

2020 TALENT MANAGEMENT SURVEY

CIPD and Hibob joined forces to understand what HR professionals think about current trends in performance management. This report reveals the key findings from this survey.

Introduction

The world of work is changing fast. Things like machine learning, the gig economy and shifting expectations of employees are reshaping the priorities of businesses. And with 51% of employees looking to leave their jobs*, holding on to the best and brightest is a strategic imperative. Creating the right employee experience is the key to good retention—and is a necessity for sustainable businesses. This is where the importance of talent management comes into play.

87% of millennials rate “career development and personal growth” as the key criteria for them in a job. “Opportunities to learn and grow” is one of the top three factors to retain them.

Today’s workers also think differently about work. One survey found that 87% of millennials rank career development and personal growth as the key criteria for staying at a job. Most astoundingly, people are job hopping like never before, only staying an average of 1.8 years at the biggest tech companies.

To attract and retain top talent, today’s companies are committing themselves to making fundamental changes to their performance management systems. Organizations realize that employee evaluation programs need to be adaptable to a company’s unique culture, data-driven to provide key insights about people’s performance, and based on a single interface to provide managers with the big picture about how their team members are doing—and feeling.

Are companies actually following through on these commitments to revolutionize their talent management practices? That’s what this survey seeks to find out.

This Survey

In June 2020, CIPD and bob conducted a survey of senior HR professionals from the UK to explore performance management practices specifically related to performance reviews, performance criteria, and other performance management issues. The respondents include senior HR managers from companies in various industries ranging from 200 to 1000 employees. The results show several key trends among employers in terms of their performance management practices.

Key Findings

All survey respondents were invited to participate in the survey in June 2018. The survey officially closed on 31 July 2018. In order to provide the most reliable and accurate information, data was cleaned and duplicate records were removed.

Any outliers or invalid data were also eliminated, yielding a final data set of 61 participants. All quantitative data was analyzed using statistical software to ensure data validity and reliability. This report shows several frequencies and response distributions. Breakouts of data are provided for industry and number of employees.

67% of respondents believe that performance and feedback are important to their employees.

85% think that giving performance and feedback is the most important factor in their company's productivity.

92% of participants believe that 'feeling valued' is what most motivates their employees.

23% Of respondents think that their current performance management tool is the 'most flexible' one available.

41% say that they have implemented an 'ongoing' performance review program.



Respondents from companies conducting less frequent performance reviews - once or twice a year - report the strongest correlations between performance reviews and discussions about salaries.

65% of participants said their managers are required to collect data to support claims made during an evaluation, but 30% say that these same managers don't have enough examples to carry out a performance review.

THE IMPORTANCE OF EMPLOYEE FEEDBACK

Employee Motivation - p.7

The Importance of Good Feedback - p.8

Reviews and Raises - p.9

Employee Motivation

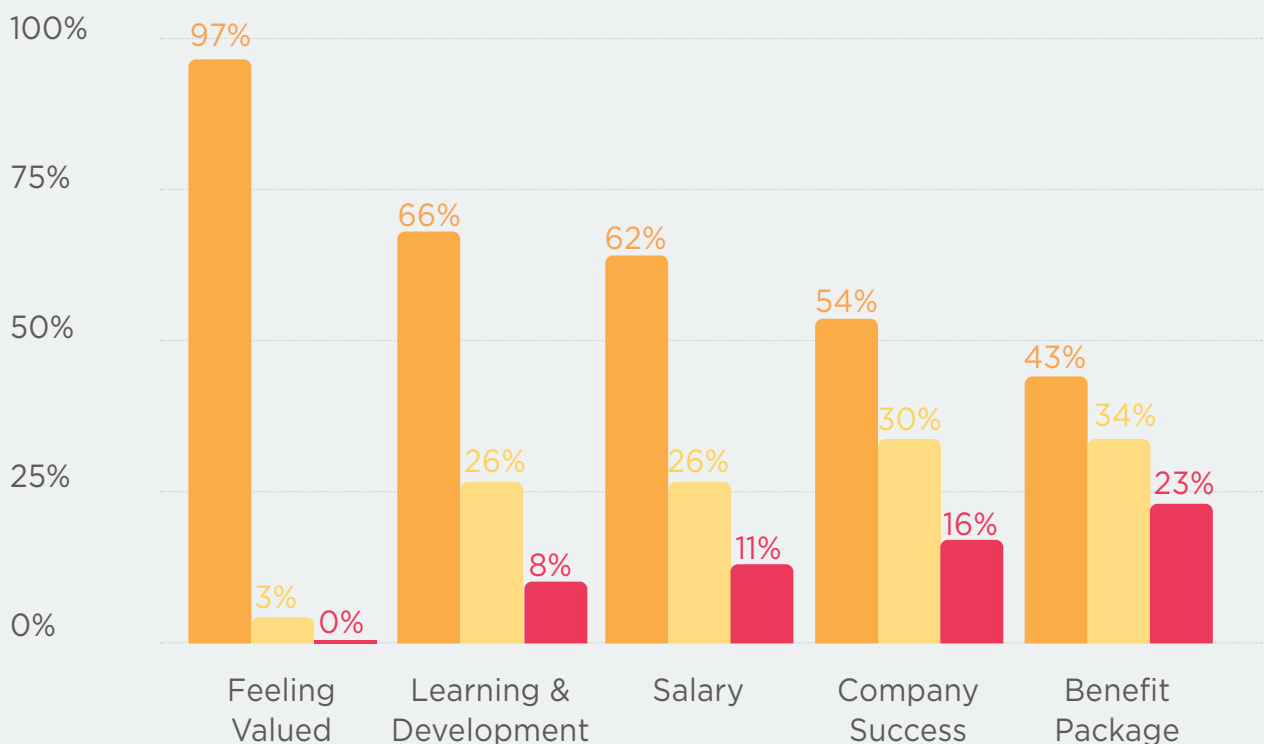
Employee motivation is crucial for any company's success. A survey conducted by Mercer in 2017 revealed that, 97% of employees want to be recognized and rewarded for a wide range of contributions, not just financial results or activity metrics—but only 51% say that their company does this well.

In our survey, 97% of participants believe that 'feeling valued' is what most motivates their employees. Interestingly, salary considerations rank third, behind 'learning and development', as primary motivators.

WHAT DO YOU BELIEVE MOTIVATES YOUR EMPLOYEES?

- Top Rated (4/5)
- Middle Rated (3)
- Low Rated (1/2)

Option from 1-5, with 1 being least important



The Importance of Good Feedback

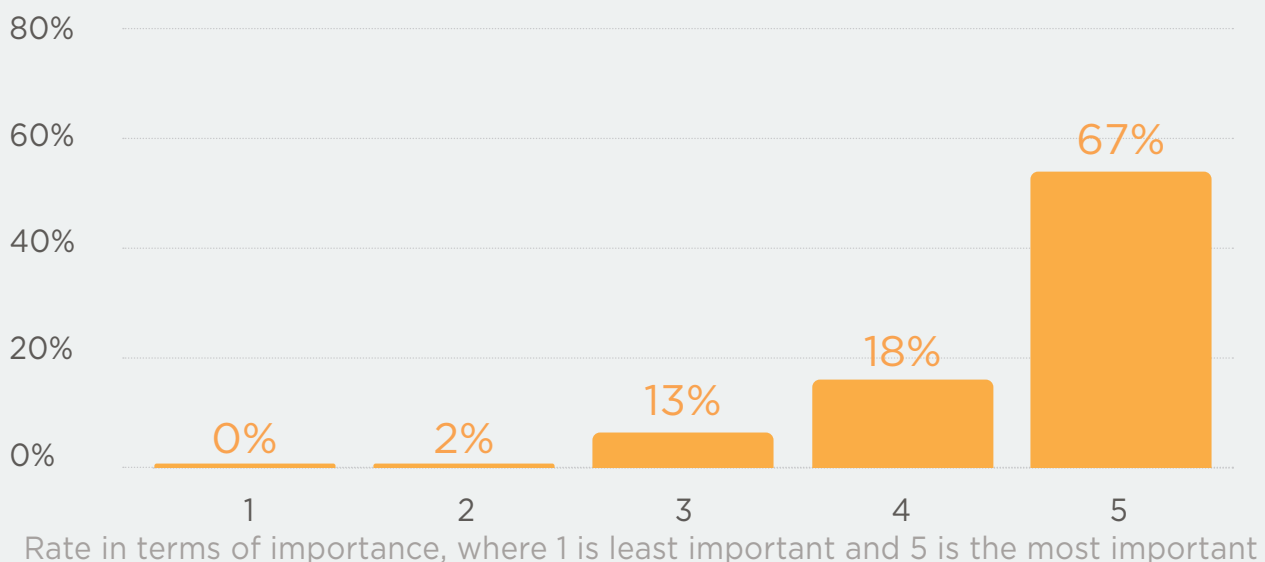
Giving feedback in the workplace is key to running a successful organization. Despite its importance, it is the most underused management tool.

Recognition directly affects engagement, is a great retention tool, and has a direct impact on the success of the employee and the business.

In the survey

An overwhelming majority of respondents believe that feedback and performance are critical to their company's productivity and success. 67% assert that performance and feedback are the primary drivers of their organizations' long term growth prospects.

DO YOU BELIEVE PERFORMANCE & FEEDBACK ARE IMPORTANT TO YOUR EMPLOYEES?

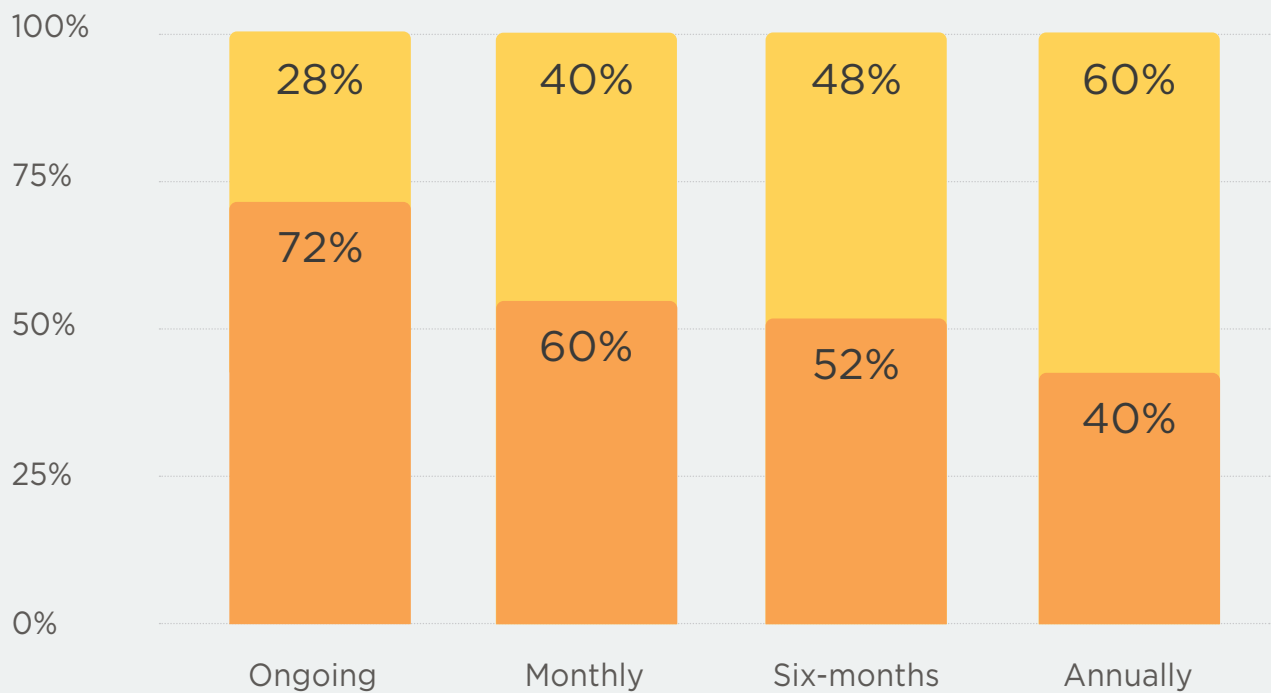


Reviews and Raises

The connection between performance and salary raise is worth looking into.

Respondents from companies conducting twice-yearly or annual evaluations report the strongest correlation between performance reviews and discussions about raises.

ARE PERFORMANCE REVIEWS DIRECTLY LINKED TO DISCUSSIONS ABOUT RAISES?



Yes
No

How often do you carry out performance reviews?

THE NEED FOR A CHANGE

Reviews by Data - p.11

Flexibility - p.12

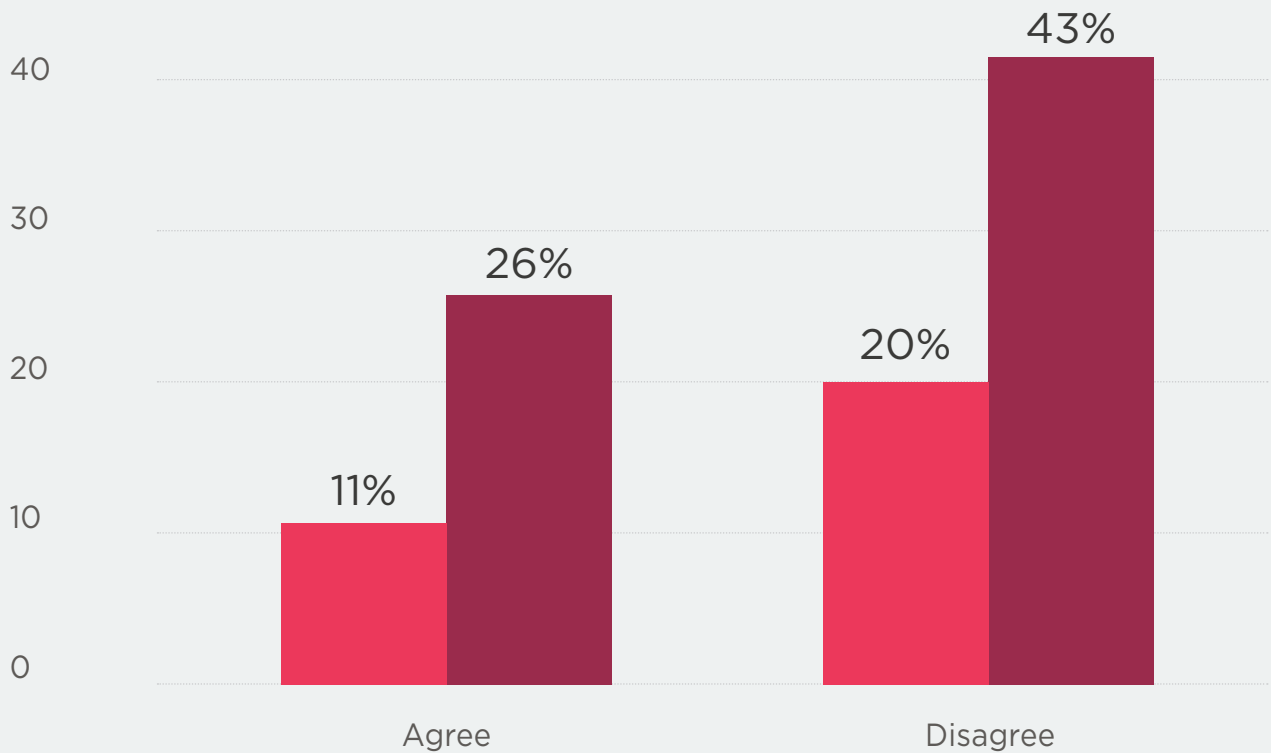
Frequency - p.13

Reviews by Data

69% of participants who said their managers are required to collect data to support claims made during an evaluation also say that these same managers don't have enough examples to carry out a performance review. These results speak to a serious disconnect between organizational intentions for their performance reviews and systemic limitations regarding the gathering and processing of important people information.

ARE MANAGERS REQUIRED TO COLLECT DATA AND/OR EXAMPLES TO SUPPORT THEIR CLAIMS IN THE PERFORMANCE REVIEW?

Yes
No



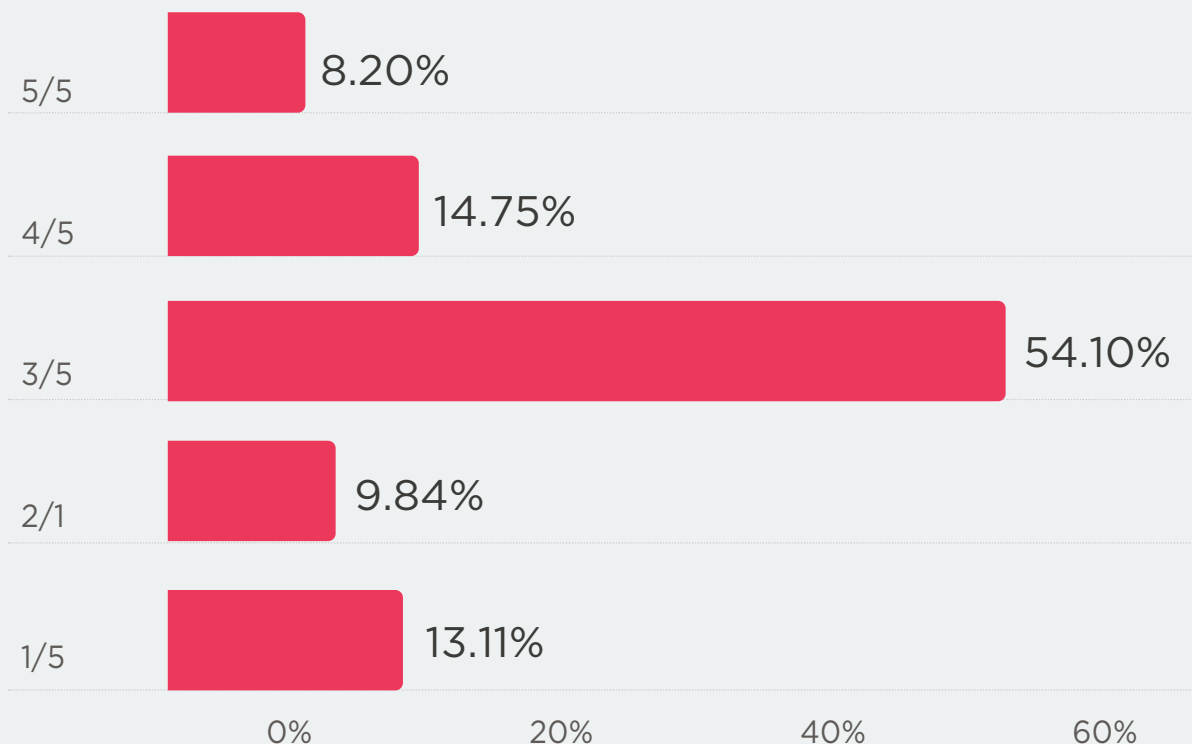
"I feel like I don't have enough supportive data to carry out a productive performance review"

Flexibility

Today, flexibility, personalization and agile processes are a must for organizations.

Employers utilize a variety of activities and processes in their performance management programs, but certain methods tend to dominate year after year. This survey found that a mere 8.2% of companies use a performance management system that they define as the 'most flexible' on the market. A majority, 54.10%, rate their evaluation systems as passably flexible.

HOW FLEXIBLE IS YOUR CURRENT PERFORMANCE MANAGEMENT TOOL?

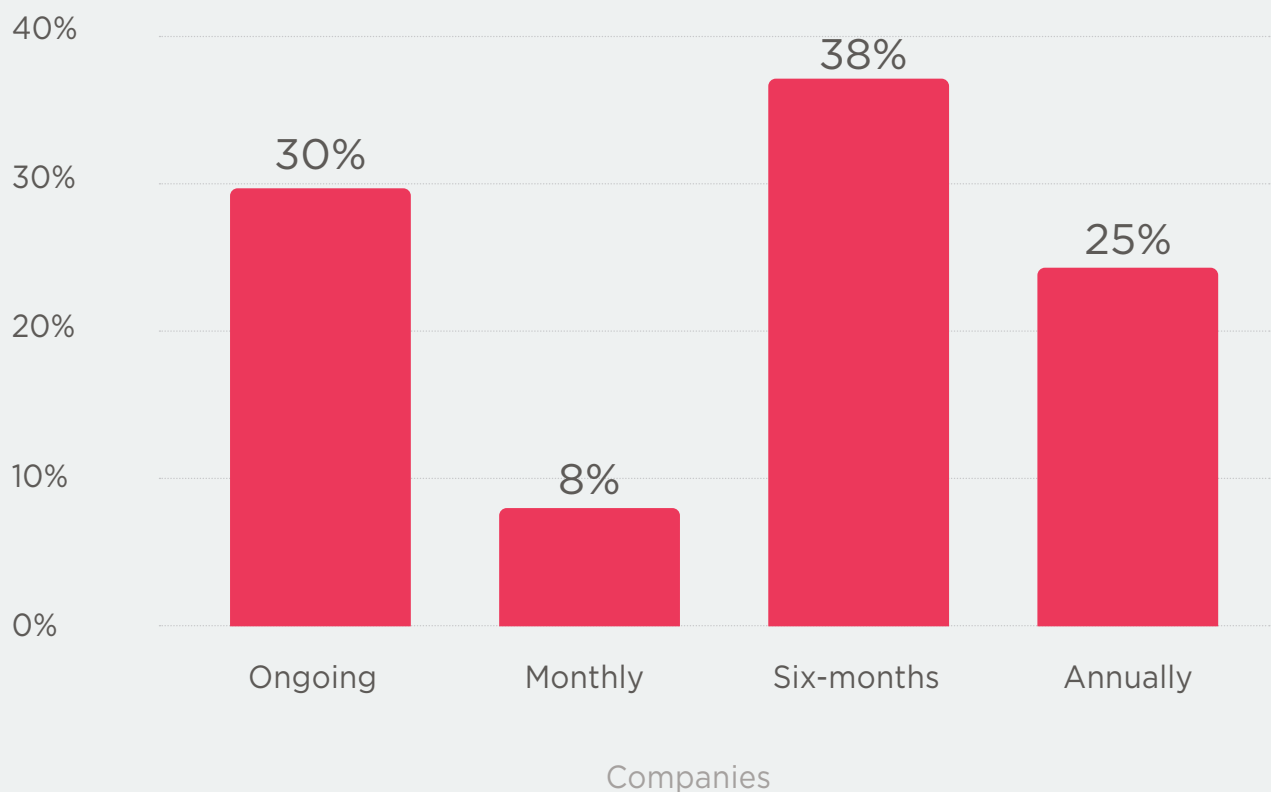


Rate in terms of flexibility, where 1 is least flexible and 5 the most flexible

Frequency

A majority (63%) of those surveyed say that they conduct twice-yearly performance reviews or less. Meanwhile, only (8%) of participants conduct monthly surveys. Despite their growing popularity, only (30%) say that they have an 'ongoing' performance review program in place.

HOW OFTEN DO YOU CARRY OUT PERFORMANCE REVIEWS?



According to the Mercer report, continuous feedback is also becoming prevalent, no doubt enabled by technology, with 81% of companies having already put in place an “anytime feedback” tool or planning to do so this year.

Conclusion

What this study reveals is the existence of a substantial lag time between knowledge about the weaknesses of current talent management platforms and acting on this realization.

In this survey we see that managers understand the need to gather and analyze data on employee data, but don't have the tools to do so. Similarly, HR professionals, business leaders and department heads grasp the powerful link between feedback and productivity, yet this study shows that ongoing reviews rank second in usage, behind twice-yearly evaluations. Most surprisingly, less than 10% of respondents think that their performance management tool is as flexible as it needs to be.

Adaptability + Data = Retention

When it comes to employee retention, there are effective automated tools on the market that are helping companies boost engagement through more individualized, data-driven performance reviews. This survey reveals a general awareness of such tools and their effectiveness.

Using an adaptable and user-friendly performance management system is crucial to an organizations long-term viability.

About Us

CIPD

The CIPD is a professional body of experts that specializes in working people. For more than 100 years, CIPD has been championing better work and working lives by setting professional standards for HR and people development, as well as driving positive change in the world of work.

With hubs in the UK, Ireland, Middle East and Asia, CIPD is career partner of choice for 150,000 members around the world. This organization is the only body in the world that can award the prestigious chartered status to individual HR and L&D professionals. And CIPD's independent research and insights make it a trusted a trusted adviser to governments and employers. cipd.co.uk



bob is a people management platform that helps forward thinking businesses bring out the best in their employees. bob radically streamlines admin and improves employees' experiences with a smart mobile app, and inviting onboarding and survey tools. The real-time data in bob gives decision-makers valuable insights and helps employees feel more connected to the people they work with—wherever they are in the world. For more information about bob, please visit hibob.com.

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