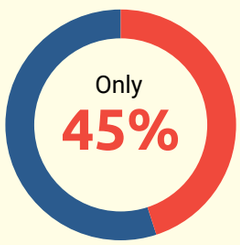
HR.com's Future of Performance Management 2024-25

Embrace agility and transform performance management for success



hr.research INSTITUTE | State of the Industry Research | emPerform

A lot of companies are still struggling with performance management (PM).



of responding organizations say their PM processes result in the following to a high or very degree:



ability to meet organizational PM goals



better employee development



improved employee performance



better legal protection

There are snags with the PM process and the people who implement it.



While, **2 out of 3** top leaders see it in a positive light, saying it is:



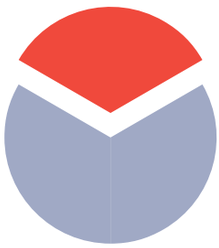
crucial for improving performance



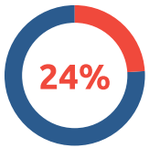
aiding employee development



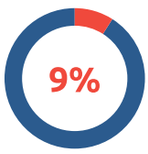
an effective way to make employee-related decisions



1 out of 3 view it negatively



view it as a "necessary evil"



say it is an "unnecessary waste of time"

ONLY 35% say their performance management process accurately portrays employee performance

ONLY 31% agree or strongly agree that managers in their organizations are skilled at overall performance management



ONLY 40% agree and strongly agree that managers have received sufficient training in performance management

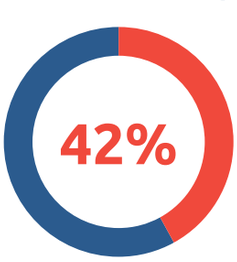
ONLY 29% say they are good at having conversations about workplace performance and behaviors

Many organizations could also do a better job of leveraging technology for PM.



8 in **10** use digital technologies for PM

but only



apply them to a high/very high degree



Only a small minority of organizations have systems that:



30% enable recognition/ praise by others



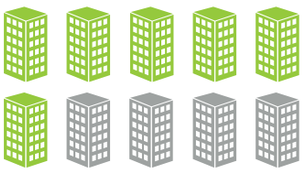
29% aid communication



28% aid training and development

The good news is PM has evolved over the last two years and has three major focus areas for the next 2 years.

Over the past two years, the most common responses were:



6 in **10** organizations

- managers have been scheduling more frequent one-on-one meetings
- employees have had greater input into their performance goals
- managers have worked harder to align employee personal goals with business objectives

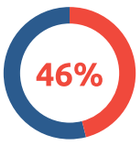
In the next two years, organizations will tend to focus on including more:



frequent or continuous feedback



manager training



frequent, natural conversations

Compared to PM laggards**, PM leaders* are:

over 2X more likely to have leaders who view PM as crucial for improving performance

over 1.5X more likely to provide training to managers for PM



almost 2X more likely to use digital technology for PM to a high/very high degree

1.5X more likely to hold work-related feedback between supervisors and employees 4 or more times a year

Consider these strategies

- **Ensure** performance management systems align individual goals with broader organizational objectives
- **Invest** in training programs to enhance managers' skills in providing constructive feedback
- **Explore** technology-driven solutions for streamlining performance management processes
- Continuously **measure** the effectiveness of performance management initiatives and iterate based on feedback and insights

HR.com Maximizing Human Potential

hr.research INSTITUTE

About the Survey:

HR.com's "Future of Performance Management 2024" survey ran in the second quarter of 2024. We gathered responses from 340 HR professionals in virtually every industry vertical.

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

****Performance management (PM) laggards:** respondents who say their organizations' performance management processes result in them achieving all organizational performance management goals to a moderate, low, very low degree, or not at all.



HR.com's Future of Performance Management 2024-25

Read Full Report

© HR.com 2024

Thanks to our great sponsor: emPerform