

# 4 Ways to Double Down on Employee Development

and finally drop old school  
performance rating

**So your organization is finally ready to throw out performance ratings — congratulations! You're in good company joining this forward-thinking movement:**

Companies without ratings systems experience a significant increase in the quality of their leaders, a much stronger “bench” of upcoming leaders, and an enhanced gender diversity in their leadership.

**20%**

**of companies have eliminated ratings all together**

You deserve applause for dropping the dreaded ratings system, but when you make the big change, don't lose your entire performance management system: You still need continuous performance management. Global Leadership Forecast 2018 research showed that when so-called progressive technology companies dropped their only form of performance management, they experienced negative consequences. In fact, 32% of leaders in tech say that they “never meet with their managers to have performance discussions.” For the tech leaders who do meet with their team of managers, however, the conversations are reportedly focused more on current performance rather than on progress. It's not surprising, then, to learn that tech leaders also rank their programs for performance management much lower than most other industries.



**You still need continuous performance management**

# Tech companies have some of the weakest performance management systems

Tech leaders overall talk about development **23% less** than any other industry

**Only 33%** of tech company leaders even have a development plan

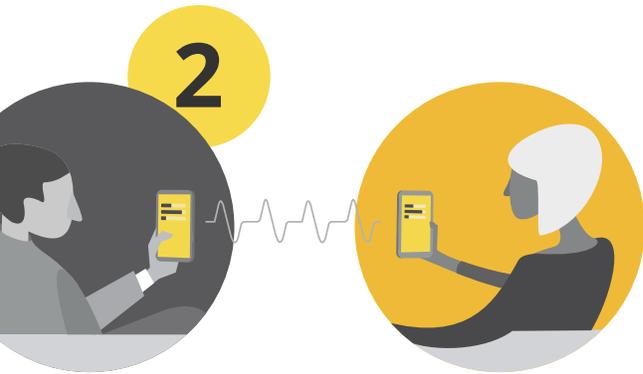
HR leaders need to help their organizations evolve toward a continuous performance management program (CPM). Research points to the best CPM programs sharing these 4 characteristics:

## Performance discussions are forward-looking

Reviews of past performance are needed. The most effective managers, however, focus more of the conversation on each team member's future development. In fact, when the performance management discussions are **75% focused on development**, the Global Leadership Forecast 2018 reports a **25% increase in effectiveness**.



## Performance conversations happen continually



As a company's long-term goals evolve, so must its workforce's goals evolve. Research suggests that when performance discussions are happening frequently — even informally — teams are **3 times** as likely to be engaged and remain aligned with the company's needs. In turn, these team members are better poised to become stronger leaders more quickly.

## Performance management is fair and transparent

Transparency and fairness boost a program's effectiveness by 31%. Programs can be perceived as more fair when managers explicitly define expectations for the role and when they establish goals **with** their team members. Transparency is supported when the company, department, manager and employee goals are visible both within the team and cross-functionally and can be aligned both within the team and cross-functionally.



## Leadership sets the example

Train every leader to practice fair, frequent, and future-oriented performance management, and their managers will follow suit. Organizations that focus on developing their non-senior talent are over **4 times** as likely to financially outperform companies who don't.



Ready to evolve your performance management program? We're here to help at [www.betterworks.com](http://www.betterworks.com)



### Conversations

Schedule frequent check-ins so your managers can become better coaches



### Peer Feedback

Easily exchange peer-to-peer and manager feedback in real time



### Recognition

Call attention to high performance and employees demonstrating key values



### Goal Alignment

Set goals to drive more effective performance and career development



### People Analytics

Become data-driven with rich insights into employee performance

Sources:  
Global Leadership Forecast 2018

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