

# The Performance Management Transformation Framework

**Deloitte.** | betterworks®

# Contents



The Framework .....	4
Goal Setting and Revision .....	5
Strategy and Planning .....	13
Coaching and Feedback .....	17
Review and Evaluation .....	24
Compensation .....	27
People Analytics .....	31
A Path Forward .....	32

Performance management practices are in transition as organizations recognize a need to transform how they lead, manage, develop, reward and assess employees. Leaders know that good performance management practices can bring many benefits to an organization, but it's becoming clear their own efforts often fall short.

With a rapidly changing workforce demanding new ways of working, there is an urgency for companies to quickly evolve their performance practices. According to Deloitte, there are six major trends occurring in the market:

- 1 The redesign of performance management is accelerating as organizations rethink their processes
- 2 More companies are decoupling performance and reward to combat biases and skewed ratings
- 3 Companies are maximizing the impact of goal setting by increasing the frequency with which it's done
- 4 Ongoing coaching and feedback throughout the year is on the rise
- 5 Leaders are viewing team performance as more important than individual performance
- 6 Companies are increasing alignment to business strategy by connecting individual performance objectives



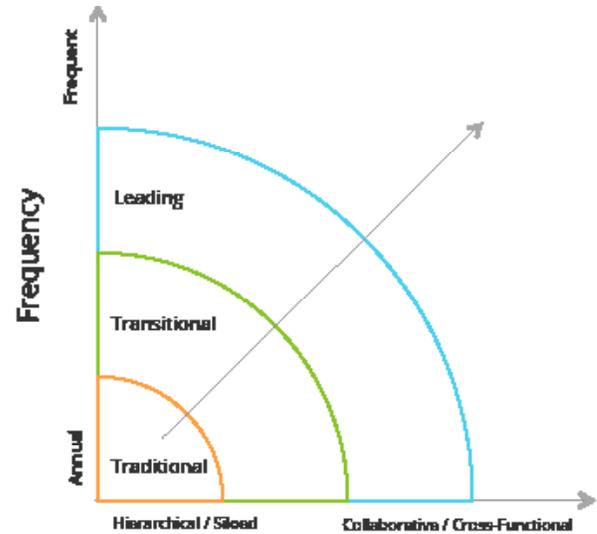
*"Your journey through performance management is really toward a more continuous, more agile, more transparent and collaborative process."*

Josh Bersin, Principal and Founder, Bersin by Deloitte

## The Framework

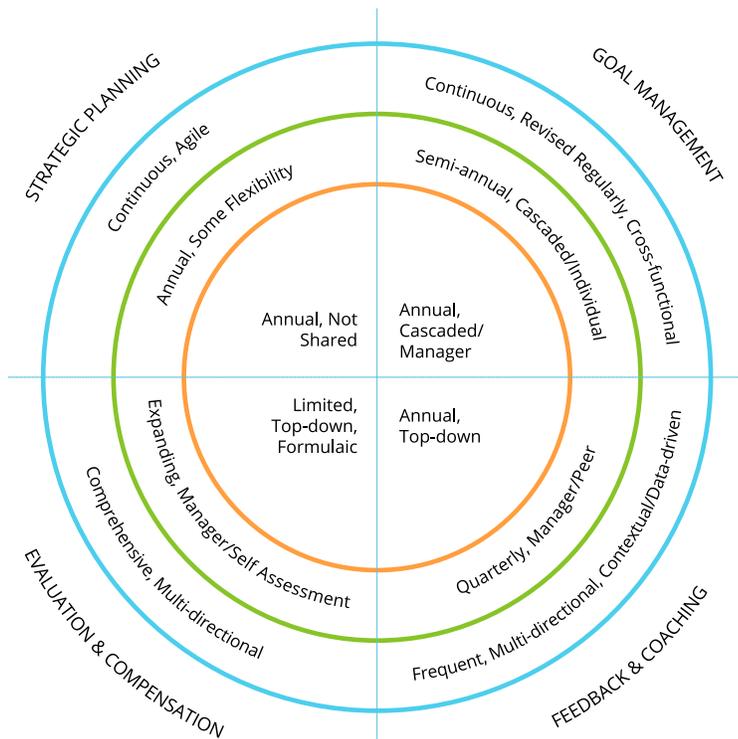
To help HR leaders better understand how to make the transition from where they are to where they want to be, BetterWorks partnered with Deloitte to develop the Performance Management Transformation Framework. Deloitte conducted in-depth interviews with three BetterWorks customers—CVS, Kroger and Walmart—and drew on Deloitte’s own years of experience with hundreds of corporations and organizations to research the current state of performance management.

Deloitte categorized typical performance management processes and then, for each category, described the activities of three types of companies: traditional, transitional, leading (see examples in figures 1-3 in the appendix).



The framework, included below, helps leaders evaluate where they are in their current practices, identify the state they want to reach and necessary steps to get there and understand where BetterWorks can help.

## Performance Management Diagnostic Model



Use the model below to diagnose the current and desired performance management processes for your organization.

### Key

- Traditional
- Transitional
- Leading

# Goal Setting and Revision

Questions in this category focus on the frequency of goal setting at your organization, the agility with which they're managed, the visibility of the process and the goals themselves and the prevalence of stretch goals for employees.

“ Once you get into a much more agile goal setting process, you're going to have to have more dynamic goals.

Josh Bersin, Principal and Founder, Bersin by Deloitte

## How Often Does Your Organization Set and Revise Goals?

### LEADING APPROACH

Your organization sets goals quarterly and updates them frequently as needed.

- Believes that it is critical for employees to have the freedom to change their goals to focus on the work that is most important to the organization
- Believes that measuring progress against goals in real time is a valuable signal to the operation of the business
- Operates in an industry experiencing frequent change and leaders value agility

### BETTERWORKS SUPPORT

BetterWorks helps organizations set configurable timelines for goal setting conversations and send notifications to employees to set and review goals. Employees can view strategic, business unit and manager goals to ensure ongoing alignment during goal reviews.

#### BetterWorks Guidelines

- Every employee should review and set goals on a quarterly basis
- Every employee should have 3-5 goals per quarter
- Every employee should be able to change their goals as needed

#### BetterWorks Modules and Integration

- Utilize the BetterWorks Strategic Planning and Goal modules
- Integrate with existing HRIS performance management module(s), the BetterWorks Performance Development module and/or task/project management software

## TRANSITIONAL APPROACH

Your organization sets goals on a quarterly or bi-annual basis, without a strong emphasis on revision.

- Recognizes that employee goals might need to be updated based on changes to business unit goals
- Operates in an industry experiencing regular to frequent change that values agility

### BETTERWORKS SUPPORT

BetterWorks helps organizations set configurable timelines for goal setting conversations and sends notifications to employees to set and review goals. Employees can view strategic, business unit and manager goals to ensure ongoing alignment during goal reviews.

#### BetterWorks Guidelines

- Every employee should set goals on a quarterly or bi-annual basis
- Every employee should have 3-5 goals per quarter
- Every employee should be able to change their goals as needed

#### BetterWorks Modules and Integration

- Utilize the BetterWorks Strategic Planning and Goal modules
- Integrate with existing HRIS performance management module(s), the BetterWorks Performance Development module and/or task/project management software

## TRADITIONAL APPROACH

Your organization sets goals on an annual/bi-annual basis only.

- Infrequently updates goals once they have been set; goals are mainly used to measure performance rather than serve as an operating plan
- Experiences little change and has clear targets that it needs employees to hit

### BETTERWORKS SUPPORT

BetterWorks helps organizations set configurable timelines for goal setting conversations and allows managers to set and align employee goals with their goals and business unit goals.

#### BetterWorks Guidelines

- Goals set on an annual/bi-annual basis
- Every employee should have 3-5 goals per quarter

#### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal module
- Integrate with existing HRIS performance management module(s) and task/project management software

## How Do You Set and Align Goals?

---

### LEADING APPROACH

Your organization provides flexibility for individuals and managers/project managers to set and align goals vertically and horizontally.

- Believes that it is critical for employees to be actively involved in setting their own goals to ensure they are aligned with top level business and peer goals and driving success on cross-organizational objectives
- Believes that connecting employees' work with the big picture fosters meaning, which drives employee engagement
- Operates in a matrix or project-based environment, with high value placed on cross-functional coordination

---

### BETTERWORKS SUPPORT

BetterWorks empowers employees by giving them the ability to set their goals, view and align with goals across the organization, and understand how their goals align to top level business objectives. Employees can categorize goals (for example: business goals, personal development goals), while admins can run reports on organizational goal alignment %. BetterWorks also helps support better goal setting through reflection on performance against past goals.

#### **BetterWorks Guidelines**

- Every employee should have 3-5 goals per quarter
- 50% of the goals should be aligned
- Employees should achieve 70-100% goal attainment depending on your strategy for aspirational goal setting

#### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Strategic Planning and Goal modules
- Integrate with existing HRIS performance management module(s), the BetterWorks Performance Development module and task/project management software

## TRANSITIONAL APPROACH

Your organization cascades from the top down, but also allows some employee input into setting goals.

- Believes that most goals should be aligned with the strategic plan, but that some employee ownership increases employee engagement
- Believes that goals should be done at the team level
- Has some matrix or project-based work and an increasing focus on driving employee engagement and ownership to increase productivity

## BETTERWORKS SUPPORT

BetterWorks helps senior leaders and managers cascade goals down the organization. Employees can set their own goals, including viewing and aligning goals across the organization, and visualize how their goals align to top level business objectives. BetterWorks helps managers and employees set a variety of goals (for example: business goals, personal development goals) and supports team goal setting. Admins can run reports on organizational goal alignment to ensure the right vertical and horizontal alignment mix.

### BetterWorks Guidelines

- Every employee should have 3-5 goals per quarter
- 50-70% of the goals should be aligned
- Employees should achieve 70-100% goal attainment depending on stretch outlook

### BetterWorks Modules and Integration

- Utilize the BetterWorks Strategic Planning and Goal modules
- Integrate with existing HRIS performance management module(s), the BetterWorks Performance Development module and task/project management software

## TRADITIONAL APPROACH

Your organization cascades goals from the top down.

- Believes that all goals should be tightly aligned to the strategic plan
- Believes that employees shouldn't set their own goals, or that employees shouldn't have goals
- Believes goals should be set by senior leaders and managers
- Operates in silos or has a top-down culture and a focus on performance above all else (bottom-line)

---

## BETTERWORKS SUPPORT

BetterWorks enables top-down goal setting by allowing senior leaders and managers to set goals and cascade them down throughout the organization.

### BetterWorks Guidelines

- Every employee should have 3-5 goals per quarter
- 100% of the goals should be aligned
- Employees should achieve 70-100% goal attainment depending on stretch outlook

### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal module
- Integrate with existing HRIS performance management module(s) and task/project management software

---

## How Transparent Are Goals Across the Organization?

### LEADING APPROACH

Your organization provides visibility into goals for all employees, at all levels across the organization.

- Believes that giving employees visibility into goals across the organization makes it easier for them to work with others and increases their commitment to achieving goals
- Operates in a matrixed or project-based environment and is interested in finding ways to intrinsically motivate employees
- Believes it is important for every employee to be able to easily access the company and departmental goals
- Believes any sensitive goals are private to contributing teams

---

## BETTERWORKS SUPPORT

BetterWorks helps employees set and share their goals across the organization in real time. Sensitive or confidential goals can be made private.

### **BetterWorks Guidelines**

- Every employee should be able to see other employees' goals
- Every employee should be able to see the strategic plans
- 95% of goals are public to the entire organization

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Strategic Planning and Goal modules
- Integrate with HRIS performance management module(s) and task/project management software

### **TRANSITIONAL APPROACH**

Employees and managers are encouraged to discuss their goals with teammates, but company-wide transparency is not a priority.

- Believes that sharing goals could be important for some teams in improving the way they work together
- Interested in increasing the transparency of business processes and driving employee engagement

### **BETTERWORKS SUPPORT**

BetterWorks helps employees share their goals with their teammates and others in the organization. Sensitive goals can be made private to contributing teams or individuals.

### **BetterWorks Guidelines**

- Every employee should be able to see their teammates' goals
- Every employee should be able to see the strategic plans
- 95% of goals are transparent within the department

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Strategic Planning and Goal modules
- Integrate with HRIS performance management module(s) and task/project management software

### **TRADITIONAL APPROACH**

Goals are visible only to individual employees and their managers, and little goal discussion occurs.

- Believes that goals are a private matter between employees and their managers; the culture does not encourage transparent goals
- Has a top-down culture and works in silos with infrequent information sharing
- Operates on need-to-know basis with little information sharing

#### BETTERWORKS SUPPORT

BetterWorks is not applicable.

## Do You Encourage Setting Stretch Goals?

### LEADING APPROACH

Your organization encourages employees to set stretch goals for the majority of their goals.

- Believes that stretch goals drive employee engagement and performance
- Uses or would like to use the OKR format to help employees create a plan for achieving their objectives

#### BETTERWORKS SUPPORT

BetterWorks helps employees set and share their goals across the organization in real time. BetterWorks supports the OKR methodology for goal setting.

#### BetterWorks Guidelines

- Every employee should have 3-5 goals per quarter
- Employees should achieve 70-100% goal attainment
- Organization should use OKRs

#### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal module
- Integrate with HRIS performance management module(s) and task/project management software

### TRANSITIONAL APPROACH

Your organization encourages employees to set one or two of their goals as stretch goals.

- Believes that most goals should be attainable, but one or two should stretch what employees think they can achieve
- Interested in using OKRs, but is not currently using it

---

## BETTERWORKS SUPPORT

BetterWorks helps employees set and share their goals across the organization in real time. Tracking against goal progress can be set to allow for stretch goals rather than 100% goal achievement. BetterWorks uses the OKR methodology for goal setting.

### **BetterWorks Guidelines**

- Every employee should have 3-5 goals per quarter
- Every employee should have 1-2 stretch goals
- Employees should achieve 70-100% goal attainment
- Organization should use OKRs

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal module
- Integrate with HRIS performance management module(s) and task/project management software

## TRADITIONAL APPROACH

Your organization does not encourage employees to set stretch goals; goals are tightly linked to performance management.

- Believes that goals should be attainable, as the purpose of goals is to measure past performance rather than drive performance
- Sets conservative goals

---

## BETTERWORKS SUPPORT

BetterWorks help employees set and share their goals across the organization in real time.

### **BetterWorks Guidelines**

- Every employee should have 3-5 goals per quarter
- Goals expected to perform at 100%

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal module
- Integrate with HRIS performance management module(s) and task/project management software

# Strategic Planning

These questions target how your organization sets and revises strategic plans and how visible those plans are to your workforce.

## How Often Does Your Organization Set and Revise Strategic Plans?

---

### LEADING APPROACH

Your organization frequently monitors and revises the strategic plan based on environmental changes.

- Believes that strategic plans must shift to reflect the environment and performance to date in order for the organization to effectively operate
- Believes that every employee should be able to set long-term plans for their role and/or connect their goals to the strategic plans of the company
- Operates in an industry subject to frequent change and ambiguity; there is a focus on agility in your organization

---

### BETTERWORKS SUPPORT

BetterWorks helps senior leaders set and revise strategic plans easily, then share those revisions in real time with employees across the organization. Employee goals are updated automatically based on changes in the organization's strategic plan, and employees can make their own long-term plans or align their goals with existing plans in BetterWorks.

#### **BetterWorks Guidelines**

- Leaders create a strategic plan 1-3 years out for the company and make it visible in BetterWorks
- Every business unit and/or department creates a strategic plan in BetterWorks
- Strategic plans for organization and department reviewed and updated at least monthly

- Individuals are able to create long-term plans for their role
- Goals are set quarterly (or spanning multiple quarters) that contribute towards achieving the strategic plan

#### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Strategic Planning module and integrate with existing strategic planning system

## TRANSITIONAL APPROACH

Your organization occasionally revises the strategic plan when a major event or disturbance occurs.

- Believes that the strategic plan should be updated to reflect new realities in the environment, but has yet to establish a disciplined review and monitoring process to understand when and how to do this
- Operates in an industry with regular to heavy change and is beginning to see the importance of agility to business success

## BETTERWORKS SUPPORT

BetterWorks helps senior leaders set and revise strategic plans easily, then share those revisions with employees across the organization. Employee goals are updated automatically based on changes in the strategic plan.

### BetterWorks Guidelines

- Strategic plan 1-3 years out for company is visible in BetterWorks
- Every business unit and/or department creates a strategic plan in BetterWorks
- Strategic plans for organization and department are reviewed and updated as needed

### BetterWorks Modules and Integration

- Utilize BetterWorks Strategic Planning module and integrate with existing strategic planning system

## TRADITIONAL APPROACH

Your organization reviews and sets strategic plans on an annual basis or in some cases, every 2-5 years, and rarely changes the plan once the year has started.

- Believes that strategic plans are a fixed blueprint for the year that are best used for measurement
- Does not operate in an industry that is subject to frequent change or there is little appetite from business leaders to make changes to the strategic plan

---

## BETTERWORKS SUPPORT

### **BetterWorks Guidelines**

- Review the prior year's strategic plan before creating the current year's plan

### **BetterWorks Modules and Integration**

- Do not use the Strategic Planning Module
- Goal Setting and Performance Development modules may still be applicable

---

## How Transparently Does Your Organization Communicate Strategic Plans?

### LEADING APPROACH

Your organization communicates frequently about the strategic plans and any changes made to them across the entire organization.

- Believes that every employee needs to know the strategic plan and any changes in order to align their work to it and execute against it
- Has an open culture or a high percentage of millennial employees

---

## BETTERWORKS SUPPORT

BetterWorks helps senior leaders share strategic plans in real time with employees across the organization and serves as a point of reference whenever employees need to review the strategic plan to align their own goals to the organization's strategic priorities.

### **BetterWorks Guidelines**

- Create strategic plan 1-3 years out for company and make it visible in BetterWorks
- Every business unit and/or department creates a strategic plan in BetterWorks

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Strategic Planning module and integrate with existing strategic planning system

## TRANSITIONAL APPROACH

Your organization communicates strategic plans at the beginning of the year and is interested in communicating updates, but updates are rarely cascaded beyond the senior leader level.

- Believes that increasing transparency around the strategic plan and updates to it could lead to greater success for the organization, but needs a more efficient communication approach
- May operate from the top down, but leadership is increasingly interested in creating a more collaborative culture

### BETTERWORKS SUPPORT

BetterWorks helps senior leaders communicate and share updates about strategic plans in real time with employees across the organization.

#### BetterWorks Guidelines

- Create strategic plan 1-3 years out for company and make it visible in BetterWorks
- Every business unit and/or department creates a strategic plan in BetterWorks

#### BetterWorks Modules and Integration

- Utilize the BetterWorks Strategic Planning module and integrate with strategic planning system

## TRADITIONAL APPROACH

Your organization does not communicate the strategic plan beyond the senior leadership level and has no interest in increasing transparency.

- Believes that increasing transparency around the strategic plan increases the risk of competitors discovering and copying strategy
- Has a top-down culture that only shares information on a need-to-know basis

### BETTERWORKS SUPPORT

#### BetterWorks Guidelines

- Strategic plans in BetterWorks are visible to everyone
- Do not use the Strategic Planning module in BetterWorks if plans should be visible only to senior leaders

#### BetterWorks Modules and Integration

- Do not use the Strategic Planning module
- Goal Setting and Performance Development modules may still be applicable

# Coaching and Feedback

These questions concern the structure and frequency of manager-employee conversations around goal performance and progress, as well as where feedback comes from and how it is communicated.

“ *In your evolution, you’re going to find a need for development and coaching tools.* ”

Josh Bersin, Principal and Founder, Bersin by Deloitte

## How Frequently Do Managers Hold Feedback or Coaching Sessions?

---

### LEADING APPROACH

Your organization has adopted or is planning to use an ongoing conversation-based coaching model.

- Believes that ongoing, lightweight and forward-looking conversations are the best way to drive employee performance and engagement
- Tracks conversation activity and adherence
- Focuses on employee development and creating a continuous learning culture

### BETTERWORKS SUPPORT

BetterWorks enables the move to more continuous coaching by allowing organizations to schedule timelines for coaching conversations, upload configurable templates for managers and employees to prepare for coaching sessions, record conversations and run reports on whether coaching conversations are happening.

#### **BetterWorks Guidelines**

- Lightweight conversations on a weekly/bi-weekly/monthly cadence, formally tracked and recorded
- Configurable conversation templates for managers and employees
- Leverage data from BetterWorks on goal progress for conversations

#### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

## TRANSITIONAL APPROACH

Your organization holds annual/bi-annual formal performance reviews and would like to incorporate quarterly coaching check-ins as well.

- You believe that it is important to have forward-looking conversations to improve performance, as well as backward-looking conversations to measure performance
- You would like to get better visibility into whether conversations are actually happening
- Your organization is interested in driving employee development through forward-looking coaching

## BETTERWORKS SUPPORT

BetterWorks enables the move to quarterly check-ins by allowing organizations to schedule timelines for coaching conversations, upload configurable templates for managers and employees to prepare for coaching sessions, and run reports on whether coaching conversations are happening.

### **BetterWorks Guidelines**

- Lightweight conversations on a quarterly cadence
- Annual/bi-annual formal performance conversations
- All conversations formally tracked and recorded
- Configurable conversation templates for managers and employees

- Managers leverage data from BetterWorks on goal progress for conversations

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

## TRADITIONAL APPROACH

Your organization is using an annual/bi-annual formal feedback model tied to performance management.

- Does not believe that frequent conversations are needed to drive performance
- Focuses on managing performance and removing weak performers, rather than improving performance

---

## BETTERWORKS SUPPORT

BetterWorks enables annual/bi-annual formal discussions by allowing the organization to schedule timelines for delivering formal feedback, upload configurable templates for managers to prepare for the feedback conversation(s), use quantitative questions, and run reports on whether the feedback conversation(s) happened.

### **BetterWorks Guidelines**

- Annual/bi-annual formal performance conversations
- All conversations formally tracked and recorded
- Configurable conversation templates for managers and employees
- Managers leverage data from BetterWorks on goal progress for conversations

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal and Performance Development module
- Integrate with HRIS performance management module(s)

---

## What Is the Direction and Context for Feedback?

### **LEADING APPROACH**

Your organization uses multiple sources of feedback (including peers, team members and upward feedback) and information on performance to hold data-driven conversations.

- Believes that coaching conversations should have balanced feedback to better understand areas for development and improvement
- Believes all of the relevant stakeholders have valuable inputs that should be collected
- Encourages managers to collect and provide feedback about goals, progress, values, behaviors, skills and competencies
- Offers in-the-moment social recognition platforms
- Operates in a matrix or project-based environment

## BETTERWORKS SUPPORT

BetterWorks enables multi-directional feedback and recognition by allowing all employees to leave comments, cheers or nudges on the goals of other employees. Managers can also request peer feedback and leverage quantitative scoring. BetterWorks helps managers track ongoing progress against their employees' objectives to better inform coaching conversations. Organizations can also configure the manager template for coaching sessions to incorporate room for multi-directional feedback. BetterWorks is designed to enable five key performance conversations: goal planning, progress updates, manager-led coaching, upward feedback and career growth.

### BetterWorks Guidelines

- Every employee can see, comment and make progress on goals
- Configurable manager feedback templates for coaching conversations
- Managers use peer feedback as a signal for evaluating performance

### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

## TRANSITIONAL APPROACH

Your organization primarily uses manager-based feedback for coaching, but is interested in incorporating more upward, team member and peer feedback as well as performance data into coaching conversations.

- Believes that more sources of feedback (cross-functional, matrix) can help managers create a more informed picture of performance and improve employee engagement during the feedback conversation
- Encourages managers to collect and provide feedback based on goals and competencies
- Provides some opportunities for social recognition around organizational values, but does not have a platform to drive peer recognition
- Trying to create a more collaborative culture

---

## BETTERWORKS SUPPORT

BetterWorks encourages employees to provide feedback and recognize their peers by leaving comments, cheers or nudges on the goals of other employees. It enables manager-based feedback by giving managers the ability to track ongoing progress against their employees' objectives. Managers can also send out 360s for their employees and leverage quantitative scoring to gather feedback.

### BetterWorks Guidelines

- Every employee can view, comment and see progress on goals
- Configurable manager feedback templates for coaching conversations

### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

## TRADITIONAL APPROACH

Your organization uses manager-based feedback and has no/little interest in collecting other feedback.

- Believes that the manager best understands what the employee needs to do
- Feedback is based on the manager's opinion and little performance data is collected or used
- Feedback is backward-looking and reactive
- Has a top-down culture and rarely works beyond silos

---

## BETTERWORKS SUPPORT

BetterWorks enables manager-based feedback by giving managers the ability to track ongoing progress against their employees' objectives. It also allows the organization to configure manager coaching templates to help managers identify potential areas for feedback.

### BetterWorks Guidelines

- Managers can see goals and progress
- Configurable manager feedback templates for coaching conversations

### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

## How Do You Track and Communicate Progress Against Goals?

---

### LEADING APPROACH

Your organization requires frequent, data-driven check-ins on goal progress.

- Believes that frequently tracking and holding data-driven, forward-looking discussions about goals drives performance
- Believes that tracking goals to give employees credit for the work they are doing drives engagement
- Believes that proactive discussions and course correction are critical to goal achievement

### BETTERWORKS SUPPORT

BetterWorks helps employees set and track progress against their goals in real time. BetterWorks provides managers and employees with goal progress data to hold data-based conversations about performance and make course corrections as needed.

#### **BetterWorks Guidelines**

- Every employee should update goal progress weekly
- Managers should check direct reports' goal progress weekly
- 5-10 check-ins per employee per quarter

#### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal module
- Integrate with HRIS performance management module(s) and task/project management software

### TRANSITIONAL APPROACH

Your organization requires monthly goal check-ins, but little data is used.

- Believes that monthly goal check-ins can help course correct before goals get off track
- Would like to make it easier for employees and managers to track goal progress and include more data in goal check-ins
- Wants to build a coaching culture

---

## BETTERWORKS SUPPORT

BetterWorks helps employees set and track progress against their goals in real time. BetterWorks provides managers and employees with goal progress data to hold data-based conversations about performance and make course corrections as needed.

### BetterWorks Guidelines

- Every employee should update goal progress monthly
- Managers should check direct reports' goal progress monthly
- 2-3 check-ins per employee per quarter

### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal module
- Integrate with HRIS performance management module(s) and task/project management software

## TRADITIONAL APPROACH

Your organization does not have check-ins on goal progress; goal achievement is only measured at the end of year for performance management.

- Believes that progress is less important than goal achievement
- Has more interest in reporting on past goal achievement and performance than on improving performance
- Does not believe that check-ins and tracking impact goal achievement

---

## BETTERWORKS SUPPORT

BetterWorks helps employees track goal progress across the year to enable more accurate goal achievement data for performance evaluations.

### BetterWorks Guidelines

- Employees leverage goals but do not check in regularly
- Check-ins are reserved for a final update at the end of the quarter

### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal module
- Integrate with HRIS performance management module(s) and task/project management software

# Review and Evaluation

This section focuses on your process for performance evaluations.

## What Is Your Approach to Evaluating Performance?

---

### LEADING APPROACH

Your organization is moving away from single performance ratings to take a more comprehensive approach to assessing performance.

- Currently eliminating a single rating for employees
- Believes that assessing role-specific, multi-dimensional criteria (e.g. competencies, values, customer feedback) provides more valuable insights into employee performance

---

### BETTERWORKS SUPPORT

BetterWorks allows a variety of goals to be set (business goals, personal development goals), tracks progress against those goals and other performance data on an ongoing basis and integrates that information into the performance management system. It also enables the use of either quantitative or qualitative ratings. Managers can use the performance data and social feedback from BetterWorks for ongoing conversations. Organizations can create templates for ongoing conversations in BetterWorks to ensure managers and employees have the right discussions.

#### **BetterWorks Guidelines**

- Ongoing conversations monthly
- Determine correct mix of inputs for considering performance based on the organizational priorities you want to drive (individual goal achievement, impact, competencies, values, personal development, potential, team performance, team contribution)
- Import BetterWorks performance data into performance management system

#### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

## TRANSITIONAL APPROACH

Your organization is expanding its approach to performance management by using a mix of annual performance evaluations and ongoing conversations to drive performance.

- Believes that in addition to measuring performance at the end of the year through a single rating, managers should also be using conversations to drive performance during the year
- Considering alternative evaluation criteria, such as competencies and potential, but is weighing goal achievement more heavily

## BETTERWORKS SUPPORT

BetterWorks allows a variety of goals to be set (business goals, personal development goals), tracks progress against those goals and other performance data on an ongoing basis, and integrates that information into the performance management system. Managers can use the performance data and social feedback from BetterWorks for the annual review and ongoing conversations. Organizations can create templates for the review and ongoing conversations in BetterWorks to ensure managers and employees have the right discussions.

### BetterWorks Guidelines

- Ongoing conversations at least quarterly
- Performance evaluations annually
- Determine additional evaluation criteria such as potential and team contribution
- Import BetterWorks performance data into performance management system

### BetterWorks Modules and Integration

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

## TRADITIONAL APPROACH

Your organization takes a limited approach to assessing performance through annual performance evaluations.

- Only holds annual performance evaluations, with no dedicated/structured performance conversations throughout the year
- Is performance driven and intentionally creating a culture of competition with employees
- Manages performance by measuring employee goal achievement on an annual basis and uses forced rankings

---

## BETTERWORKS SUPPORT

BetterWorks provides a detailed list of goal accomplishments for managers to use in developing their performance rating, along with a cumulative progress indicator.

### **BetterWorks Guidelines**

- Import BetterWorks performance data into performance management system

### **BetterWorks Modules and Integration**

- Utilize the BetterWorks Goal and Performance Development modules
- Integrate with HRIS performance management module(s)

# Compensation

Questions in this category involve the link between compensation and performance, as well as how levels of performance are rewarded.

“ *More and more companies are realizing that a numeric rating is not a good way to evaluate performance.* ”

Josh Bersin, Principal and Founder, Bersin by Deloitte

## How Tightly Linked Are Performance and Compensation?

---

### LEADING APPROACH

Your organization decouples/loosely links performance and reward, using performance as one of the inputs for compensation.

- Believes that compensation should be used to drive not only performance, but also other organizational priorities (such as values, competencies, development)
- Uses a mix of extrinsic and intrinsic rewards to motivate employees

---

### BETTERWORKS SUPPORT

BetterWorks schedules and enables coaching conversations outside of the performance management and compensation processes. BetterWorks enables the disaggregation of performance and reward by submitting performance data to the HRIS performance and compensation module, which can be used in combination with the other compensation inputs.

#### **BetterWorks Guidelines**

- Import performance data into compensation module of performance management system as an input to determining performance and compensation ratings
- Hold regular coaching conversations about performance

#### **BetterWorks Modules and Integration**

- Utilize the Goals and Performance Development modules
- Integrate with HRIS performance management and compensation module(s)

## TRANSITIONAL APPROACH

Your company links performance and reward, but you are considering separating performance and compensation discussions.

- Would like to put more focus on the performance discussion than on compensation

---

### BETTERWORKS SUPPORT

BetterWorks schedules and enables coaching conversations outside of the performance management and compensation processes. It allows managers to submit performance data to the HRIS performance and compensation module.

#### **BetterWorks Guidelines**

- Import performance data into the compensation module of your performance management system as an input to determining performance and compensation ratings
- Hold regular coaching conversations about performance

#### **BetterWorks Modules and Integration**

- Utilize the Goals and Performance Development modules
- Integrate with HRIS performance management and compensation module(s)

## TRADITIONAL APPROACH

Your organization tightly links performance and reward.

- Believes that performance should be the only measurement for determining compensation and merit awards
- Your organization is focused solely on quantitative outcomes/outputs (e.g., KPIs), and is also internally competitive.

---

### BETTERWORKS SUPPORT

BetterWorks enables the linking of performance and reward by submitting performance data to the HRIS performance and compensation modules.

#### **BetterWorks Modules and Integration**

- Utilize the Goals and Performance Development modules
- Integrate with HRIS performance management and compensation module(s)

## How Should We Identify and Differentiate Compensation For High, Average And Low Performance?

---

### LEADING APPROACH

Your organization utilizes manager discretion with guidance and calibration to identify and determine compensation for high, medium and low performers.

- Believes that managers are best placed to understand performance within their teams
- Believes that performance should be calibrated to ensure fair appraisals and empower managers to make good decisions, not force rank employees

---

### BETTERWORKS SUPPORT

BetterWorks helps managers track performance data, goal progress data and social feedback to form data-driven decisions on high performance.

#### **BetterWorks Guidelines**

- Managers use BetterWorks data to help determine high, average and low performers
- Managers use BetterWorks data during calibration sessions
- Managers place low performers on performance improvement plans

#### **BetterWorks Modules and Integration**

- Utilize the Goals and Performance Development modules
- Integrate with HRIS performance management and compensation module(s)

### TRANSITIONAL APPROACH

Your organization uses a formula with a rich set of inputs to identify and determine compensation for performance.

- Believes that managers need prescriptive help identifying high, average and low performance
- Believes that performance is determined by a variety of inputs

---

## BETTERWORKS SUPPORT

BetterWorks helps managers track performance data, goal progress data and social feedback to form data-driven decisions on high performance.

### **BetterWorks Guidelines**

- Managers use BetterWorks data and organizational formula to identify and determine compensation for high, average and low performers
- Managers place low performers on performance improvement plans

### **BetterWorks Modules and Integration**

- Utilize the Goals and Performance Development modules
- Integrate with HRIS performance management and compensation module(s)

## TRADITIONAL APPROACH

Your organization uses a formulaic rating with stacked ranking to identify and determine compensation for performance.

- Believes that high, average and low performance should be defined by the organization, with little room for manager discretion, and only the very best performers should be recognized
- Has a highly competitive culture

---

## BETTERWORKS SUPPORT

BetterWorks enables managers to track performance data, goal progress data, and social feedback to form data-driven decisions on high performance.

### **BetterWorks Guidelines**

- Managers use BetterWorks data and organizational formula to identify and determine compensation for high, average and low performers
- Managers place low performers on performance improvement plans

### **BetterWorks Modules and Integration**

- Utilize the Goals and Performance Development modules
- Integrate with HRIS performance management and compensation module(s)

# People Analytics

This section deals with how your organization analyzes data about your employees.

## How Do You Currently Analyze Employee Data?

---

### LEADING APPROACH

Your organization leverages business intelligence and analytics tools to uncover insights.

- Has the ability to look across multiple data sources and join them together to create a holistic picture of the organization
- Believes that data can be used to uncover and predict future organizational and employee trends to help the organization create better solutions
- Has a high level of demand and interest in using data to inform decisions

---

### BETTERWORKS SUPPORT

BetterWorks provides engagement dashboards and adoption reports. Customers can work with the BetterWorks team to identify potential metrics that would be valuable to analyze.

#### **BetterWorks Guidelines**

- Track critical signals such as retention risk, engagement, manager involvement and coaching conversations on a regular basis

#### **BetterWorks Modules and Integration**

- Utilize the Goal and Analytics modules
- Integrate with HRIS

### TRANSITIONAL APPROACH

Your organization leverages HR talent system reports/dashboards for performance insights and decision support.

- Believes that looking at past HR data can provide valuable insights, but is unsure how to use data to predict future trends
- Has some data understanding, but does not have the tools yet for data analytics

---

## BETTERWORKS SUPPORT

BetterWorks provides engagement dashboards and adoption reports. Customers can work with the BetterWorks team to identify potential metrics that would be valuable to analyze.

### **BetterWorks Guidelines**

- Track employee engagement, manager involvement, and performance management compliance on a bi-annual basis

### **BetterWorks Modules and Integration**

- Utilize the Goal and Analytics modules
- Integrate with HRIS

## TRADITIONAL APPROACH

Your organization uses traditional HR analytics retroactively.

- Does not value HR insights or request HR data
- Has not invested in tools and resources to collect, analyze and report on HR data

---

## BETTERWORKS SUPPORT

BetterWorks provides engagement dashboards and adoption reports. Customers can work with the BetterWorks team to identify potential metrics that would be valuable to analyze.

### **BetterWorks Guidelines**

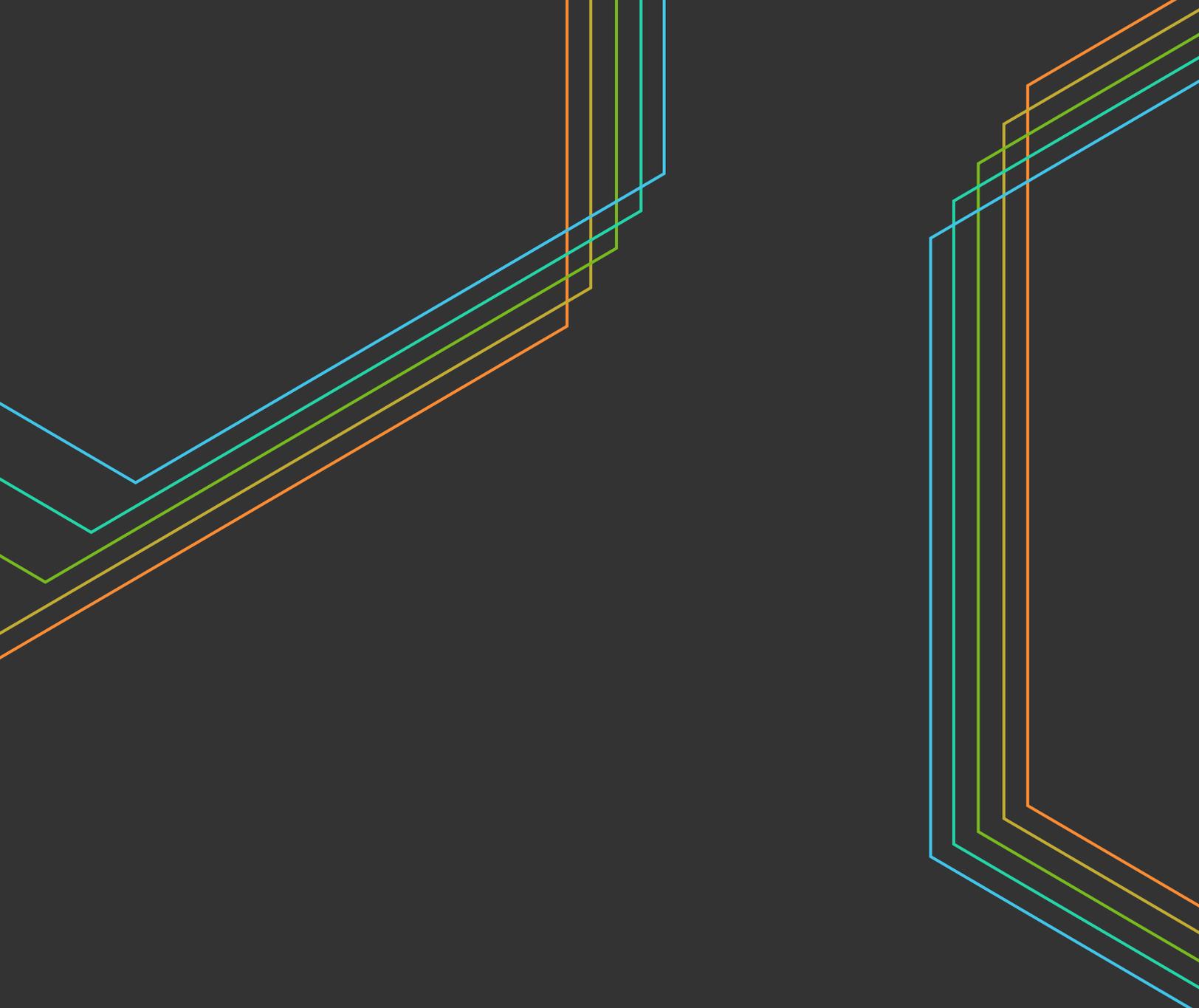
- Track performance management and coaching compliance on an annual basis

### **BetterWorks Modules and Integration**

- Utilize the Goal and Analytics modules,
- Integrate with HRIS

# A Path Forward

Working through the sections of this framework will generate a path forward for your organization's own efforts. Regardless of what you're doing now and where you want to go, the specific activities and practices recommended here can help you transform your company's future. If you have any questions, feel free to contact your BetterWorks Customer Success Manager.



betterworks®

Betterworks® aligns, develops and activates your workforce for business growth. Our easy-to-use, integrated software solution replaces outdated annual review processes with powerful Continuous Performance Management® programs to help organizations ensure everyone is working on what matters most and are having the crucial conversations necessary to inspire and motivate their entire workforce to meet today's goals and tomorrow's challenges.



Learn more about [Betterworks®](#), and for more information about the latest HR strategies and best practices visit our [resources gallery](#).

999 Main Street, Redwood City, CA 94063  
844.438.2388 | [hello@betterworks.com](mailto:hello@betterworks.com)

© Copyright 2013-2018 Betterworks. All rights reserved. Various trademarks held by their respective owners. Betterworks is not affiliated with, sponsored or endorsed by IBM, PWC, GAP, Accenture, General Electric, Deloitte, Adobe, Microsoft.