

Do You Have Gaps in Your Performance Management?

Betterworks' most recent research reveals major disconnects in performance management that threaten to undermine the very outcomes organizations are focused on in 2024.

Our 2024 State of Performance Enablement survey asked more than 2,100 employees, managers, and leaders across the U.S. and U.K. about the quality of their performance management processes, tools, and support.

We discovered four major gaps that can corrode retention, productivity, succession, and, ultimately, an organization's strategic business outcomes. Learn about them so that you can develop a plan to bridge them.

The Perception Gap

Mind the gap: Performance management is not as good as you think it is.

9 in 10

Leaders give their performance management an A+

2 in 5

Employees say it's a failure

Why perception matters

Compared to leaders, individual contributors are:

37%

less likely to feel performance-enabled

17%

less likely to feel productive

3x

less likely to feel supported in developing skills

4 of 5 employee sentiments are negative when performance management is seen as a failure.



Stressed



Burnt Out



Productive



Overwhelmed



Pessimistic

Negative sentiments = poorer outcomes

The Guidance Gap for Employees

Conversations and feedback are game-changers for employees.

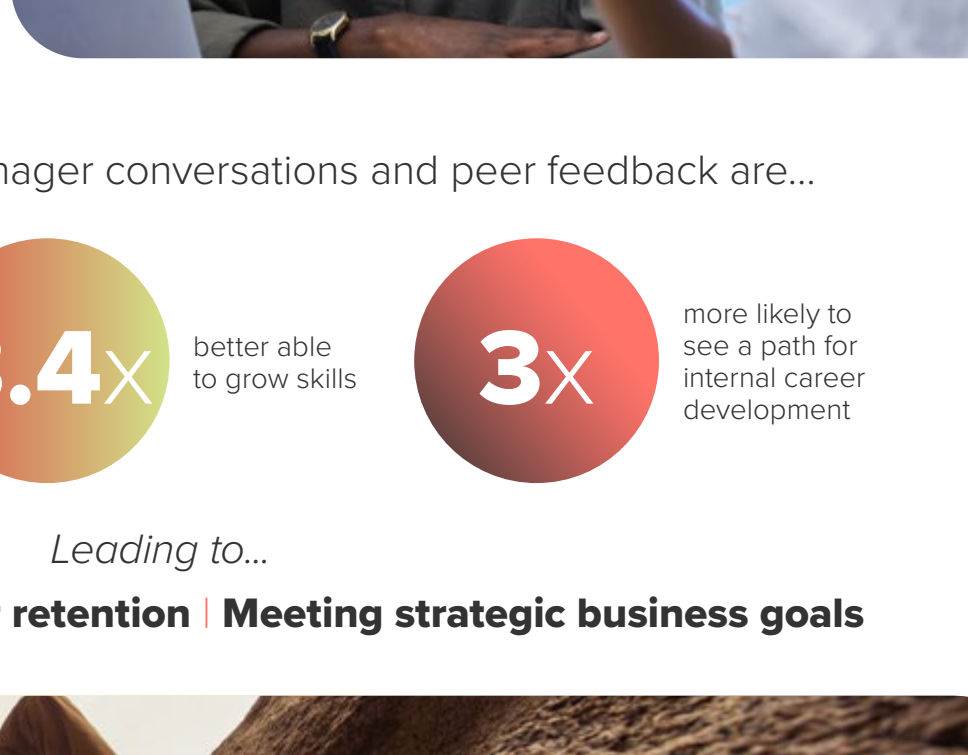
Up to **2 in 5 employees** are not getting conversations or feedback, and it is crushing their growth.

1 in 5

individual contributors doesn't get manager 1:1s

2 in 5

receive no peer feedback



Employees with regular manager conversations and peer feedback are...

3x

more likely to feel they perform well

3.4x

better able to grow skills

3x

more likely to see a path for internal career development

Leading to...

Higher productivity | Higher retention | Meeting strategic business goals

The Guidance Gap for Managers

Middle managers are in crisis: The squeeze is real.

Leadership and employees today expect more from their middle managers, but managers have been underinvested in... and it shows.

2 out of 3 middle managers

lack clarity on their role

need more support in delivering performance management

need more support guiding employees on skills and career development

To cope, managers have developed workarounds, some of them positive, but others that can inadvertently harm employees.

25%

Rely more on group meetings than 1:1s

23%

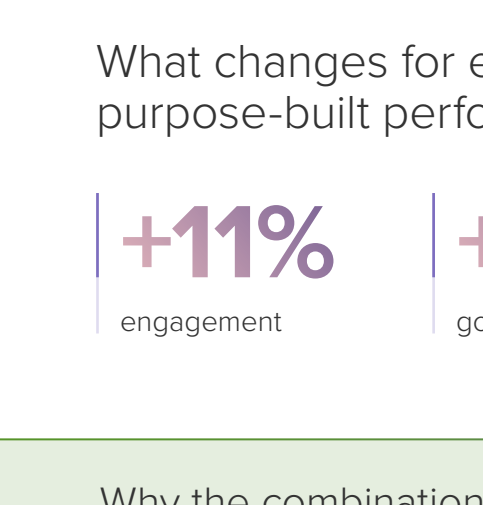
Have fewer 1:1s with direct reports

17%

Spend less time on qualitative feedback

The Technology Gap

"Good enough" isn't: What you leave on the table with an HCM-only approach.



Organizations may hesitate to integrate a purpose-built performance management solution with their HCM, which often comes with a complimentary performance management module.

But HCM's are not up to the task. Companies often lose out on employee sentiments and adoption, which have real-world negative outcomes on productivity, strategic alignment, and retention.

HCMs are

70%

more effective when combined with a purpose-built performance management solution*

What changes for employees when you integrate an HCM with a purpose-built performance management platform?

+11%

engagement

+77%

goals alignment

+96%

more likely to feel developed

+92%

goal-setting

Why the combination matters:

When employees feel aligned they are

35%

more efficient and productive

Employees are nearly

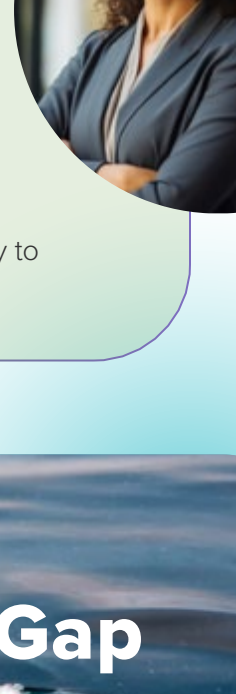
3x

more likely to receive support for building skills

Employees are nearly

2x

more likely to see a way to advance internally



The Skills Gap

Meet the moment by delivering impact through skills-based performance management.

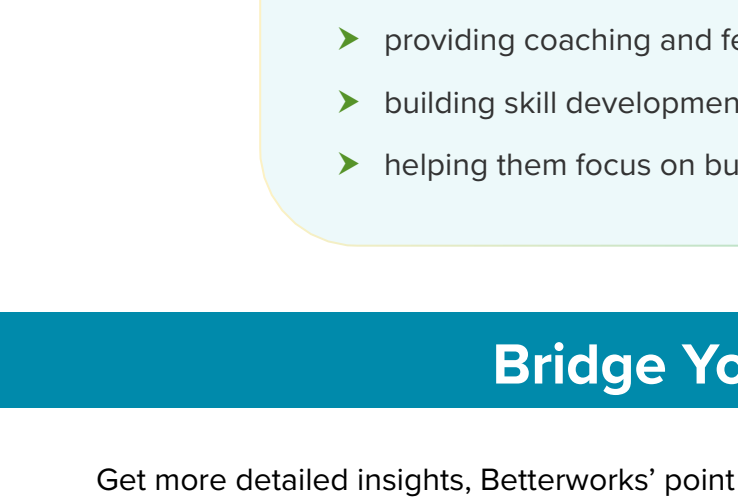
Companies are **failing about 1 of every 2 employees** in developing their skills and careers.

86%

of employees say career and skill development and coaching are important to them

54%

of employees have successful career and skill development and coaching processes



Why traditional performance management fails:

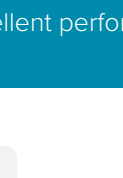
Focused primarily on skills evaluation

Modern performance management enables employees and managers to **develop skill mastery** by:

- surfacing rich data on skills that might otherwise remain hidden
- providing coaching and feedback on skill development
- building skill development into performance management plans
- helping them focus on building the right skills to address strategic gaps and needs

Bridge Your Disconnects

Get more detailed insights, Betterworks' point of view, and our recommendations for how to close the gaps to improve productivity, retention, and business outcomes.



Download Betterworks' **2024 State of Performance Enablement report** today.

The Betterworks 2024 State of Performance Enablement report is based on more than 2,100 randomly selected respondents from the U.S. and U.K. The survey had a margin of error of +/- 3 points at a 95% confidence level.

Discover Betterworks

Founded in 2013, Betterworks is the pioneer in intelligent performance management solutions that help workforces and organizations achieve their highest potential. Betterworks reimagines performance management for all with an enterprise-ready platform that fosters greater manager effectiveness and employee performance, leading to higher satisfaction and retention and better business outcomes.

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