	Pessimistic



Recommendation

British entrepreneur Sir Richard Branson has said, “Lead by listening — to be a good leader you have to be a great listener.”

To gain insight into any disparities at your organization, run an engagement survey to solicit feedback on employee satisfaction with goal setting, manager support, feedback, recognition, and performance programs and practices. Dig deeper, too. Ask for feedback on specific practices like your calibration process and frequency, compensation, skill-building processes, career development, and advancement opportunities. Based on the results, you may want to consider creating focus groups to drill down into the issues raised in the survey. Once information is gathered, it’s important to share the results of the survey, along with plans for addressing key priorities. Then, track progress against those plans with pulse surveys throughout the year.

FINDING



GAME CHANGERS FOR BUSINESS

Conversations and Feedback

Up to 2 in 5 employees are not getting conversations or feedback, and it is crushing their growth.

Our Take

The problematic divide between “haves” and “have-nots”

When employees don't have access to adequate manager conversations and peer feedback, even when they have performance management, they are being set up to fail and they clearly know it. Sentiments plummet and they see no way to grow. This mirrors findings from our *2023 State of Performance Enablement* report, where employee satisfaction with performance conversations had a multiplier effect — correlated with higher engagement, productivity, and sense of belonging

To succeed and thrive, employees must all have full access to performance management support — not only manager conversations and peer feedback but also reviews, goals, and coaching on career and skills development.

It's difficult to believe that in 2024 we're still talking about employees who get no manager conversations and peer feedback, even when they have performance management processes — but unfortunately, 2 in 5 employees still navigate their own career and performance without full access to essential conversations or feedback from their managers and peers.

1 in 5

individual contributors doesn't get manager 1:1s

2 in 5

receive no peer feedback

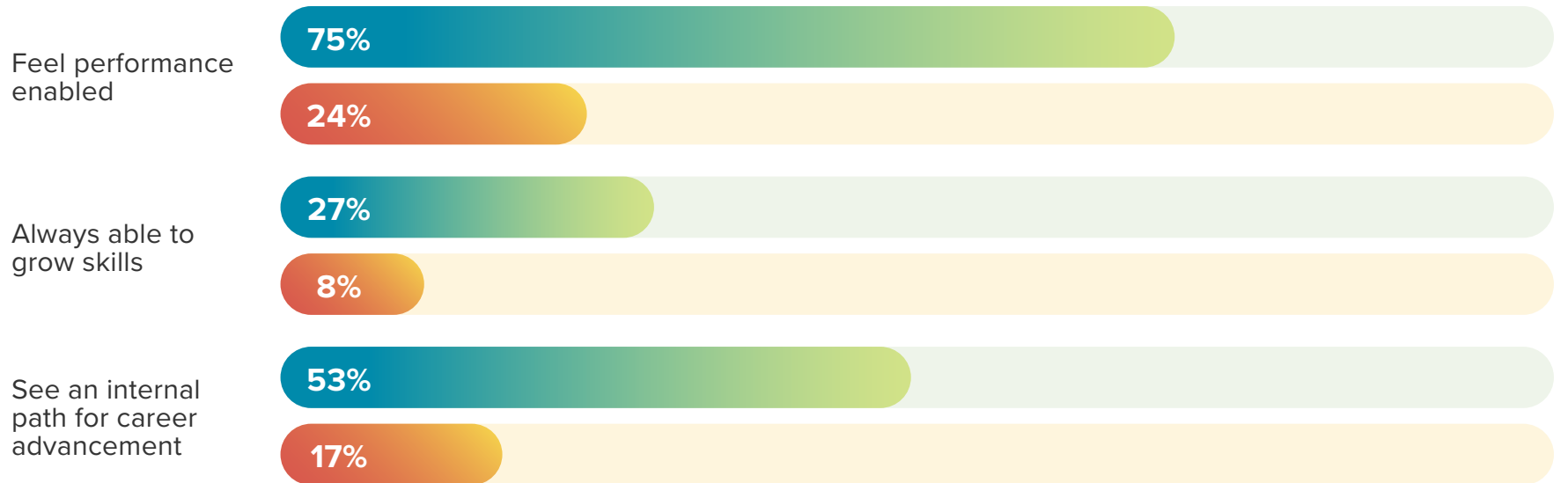
Employees who receive conversations and feedback are **3x more likely to** feel they can **perform their work well, 3.4x better able to grow their skills,** and **3x more likely** to see a path for **internal career development.**



This is the story of a gap between the “haves” and “have-nots.” When employees have access to 1:1s and peer feedback, they feel more enabled in their performance, believe they can consistently grow their skills, and have the sense that there are internal advancement opportunities in their organizations. When they do not have access, their outcomes falter.

Haves vs. have-nots: processes that support growth

● Haves ● Have-nots



– Caitlin Collins,
Program Strategy Director,
Betterworks

Successful work performance cannot exist in a vacuum; it **thrives on the continuous feedback and coaching** provided by managers. This process helps align individual efforts with strategic organizational objectives, enhancing efficiency and effectiveness. By fostering a culture of continuous coaching and feedback, the growth and development of employees can be exponential, which in turn **drives superior performance outcomes.**

See the review process as a waste of time and effort:

21%

of “haves”

46%

of “have-nots”

This is not just a matter of personal development but also affects broader attitudes around reviews and ratings. Reviews are sometimes seen as a waste of time even by employees who have performance management that includes conversations and feedback — but the “have-nots” are more than twice as likely to see the time they spend on the review process as wasted effort.





Recommendation

Organizations must be as agile as the constantly changing business environment. Not only do they need goal flexibility to stay on track, but employees — whose job it is to meet or exceed those goals — require ongoing manager guidance and peer feedback to course correct and optimize their strategies and activities in the moment.

Implement frequent and lightweight 1:1 conversations between managers and employees, ideally once per week, to enable employees to make adjustments and get help with removing roadblocks to work efficiently. Create an asynchronous feedback process in which employees can request and share feedback with one another to optimize performance. This helps employees understand what approaches, behaviors, and actions are positive and replicable, and what needs improvement. Configurable templates make the job of managing conversations and feedback easy, while also providing rich insights to help HR make strategic workforce decisions.

Case in Point:
**University
of Phoenix**



**University
of Phoenix®**

With employee-centric conversations at the core of its vision, higher ed achieves higher performance as part of a cultural metamorphosis.

Everyday Performance Management. This is the name of the University of Phoenix' reimagined approach to performance. It blends ongoing and casual in-the-moment conversations with scheduled quarterly check-ins between managers and their reports. The goal: transcend the stale recitation of past accomplishments typical of annual performance reviews to cultivate meaningful, ongoing dialogue that encourages participants to think more deeply about what they want to accomplish, encourages feedback, and enables everyone to stay on track and aligned.

Since the university replaced its SAP SuccessFactors performance management module with Betterworks, employee engagement and confidence in management have soared. Its switch to performance enablement has fostered transparency, promoted a culture of feedback, and enabled employees and HR alike to punt the burdens associated with annual performance reviews, exchanging them for a responsive and lighter-weight solution that has helped the university transform its workplace culture.



FINDING

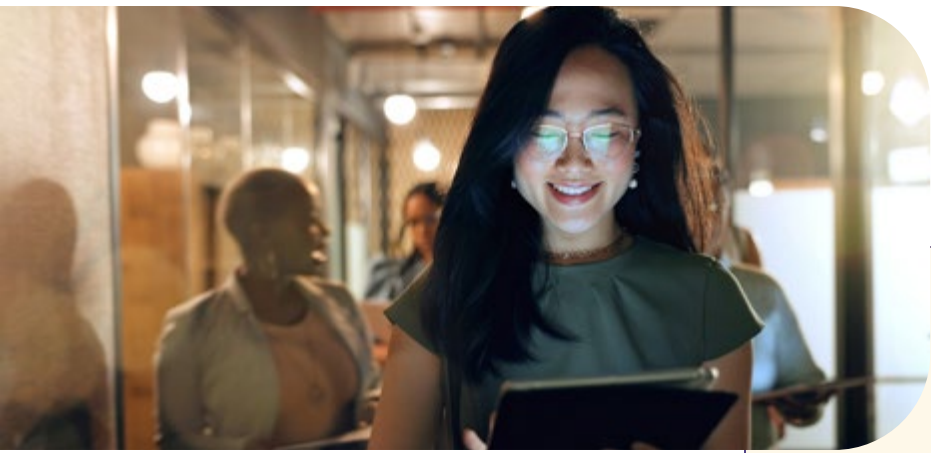
03



MIDDLE MANAGEMENT CRISIS

The Squeeze Is Real

People managers lack the clarity and support they need to deliver results.



Our Take

Managers need your attention

Middle managers continue to be squeezed by demands from above and expectations from below, and their cries for help are falling on deaf ears. Worse, some of their workarounds may be doing more to harm employee productivity, performance, and career development than help it.

Once again, executives and HR leaders may not be fully seeing the ways in which performance support is broken. Many middle managers don't just lack the support to deliver on what's being asked of them — they lack the clarity to even know what the ask is. That poses a very serious risk to their ability to deliver on organizational goals.

64%

of people managers lack clarity about their roles vs.

48%

of executives and HR leaders

In a landscape full of disconnects, the bridges that connect our organizations become all the more important. Research has shown people managers are this critical conduit — connecting leadership's strategic vision with the ability of employees to execute the organization's strategic goals. It is managers who drive goals forward, connect teams emotionally, and help employees remain on track and engaged.

But these organizational linchpins are overloaded and struggling to stay focused, effective, and productive. There is a mismatch in the support they need versus what they are currently getting. Compared to leaders, managers lack clarity about their roles. They also say they do not feel consistently supported by their organizations in delivering performance management or empowered to provide guidance for skill development and career advancement.

2 in 3 managers

need more support in delivering performance management

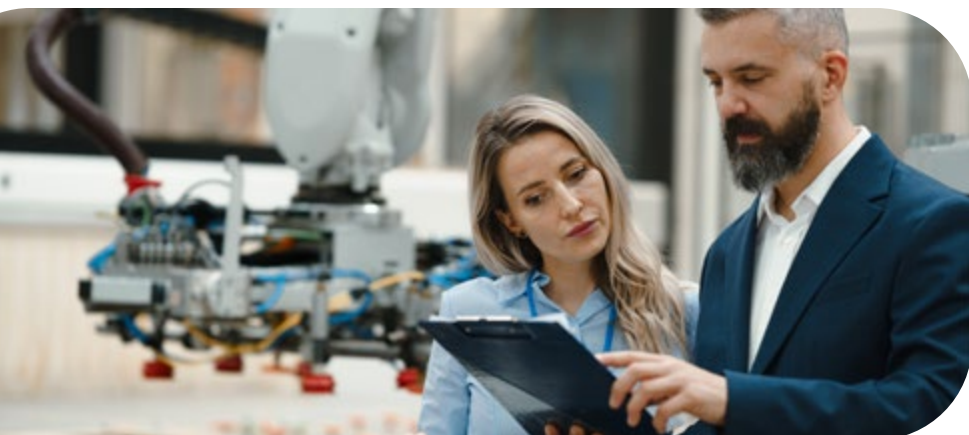
need more support guiding employees on skills and career development

What kind of support do managers need to bridge this gap? The most desired features in performance management software include regular check-in prompts, recognition-sharing capabilities, and platforms for peer-to-peer feedback.

Top 5 essential features managers want

- 01** Prompts and templates for check-ins (52%)
- 02** Ability to give, receive, and share recognition (45%)
- 03** Peer-to-peer feedback to be included in reviews (40%)
- 04** The ability to change/adjust goals as priorities change (40%)
- 05** Accessible in tools they already use — like Slack or email (39%)

To cope with heavy workloads 9 of 10 managers say they experience, many have resorted to delegating responsibilities and scaling back 1:1s.



Manager coping mechanisms

Delegate some responsibilities to others **40%**

Use AI tools to increase efficiency or effectiveness **35%**

Rely more on group meetings than 1:1s **25%**

Have fewer 1:1s with direct reports **23%**

Spend less time on qualitative feedback **17%**

Do not have a high burden of responsibilities and workload **11%**

There is a silver lining. Managers who combine purpose-built performance management tools with their HCM systems report feeling more supported. In fact, 62% of managers expressed a preference for dedicated tools that focus on feedback, recognition, and goal setting.





Recommendation

This study, combined with research from Gartner and RedThread Research, among others, points to the need for organizations to rethink the role of middle managers, provide training and guidance for greater clarity, and offer tools to make managers more efficient. Managers feel more supported by HR and leadership at organizations with the following resources and practices:

- » Clear expectations around 1:1 frequency
- » 1:1 meeting templates that include agendas, next steps, and information about an employee's progress toward goals
- » Questions and templates for performance reviews, professional development, and coaching conversations
- » AI tools that reduce the time it takes to complete performance reviews and feedback, while simultaneously improving the quality and actionability of feedback
- » Manager training and development programs that strengthen soft skills related to people management and leadership

FINDING

04



“GOOD ENOUGH” ISN’T

What You Leave on the Table With an HCM-Only Approach

HCMs perform 70% better with an assist from purpose-built performance management software.

Our Take

Better together

An HCM or ERP platform is one of HR's biggest ticket items. It is an essential foundation for any HR tech stack, but organizations cannot expect it to hold up the weight of performance support all on its own — simply because of the size of the investment.

If the goal is productivity, engagement, belonging, efficiency, goal relevance, career development, and a clear pathway for advancement, this data makes it clear that organizations will be far more adept at enabling performance by integrating purpose-built software with their HCM.



More than 9 out of 10 respondents say their company uses an HCM or centralized ERP solution. However, the employees who think their performance management works best are the 34% who have access to not only an HCM, but also purpose-built performance management software used in conjunction with their HCM.

In fact, when organizations supplement their HCM with a purpose-built solution, all employees are 70% more likely to rate the combined solution as a success in their performance management processes.

It's a clear message: HCM platforms alone simply do not drive the same results. In fact, the data shows they perform no better than manual spreadsheets — and in some cases, worse.

HCMs are

70%

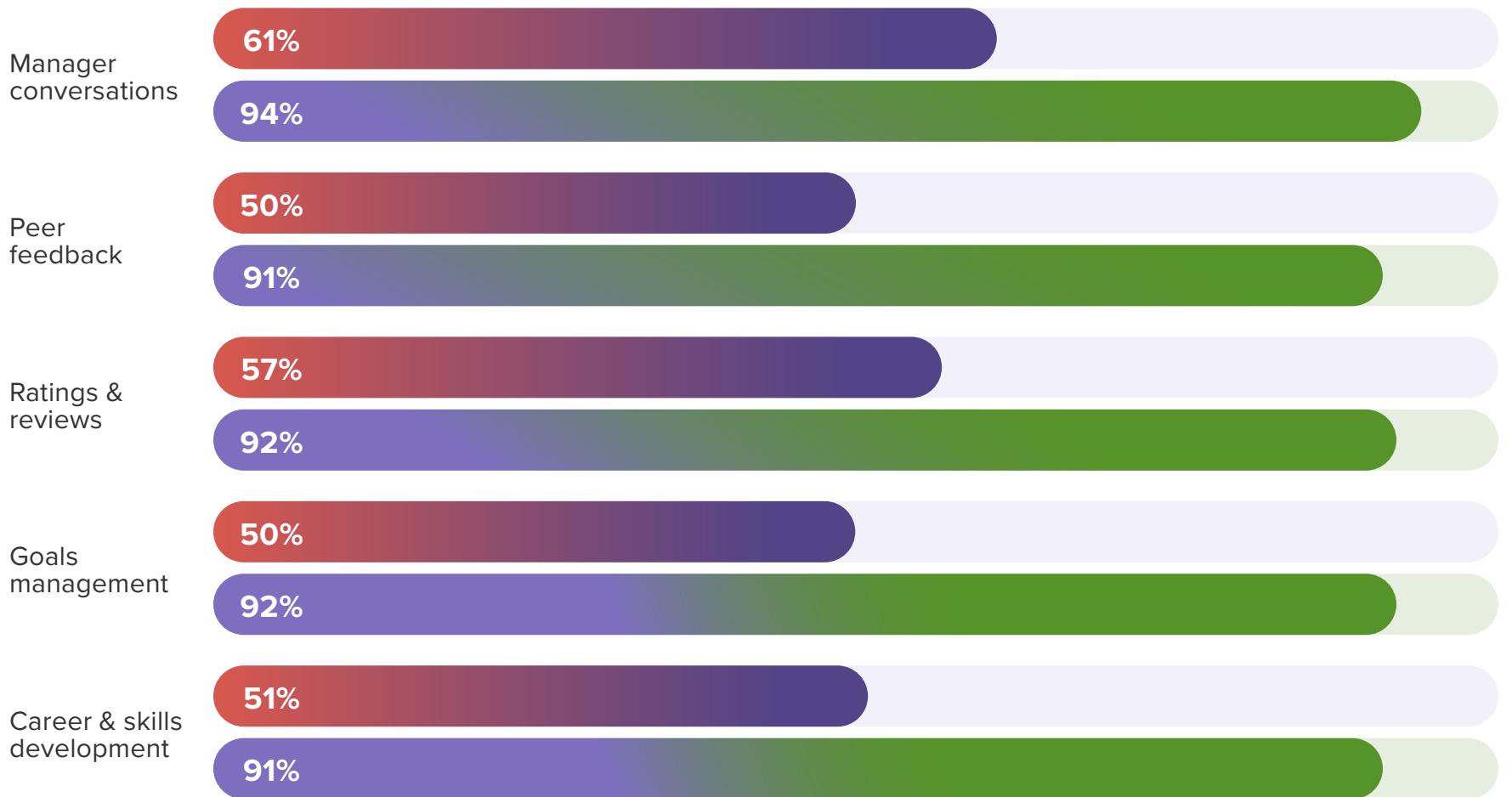
more effective when combined with a purpose-built performance management solution*



Program Success

● HCM alone ● HCM + dedicated software

*Success across all performance management programs by category:



– Jamie Aitken,
VP, HR Transformation,
Betterworks

Managers and employees **need continuous dialogue, adaptable goals, and user-friendly tools** for real-time adjustments and improvements. Integrating comprehensive HCMs with agile performance solutions enhances flexibility and data collection, which **help HR and managers make data-driven decisions.**

Across every performance support program we asked about, the addition of purpose-built, best-in-breed tools and features catalyzes success — boosting outcomes like engagement, belonging, goals relevance, career development, and opportunities for advancement. It is clear that the future of strong performance management is not about choosing one solution over the other but harmonizing them to unlock their full potential.



What features do employees value most?

- 01 Prompts and templates
- 02 Ability to give, receive, and share feedback
- 03 Accessible in productivity tools they already use
- 04 Ability to change or adjust goals
- 05 Peer-to-peer feedback that will be included in ratings and reviews

Adding purpose-built performance management tools to HCMs boosts outcomes:

+11%

engagement

+62%

belonging

+77%

goals alignment

+96%

more likely to feel developed

+74%

more likely to see a pathway for advancement

Recommendation

While enterprises make significant investments in HCM platforms and may be hesitant to invest again by incorporating a purpose-built performance management solution, HCMs are not well-suited to inspiring and cultivating employee performance. Your people teams can ask the following questions to determine if your HCM-based performance management software should be upgraded to improve performance management at your organization:

- » Are increases in workforce productivity expected by senior leaders and do managers feel supported with the resources to deliver these outcomes?
- » Are your HR administrators able to set up, execute, and run reports with minimal support or coding from IT or software consultants?
- » Does your solution facilitate continuous performance management practices like feedback, goal setting, and 1:1 conversations through flow-of-work systems like Jira, Salesforce, Microsoft Teams, and Slack?

FINDING

05



MEET THE MOMENT

Deliver Impact Through Skills-Based
Performance Management

Companies are failing 1 out of 2 employees in developing skills and careers.



Skills gaps are top of mind for organizations who want to stay competitive and keep up with rapidly advancing technology. Employees, similarly, are concerned with keeping their skills sharp and their careers growing in a constantly changing talent marketplace.

86%

of employees say career and skill development and coaching are important to them

Unfortunately, only about half of employees surveyed said they always get the amount of career development and coaching they want from their organization.

Our Take

Upskill your skills strategy

Skills are the new currency of work, and as AI causes shockwaves through every aspect of business, organizations are becoming hyper-focused on building and retaining the right skills to stay competitive and resilient.

The ongoing talent squeeze is also a skills squeeze. To make the situation even more challenging, as baby boomers reach age 65 at the record rate of approximately 11,000 per day between 2024 and 2027, organizations will lose many hard and soft skills as boomers retire.

Companies cannot drop the ball when it comes to supporting employees in managing and developing those skills — and giving managers a way to assist with and monitor skill acquisition. Organizations must put into place processes that promote and guide skills development and uncover burgeoning skills, or they may find themselves permanently on the back foot.

54%

of employees have successful career and skill development and coaching processes

This dissatisfaction diverged dramatically based on whether or not respondents have purpose-built performance management solutions.



Impact of tools on career and skills

Employees see a clear pathway for advancement in their company:



Looking at internal career pathing, the gap is even more pronounced. Employees with software specifically designed for performance management were far more likely to always receive the support they need to develop their skills and to say they see a clear pathway for advancement in their company than those relying on only an HCM for skill development. This trend extends to how supported managers feel in delivering successful skills and career coaching.

Employees are nearly

3x

more likely to receive support for building skills

2x

more likely to see a way to advance internally

with an HCM + purpose-built performance management software



Once again, the data here underscores the core narrative we see running throughout the research: The integration of best-in-breed, purpose-built technology solutions with an HCM significantly closes gaps in skill development and career progression, laying a solid foundation for a resilient and future-ready workforce.



— Arnaud Grunwald,
Chief Product Officer,
Betterworks

Skills-powered HR technology has been all the rage these past few years, allowing employees to more easily build their skill profiles and understand their skill gaps; but **it's time to take it to the next level: defining and executing skill development plans.** Companies and their managers need to put in place **frequent conversations** with their employees about the skills they need to develop, and **provide them with the support system** — coaching and feedback — to **ensure skill acquisition actually happens.**

What we see here is that when traditional performance management doesn't address skill mastery, it fails. Rather than asking managers to simply evaluate employees based on their skill levels, organizations must empower and support managers to coach on skills, and employees to build skill development into their performance plans. Managers can then help employees stay on track and develop skills in a way that is most advantageous.





Recommendation

HR teams must embrace skills as a critical component of workforce planning and development, and software is critical to this evolution. We recommend assessing your HR software tech stack against the following criteria to determine if you have the right tools in place to support skill-based human capital management:

- » Are skills trackable in your applicant tracking system, HRIS, performance management, and analytics tools?
- » Does this software include integrations to allow information to flow between them?
- » Is there a method for tracking skill types as well as levels of expertise?
- » Is there an AI component to ensure skills tracking is not a manual process owned by HR?
- » Can this tech stack run analyses to identify current skills gaps to inform recruitment and talent development strategy, as well as core processes like succession planning?

FINDING

06



GOAL GETTERS

The High Flyers of Performance

Productivity and feelings of belonging soar when employees feel aligned to company goals.

Our Take

Aim high on goals

Achieving organizational goals starts with employees achieving their goals.

High performance happens when there is alignment between the two— and here, technology matters. HCMs can't carry the burden of goals management alone. They actually perform little better than and sometimes slightly worse than manual solutions. As we noted in our 2022 report, inadequate technology can be worse than none at all.

We also saw a disappointing number of employees lacking autonomy around their goals. Unless they are given the ability to set, manage, and adapt their own goals, employees are unlikely to feel empowered to take full ownership of their outcomes. This is where software — and in particular dedicated performance management software — for goals management is critical to building autonomy and success.

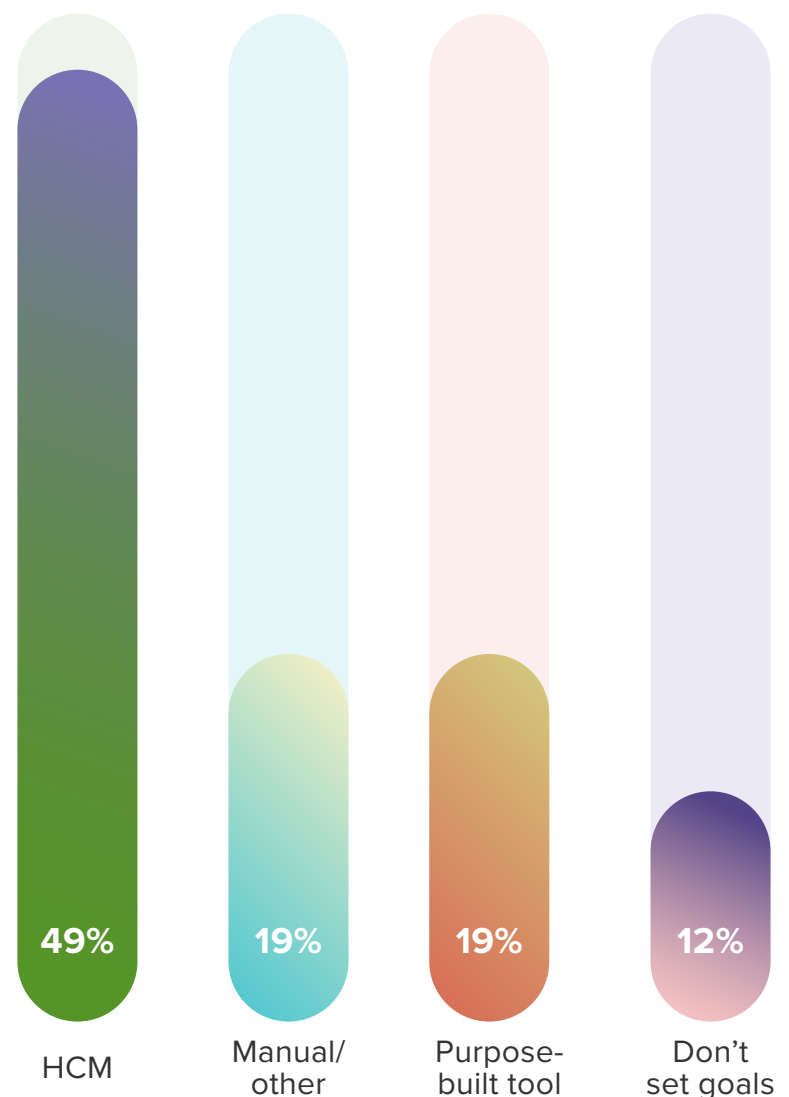


Our final finding showcases the power of alignment. When employees feel their goals resonate with the company's objectives, productivity skyrockets, and a sense of belonging flourishes.

Notably, less than half of the survey respondents told us they are looking for autonomy in shaping and tracking their own goals — 39% said their managers should set goals, and 11% believe HR should do so.

This reticence may be a byproduct of finding themselves entangled in inadequate and less-than-empowering goal-setting mechanisms.

Where employees track and set goals



Almost **half of employees access goals** management **through their HCM** tools, but of these, only **24% feel their goals are always in alignment** with and contributing to the achievement of organizational goals.



Organizations must tread carefully here, as having the wrong technology is worse than none at all.

For the one in five respondents who have an HCM paired with purpose-built performance management tools, the percentage of employees who feel their goals are in alignment doubles — and 92% said their goals program is also a success for them, personally.

Goals Alignment

Employees feel their goals are always relevant to and help their organization to achieve its overall goals:

- 54%**
HCM + purpose-built software
- 24%**
HCM only
- 28%**
No software



With an HCM + purpose-built performance management software, employees are

2.3x

more likely to feel their goals are relevant to the organization's goals

Purpose-built software typically offers employees more flexibility to craft, track, and adjust their goals — which may be why they perceive their contributions as more impactful.

The journey to goal autonomy is a gap many employees have yet to cross, but the impact on alignment is clear. Employees whose goals are in sync with company goals report feeling more productive and having a stronger sense of belonging.

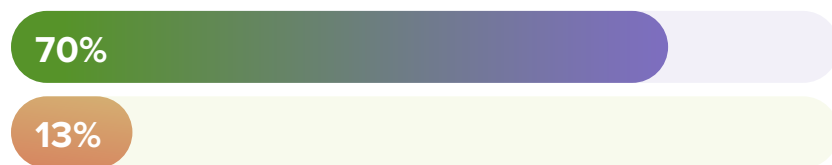
Goal alignment and outcomes

Always aligned Never aligned

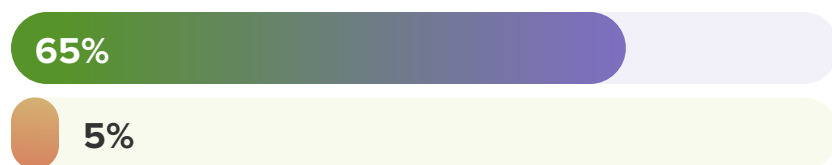
Very productive



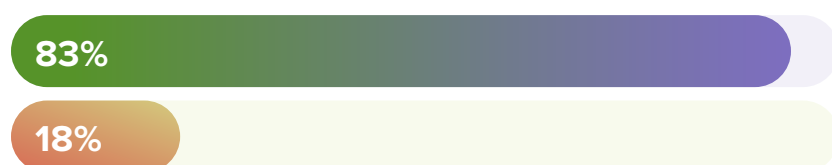
Always feel belonging



Manager conversations always make work better



Always receive the right amount of performance conversations, coaching, and 1:1 feedback from the manager



When employees feel aligned they are

35%

more efficient and productive

There is also a strong link here between higher goal alignment and good, frequent manager conversations. Employees are substantially more likely to feel they are in alignment when they have the right levels of manager conversations, coaching, and feedback.

When they get the right level of manager conversations, employees are

13x

more likely to feel aligned on goals

92%

of employees with access to an HCM and purpose-built performance management software rated their process for goal setting and tracking a success



Recommendation

Improving organizational productivity and feeding employees' sense of responsibility, accomplishment, and engagement starts with ensuring that your goal-setting capability is robust and well-adopted. Hallmarks of an effective goal strategy like OKRs or SMART goals are:

- » Individual, team, and department goals ladder up to one another, ultimately supporting companywide goals set by leadership
- » Goals are visible to individuals across the entire organization to facilitate transparency, communication, and cross-functional alignment
- » Goals are easily accessible and editable by goal owners, and include space for updates and progress completion
- » An employee's progress toward goals is visible to their managers, especially during 1:1 conversations and performance reviews, to ensure goals aren't set and forgotten

Case in Point:
**Grupo
Posadas**



Technology, when aligned with organizational strategy and diligently implemented, transforms challenges into opportunities for growth and success.

Grupo Posadas, Mexico's largest hospitality company, faced significant challenges in its performance management processes. Recognizing the inefficiency of its existing systems, Posadas sought a solution to foster focus, alignment, and accountability to enable it to achieve its strategic business initiatives — and to communicate its priorities across a sprawling workforce. This need became critical when the pandemic hit, disrupting operations and threatening the survival of the hospitality industry.

Posadas used Betterworks' goal management software to steer through the crisis. The adoption of goal setting became instrumental in multiple ways: to assess where and why the company was underperforming, to think anew about how to succeed, and to keep the employees and the company aligned and moving forward. As a result, Posadas bounced back after the pandemic waned, exceeding its financial goals and healthy enough to reactivate its core businesses.



Crossing the Great Divide

In the fast-evolving workplace, this year's **2024 State of Performance Management report** highlights some urgent experience gaps — and underscores the risks of complacency.

To meet ambitious productivity goals and prepare organizations for success in an era of breakneck change, leaders must stare down their blind spots and shift their development mindset from “good enough” to proactive, targeted empowerment.

Part of that is understanding the multiplier effect of pairing HCMs with purpose-built technology — not just to peacefully coexist but to collaboratively bridge widening chasms in performance support, skills, and employee experience before they become uncrossable.

With the talent pendulum always swinging, the stakes are high. Failing to adeptly navigate these gaps now risks not only this year's productivity goals but also the potential of your workforce for years to come. In this race, keeping a foot on the gas of performance management will not just be an option — it is the only way to meet the demands of the marketplace and win the race.



About This Report

2,105

RESPONDENTS

20 industries | 45% IC's | 35% Manager (non-HR)
15% Director or above | 5% HR manager or above

71%

USA

29%

United Kingdom

Fully-employed

workers

1,000+

employee companies

Age & gender

balanced

Discover Betterworks

Founded in 2013, Betterworks is the pioneer in intelligent performance management solutions that help workforces and organizations achieve their highest potential. Betterworks reimagines performance management for all with an enterprise-ready platform that fosters greater manager effectiveness and employee performance, leading to higher satisfaction and retention and better business outcomes.

Our customers' employees are proven more engaged and satisfied in their roles, which is why industry leaders like Colgate-Palmolive, Intuit, Udemy, Freddie Mac, Vertiv, and the University of Phoenix rely on Betterworks to manage and enable excellent performance. Betterworks is backed by Kleiner Perkins, Emergence Capital, and John Doerr.



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