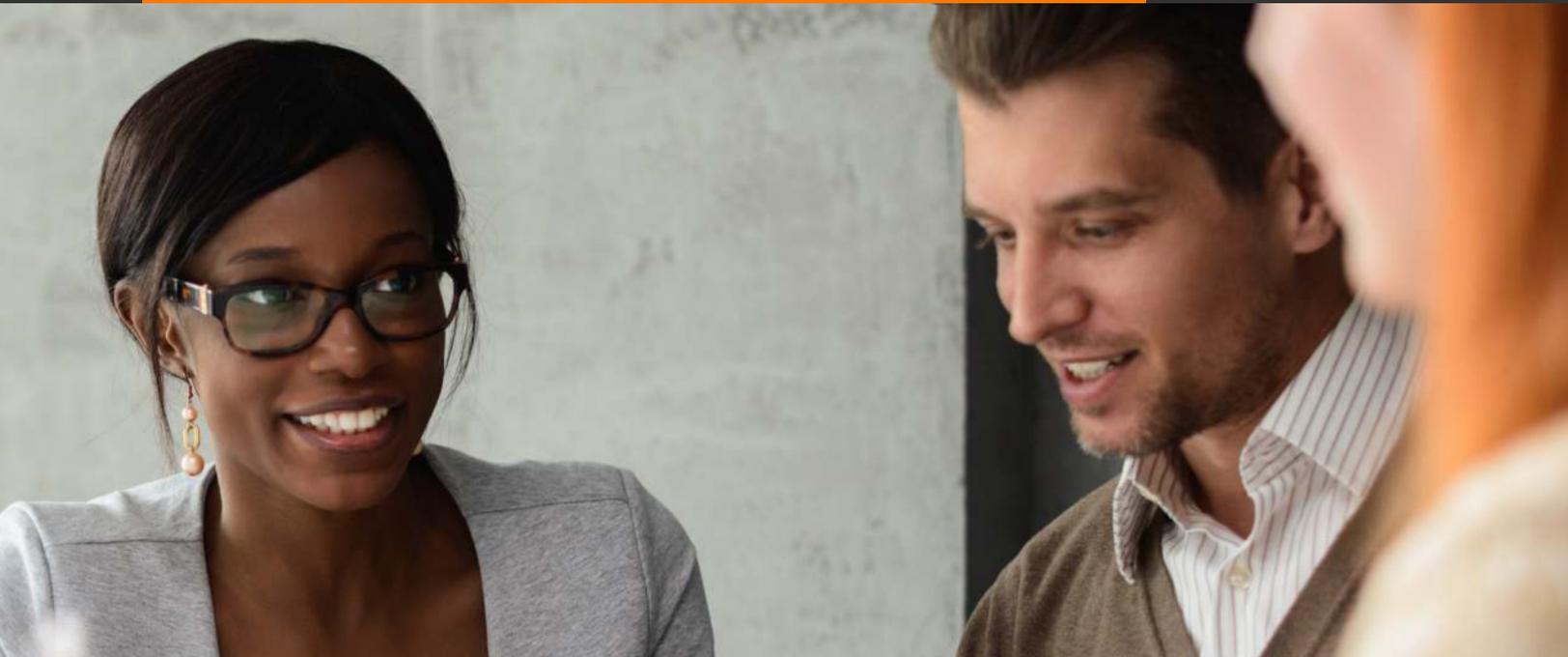




# To Achieve a Feedback Culture, Put HR in the Driver's Seat

Betterworks' Continuous Performance Management® Survey reveals how HR team makeup and structure impacts overall workforce performance



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## HR Teams Are Responsible for Driving Businesses Forward

**T**he competition to recruit and retain top talent is fierce and business productivity isn't keeping pace with technological innovation.

Given these conditions, every company must transform how they organize, align and develop their human capital in order to remain competitive long-term. HR teams are in the driver's seat to successfully navigate this transformation in their organizations by establishing the processes and technologies for Continuous Performance Management that fuel long-term business growth and innovation.

The effort is worth the reward: more frequent conversations on goals and development support a motivated, aligned workforce that works on what matters today and is ready for tomorrow's challenges. Forward-thinking organizations place HR at the center of the processes and technology that facilitate this. This report, the third in a series based off the findings of the Betterworks Continuous Performance Management® Survey, offers prescriptive steps for HR pros to take to ensure their workforce are optimally positioned to deliver the desired business outcomes from their performance management programs.

# Key findings in this report:

- Both people managers and HR professionals see HR as leading forward-thinking practices and technology in their organizations
- HR team makeup is critical: HR teams with c-level leaders reporting to the CEO are the most forward-thinking and most able to affect change
- Building a feedback culture is the critical link between employees, managers, HR, and c-level executives



The Betterworks Continuous Performance Management® Survey included over 750 respondents with 379 non-HR people managers, in addition to 377 HR professionals working within US-based enterprises across industries, each with more than 500 employees.

## Key Findings:

# Nearly Half of HR teams View Themselves as Forward Thinking, and So Do Their People Managers

The People managers in the Survey shared insights into their perspectives about the HR function at their organization. All managers in the sample came from companies with 500 or more employees, with at least one direct report. The sample included 52% male and 48% female respondents. All age groups, correlating with experience levels, were present in the sample. Industries represented included IT/software, healthcare, retail, government, financial services, construction, and more.

Overall, the Managers in the Survey held an overwhelmingly positive opinion of HR's role in key activities:

HR does a great job when it comes to recruiting new members of my team

75%

HR does a great job supporting me in managing the performance of each of my team members

65%

HR does a great job supporting me in crafting professional development goals for each of my team members

61%

HR does a great job supporting me when it comes to developing my own skills

61%



However, while Managers see HR as pivotal in some areas, **78%** do not see their HR teams as forward thinking. Only **43%** of managers say that HR departments adopt new ideas, technologies, and practices before a large majority of other companies do. And only **49%** of managers in organizations say that HR is ahead of the curve



# Statements by Managers About Their HR Department

	% Agree
HR technologies is easy for me to use correctly	75%
HR does a great job supporting me when it comes to recruiting new members of my team	75%
HR technologies easy for my team to use correctly	72%
HR processes are easy to follow	67%
HR does a great job supporting me when it comes developing my team's skills	66%
HR does a great job supporting me in managing the performance of each of my team members	65%
HR does a great job supporting me when it comes training me to be a better manager	62%
HR does a great job supporting me when it comes to developing my own skills	61%
HR does a great job supporting me in crafting professional development goals for each of my team members	61%

HR leaders are already poised to be the drivers of change within their organizations—whether or not they recognize it. When managers and employees are aligned around business

priorities, and equipped with the tools they need to have the crucial conversations around alignment, feedback and career development, companies ensure their long-term competitive advantage.

# When it Comes to Innovation, HR Team Makeup Makes a Difference

The Survey uncovered an important trend: the makeup of the HR team, especially its leadership and reporting structures, have a big impact on the forward thinking impact the HR function can have on the business. In fact, the most empowered HR organizations have a chief human resources officer (CHRO) who reports directly to the CEO.

## Respondent Snapshot

Respondents to the Continuous Performance Management® Survey are tenured HR professionals from seasoned backgrounds:



**75%** of HR respondents were in companies of **1,000+**



Among HR respondents in enterprises of **1,000+** people, **41%** hold a c-suite title



**40%** of HR respondents are at the Director+ level



In smaller enterprises, with **500-1,000** people, **40%** are more likely not to report into the CEO



**48%** have been working for the last **10+** years



Across HR departments, **47%** report into the CEO, **22%** report into the head of operations, **16%** report to the president, and **8%** report into the CFO



**58%** of respondents hold the title senior manager or above

# Organizations with a c-level leader in HR tend to be more forward-thinking:

HR knows the company — and the people that make it up — better than anyone else in the organization. As companies grow, evolve, and adapt to changing market demands and challenges, the strategic decisions behind these shifts are all based in some part on the “human capital” that makes up the company. With that said, it’s critical that HR has a ‘seat at the table’ so they can help put the systems, strategies and people in place to ensure ongoing competitive advantage; when they do, they are **69% more likely to serve as a business partner to other departments.** They are also 25% more likely to say that they care about making work experiences better for everyone and 44% more likely to strongly agree that within their organization the HR function is well-respected.

According to the Survey, forward-thinking organizations with an HR leader in the c-suite mark the following as “very important” at a higher rate than companies that do not.

↑ 28%

Transparency into progress toward goals across all organizational levels

↑ 24%

Every person having a development plan

↑ 23%

HR and senior leadership having visibility into the performance and skills of every person in organization

↑ 19%

Alignment of individual goals to company priorities

↑ 16%

Every employee having a way to track development objectives

↑ 13%

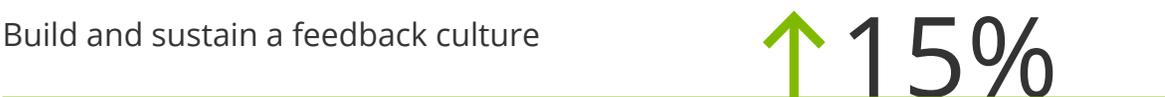
Employees having a way to solicit and receive continuous, timely feedback

When HR leadership is given a strategic position within the organization, they place greater overall emphasis on and expect more out of their performance management programs. They also tend to view performance management as the way to positively impact multiple business critical outcomes such as building and maintaining coaching cultures, developing new leaders, and motivating and engaging their workforces.

HR Teams with c-level leaders are **more likely** to use their performance management programs to:

Build and sustain a coaching culture  ↑ 18%

Motivate employees and focus on priorities  ↑ 17%

Build and sustain a feedback culture  ↑ 15%

Develop new leaders  ↑ 13%

Identify top talent  ↑ 13%

Because HR teams with c-level leadership tend to place more emphasis on their performance management programs, they are **29% more likely to view themselves as leading the pack in adopting new ideas, processes, and technologies.** These forward-thinking HR organizations invest in technology to make people-driven processes stronger, with our survey finding they were 24% more likely than to use performance management technology, 25% more likely to increase their performance technology budget in the coming year and 42% more likely to use peer feedback technology and 64% more likely to adopt HR-focused analytics.

When HR teams have a c-level leader in place, they more often deploy the elements that make up an effective Continuous Performance Management program, with our survey finding these organizations are:

↑ 38%

More likely to implement 'employee pulse' surveys

↑ 24%

More likely to agree that a key part of HR's job is to ensure managers are having more of the right conversations with their team members

↑ 20%

More likely to have reviews more frequently than annually

↑ 18%

More likely to be responsible for HR technology

↑ 18%

More likely to be setting more frequent goals

# The Survey's HR respondents say that the following are essential to building a Feedback Culture:



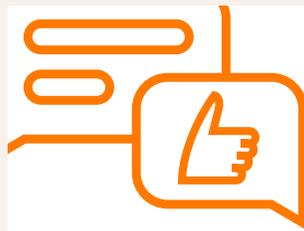
## Transparent Goals

A way for every person to capture career development and track progress **85%**

A way for every person to have at least one career development objective each review cycle **83%**

Visibility and transparency into a company's top priorities and goals **93%**

Transparency to progress toward goals across the entire organization **83%**



## Development and Feedback

A way for every person to capture career development and track progress **85%**

A way for every person to have at least one career development objective each review cycle **83%**

Visibility and transparency into a company's top priorities and goals **93%**

Transparency to progress toward goals across the entire organization **83%**



## Insights

A lens for HR and senior leadership to have visibility into the current performance and skills of every employee **84%**

A lens for HR and senior leadership to have visibility into the career development plans of every employee **81%**

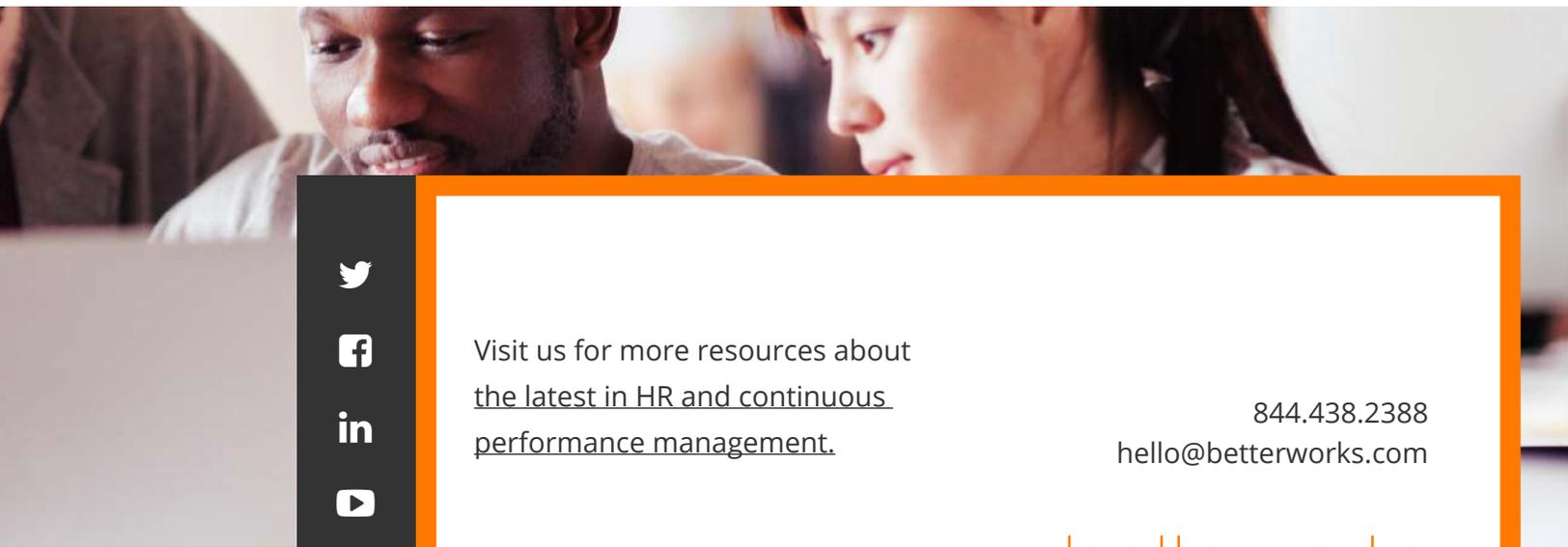
# The Bottom Line

Now more than ever before, it's critical that every organization — of every size and every industry — to develop the muscles supporting continually evolving performance within their workforce. This is especially important as HR has transitioned in function from an operational center to a strategic change agent within the business.

The most effective HR teams are both forward-thinking and have the ability to influence change in their organizations. They are in organizations with C-level HR leaders reporting into the CEO and are accountable for and empowered to shape the processes and technologies that build a "culture of performance" and motivate the entire workforce.

## About 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 be ready for tomorrow's challenges.



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

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