



The Future of Performance Management 2022-2023



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Performance management is changing



93%

of all organizations have a performance management process

79%

of these organizations have made changes to their process due to the pandemic



The most common changes being:



Managers are conducting performance discussions remotely rather than face-to-face

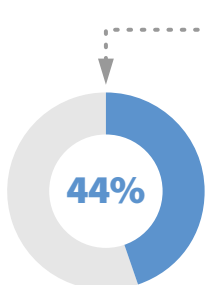


Managers are touching on issues aside from performance (e.g., well-being)

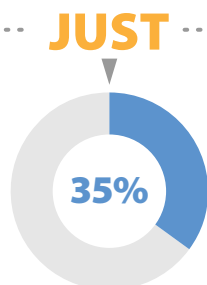


Managers are scheduling more frequent one-on-one meetings

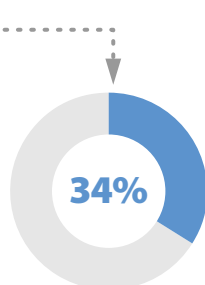
There's a disconnect between performance management and organizational goals



say their PM process meets their PM goals to a high or very high extent



say their PM process increases employee engagement to a high or very high extent



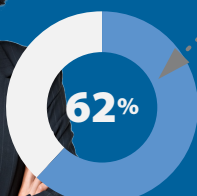
say their PM process improves employee retention



Most top managers think performance management has a positive impact, but a worrisome proportion have negative feelings about it

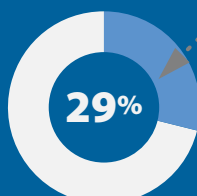


While



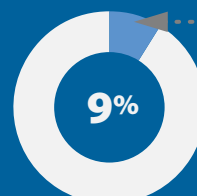
view performance management in positive light

We asked respondents to pick what best represents how top leaders view performance management



of top leaders are most likely to view performance management as a "necessary evil"

Another



see it as an unnecessary waste of time

Managers could use more training in performance management skills



Only
36%

agree or strongly agree that managers in their organization have received sufficient training in performance management

Only
27%

say the same about how skilled managers are at performance management

Which technologies are most popular for performance management?

65%

use technology to support performance management to at least a moderate degree

The most widely used technologies are:



Excel, Access, or similar spreadsheet or database programs



Tool(s) bundled or integrated into HR management/information system(s)



Stand alone or single point solutions



24%

of large organizations are far less likely to rely on spreadsheet and database programs

57%

are far more likely to use PM tools that are bundled or integrated into HR management/information systems

What does the future of performance management look like?

Respondents think that in the next 3 to 5 years performance management:



Will become more frequent and include natural conversations



Will become more focused on developmental activities



Will become more integrated with employee engagement and satisfaction data

How do PM leader organizations* compare to other organizations?

Compared to other organizations, performance management leaders are:

More than
2x

as likely to have a performance management process that improves relationships between managers and employees

More than
2x

as likely to say managers have received sufficient training in performance management

More than
2x

as likely to have top leaders who view performance management as crucial for overall business performance

Consider these strategies



Align performance management with the mission and vision of your organization



Get top leadership support



Build performance management systems with a focus on employee development



Make sure your performance systems are agile



Leverage technologies to guide and facilitate performance management

About the Survey



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Performance management (PM) leaders: respondents who say their organizations' performance management processes result in them achieving all performance management goals to a high or very high degree.



READ FULL REPORT

The Future of Performance Management 2022-23 survey ran in the second quarter of 2022. We gathered 262 complete and partial responses from HR professionals in virtually every industry vertical.

Respondents are located all over the world, but most of them reside in North America, especially the United States.



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