

## UNIVERSITY OF PHOENIX MAKES ITS VISION TO DEPLOY EVERYDAY PERFORMANCE DEVELOPMENT A REALITY WITH BETTERWORKS

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### What You Need to Know

To explore Betterworks' effectiveness as a key factor among many drivers for cultural transformation in the workplace, 3Sixty Insights spoke with Jeff Andes, vice president of talent management at University of Phoenix. Specifically, this Anatomy of a Decision™ from 3Sixty Insights investigates how University of Phoenix leveraged Betterworks replace SAP SuccessFactors' performance management module. This move played an important role in supporting a broad and deep initiative to transform University of Phoenix's culture, ultimately delivering a significantly improved experience with continuous performance enablement.

Having gone private a few years prior, University of Phoenix was going through a related, positive cultural transformation. This was a top-down priority at the time from the then-incoming president. Since then, the priority has flourished into several initiatives and remains ongoing. Seizing on the president's priorities and their clear potential impact on the performance review process at the organization, Andes moved quickly to break old paradigms at University of Phoenix and engage his team to modernize performance management there—specifically, reimagining it to align with his philosophy of “everyday performance development”—a visionary understanding of what needed to happen for the measuring and tracking of people's performance at University of Phoenix to help facilitate cultural transformation. Indeed, the University's organization-wide performance management process now goes by the name of Everyday Performance Development.

From this report are several key takeaways for the various stakeholders who all, typically, play a role in such transformations of performance management:

- **Executives:** Elements of Andes' journey with Betterworks show how shifting from top-down annual performance reviews to dialog-based everyday performance development and quarterly reviews can be pivotal in helping to promote cultural transformation. The effort often aligns with and supports an executive team's organizational vision, as it empowers leaders with information to make decisions they think best. From a technological standpoint, the story chronicles how a large organization can come to the realization that an HRIS's performance management module is mismatched in some fundamental way, go about replacing that HRIS component, and, thus, better support cultural transformation. In the case of University of Phoenix, SAP SuccessFactors' module was misaligned with the employer's new philosophy for performance development.

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### AT A GLANCE

#### Solution

Betterworks

#### Research Participant

University of Phoenix

#### Synopsis

This report presents an in-depth look at the decision-making process University of Phoenix underwent in recognizing the need to modernize and transform its approach to performance management. The employer ultimately chose Betterworks as the technological vehicle to carry out a highly progressive vision for modern performance management. University of Phoenix calls this new approach Everyday Performance Development, which greatly deemphasizes annual performance reviews in favor of promoting, facilitating and accommodating continual conversations between managers and staff.

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- **CHROs and other HR leaders:** Of particular importance to these stakeholders is, of course, better and more efficient visibility into the organization's people's performance and improved participation in the process. In the case of University of Phoenix, the organization saw a 50 percent time savings using Betterworks and doubled employee participation in performance discussions compared with SuccessFactors, a bona fide transformation in assessing and tracking performance. Because it is better distributed, additionally, the workload is less burdensome. With greater efficiency and an easier-to-manage process, HR enjoys more time to focus on strategic initiatives.
- **Employees:** Frequent conversations between managers and employees give both participants skin in the game. The key is for there to be technology capable of facilitating this kind of interaction in an online environment—especially (but far from only) for an organization such as University of Phoenix, a pioneering online university whose own workforce is almost entirely remote. The solution must be easily accessible and easy to use. The results are less burdensome and more engaging than annual performance reviews, supporting and promoting better, deeper dialog between managers and their direct reports. Employees feel management is listening to and responding to their feedback, and this leaves a positive impact on employee sentiment.

**From this report are several key takeaways for the various stakeholders, including executives, CHROs specifically, other HR leaders, and employees, who all, typically, play a role in the transformation of performance management.**

It is worth noting, as well, that the deployment of Betterworks at University of Phoenix to support Everyday Performance Development has been one of several factors that together have contributed to a better employee experience, a major sign of success for the effort

launched several years ago to transform the organization's culture. Interestingly, "Trust is just at the center point, I think, of all the components that are going to lead to successful cultural change," says Andes, whose observation here echoes what 3Sixty Insights has learned in conversations with professionals working to build strong employer cultures. Clearly, Andes and his leadership understand that people want to know their work matters to their employer and manager. According to Betterworks, modern performance management delivers continuous performance enablement, which helps ensure that employees are heard and given personal and professional opportunities for development.

## Betterworks in Profile

Betterworks is dedicated exclusively to the performance management element of HR. It is designed to be "better together" with a full-suite human resources information system, or HRIS, as a replacement for the suite's people performance module. This

## About Betterworks

Founded in 2013, Betterworks develops best-in-class performance management solutions that enable exceptional results and put employee experience at the heart of how companies align, motivate, retain and develop their people. Unlike monolithic legacy HR technology, Betterworks' lightweight and enterprise-ready SaaS solutions for check-ins, feedback, employee engagement, and recognition are built to scale for businesses of all sizes.

Betterworks' customers' employees are proven more engaged and satisfied in their roles, which is why industry leaders, such as Colgate-Palmolive, Intuit, Udemy, Asurion, Vertiv, and University of Phoenix, rely on Betterworks' solution to manage and enable performance. Betterworks is backed by Kleiner Perkins, Emergence Capital, and John Doerr.

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specialization has allowed the team behind Betterworks to develop a holistic platform that fully supports and facilitates modern performance management, bringing about the empowerment of the people using Betterworks, which is driving a fundamental shift. Betterworks' definition of modern performance management is performance management done in the flow of work. The outcome is continuous performance management.

The Betterworks model aims to advance feedback to its ideal state — not a once-a-year meeting, but a continual conversation which is meaningful to the participants and promotes goal-setting, both personal and professional. “Any HR process is kind of what we would consider a tax on the employee,” says Betterworks CEO Doug Dennerline. “We want to make the value of the process greater than the tax of it.”

## Employer Interviewed: University of Phoenix

University of Phoenix launched its first online courses in 1989 and today employs more than 3,100 staff members. Formerly run by a publicly traded company, Phoenix was sold in 2017 to a private equity firm and became a standalone university for the first time in several decades, precipitating a host of internal cultural transitions

organization-wide. Andes has been in his current role managing talent acquisition, leadership development, employee learning, talent management, and internal communications for the University for more than five years. At the same institution, he previously served as the senior HR business partner manager and then, most recently, as the senior director of human resources.

**The deployment of Betterworks at University of Phoenix to support Everyday Performance Development has been one of several factors that together have contributed to a better employee experience, a major sign of success for an effort launched several years ago to transform the organization's culture.**

## Key Challenges that Drove Investment

Andes notes that the ultimate change in providers really started with the University's major transition from public to private. The new owners brought in a new president who effected a cultural overhaul. “We were more of a corporate, stuffy culture, very rigorous,” says Andes. “We were not transparent with our employees like we should be.” With new leadership came a push toward transparency, both metaphorical and physical. Blinds were removed from conference rooms, windows were added to the executives' offices, and a private elevator that had sequestered the former president from the rest of the staff was done away with. (This was before University of Phoenix went fully remote on account of the pandemic and elected to stay that way.) The new president also informed Andes that he did not want to do annual performance reviews, a sentiment with which Andes and his team readily agreed—they had already planned to come up with a replacement for this practice. He says that “like most

## About University of Phoenix

Founded in 1976, University of Phoenix is a private for-profit university headquartered in Phoenix, Ariz. A pioneer in online learning, the University provides access to higher education opportunities that enable students to develop knowledge and skills necessary to achieve their professional goals, improve the performance of their organizations, and provide leadership and service to their communities. The University is continually innovating to help working adults enhance their careers in a rapidly changing world. Flexible schedules, relevant courses, interactive learning, and Career Services for Life® help students more effectively pursue career and personal aspirations while balancing their busy lives.

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companies, at least back in the day,” the University conducted annual performance reviews that were “more of a one-way conversation.”

Top-down assessments of this kind all too often miss the mark, failing to deliver value to the employee, the manager, or the company. And yet, the process required an outsized time investment on the part of Andes and his team to execute. “It felt like all year long, we were following up, being police, quarter after quarter,” he says. They were forced to dedicate hours that the results hardly merited: he estimates that two team members would spend roughly half of their time focused on the performance review process for a full

two months out of every year. Worse than the sheer burden of this administrative tedium was the opportunity cost, and it’s not hard to imagine that the “policing” might have also been detrimental to the sorts of relationships HR would ideally build with employees.

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Andes says there was also room for improvement in terms of ease of use. His HR team had received feedback over the last five years indicating that internal sentiment held that HR launched too many systems. Employees were clearly weary of keeping up with what felt like ongoing changes. “When we launched SuccessFactors, probably 10 years ago,” he says, “we went through this big internal training in how to use these modules. It’s just a lot. We were looking for a platform that could just be really easy to use.”

Feedback also indicated that University staff disliked the timing of annual performance reviews, which fell during the peak season of August–October. Employees resented the “extra work” of the reviews all the more because it pulled focus from the University’s students at the worst possible time. “So, we really wanted to shorten it, make it sweet, and make it more in the natural flow of conversation.”

## Considerations in Evaluating Solutions

Thanks to the changes in ownership and in top-level leadership, Andes knew he had the higher-ups’ blessing in seeking a new solution. He also knew that the University’s chief human resources officer was on board. So, he says, “it was a perfect storm.” They started with what they knew: everyone wanted to eliminate annual performance reviews. Their first step was to decide what to put in place of the existing process. They devised a program that Andes calls “everyday performance development.”

At the time, the University still had over a year remaining in the contract with SuccessFactors, but they knew they would be looking for another solution once the contract was up. “I think that was one of the key things,” says Andes. “We did not go find a system and then build a program. We actually built a program, and then we went and found a system to support it.” He adds, “We launched the program

## New Beginnings at University of Phoenix

In 2017, University of Phoenix was sold to a private equity firm and became a standalone university for the first time in several decades. According to Jeff Andes, who joined University of Phoenix in 2013 and is now vice president of talent management there, the employer’s culture had drifted far from the organization’s entrepreneurial origins in innovation, becoming very corporate. Recognizing the change in ownership as a broad opportunity to effect culture change, Andes seized on a directive from the then-incoming new president to do away with the traditional annual performance review. Visionary in his own right, Andes helped champion this and other fundamental changes to reshape the organizational culture.

Several key learnings came from 3Sixty Insights’ interview with Andes. University of Phoenix sought a total cultural rethink and evolution from where they were. Employees perceived a lack of transparency with management. Strengthening the cultural value of “honesty” was, therefore, a focus. Emerging from the wake of a worldwide pandemic, additionally, the organization eventually shifted fully to work-from-home (WFH). Significant cultural changes to promote openness and transparency predated this move, however. New leadership changed the way workplaces functioned. Offices received windows, for example, and the employer eliminated its private elevator bank for the C-suite at headquarters.

As for performance management’s role against this backdrop, Andes’ team knew the relationship between managers and employees needed to change. Before selecting a software for this, they first went about designing what they now call Everyday Performance Development, an interactive, continual, progressive approach to replace the annual performance review. SAP SuccessFactors was the incumbent for performance management at University of Phoenix, and the employer ultimately replaced that solution with Betterworks.

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with SuccessFactors because we had the deal, and we had to finish it out. But then we started on this journey of figuring out what's the best software solution to meet our needs."

Central to the program's design was the goal that it would be both employee- and leader-driven rather than unilateral. It was important that discussions under this new program balance the needs of both participants. Andes adds that they also "didn't want the employee part of the conversation to just be about regurgitating what they've done over the last quarter or the last year. We wanted them to think a little bit deeper about what they need out of that conversation." This was how University of Phoenix landed on a quarterly check-in model.

**"We did not go find a system and then build a program. We actually built a program, and then we went and found a system to support it," says University of Phoenix Vice President of Talent Management Jeff Andes. His vision helped fuel development of what the organization now calls Everyday Performance Development, a modern approach to performance management that Betterworks has been fundamental in supporting.**

"We felt like it was important that our performance management was ongoing and in-the-moment when it needed to happen," he says. They aimed to make the new process more of a series of conversations. To support this paradigm, they decided the new model should not force documentation as part of the process. "We wanted our leaders to have real conversations."

## Reaching a Decision

Once they knew what they wanted the program to look like, says Andes, "We explored solutions that met our vision of an everyday performance development program at University of Phoenix."

In particular, Andes says, "We wanted a platform for everyday performance development conversations, one that would allow for more focus on dialog as opposed to the rigor of outdated annual reviews. That's where Betterworks rose to the top." He wanted it to be dynamic, and to "support the employee part of the conversations, support the manager part of the conversation, and support a casualness" that would allow for more focus on dialog rather than the rigor of the process. Along with Betterworks, Andes' team looked at Saba (since acquired by Cornerstone OnDemand) and Ultimate Software (now UKG and what University of Phoenix continues to use for core HR). Neither of these other vendors' solutions matched Betterworks' platform in their ability to align with Andes' vision.

Betterworks shone in referrals, too. The University's chief information officer had heard good things about the vendor, and he suggested that Andes and his team consider it. Additionally, during the RFP process, Andes learned that a contact of his had worked with Betterworks. She shared that her Betterworks representative felt like an extension of her own team, someone who was really on the same page. "That was one of the big sales points for me, that they're an

## The Limitations of Standard-Issue Performance Modules

It all goes together, and free is not free when an organization turns solely to its HRIS' standard-issue, built-in module for assessing the performance of employees. There are limitations to these standard-issue modules' capabilities, and employees' performance instead suffers. So does the employer's ability to influence that performance.

Employers are wise to replace conventional, compliance-minded applications for performance management with progressive point solutions designed to integrate seamlessly with the rest of their HRIS. With these, they gain a way to understand their employees' performance on a continual basis via frequent manager-employee interaction and bidirectional feedback. It's the key to unlocking greater employee satisfaction with their jobs, better retention, increased productivity and more.

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agile, focused company and you get that relationship, which I think is really important.”

Andes adds that he also liked that Betterworks would work well should his team opt for an OKR model in the future—it was an option they had discussed and decided against for the time being. Betterworks has a history with OKRs, in that its founding solutions were rooted in them, though Betterworks supports any goal-setting framework. OKRs were not a primary focus for University of Phoenix, but it was still a benefit. As a pioneer around OKRs, nevertheless, Betterworks has the framework in place to create a platform for meaningful conversations that can occur as frequently as needed and include important context (e.g., goals).

## Implementation Experience

**Betterworks’ ease of use was a key selling point for University of Phoenix. “We wanted the solution to be something employees could easily pick up. We launched with a couple of short videos and some basic communication—and it took off,” says Andes.**

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The University was the first client to use the talent-planning module, which Betterworks calls Calibration. “I’ve given them a ton of feedback.” Fortunately, as an agile, focused vendor with a high-touch approach to customer success, Betterworks has lived up to the expectations Andes had in terms of responsiveness and accessibility—to the tune of Andes’ having had the opportunity to relay his feedback in conversations with the chief product officer and chief customer officer.

“We’re working together to improve this product,” says Andes. “I don’t think I would have had that level of partnership with our previous, incumbent provider. And I love this about Betterworks.”

## Results

University of Phoenix has seen participation in performance discussions improve significantly with Betterworks in place. Andes reiterates that the implementation did coincide with a massive overhaul in employer culture, and that it would be unreasonable to attribute the improvement entirely to the change in system. “We’ve evolved so much over the last five years,” he reflects.

That said, the numbers do tell a strong story. In the University’s final year using SuccessFactors for modern performance management specifically, when the employer applied a quarterly cadence to performance reviews with that vendor’s software, participation in these quarterly check-ins peaked at 37 percent. In the very first

## Promoting the Attraction, Motivation, Development, and Retention of People

Continuous performance enablement presents a substantial opportunity for competitive organizations. It helps them offer top-notch employee experiences even as they retain the rest of their HRIS for the rest of their needs in HCM. Rich data captured in the ongoing dialogue between managers and their staff becomes the major tributary informing career pathing, promoting a collaborative culture, and inspiring employee sentiment.

That continuous performance enablement is important to talent attraction is self-evident. Even in the face of gathering economic headwinds, potential new hires today have their pick of new employers. They can and will compare prospective employers for the likely employee experience. Similarly, modern approaches to people performance are key to employee retention. Organizations can learn what each and every employee wants, to want to stay.

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quarter with Betterworks, by contrast, the team reached 55 percent participation. That number has continued to climb with each subsequent quarter, first to about 60 percent, then to 65, and then above 70.

**University of Phoenix has seen participation in performance discussions improve significantly with Betterworks in place. In the University's final year using SuccessFactors for modern performance management specifically, participation in quarterly check-ins peaked at 37 percent. In the very first quarter with Betterworks, by contrast, the team reached 55 percent participation. That number has continued to climb with each subsequent quarter, first to about 60 percent, then to 65, and then above 70.**

Engagement seems to be keeping pace with participation. One key indicator is the “action-taking” measurement, which gauges employees’ confidence that management is listening to and acting on the feedback workers submit. This score is up from the 50s to the 80s. “It’s well above benchmark because we really listen to our employees and take action,” says Andes. “Part of listening to our employees is check-in conversations, changing it from a one-way conversation to a two-way conversation, and, truly, that is our culture. We want to hear from our employees; we want feedback. It’s okay to give.”

## Helpful Functionality

These changes to performance management have certainly contributed to the University’s transformed employer culture. “One of the things I really like about it is its complete transparency,” says Andes. He explains that the conversation module in Betterworks consists essentially of two tabs, one for each participant’s questions and notes—and each is visible to the employer and manager. Although documentation is only required for one out of every four quarterly check-ins, he says, they do encourage leaders to use this notes functionality each time, because “oftentimes you think you said something verbally to that person, but it didn’t actually come out that way. And, so, if you can mirror that with your text notes, then your employee has the ability to say, ‘Hey, I saw you put this in our check-in or one-on-one conversation; I don’t feel like we talked about that.’” Andes emphasizes that they don’t want the leaders to have to police the process any more than they want HR to. “We want to empower leaders with the information so that they can be leaders and do what they think is best.”

## Time Savings, Smoother Work

The new system has significantly reduced the burden on Andes’ team. Although they must now launch check-in forms every quarter, it’s much easier to do. Andes estimates that his team spends about half the time on this process now than prior to Betterworks, and he adds that the workload is lightened further because that time is spread out over the entire year rather than concentrated in a few months.



What’s different now is that it’s not a lengthy performance review where you have competencies, core values, goals, and you have this whole big form and process to launch all that type of stuff. Betterworks is as easy to manage as it could possibly be.

**Jeff Andes**

Vice President of  
Talent Management  
University of Phoenix

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“What’s different now is that it’s not a lengthy performance review where you have competencies, core values, goals, and you have this whole big form and process to launch all that type of stuff. It’s as easy to manage as it could possibly be.” The team can configure the Q&A form themselves, without having to contact the vendor to change the questions. They now spend more time crafting effective questions for employees and leaders, surely a more worthwhile application of their HR expertise, than they do on the mechanics of issuing the form

**“It starts with a cultural shift at the top, around who do you want to be? What type of company, what type of leadership do we want to be? And then you build programs and find systems to support that shift. And that’s what we did,” says Andes. With the help of Betterworks, the employer has been able to live up to its core value of honesty and support an institutional priority for transparency.**

## Better Together

Betterworks is a “better together” solution, one that is meant to replace an end-to-end HRIS standard-issue performance management module. Though they have transitioned to Betterworks to achieve continuous performance enablement, University of Phoenix does still use the SuccessFactors learning management system. In addition, legacy UltiPro (now a part of UKG) remains in place as the core HR system to handle functions like payroll and time and attendance. Applicant tracking is managed through Avature, and engagement is supported with Glint.

## Conclusion

A critical step along the road to motivating, developing and retaining people, the evolution from rote performance management to continuous performance enablement can have a profoundly positive impact on an organization, setting wheels in motion to boost engagement and transparency. At University of Phoenix, the practice of Everyday Performance Development happened to coincide with a larger cultural transformation. In Andes’ experience, “It starts with a cultural shift at the top, around who do you want to be? What type of company, what type of leadership do we want to be? And then you build programs and find systems to support that shift. And that’s what we did.” With the help of Betterworks, University of Phoenix has been able to live up to its core value of honesty and support an institutional priority for transparency.

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