



Tech Industry is Struggling with Performance Management

Learn the **4 reasons**
why and **how** HR can address

Despite the technology industry's reputation for constantly teetering on the "bleeding edge" of innovation, the data shows that tech companies are actually falling behind in the very thing they need most: **the means to motivate and engage their employees.**



Gallup's State of the American Manager study shows that the performance and motivation of your entire workforce is in the hands of your leaders and managers;

with **70%** of employee engagement impacted by their relationship with their manager.



Most companies are struggling to develop leaders internally. In a study published by DDI in partnership with the Conference Board and Ernst & Young, the top challenge facing CEOs today is developing a bench of next-generation leadership.

50% of HR leaders report that they do not have well-integrated nor strategically aligned leadership development programs

78% of HR leaders say that their leadership career planning is only moderately effective or worse

4 reasons why

Tech is significantly worse off than any other industry. There are 4 reasons why tech has fallen behind in their leadership development.

2

Career and skill development plans are missing

Only 33% of tech leaders within tech companies have a development plan. That's in contrast to 65% of leaders in other industries. Development plans allow leaders to track developmental progress. Without such a plan, performance goes unmeasured, and each team member becomes accountable for his or her own development.

1

Career paths are unclear

Over 1/3 of tech leaders do not understand their own career paths and this is 14% worse than leaders in other industries. This lack of clarity leads to a 2x higher turnover rate for tech leaders than those in other industries. Clear career paths are necessary for leaders' success and their retention is critical for the retention and engagement of their teams



4

Discussions on development aren't happening

32% of tech leaders report never meeting with their managers to discuss development. For the tech leaders who do meet with their team of managers, however, the conversations reportedly focus more on current performance rather than on future progress. Tech leaders overall talk about development 23% less than any other industry on average. Research shows that the best result is achieved when 75% of any performance discussion is focused on development — a balance that tech fails to meet.

Only 27% of leaders in tech identify their program as a high-quality one — 8% lower than the average of other industries.

3

Development is too DIY

The majority of leaders across all industries report a vast preference for three primary means of development: external coaching, developmental assignments, and formal development. Yet tech companies rely heavily on internal coaching and self-study, taking a DIY approach to their development programs. This is less effective, and it's reported to be the least preferred method of development.

31% of tech companies, however, have done away with performance ratings systems. While this is a positive move, many of these companies don't replace that ratings system with any form of effective performance management.

Are you a tech company with a non-existent or less than effective performance management program? BetterWorks can help your organization implement the continuous performance management™ program that will motivate and inspire your leaders and your entire team. Get in touch and we'll assess your current program and get you started.

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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
Gallup's State of the American Manager study

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