

THE STATE OF PERFORMANCE MANAGEMENT

The current state and future direction of performance management

PerformanceCulture
Better Teams. Better Results.



It's time to get on the right track!

Most performance management (PM) processes seem to be on the wrong track



say their PM efforts result in better employee development to a high or very high degree



say their performance management systems are effective or very effective at helping meet organizational goals

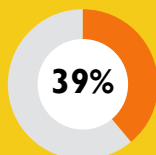


say their PM processes actually improve employee performance to a high or very high degree

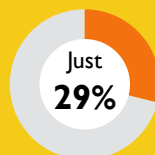


Part of the problem lies with a lack of skilled managers

Most managers are still not very good at performance management



say that managers have been sufficiently trained in PM



agree that managers are good at having conversations with employees about performance

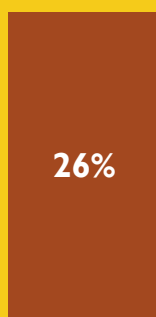


of HR professionals say a majority of managers in their organizations are skilled at PM

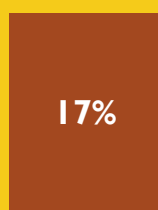


Another issue is that many top leaders view PM as a waste of time or necessary evil

Survey question: In your organization, how do most top leaders tend to view performance management?



As a necessary evil



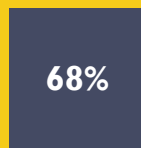
As crucial for overall business performance



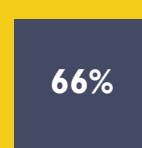
There's no consensus about the goals of PM

But development and communication are now the most widely cited objectives

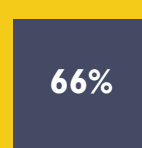
Survey question: Which of the following describes your organization's goals for conducting performance reviews?



To help employees learn and grow



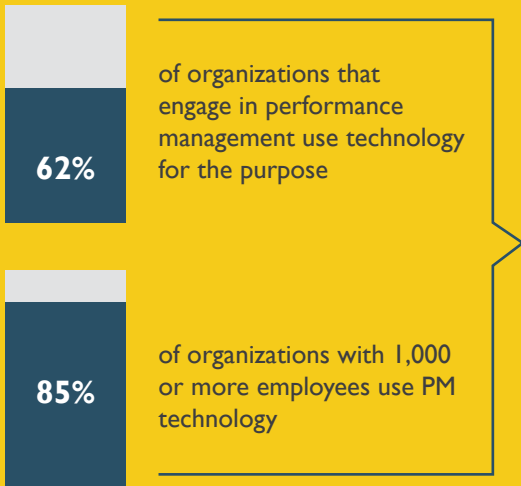
To boost communication between employees and managers



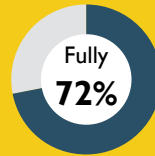
To help the company improve overall performance



Most use technology tools for PM, but few focus on development and communication



But not all tools seem geared toward learning and growth, the number one goal of PM processes



say their technologies facilitate formal performance appraisals

- Only 35% facilitate learning and development
- Only 22% aid communication among colleagues



Some organizations say they excel at PM

These higher performers are more likely to:

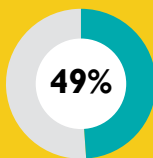
- ◆ Help employees learn and grow
- ◆ Conduct performance reviews more frequently
- ◆ Train managers in PM
- ◆ Use “hard” metrics and behavior-related scores
- ◆ Hold managers accountable for PM



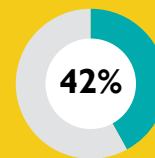
Many believe PM will run more smoothly in the future



say PM will get better at boosting employee performance



foresee PM as having more automated elements related to artificial intelligence



say it will increasingly be based on verbal or written conversations



Suggestions based on the research findings

- ◆ **Work** with top leaders to stake out a position on performance management
- ◆ **Seek** feedback from managers and give them more training support
- ◆ **Consider** more frequent performance and career conversations
- ◆ **Look** for reasonable ways of holding managers more accountable
- ◆ **Add** more verifiable data to the performance management process
- ◆ **Keep** PM technology up-to-date
- ◆ **Clarify** and, perhaps, simplify PM goals
- ◆ **Emphasize** the positive, though don't ignore the need for constructive feedback



About the Survey



“The State of Performance Management” survey ran in the second quarter of 2019. There were usable responses from 354 HR professionals in virtually every industry vertical.

Thanks to our great sponsor:



Read the full research report

The State of Performance Management 2019

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