



HR and Managers Aren't Aligned— and It's Hurting Your Business

Continuous Performance Management®
Can Bridge the Gap

HR leaders are well aware of the benefits of an effective performance management program. A continuous approach to performance management is essential for increasing employee performance with the goal of achieving the top goals and priorities of the organization, developing and training the workforce and other business critical objectives of a modern enterprise. Results from the Betterworks 2019-2020 State of Continuous Performance Management Survey highlight critical disconnects between HR leaders and managers that put these outcomes at risk.

In last year's State of Continuous Performance Management Survey, HR leaders identified the following as the top goals for performance management in their organizations:

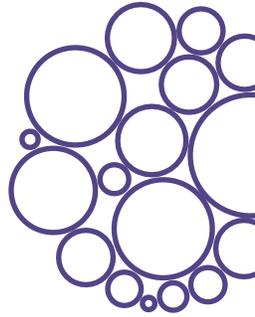
- Achieve the top goals and priorities of the organization
- Increase employee engagement
- Attract and retain top talent
- Train the workforce on skills needed for businesses to succeed today
- Develop the workforce to meet future needs and skill requirements
- Create, nurture and sustain a feedback culture



HR and managers differ in what they want from performance management. Unless this disconnect is remedied, desired business results will not be attained.

Survey Demographics:

This year's survey included 500 professionals across the U.S. working for enterprises of 500+ employees, evenly split between privately and publicly held companies across multiple industries. Respondents were also evenly split between HR professionals and non-HR people managers, and a majority of respondents held Director-level titles or above and had been with their organization for 5+ years.



HR respondents

49% of the respondents hold Director titles or above

42% of respondents have been with their current companies for 5+ years

Survey population included:

33% Millennials and Gen-Z

57% Gen-X

10% Boomers

Manager respondents

40% Director level or above

31% tenure of 5+ years with current company

31% of respondents have managed teams for 5-10 years

26% for 11-20 years

14% for more than 20 years

Survey population included:

50% Millennials and Gen-Z

31% Gen-X

19% Boomers

Managers and HR Agree: Current Performance Management Processes Aren't Working

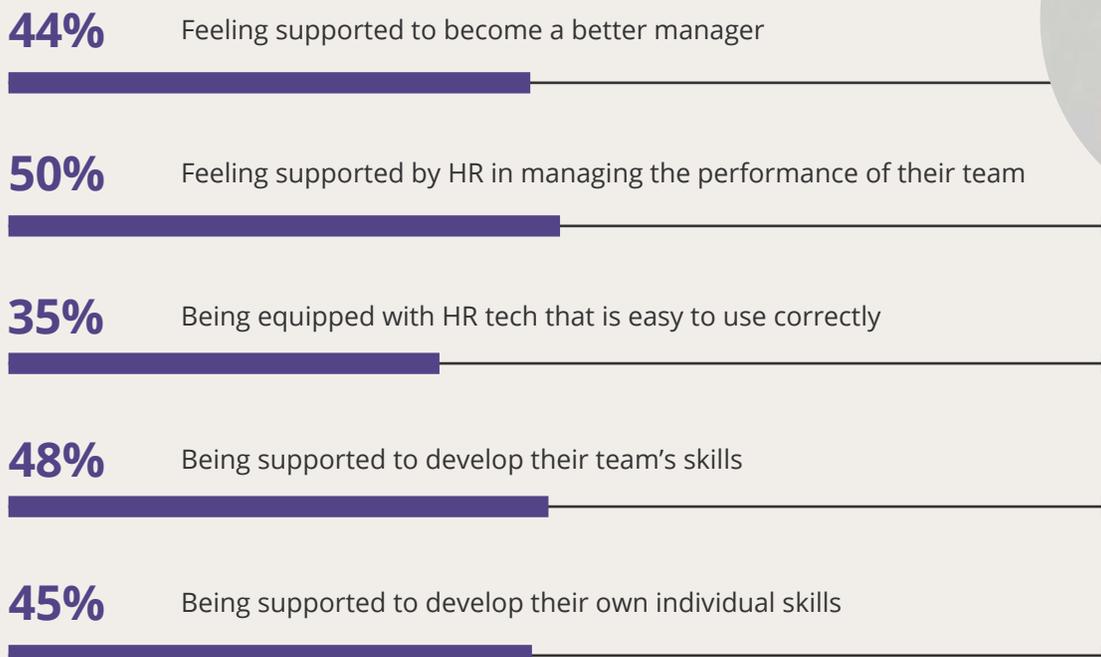
If there's one thing HR leaders and managers can strongly agree upon it's that current performance management processes aren't delivering the results their company needs. Only 40% of HR respondents and 36% of the managers surveyed are "very satisfied" with their current performance management process.



Dissatisfaction with current performance management processes is especially pronounced amongst managers—the very people who need an effective performance management process in order to best align, manage and develop their teams. A performance program should help managers to communicate key objectives, to set and align goals, and to coach direct reports to improved performance and business outcomes. However, our research

found that many managers view their current performance processes as outdated and more of a hindrance than a help. In fact, **just 22% of managers** with teams of 10 or fewer reported being very satisfied with their company's non-continuous performance management process. Compare this with managers at companies with a continuous process in place, who report significantly higher satisfaction in several key areas, including:

A continuous performance process helps managers with...



One of the biggest reasons for this disconnect between HR and Managers may be the fact that they are not aligned on the fundamental purpose of the performance management program.

Betterworks research performed with industry analyst Josh Bersin found that people managers play an outsized role in improving workforce performance through day-to-day actions that align, engage and develop their teams. And managers surveyed overwhelmingly expressed that nearly every aspect of talent management within their own organizations has significant room for improvement.



Additional research from Betterworks found that

59%

of managers **do not perceive** their performance management process as valuable

63%

of managers **fail to have regular discussions** with employees about their career growth and aspiration

57%

of managers **are not held accountable** for developing their people

Performance Management Processes Fail to Deliver What Managers Need

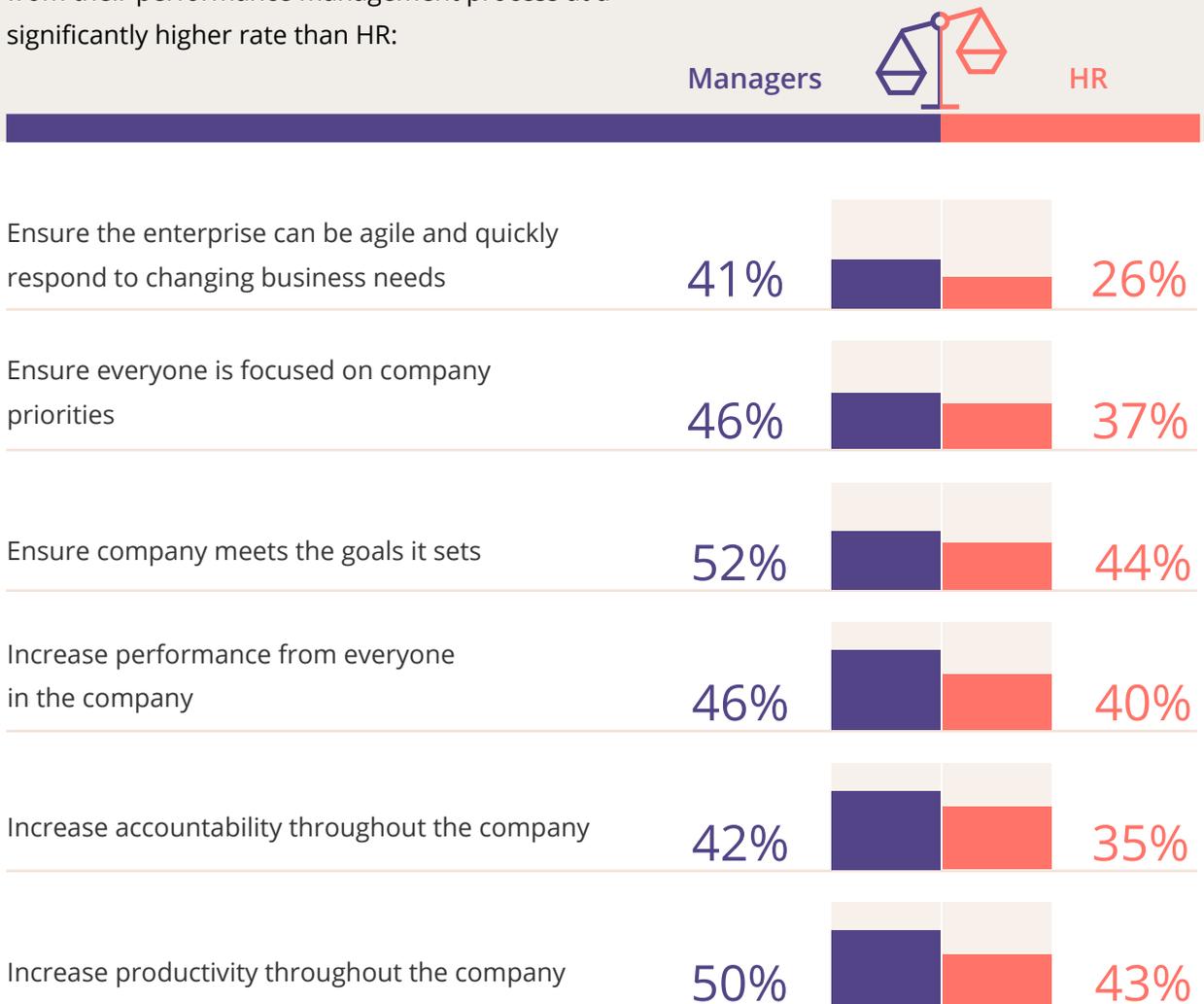
While HR and people managers agree that their current performance management programs are ineffective, they have very different ideas about the purpose of these programs. This misalignment has a direct impact on the business.



Compared to HR, managers place much more emphasis on Goal Management.

For managers, setting, aligning and managing goals are a critical part of any performance management program. The entire workforce must be able to understand the impact their work has on the business as a whole. This alignment is essential for keeping your workforce focused and maximizing profits for your company.

Managers want the following business outcomes from their performance management process at a significantly higher rate than HR:



Managers also want goals set and reviewed more frequently, and are also more likely than HR to want to increase the amount of times key activities are performed in a given year. This is especially true of managers at the director level and above who expect their company to increase the frequency of:



Setting career development goals for employees **54%**

Aligning individual goals with top company goals **53%**

Setting top company goals **50%**

Compared to HR, managers feel strongly that their company needs to increase the frequency the following goal-related activities:

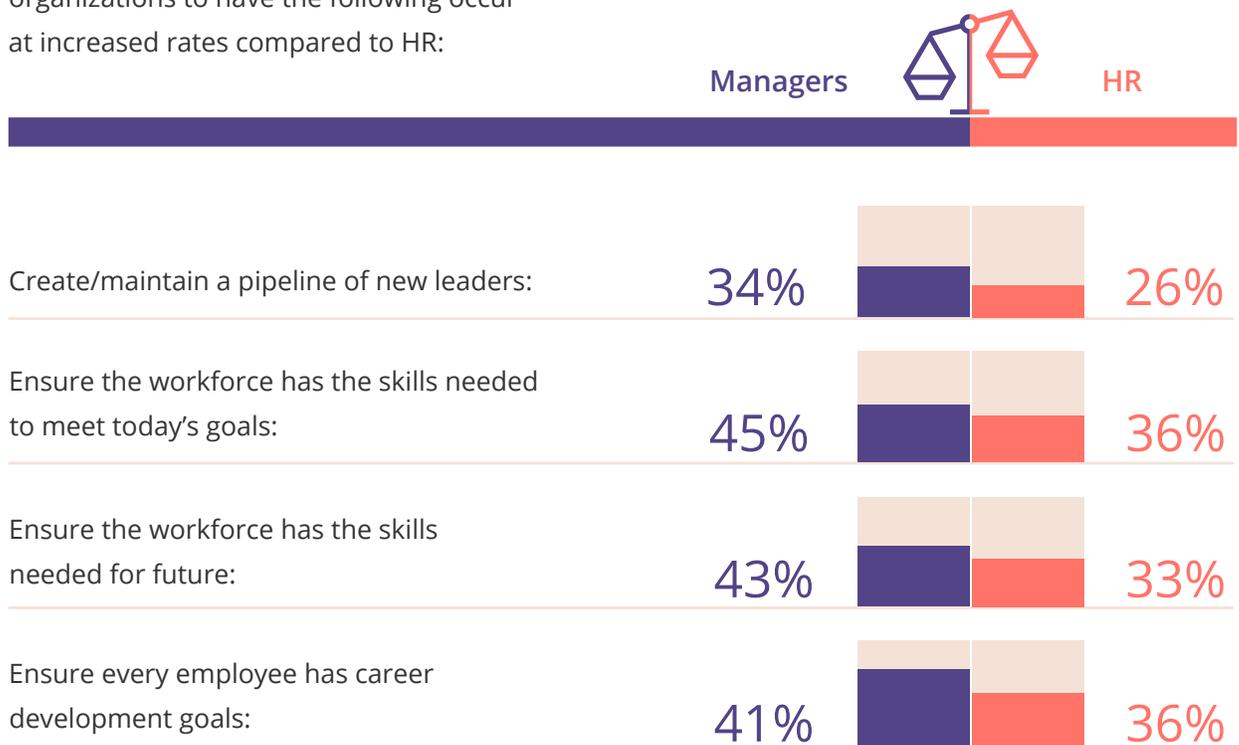


Both HR and Managers Want Performance Management to Support Skills and Career Development

HR leaders and managers are not in complete opposition. While managers view performance management as being critical for innovation and an important driver of growth, they also understand that performance management must support employee development and building a leadership pipeline.

Managers also want an increased emphasis on training leaders and continuously developing talent to ensure ongoing competitive advantage.

The managers surveyed expected their organizations to have the following occur at increased rates compared to HR:



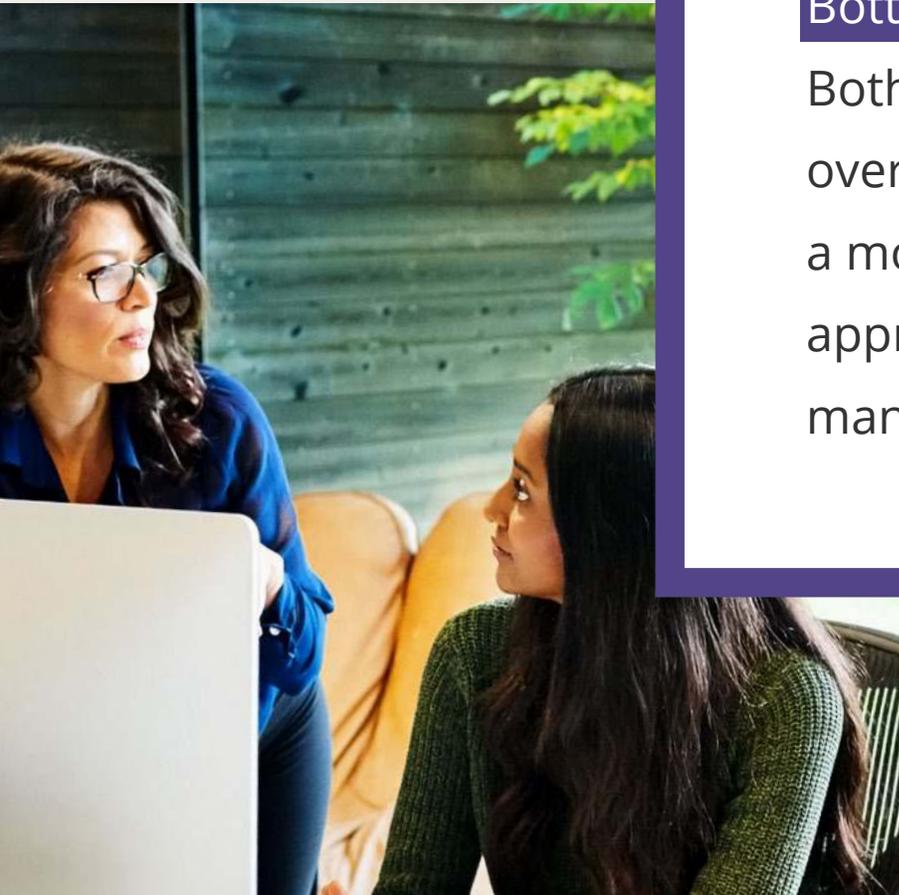
Continuous Performance Management: the Aligning Force Between Management and HR

It's clear: business and HR leaders can no longer continue to operate according to old, legacy paradigms and expect different results. There's growing recognition that traditional annual performance management techniques fail to meet the needs of a modern enterprise and cannot ensure that an organization's near and long term business goals are met.

In order to deliver on the desired business outcomes of performance management, HR leaders must think strategically. They must align their performance management programs with the needs of their managers—with a focus on goal management and the conversations and feedback necessary for skill, career and leadership development.

Bottom line:

Both HR and managers overwhelmingly desire a more continuous approach to performance management.





HR leaders and managers agree that the following activities should be performed more frequently in the coming year:

85% of HR

89% of Managers

want their companies to start making sure employees include career development goals in addition to their job goals at least quarterly

89% of HR

83% of Managers

want the managers at their organizations to solicit feedback from their peers and co-workers multiple times a year

85% of HR

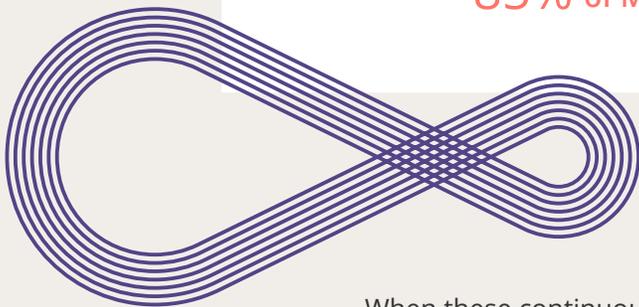
82% of Managers

want to start setting and aligning goals to top company priorities at least quarterly

88% of HR

85% of Managers

want their managers to speak with their employees about progress towards career development goals at least quarterly



When these continuous practices are in place, the results are significant. Overwhelmingly, respondents confirmed that continuous performance management practices drive better results for their businesses. In fact, organizations with continuous programs report that they outperform or significantly outperform their competition at a 24% higher rate.

Continuous Performance Management Powered by Betterworks Aligns and Empowers Organizations to Deliver Business Results

More organizations are embracing Continuous Performance Management in order to support employees and ensure that the organization can meet its business goals.

Compared to enterprises that still rely on annual performance management techniques, companies with continuous performance processes report significant improvements in their ability to:





In addition, both managers and HR professionals are much more satisfied with a continuous performance process compared to legacy methodologies. Among the managers we surveyed, those whose companies leverage a continuous performance process reported a 40-50% increase in rating their HR teams as excellent or good. HR professionals reported being nearly 50% more satisfied with their performance management process, and 24% more likely to recommend this methodology compared to companies that still rely on non-continuous processes. Any continuous process is more complex than a static, one-off process.

Any continuous process is more complex than a static, one-off process. In order for HR to deliver on the desired outcomes of their continuous performance process, it's essential that the process be supported by the right technology.

Betterworks is the complete software and service solution for forward-thinking organizations wanting to motivate their modern workforce to deliver needed business results. Our solution supports truly global workforces and is used daily by workers from 119 countries in more than 20 languages.

Flexible enough to support every organization's unique program, comprising goals, conversations, multi-source feedback and workforce insights, Betterworks helps organizations align work to goals, develop their employees and accelerate business growth.

Want to learn more?

- [Get your copy of the first report from our 2019-2020 survey about the business benefits of Continuous Performance Management](#)
- [Learn why more than 1,000 managers agreed that their existing talent management programs need serious improvement](#)
- [Resources for Helping Managers be Better Managers](#)
- [Learn more about how to Align Your Workforce](#)
- [Betterworks Product Overview](#)

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