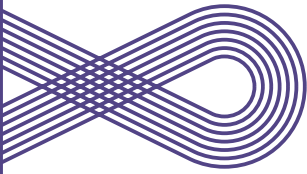




## Continuous Performance Management<sup>®</sup> Delivers Better Business Results



Survey shows companies with continuous performance programs more consistently achieve their priorities, increase employee engagement and retain top talent



## Introduction

From mobile and remote workers to cross-functional and agile teams, your workforce has become a dynamic asset that requires equally dynamic approaches to attract, develop and retain. Antiquated practices like an annual performance review simply does not work to align, motivate and develop today's workforce.

To answer these challenges, an ever-increasing number of organizations now embrace Continuous Performance Management®. A continuous performance process supports the alignment and ongoing development of a modern workforce, and helps HR to confidently deliver significantly improved business results for their organizations.

In Betterworks' 2019-2020 State of Continuous Performance Management Survey, we sought to quantify the business impact of a continuous performance process. We surveyed more than 750 professionals in the US working for enterprises of 500+ employees across multiple industries. These respondents were evenly split between HR professionals and non-HR people managers. Overwhelmingly, these respondents confirmed that continuous performance management practices drove better results for their businesses. In fact, organizations with continuous programs outperform or significantly outperform their competition at a 24% higher rate.

*In this first of a series of reports based on the results of the survey, we examine how Continuous Performance Management helps enterprises:*



Achieve the organization's top goals and priorities



Increase employee engagement



Attract and retain top talent



Train the workforce on skills needed for businesses to succeed today

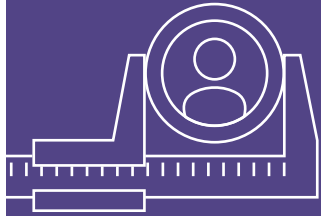


Develop the workforce to meet future needs and skill requirements



Create, nurture, and sustain a feedback culture

# Survey Demographics:



A total of 750 panel respondents completed the survey. This report analyzes the responses of our US-based respondents, 225 of whom are from the HR department and 225 of whom are people managers (outside of the HR department). Respondents were split nearly evenly between privately and publicly held companies.

## For the HR segment:

**49%** Director level or above

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**42%** tenure of 5+ years with current company

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### Survey population included:

**33%** Millennials and Gen-Z

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**57%** Gen-X

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**10%** Boomers

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## For the Manager segment:

**40%** Director level or above

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**31%** tenure of 5+ years with current company

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

**26%** for 11-20 years

**14%** for more than 20 years

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### Survey population included:

**50%** Millennials and Gen-Z

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**31%** Gen-X

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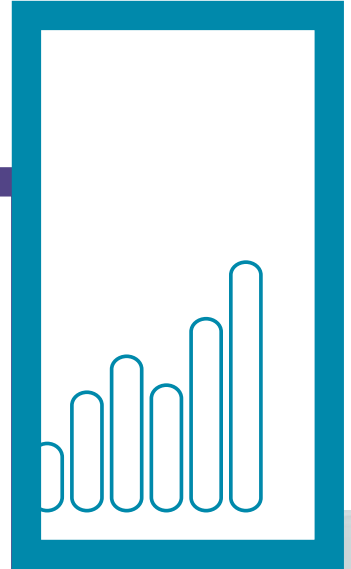
**19%** Boomers

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# Enterprises With a Continuous Process Expect — and Get — More From Their Performance Management

There is growing recognition that traditional annual performance management techniques fail to meet the needs of a modern enterprise and its workforce. In order to support employees and ensure that the organization can meet its business goals, HR organizations are embracing Continuous Performance Management, and they're doing so with high expectations.

Compared to companies that don't utilize a continuous process, the companies with a continuous performance process **expect their programs to deliver on key business outcomes at much higher rates.** And those higher expectations are being successfully met.





# Enterprises with Continuous Programs Have Higher Expectations for Performance Management







Enterprises with a continuous performance process also report significant improvements in the following critical business objectives:

 Achieving the top goals and priorities of the organization

 Nurturing an aligned workforce

 Attracting and retaining top talent

 Helping managers become better managers

Read on to learn more about the **key business results** continuous performance programs are delivering...



## Top Business Outcome #1

# Achieve the Organization's Goals

Executives want to feel confident their workforce is focused on “the right things” — those activities and objectives that matter most to the organization's sustained success. A continuous performance process ensures that the entire workforce stays aligned with desired business outcomes, and helps the company achieve those goals with a far greater rate of success.

Our research found that companies with continuous performance programs in place **outperformed or significantly outperformed their established goals at a 50% higher rate** than those companies without a continuous program.

Continuous Performance Management empowers companies to outperform their goals by keeping the workforce focused on the right priorities. Transparency is a critical element of any continuous performance process, and companies with a continuous process report **a 32% increase in their ability to communicate progress toward top objectives across the organization.** This transparency is aided by the frequent review of progress toward goals simultaneously on individual, team and company levels. Companies with a continuous performance process report a 26% improvement in their ability to communicate top company goals throughout the organization, ensuring agility and focus on top priorities even in the face of change.





## A Continuous Performance Process Significantly Improves Organizational Alignment:

↑ 26% more effective at communicating top company goals throughout the organization

↑ 23% better at aligning the entire workforce's goals to top priorities

↑ 32% better at communicating progress towards top company goals

↑ 42% more effective at holding employees accountable

↑ 34% more effective at holding teams accountable

↑ 36% more agile and adaptable to changing business requirements

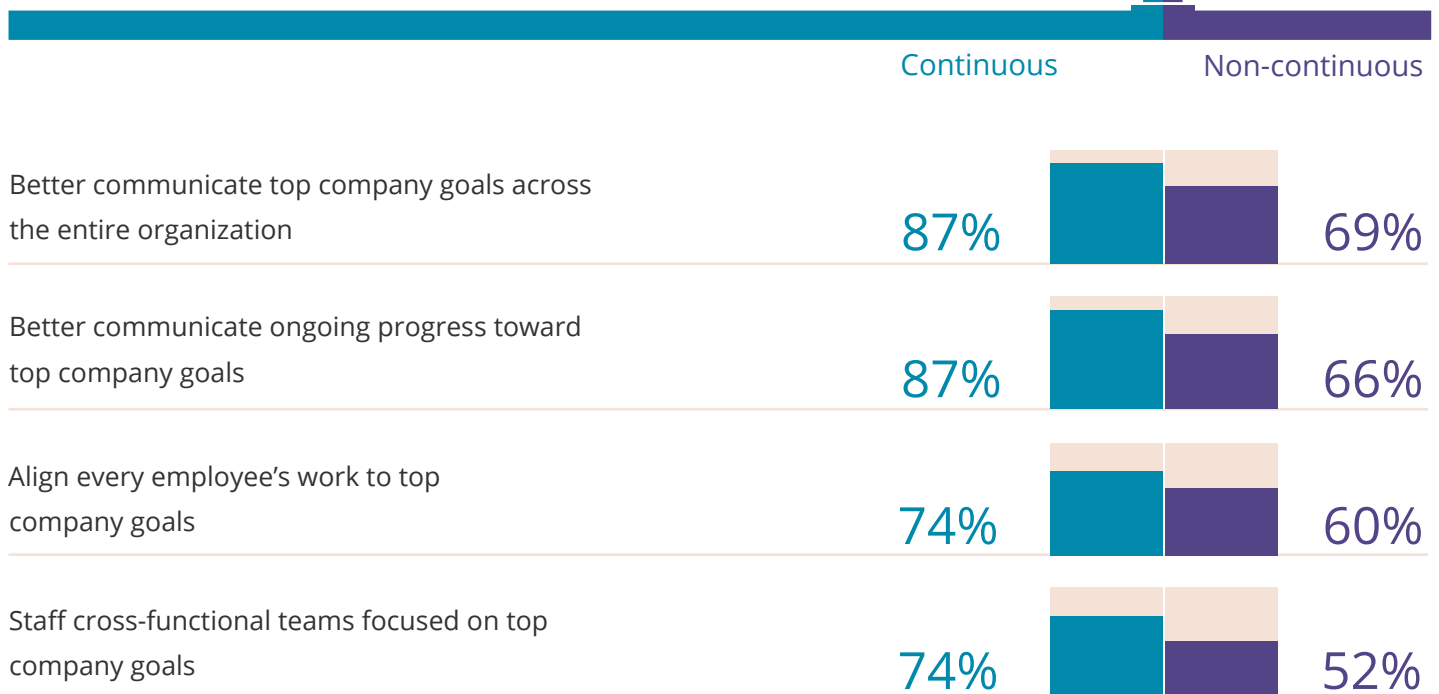
↑ 35% better able to solve problems creatively

## Top Business Outcome #2

# A More Aligned Workforce

Today's employees want to know their work contributes to something larger than themselves. This sense of purpose comes from effectively communicating the company's mission and aligning everyone's work to top company goals.

Companies with continuous processes benefit from improved alignment. Compared to enterprises with a non-continuous process, enterprises with a continuous performance process in place:



Employees also want frequent feedback to ensure that they're headed in the right direction. Companies with a continuous process in place are 71% more likely than those without to require their managers to check in with their reports on goal achievement at least three times or more throughout the year. These same organizations are also nearly 25% more likely to rank themselves as "effective or very effective" at communicating with employees that they are valued.

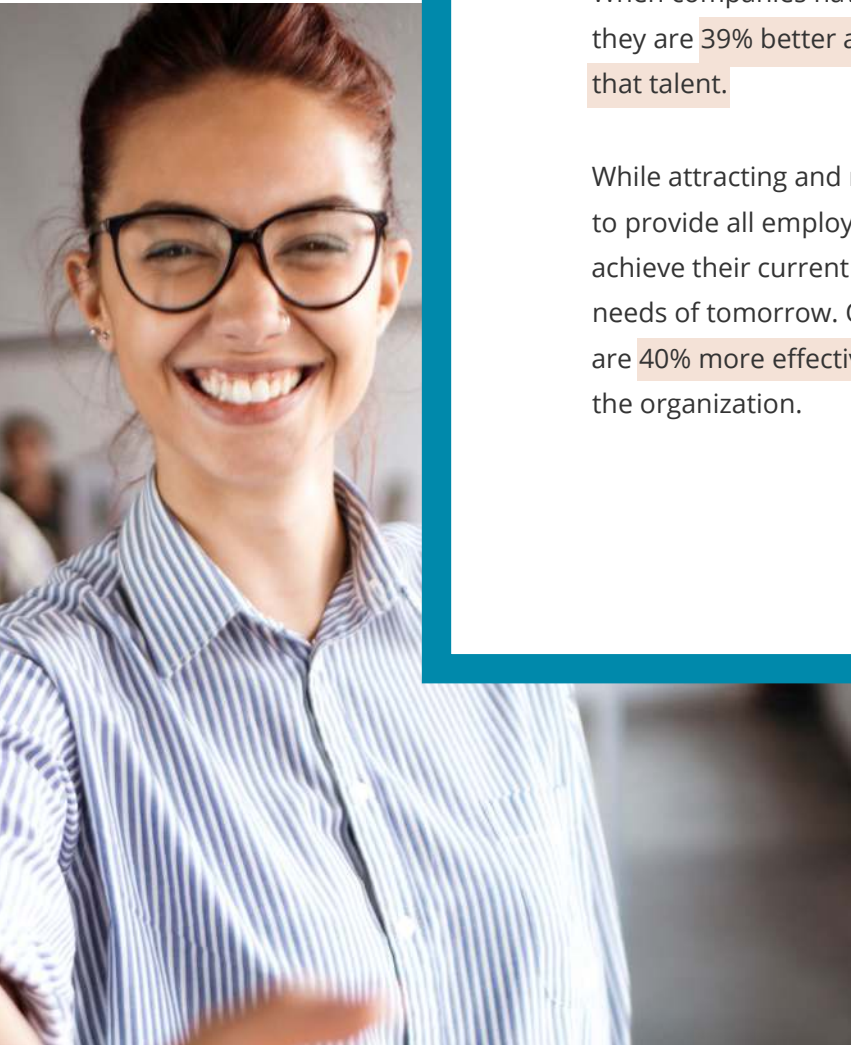
### Top Business Outcome #3

# Attract and Retain Top Talent

Today's job market is highly competitive. Unemployment is at its lowest rate in 50 years, and new hires are demanding the highest average salaries in a decade. This situation creates very real costs that can account for as much as 70% of a company's total expenses. This tough hiring environment makes retaining, developing, and motivating your entire team mission critical.

When companies have a continuous performance program in place, they are 39% better at attracting top talent, and 44% better at retaining that talent.

While attracting and retaining top talent is critical, it's equally important to provide all employees the training and development they need to achieve their current goals and to be ready to address the business needs of tomorrow. Organizations with a continuous process in place are 40% more effective at developing the workforce at every level in the organization.



## Top Business Outcome #4

# Helping Managers Become Better Managers

A continuous performance management process can be particularly impactful when it comes to some of the most important members of the workforce: your people managers.

“People managers don’t always feel fully supported and often the performance and talent management practices get in the way rather than help them. The way a company sets up performance reviews, succession planning, and practices for promotion and career development can either be a great help or a big burden.”



**Josh Bersin**, *Global Industry Analyst, Dean of the Josh Bersin Academy and member of the Betterworks Board of Directors.*

Technology plays a key role in supporting managers as they execute components of a continuous performance management program. Technology can also teach managers the essential skills they need to become talent coaches.





HR respondents with continuous performance programs in place felt strongly their managers could benefit from technology that:

Reminds them to have relevant conversations with employees about performance and development

↑ 43%

Prompts them with the right questions to motivate and engage employees

↑ 40%

Helps them to align their teams' goals to company priorities

↑ 26%

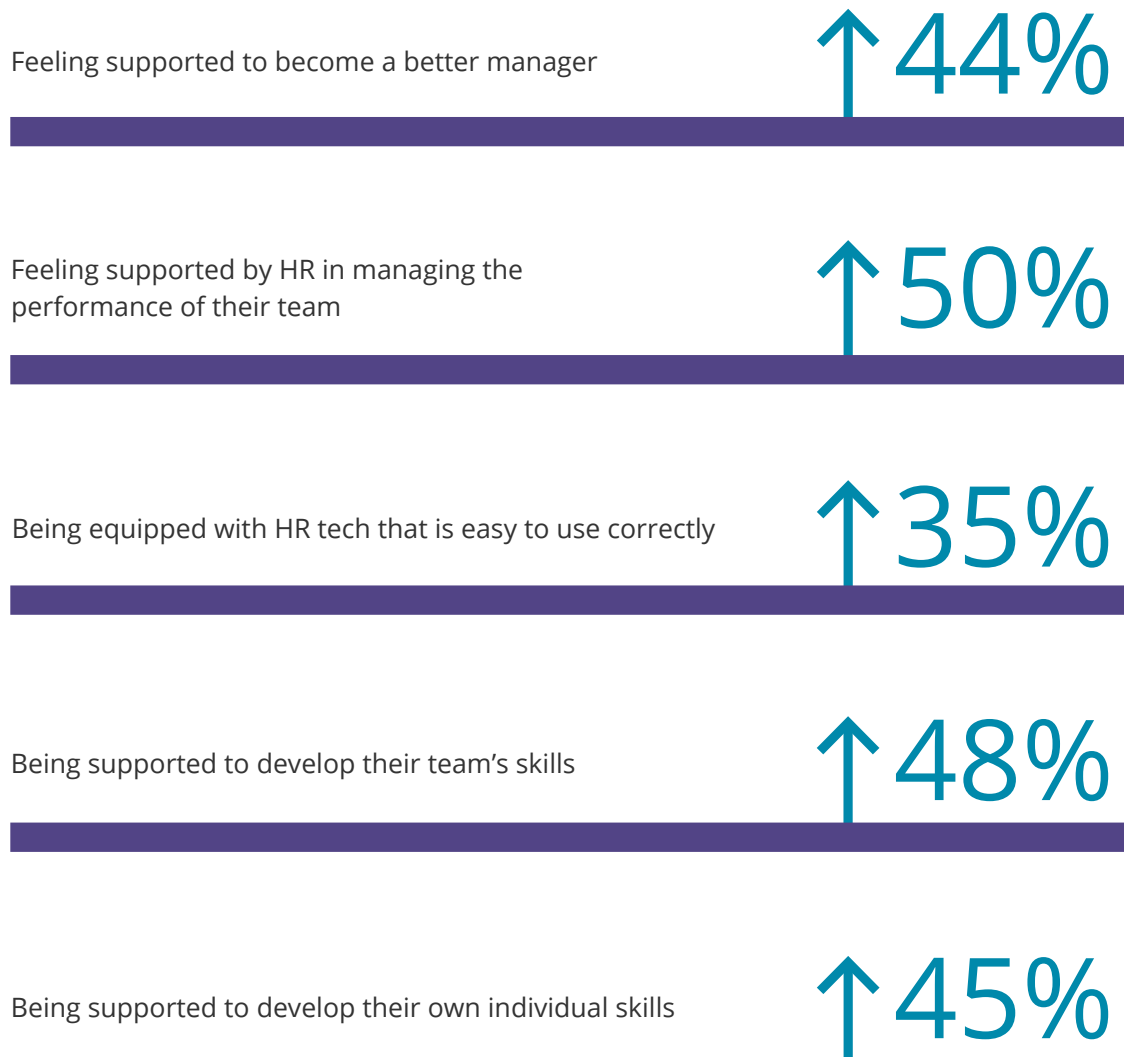
Reminds them to check in with team members at least weekly

↑ 66%

Helps them solicit and manage feedback about all of their team members, all in one place

↑ 38%

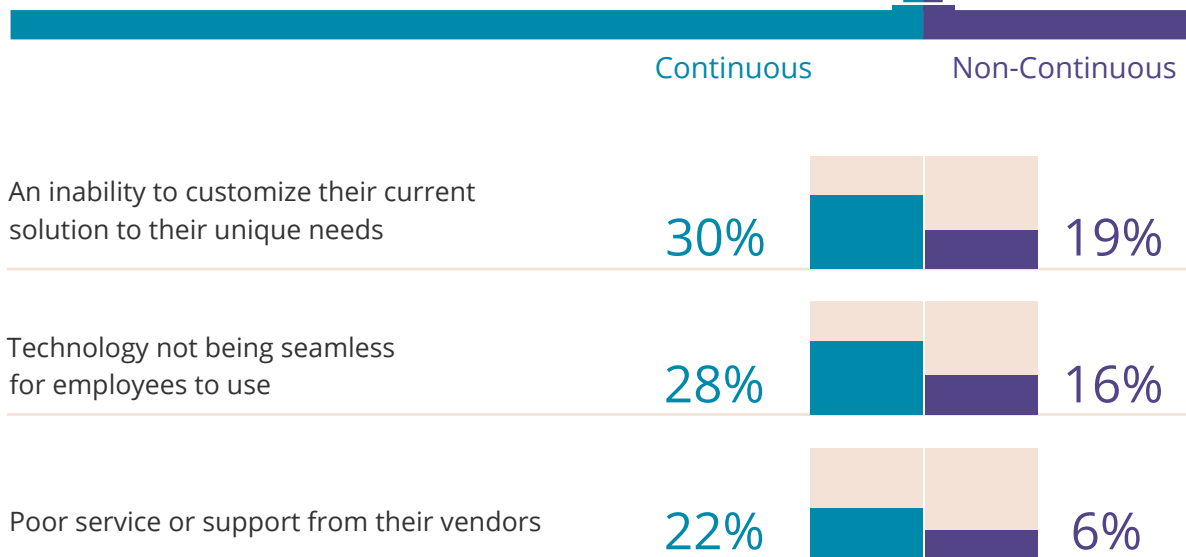
Managers whose organizations have adopted a continuous performance process are more satisfied in several key areas such as:



Managers at companies with a continuous performance process view their HR departments more positively, reporting a 50% increase in rating their HR teams as "excellent" or "good."

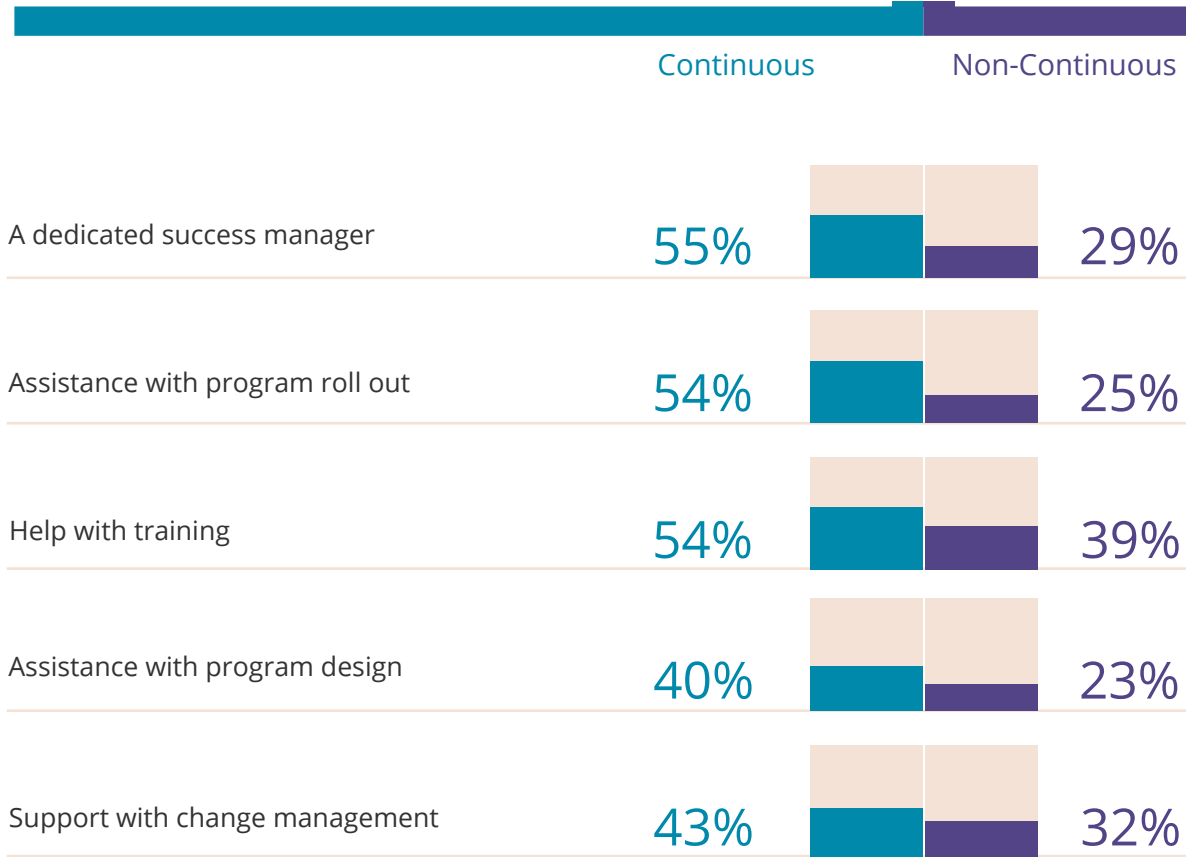
# Continuous Performance Management Requires the *Right* HR Tech

Continuous Performance Management requires technology specifically designed to support it. However, many HR teams that have adopted continuous programs struggle with technology that doesn't meet their unique needs:



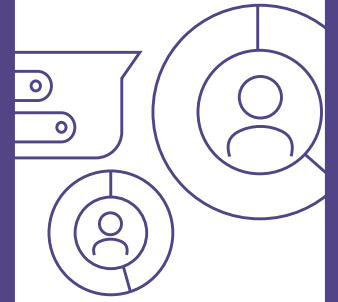


Companies with a continuous performance process expect more from the tech they adopt to support it. HR leaders at those organizations expect the following at much higher rates from their technology vendors:





# Betterworks Powers Enterprise Continuous Performance Management Programs



The survey results confirm it: Continuous Performance Management delivers real business results. HR teams that have implemented a continuous performance program report being nearly 50% more satisfied with their performance management process, and are 24% more likely to recommend this methodology compared to companies that still rely on non-continuous processes.

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.



Visit us for more resources about [the latest in HR and continuous performance management.](#)

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