

8 Signs You Need a New Performance Management Tool

The Hidden Costs of an Outdated Performance Management Tool





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How much is your current performance management system costing you? You might answer that with a monetary value, but have you considered the hidden costs of utilizing an outdated or misaligned performance management tool?

If your tool is outdated or misaligned with your needs, it could drain productivity, frustrating managers, exacerbating employee disengagement, leading to poor decision-making. If you're feeling this, you're not alone — according to <u>Forbes</u>, 73% of HR leaders already feel inadequately equipped with the tools and resources to excel in their roles.

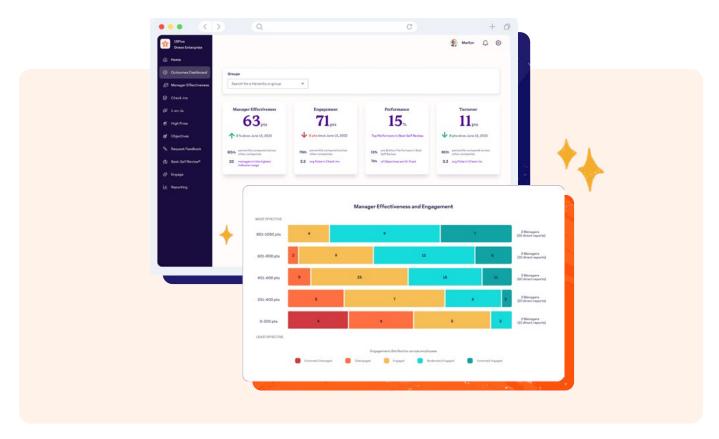
Here's what that might look like:

- Productivity loss: All that time that spent pulling reports, reconciling data
 across systems, or creating workarounds for features that your tool lacks is
 time that could be better spent driving real impact coaching managers,
 developing high-performing teams, and implementing strategies that improve
 engagement and retention.
- Ineffective management and manager burnout: Your tool shouldn't just work for
 you it should work for your managers, too. Without the right support, managers
 struggle to provide effective feedback, set clear expectations, and guide their
 teams effectively. Manager effectiveness has a huge impact on performance
 and retention, so equipping managers with the right tools is crucial for longterm organizational success.



- Rising disengagement: If interacting with your performance management software feels like a chore or a box to be checked for employees, they're not likely to feel genuinely supported by it. Without access to ongoing feedback loops, clear goal tracking, and meaningful development conversations, employees are at risk of feeling undervalued. Over time, this can lead to prolonged disengagement, lower productivity, and ultimately, higher turnover.
- Poor decision-making due to lack of insights: Your performance management tool should equip you to make informed, data-driven decisions. But what if you can't trust that your data is up-to-date or accurate? This greatly increases the risk of making misinformed decisions and puts the organization at a competitive disadvantage.

These days, HR leaders are being asked to do a lot more with fewer resources and tighter budgets. Your performance management tool shouldn't be another obstacle to navigate. It should be your trusted sidekick, working alongside you to lighten the load and drive measurable impact.



Upgrading your performance management tool is an opportunity to streamline your HR processes, but the impact doesn't stop there. It can also lead to a transformation of the way your organization engages, develops, and retains top talent.

Here are a few of the benefits you can expect when modernizing your performance management tool:

Less time spent on manual work, more on high-impact initiatives: A good performance management tool will eliminate those pesky, time-consuming tasks by automating workflows, integrating seamlessly with the other tools in your tech stack, and providing real-time access to key data and insights. Say goodbye to the days of pulling endless reports, trying to consolidate scattered data, and trying to track down performance reviews. With this newfound time, you'll be more available to focus on the high-impact HR initiatives that drive employee and organizational success.

performers: Your high-performing employees don't just want a paycheck. They want growth, recognition, and clear career paths. Furthermore, they want to feel that they have a voice as employees and that their feedback is actually leading to positive changes in company culture, leadership decisions, and business strategy. A good performance management tool will provide the features that enable you to make this a reality, such as continuous feedback, recognition, career pathing and growth tracking, goal setting, and alignment.



decision-making, as an HR leader, you need access to real-time, centralized data and insights. A good performance management tool will provide that for you. It will remove the guesswork from decision-making by providing clear visibility into trends, identifying potential turnover risks, and ensuring that promotions and compensation decisions are based on data and not purely subjective. With the right insights at your fingertips, you can confidently drive strategic initiatives and demonstrate HR's impact on leadership.

Greater manager capacity to lead and coach employees effectively:

Managers play a critical role in employee performance, engagement, and retention, but without the right tools, they often struggle to provide meaningful feedback and guidance. A modern performance management system will equip managers with frameworks and tools for structured goal setting and tracking, ongoing check-ins with their direct reports, and opportunities for real-time feedback and recognition. This ensures that managers feel supported and can lead with confidence and coach employees effectively, leading to a culture of continuous growth.

Here are 8 signs that your performance management platform may not be working for you anymore.





Data is scattered across multiple systems, creating admin headaches

There was once a time when all HR data lived in a single HRIS. But as the HR function has evolved, so has the software. Now, HR leaders often juggle multiple specialized tools and have a whole "HR tech stack" to manage. This can include an HRIS for employee records, recruiting software for hiring, engagement platforms for pulse and engagement surveys, performance management software for feedback and reviews, and more.

HR leaders using more specialized software to support the evolving needs of the HR function is certainly not bad, but it can make things more complicated, as these tools don't always integrate seamlessly. This can mean that HR leaders are not only tasked with managing people but also managing a growing, increasingly complex tech stack. If the tools in this tech stack don't integrate, or "talk to one another", it can create silos, increase administrative burden, and overall make it harder to get a complete picture of workforce trends. Beyond just being frustrating for HR leaders, it's actually quite risky.

Why? Because disjointed systems can lead to inconsistent data, reporting errors, and an unclear or incomplete view of performance, engagement, and retention trends and risks.

Without a single source of truth, HR teams will spend more time pulling, reconciling, and verifying data than they do acting on it. And nowadays, leaders expect fast, strategic decisions.

SIGN #1 IN ACTION:

Your executive team asks for a report on how employee engagement impacts retention to inform Q2 strategies. Ideally, this would be straightforward, but instead, you're manually pulling data from multiple systems: engagement data from one platform, performance reviews from another, and turnover data from your HRIS.



The process is time-consuming and frustrating, leaving you with disjointed insights that lack clarity and confidence. By the time you compile everything, the data is outdated, and you're forced to present recommendations that don't fully align with the latest trends. This leaves the executive team unconvinced and you feeling unprepared to answer their questions with confidence.

Without a centralized, integrated system, you're stuck spending more time on admin work than driving strategic HR initiatives. In the end, this lack of integration isn't just a reporting issue. It's preventing you from being the strategic, data-driven HR leader your organization needs.

This lack of integration across your tools isn't just slowing down reporting. It's making it nearly impossible for you to be an agile, strategic HR leader.

SOLUTION: ONE CONNECTED SYSTEM FOR ALL YOUR PEOPLE DATA.

The right performance management tool removes barriers by automating data flow, eliminating manual reporting, and turning insights into action.

Your performance management system should have:

- Seamless HRIS Integrations: A well-connected system ensures employee data is always up to date, reducing administrative burden and eliminating inconsistencies between platforms.
- Real-Time Reporting & Insights: Instead of scrambling to gather fragmented data when leadership
 asks for an engagement and retention report, you can generate executive-ready insights in minutes,
 with all relevant metrics automatically connected.
- Built-In Action Planning: A complete system goes beyond just measuring engagement and
 performance. It helps HR leaders and managers turn insights into action, identifying workforce
 trends before they escalate into bigger issues.

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Want more insights into selecting and leveraging tools for impact and ensuring that your HR tech stack is effectively integrated? Check out 15Five's HR Tech Stack Handbook.





HR and business leaders lack a shared set of insights on what's working, what's not, and where to focus

So by now, you understand that performance reviews and performance management in general shouldn't feel like a chore or an activity that you check off to mark it done. Maybe you've even shifted from performance management happening only once per year, during performance review season, to happening on a more continuous basis through check-ins and goal tracking.

Shifting into more continuous performance management is great, but the efforts shouldn't stop there. Ultimately, the whole purpose of regularly gathering performance data is to use it to continuously *improve* employee performance and organizational morale. But many organizations currently lack the structure, processes, and tools to turn performance data into meaningful action.

As a result, performance insights end up sitting in reports rather than driving real change. Managers are left to interpret performance results on their own, without clear recommendations, accountability mechanisms, or structured coaching support. Furthermore, employees voice their concerns and provide feedback but then don't see any meaningful change, which can lead to frustration, distrust, and disengagement.

Over time, this will create a pervasive sense that employee feedback and performance data is collected just for the sake of it rather than to meaningfully drive growth, improve the employee experience, and strengthen the organization.

SIGN #2 IN ACTION:

You just completed your annual engagement survey, and the results reveal growing concerns — employees feel unheard, frustrated by limited growth opportunities, and dissatisfied with the feedback they receive from managers. Leadership agrees that action is needed, but as weeks go by, nothing really changes.



Managers receive reports on engagement levels but lack actionable guidance or follow-up plans to address the issues. Some feel overwhelmed and unsure of where to start, while others dismiss the results entirely. Without clear next steps, the feedback is quickly forgotten, leaving employees disillusioned and disengaged.

Over time, high performers start leaving, citing a lack of growth and support in exit interviews. Negative reviews on Glassdoor damage the company's reputation, making it harder to recruit top talent. Now, you're left dealing with a retention crisis and a damaged employer brand—all because valuable feedback was never turned into meaningful action.

SOLUTION: A PERFORMANCE MANAGEMENT TOOL WITH BUILT-IN ACTION FRAMEWORKS.

A comprehensive performance management tool should not only deliver real-time insights but also provide actionable guidance for managers. This includes:

- AI-Powered Recommendations: Advanced AI capabilities can analyze feedback and performance data to provide actionable recommendations for managers, such as targeted coaching tips, development paths, or retention strategies.
- **Automated Action Plans:** Transform engagement survey results into clear, step-by-step action plans that managers can implement immediately, reducing the burden of manual planning.
- Follow-Up and Accountability: Built-in tracking ensures that feedback doesn't just sit in reports but translates into meaningful change.
- Coaching and Development Resources: Equip managers with practical tools and resources to address team challenges effectively.

Performance Friction? Let's Fix That.

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See how 15Five makes performance management simple, strategic, and engaging. Book a Demo



Performance reviews should be an opportunity for meaningful reflection, coaching, and development, but all too often, they are treated like a last-minute administrative task that managers and employees barrel through just to check off the list.

Many performance reviews lack real-time insights, so managers are forced to give reviews based more on subjective feelings than objective data about employee performance. This can lead to inconsistencies in how performance is evaluated across teams, with some managers relying on recent interactions or personal biases instead of a full picture of an employee's performance over time. This can lead to a sense of unfairness among employees, especially when promotions, raises, and career opportunities are tied to performance reviews that lack standardized criteria.

Beyond the risk of unfairness and inconsistency, reviews that feel rushed can diminish their value almost entirely. When managers rush to complete performance reviews before deadlines, the feedback they provide is more likely to be vague, generic, and lacking in actionable insights. This leaves employees without real guidance on how to improve and the motivation to grow.

A rushed approach can also lead to missed development opportunities, especially if managers aren't actively engaging in ongoing performance management conversations throughout the year. Instead of leveraging reviews as a catalyst for growth, reviews become reports of past performance with inadequate focus on future development. When employees aren't given clear direction on how to improve, it can stall individual and organizational progress.

SIGN #3 IN ACTION:

Another performance review season has arrived, and as expected, the same last-minute scramble unfolds. The deadline is less than a week away, and managers are reaching out, overwhelmed and struggling to recall what their teams accomplished over the past year.



One manager admits they can barely remember projects from last quarter, let alone the entire year, and asks if reviews can be deprioritized. Meanwhile, an employee expresses frustration that their hard work wasn't mentioned in their review and fears it will impact their compensation. You check the review and find it's vague and lacks actionable feedback.

To complicate things further, leadership asks for insights to inform compensation decisions, but the performance data feels shallow and unreliable. Without a consistent and meaningful review process, you're left to navigate a storm of frustration and disengagement.

SOLUTION: TRANSFORM REVIEWS FROM CHECKBOX EXERCISES TO GROWTH OPPORTUNITIES.

The right performance management tool can transform reviews by making them continuous, fair, and actionable.

Your performance management system should include:

- Ongoing Feedback and Check-Ins: Enables regular performance conversations throughout the year, reducing the pressure of annual reviews and keeping feedback timely and relevant.
- **Standardized Performance Metrics:** Utilizes consistent frameworks and data-driven insights to minimize bias and ensure fairness across teams.
- **Customizable Templates and Questions:** Provides managers with structured templates and prebuilt questions that guide clear, specific, and actionable feedback.
- Development Planning Tools: Focuses reviews on future growth by helping employees set development goals and track progress.
- Insights and Reporting Dashboards: Delivers real-time analytics on performance trends, helping leaders quickly turn data into action.

Want a comprehensive guide to developing a fair, valuable, and efficient review process? Check out <u>15Five's Performance Review Playbook</u>.





You can't connect performance to compensation decisions

When reviews feel like a check-box exercise and are rushed, you can't connect performance to compensation decisions.

Why? When performance data isn't easily accessible or well-documented, and when the performance review process itself is not paired with continuous feedback throughout the year, compensation decisions become arbitrary rather than data-driven.

Employees want to feel confident that promotion and compensation decisions are made fairly and based on measurable contributions. Without a structured system for linking performance with compensation, ensuring consistency, transparency, and equity in these decisions can be difficult.

SIGN #4 IN ACTION:

It's time for annual salary reviews, and the executive team is expecting a clear report linking performance to compensation decisions. Instead of being able to provide a single, reliable source of data, you're left piecing together spreadsheets, review documents, and scattered manager feedback. The result is a fragmented view that makes it difficult to confidently explain or defend pay decisions.

In the executive meeting, you're hit with tough questions—like why one employee is getting a 5% raise while another is not. Without a centralized system, you scramble to cross-reference data, relying on subjective assessments instead of clear metrics. This leads to growing skepticism from leadership and anxiety on your end about potential pushback from employees.

Ultimately, the lack of a structured system for linking performance to compensation erodes trust, fuels perceptions of unfairness, and leaves you feeling ill-equipped to justify decisions—both to leadership and to your employees.



SOLUTION: STREAMLINE COMPENSATION DECISIONS WITH INTEGRATED PERFORMANCE DATA.

A comprehensive performance management tool can help by seamlessly connecting performance metrics to compensation, ensuring that rewards reflect actual contributions and potential.

Your performance management system should include:

- **Centralized Performance Data:** Stores all reviews, feedback, and goal achievements in one place, making it easy to access and cross-reference during compensation reviews.
- **Objective Performance Metrics:** Utilizes standardized, measurable criteria to evaluate employee contributions, reducing bias and ensuring fairness.
- Compensation Benchmarking Tools: Provides insights into industry standards and internal pay equity, helping HR leaders make informed, competitive compensation decisions.
- Automated Reporting and Insights: Delivers real-time analytics that link performance outcomes to compensation, enabling clear, data-backed answers for the C-suite.
- Clear Pay-for-Performance Guidelines: Offers structured frameworks for aligning raises and promotions with performance outcomes, ensuring employees understand how to advance

Want a detailed dive into developing a compensation strategy that attracts and retains top talent, and how your performance management tool can support that? Check out 15Five's Compensation Playbook.





Your managers lack the resources to lead effectively

Managers play a critical role in employee performance, engagement, and retention. But without the right tools and guidance, even the most well-intentioned managers can struggle to provide timely, meaningful feedback, and support employee performance and growth effecti vely. Without access to clear frameworks, coaching resources, and data-driven insights into employee performance, managers are left to figure it all out on their own. This can lead to inconsistent feedback, missed development opportunities, and disengaged employees.

Let's look at things honestly — many managers are promoted because they were great individual contributors, not necessarily because they were trained or prepared to lead. Without proper training or coaching, these individual contributors turned managers can lack confidence in performance conversations with their direct reports. They might avoid giving difficult feedback or coaching employees on goal prioritization, and they'll likely struggle to create a culture of continuous development, which is something most employees strongly crave. This can lead to an erosion in employee trust and engagement, lower performance, and increased retention risks.

This puts HR leaders in the difficult position of having to support overwhelmed managers and clean up the messes caused by under-supported managers. HR leaders are then tasked with trying to balance this with their own initiatives, all while they don't even have the proper tools themselves. This can quickly spiral into an unsustainable cycle where HR is constantly in reactive mode, addressing managerial gaps, disengaged employees, and performance issues.

A good performance management tool can stop this cycle in its tracks by equipping managers with the resources they need to lead effectively, such as structured check-ins, conversation prompts, and real-time insights into goal progress and performance. This empowers managers to build and support high-performing, highly engaged teams without HR having to hold their hand every step of the way.

For more insights into improving manager effectiveness and creating a continuous learning environment for your managers, check out 15Five's Manager Enablement Playbook.





SIGN #5 IN ACTION:

A few months ago, your company promoted a high-performing individual contributor into a management role. You assumed things were going well until the latest engagement and performance data revealed a significant dip in their team.

You sit down with the manager, who admits they've been struggling with giving feedback, setting expectations, and supporting their team's growth. They didn't feel confident asking for help and were overwhelmed trying to figure it out alone. As a result, their team feels disengaged and unclear on priorities. Some are even considering leaving.

Now, you're left scrambling to support this manager, repair team morale, and justify to leadership why performance has dropped. Without the right tools and guidance, this pattern is bound to repeat itself.

SOLUTION: EMPOWER MANAGERS WITH THE RIGHT TOOLS AND SUPPORT.

The right performance management tool will equip managers with resources for structured feedback, coaching, and development.

Your performance management system should include:

- **Built-In Coaching Resources:** Offers managers actionable coaching tips, development resources, and practical guidance directly within the platform to build confidence and leadership skills.
- **Guided Check-Ins and Feedback Prompts:** Helps managers have more meaningful, consistent conversations with their teams without second-guessing what to say.
- Performance Insights & Goal Tracking: Provides real-time data on individual and team performance, enabling managers to identify challenges early and address them proactively.
- **Customizable Training Pathways:** Supports managers at different levels with resources tailored to their specific needs, ensuring that new managers aren't left to figure things out alone.





You're struggling to quantify HR's value to the rest of the C-suite

HR leaders are being held increasingly accountable for driving results, like increased engagement, retention, and performance. And when budgets get tight, HR leaders are expected to be able to justify why HR initiatives are worth the investment.

When HR data is scattered across multiple systems, it becomes nearly impossible for HR leaders to present a comprehensive, data-informed story about how these HR initiatives affect business outcomes, for better or worse.

As a result, HR stays cemented in its historical categorization as a cost center. It stays pigeonholed into a reactive, administrative role where justifying any decisions comes at the cost of tedious manual reporting and time-consuming data reconciliation. This creates a vicious cycle where HR leaders spend countless hours cobbling together metrics, manually pulling reports, and trying to craft a cohesive narrative that proves HR's value. Despite their best efforts, data is often incomplete, fragmented, or outdated. The C-suite is left unconvinced and hesitant to invest further in initiatives.

This results in more budget cuts and more pressure to do more with less. It keeps the HR function stuck in outdated, administrative-heavy processes rather than evolving into a truly strategic HR function.

HR remains relegated to a cost center and isn't given a seat at the table. Critical decisions, like restructuring, talent investment, and leadership development, are made without input from HR leaders and without data-driven insights.

SIGN #6 IN ACTION

You've been asked to present a report to the C-suite on how HR initiatives impact retention and performance.



Leadership wants clear answers to questions like:

- Are high performers the ones leaving?
- Are engagement initiatives actually improving satisfaction?
- What's the ROI of HR's efforts?



However, your data is scattered across multiple systems, forcing you to manually pull reports, reconcile data, and piece together a story that feels more like guesswork than analysis.

When you finally present, the gaps in your data are obvious. The CFO asks for proof that low engagement is causing retention issues, and the CEO questions how you'll measure the impact of proposed initiatives. Without a centralized, data-driven view, your responses rely on vague trends and anecdotal evidence. After the meeting, leadership decides to pause additional HR investments, leaving you stuck in a reactive, administrative loop—struggling to prove HR's strategic value.

SOLUTION: A PERFORMANCE MANAGEMENT TOOL THAT QUANTIFIES HR'S IMPACT.

A comprehensive performance management tool with an integrated HR Outcomes Dashboard can solve this by providing:

- Centralized Metrics: A single source of truth that connects engagement, performance, and retention data, eliminating the need for manual reporting and fragmented insights.
- **Impact Analysis:** Built-in analytics to show how specific HR initiatives influence key metrics like turnover, employee satisfaction, and productivity.
- **ROI Reporting:** Automated, executive-ready reports that clearly link HR efforts to financial outcomes, making it easier to justify budget requests and strategic investments.
- **Predictive Insights:** Advanced analytics that identify trends before they escalate, empowering HR to proactively address potential issues rather than reactively manage crises.





When high performers leave, it sends ripples through your entire organization. You're left scrambling to cover workloads, recalibrate team dynamics, and answer questions from leaders. But the hardest part? Not knowing why they left in the first place.

If your performance management system isn't giving you insight into how your top talent is feeling, what motivates them, or whether they're at risk of leaving, then it's failing you.

Your performance management tools should help HR and managers spot red flags early, like declining engagement, unmet growth needs, or misaligned goals, and take action before it's too late. Without visibility into these early signals, even your most valued employees can quietly slip away.

Losing a great employee is always hard. Losing one without understanding why? That's a sign it's time for a change.

SIGN #7 IN ACTION

Your most talented employees are handing in their resignations, and the exit interviews aren't telling you anything new. You're left guessing.

There's no data, no early warning signs, and no way to understand what could've made them stay.

Without visibility into employee sentiment, engagement, or career growth needs, HR and people leaders are stuck reacting to turnover instead of preventing it. Every departure chips away at performance and morale.



SOLUTION: USE DATA-DRIVEN INSIGHTS TO SPOT AND SUPPORT AT-RISK TOP PERFORMERS.

The best performance management tools surface the signals that other systems miss. Engagement surveys, performance reviews, 1-on-1s, and manager enablement helps HR and managers proactively identify retention risks.

Here's how:

- Engagement data with heatmaps highlight departments, teams, or demographics where morale is dipping before people walk out the door.
- Performance and growth metrics help spot when high performers aren't being recognized, challenged, or supported in the way they need.
- Manager effectiveness tools show where leaders may be under-equipped, contributing to disengagement and misalignment.
- Check-in trends and custom alerts surface quiet disengagement, missed goals, or decreased feedback frequency—early indicators that someone might be at risk of leaving.

All of this lives in a single platform, enabling a real-time, holistic view of your workforce. With these insights, HR can intervene with targeted support, and managers can have the conversations that make people want to stay.





Nobody wants to use your performance management tool

Your performance management tool is only as valuable as the people who use it. When adoption is low, that's a clear red flag.

If employees avoid logging in, managers dread running reviews and HR has to chase participation every cycle, it's a sign the tool isn't built for the people it's meant to serve.

Poor user experience is one of the biggest silent killers of performance management.

When the system feels clunky, unintuitive, or disconnected from daily work, it quickly becomes "just another HR system" that gets ignored. Employees treat it like a box to check or skip it entirely. Managers give it the bare minimum effort, and engagement plummets.

The result? Incomplete reviews, inconsistent goal-setting, and feedback that feels transactional instead of transformative.

This disengagement affects the entire business. Low participation means poor data. Without reliable insight into how teams are doing, where people are struggling, or what's driving success, leaders are left making decisions in the dark. And that uncertainty impacts everything from performance conversations and compensation to retention strategies and succession planning.

SIGN #8 IN ACTION

You send reminders. You follow up. You nudge managers and employees to complete reviews, check-ins, or feedback forms, but participation rates stay low.

Some skip it entirely. Others phone it in. And everyone quietly dreads logging in.

If your performance management system feels clunky, confusing, or time-consuming, people will avoid it. You're left with inconsistent data, missed opportunities for growth, and a process no one trusts.



SOLUTION: USE A TOOL THAT MAKES THE USER EXPERIENCE EFFORTLESS

Performance management should not be a hassle. That's why 15Five is designed with simplicity and usability at the core. Its intuitive experience helps employees, managers, and HR leaders actually want to participate because it's easy, fast, and adds value with every interaction.

- Mobile and desktop-friendly UX means employees can check in or give feedback anywhere, any time.
- Auto-reminders reduce the need for HR to chase participation manually.
- Built-in templates and workflows make completing reviews, check-ins, and goals simple and straightforward.
- Visible impact and insights from participation reinforce the value of engaging with the tool, turning it into something employees feel, not just another task to complete.

With 15Five, performance management becomes a seamless part of the employee experience—so people stay engaged and the data stays useful.



How to Make the Business Case for a New Tool

By this point, you may already be convinced that it's time for a new performance management tool.

But knowing you are ready to invest in a new performance management tool and getting the rest of the C-suite to agree and sign off on the investment are two different things.



If you're ready to adopt a new tool, you must secure buy-in from leaders by crafting a compelling business case that speaks directly to executive priorities and organizational goals.

The good news? Other companies, like <u>Pendo</u>, have already seen measurable success after making this investment. By implementing 15Five, they reduced turnover by 21%, strengthened manager effectiveness, and ensured that engagement and performance data were driving meaningful action, all outcomes that directly impacted business success.

Here are some tips for strategically positioning your pitch to get the green light from leadership.

Know Your Audience

There's no one-size-fits-all formula to getting the C-suite on board, as each executive has different priorities and concerns. Your best bet is to understand what those priorities and concerns are, and then tailor your pitch to each executive.

CFO: EMPHASIZE COST SAVINGS AND ROL

The CFO will be most concerned with ensuring that the monetary investment in a new performance management tool pays dividends. You can convey the value of investing in a new tool in two ways.

First, highlight the potential financial impact of an outdated system. Illustrate how much time is spent on manual work, the risk of disconnected and/or out-of-date data, and the inefficiencies costing valuable time and resources.



Second, emphasize the potential ROI of a modern performance management tool. Some examples you can point to include reduced turnover costs, faster review cycles, and lower manager burnout. Eventually, you'll ideally be able to utilize your own data to highlight actual ROI for your organization and make the case for continued or expanded investment. But for now, you may need to do some research and find some statistics or case studies from other organizations to illustrate how something like a reduction in turnover can save the business a lot of money.

CHRO: CONNECT FEATURES WITH STRATEGIC HR OUTCOMES

If you're reading this, you very well may be the CHRO. If so, keep reading to ensure you are aligned and confident before speaking to other executives.

But there's also a chance you report up to the CHRO. If that's the case, be sure to paint a picture of how an investment in a new tool can align with and support the strategic outcomes that your CHRO is trying to drive. The most common outcomes that HR leaders are working towards are improving employee engagement, retention, performance, and manager effectiveness.

You should be able to illustrate how the features of a new performance management tool can drive these outcomes by reducing administrative burden and enabling a culture of continuous feedback and development.

If you can support your case by showcasing real examples of points of frustration or friction with your existing systems, that's even better.

Pendo's leadership team understood the impact that investing in manager effectiveness could have on the organization as a whole, so they implemented a modern performance management tool that was designed to support managers. With the help of 15Five, they successfully onboarded and trained 163 new managers during a period of rapid growth, ensuring consistency in leadership and development.



CEO: DEMONSTRATE OVERALL BUSINESS IMPACT

The CEO will be concerned about all of the things that the other executives are focused on. But when speaking to the CEO about investing in a new performance management tool, it really boils down to convincing them that doing so will lead to positive organizational outcomes.

So it's important to understand what the overarching organizational goals are when you're making the pitch and to connect those goals to strategic HR initiatives. You'll want to explain how real-time data and insights will help the C-suite make better, faster business decisions and how a high-performing workforce will drive company success.

With the help of 15Five, <u>Pendo</u> was able to ensure that their rapid growth didn't come at the cost of employee engagement and retention, which can greatly hinder the success of organizational progress. They were able to effectively capture engagement data and then receive actionable insights on actions to take based on the results, all within their performance management tool. As a result, employee engagement at Pendo has consistently remained in the top 25%, regardless of market conditions, and they've seen a drop from 14% to an impressive 11% in turnover.

Show Them the ROI

At the end of the day, proven ROI makes or breaks a purchasing decision. No matter which executive you're speaking to, you're going to want to clearly articulate the return on investment for a new performance management tool.

By using existing data and projections, you should be able to show how a new tool can drive measurable improvements like:

- **Faster review cycles:** Streamlining and automating performance reviews will reduce the time and administrative burden on HR and managers, allowing for more frequent, meaningful check-ins rather than rushed, last-minute reviews that are just checking a box.
- **Reduced admin time:** A modern performance management tool can eliminate manual reporting and data reconciliation, freeing HR to focus more on strategy and less on putting out fires.
- Lower turnover and improved retention: When performance management is more continuous and career growth paths are clearer, employees will stick around longer, reducing costly turnover.
- Improved employee engagement: When performance management is more continuous, and employee engagement actually leads to improvements, employees will feel more valued and motivated.
- Increased manager effectiveness: Providing structured guidance, real-time feedback tools, and coaching resources to managers will empower them to ensure that their teams thrive.
- More data-driven decision-making. Leadership will have access to more up-to-date, integrated
 insights so that they can make more informed decisions about compensation, promotions, and
 overall organizational strategy.



For more detailed tips on getting executive buy-in, check out 15Five's Executive Buy-in Playbook: Getting C-Suite Support For Your Strategic HR Initiatives.



The Right Tool Makes All the Difference

Your people are your greatest asset, and your performance management tool should empower you to support them.

Is your current tool doing that? If not, it may be time to upgrade to one that does.

Investing in a modern, integrated performance management tool can become your strategic advantage. It creates a workplace where employees feel supported, managers feel confident, and leaders can make strategic data-driven decisions easily. All of this adds up to better strategic HR outcomes and, ultimately, long-term business success.

FOR A PERFORMANCE MANAGEMENT TOOL THAT WORKS FOR YOU, TRY 15FIVE

15Five is a performance management tool, but it's more than that. It's a strategic partner that helps HR leaders like yourself drive engagement, retention, and organizational success. With real-time insights, seamless integrations, and tools designed to empower HR leaders, managers, and employees alike, 15Five transforms performance management from a tedious process into a continuous, results-driven process.

From tools for <u>performance reviews and ongoing performance management</u> to actionable <u>engagement data</u>, to <u>manager coaching tools</u> and more, 15Five ensures that HR has the visibility, employees feel supported, and leadership has the data it needs to make informed decisions.

With 15Five's HR <u>Outcomes Dashboard</u>, you'll finally have a clear, real-time view of how HR initiatives impact key business outcomes. This powerful tool gives you instant access to engagement, performance, and retention insights to track progress, measure impact, and prove HR's value to the C-suite.

Ready to unlock what's really going on with your teams?

Discover how 15Five connects performance, engagement, and retention—all in one place.

Book a Demo







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15Five is the strategic performance management platform that drives action and impact, helping businesses and their people thrive. HR leaders are empowered with data-driven insights and guided recommendations, while people managers are transformed into changemakers, all within the flow of work, accelerating employee engagement, performance, and retention. 15Five combines the power of generative AI, custom analytics and human-centered principles in a complete platform including 360° performance reviews, actionable engagement surveys, robust goal & OKR tracking, customizable manager coaching and training, and ongoing manager-employee feedback tools like guided 1-on-1s and check-ins.

HR leaders, managers, and employees at over 3,500 companies rely on 15Five daily, including Credit Karma, HubSpot and Pendo. Learn more at www.15Five.com.