



HR Outcomes Playbook

Unlocking the True Business Value of HR

Table of Contents

Introduction	3
From HR Activities to Outcomes	4
The HR Outcomes to Focus On:	5
• Maximize Employee Performance	6
• Decrease Regrettable Turnover	10
• Improve Employee Engagement	15
• Manager Effectiveness: The Key to Achieving the HR Outcomes	20
How to Talk to Executives About Outcomes	23
Become an HR Superstar with 15Five	28
About 15Five	29



Introduction

Picture this:

You are an HR leader, tasked with managing one of the most critical aspects of any organization — its people. You and your team are expected to constantly juggle competing priorities, from ensuring compliance with labor laws, to designing employee engagement programs, to overseeing the performance review process, to helping new managers adapt to their roles, to fielding complaints from employees of said managers who are failing to lead. Despite the importance of your role, you find yourself constantly struggling to be taken seriously by other executives who view HR as a necessary but primarily cost-inducing function. They therefore don't consider the importance of HR leaders having a seat at the executive table.



On top of all that, you are expected to make your impact go a lot further with significantly fewer resources, as organizations struggle to ride the waves of societal upheaval and economic instability. You're exhausted from always striving to meet the needs of employees, managers, executives, and the organization as a whole — yet there's little to no time to stop and tend to your own wellbeing, let alone to dream big about all the impact that you know you could have, if given a real chance.

What's that? You don't have to imagine that picture at all, because you're living it?

If that's the case, you're not alone. Research by Workivo published in [Forbes](#) found that a whopping **98% of HR leaders feel burnt out**. Furthermore, **73% say they don't have the tools and resources to do their job well**, and only **29% percent feel that their work is valued by their company**.

Here at 15Five, there's nothing we believe in more strongly than the power of the HR and People Ops function to have a major positive impact on the overall success of an organization.

This playbook is designed to help you, the HR leader, close that gap, and operate in a way that enlightens and excites the rest of the executive team about the true value that HR can provide to an organization and its bottom line. We will cover the shift from an administrative cost-center HR to a strategic profit-center HR, and the outcomes that HR and People Ops leaders should be focusing on in order to make this shift a tangible reality in their own organizations.



From HR Activities to Outcomes

For too long, HR has been seen as an administrative cost-center, responsible for managing transactional tasks such as payroll and benefits administration, and compliance management. Because of this, HR has often been overlooked as a strategic partner, and not given proper credit for the role that it plays in shaping organizational culture and driving business results.

And then the world got turned upside down – by a pandemic, by wave after wave of social upheaval, and now, by a macroeconomic environment that is as strange and unpredictable as anything we’ve ever seen before. And everyone came running to HR for help navigating it all.

Because of this, HR is suddenly caught between a radical new set of employee expectations and the pressing demands of the business. HR has been forced to pivot from outputs to outcomes, from administrative to strategic — and to take on all of these new challenges with even fewer resources.

Much of the onus continues to lie with HR leaders to prove their own value to the rest of the organization. HR leaders are tasked with painting a picture of how investing in strategic HR initiatives and closely aligning people strategy with business strategy is critical to the success of an organization. And with everything else on their plate, many HR and People Ops leaders are struggling to fully articulate and assert their value.

According to a recent **Sapient** report, only **46% of HR teams are viewed as strategic by their peers** — and that perception has persisted for years. The same report found that HR functions that are viewed as strategic consistently achieved higher outcomes. A middle-of-the-road HR function, for example, only achieved a 2% overall increase in outcomes, compared to the 11% increase in outcomes seen by HR functions that are seen as strategic.



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The fact of the matter is this: **HR and People Ops functions that are able to create outcomes that translate to business results are the ones that will be taken more seriously.** Being taken more seriously and viewed more as a strategic partner by other executives means not being constantly blocked and actually being able to get approval on mission-critical HR initiatives that will drive business impact. This positive cycle will solidify HR and People Ops' place at the executive table and amplify their impact, creating a win-win for the organization as a whole.

Okay, but what exactly are these mystical outcomes that HR leaders should focus on? We have spent years working hand-in-hand with thousands of HR leaders on their most important priorities, learning precisely which outcomes make the biggest impact on a business. Together, we've uncovered exactly which areas HR leaders should focus on, and how.



The HR Outcomes to Focus On For Maximum Impact

As we've established, HR and People Ops leaders are being constantly confronted with an increasingly complex array of responsibilities that continue to expand and evolve over time. But we believe that, by focusing on the following three outcomes above

all else, HR and People Ops leaders can achieve the highest level of impact, maximize their organization's potential, and drive success in today's highly competitive business environment.

These outcomes are:



**Maximize
employee
performance**



**Improve
employee
engagement**



**Decrease
Regrettable
Turnover**

Now, let's take a much deeper dive into each of these outcomes and their main driver—manager effectiveness. We'll examine, including why they are important, how to measure them, and how to improve them.



I. Maximize Employee Performance



Why Is It Important?

Maximizing employee performance is a critical outcome for HR leaders to focus on because it has a direct impact on the bottom line. When employees are performing better, the business does better overall — it's that simple. But maximizing employee performance also has a lot of secondary effects that positively affect the workplace. For example, when employees are performing well and reaching their goals, they are more likely to feel satisfied and engaged at work, and thus more likely to want to stay with the company. When high performing employees stay with the company and continue to perform, they fill out a solid internal bench of future leaders if and when the need arises.

How to Measure It

Goal tracking.

Without clear and measurable goals, there is no real way to measure progress on employee performance. First, there need to be established goals that employees are striving to achieve. When goal setting is operationalized through a performance management tool, HR leaders are able to get a high-level overview of how employees are tracking on established goals at any point in time, and track changes over time. Good goal setting tools allow for granularity as well, making it possible to view goal attainment rates at the department, team, and manager level.

Continual performance reviews.

Performance reviews that evaluate an employee's job performance, competencies, and achievements over a given period of time should be held regularly. When performance evaluations are consistently held, they serve as a great way to track changes in performance over time. HR leaders can track employee performance levels from one review cycle to the next, to see where employees have improved (or devolved).



Furthermore, regular performance reviews help identify top performers and bottom performers. The goal is to retain top performers through incentives, growth plans, and sustained or improved engagement, and to coach bottom talent either “up” to a different role in the organization, or “out” to a new role in a different organization.

The talent matrix/nine-box model in particular allows organizations to evaluate employees based on both their current performance and their potential for future growth and development. It asks employers to plot each employee's performance and potential on a grid, which then allows them to easily identify their top talent (high performing, high potential) and their bottom talent (low performing, low potential). This model helps to evaluate each employee's performance and potential and make informed decisions about their future within the company.



Maximize Employee Performance

How to Improve It

Operationalize goal setting.

Goal setting is essential for any organization that wants to achieve high performance because it helps people focus their attention and time, and it helps them prioritize. Well-crafted goals can also tap into peoples' intrinsic motivation, making them more likely to strive towards achieving them. They create clarity, focus, and alignment so that employees can do their best work and help the organization as a whole thrive. As an HR leader, you can influence business success by championing a clear framework that aligns the organization — from the C-suite to each individual contributor — around shared goals.

A great way to amplify impact is to champion a framework or tool that can be used for goal setting in all functions of the business. At 15Five, we use the **OKR methodology**. Many organizations leave it up to individual departments and teams to figure out which tools to use for goal setting and tracking. Or maybe they try to get all teams to use one big spreadsheet. That can work at first, but as you scale OKRs to more employees, and as your organization grows, it will be a lot harder to manage. Using software that is built specifically to help you set and track goals on the individual, team, department, and organizational level is a game changer for making goal setting impactful at your organization.

Want to gain more insight into the OKR methodology, how OKRs can be used, and how to make them successful in your organization?

[Get 15Five's OKR Playbook.](#)

Improve the performance review process.

There's a good chance your performance review process could use...well, a review. In our **Reviewing the Performance Review Report**, we found that, while 75% of HR leaders believe that the performance review process at their organization actually leads to increased employee performance, only 44% of individual contributors agree. Furthermore, while 71% of HR leaders believe that the performance review improves employee satisfaction, only 38% of individual contributors agree. While these discrepancies can seem daunting, it also shows that there is an opportunity to make the performance review process more impactful for employees.



Luckily for you, reader, we've also literally written the playbook on designing a fair, valuable, and efficient review process. We've distilled our gleanings from conversations with strategic HR leaders, a thorough review of academic and industry research, and a survey of over 1,000 strategic HR leaders, into 5 principles to keep in mind as you design your review process. Also, because every organization has different goals and contexts to consider when designing reviews, we walk through decisions, options, and tradeoffs you will encounter as you map out your own process, and share best practices for doing so.

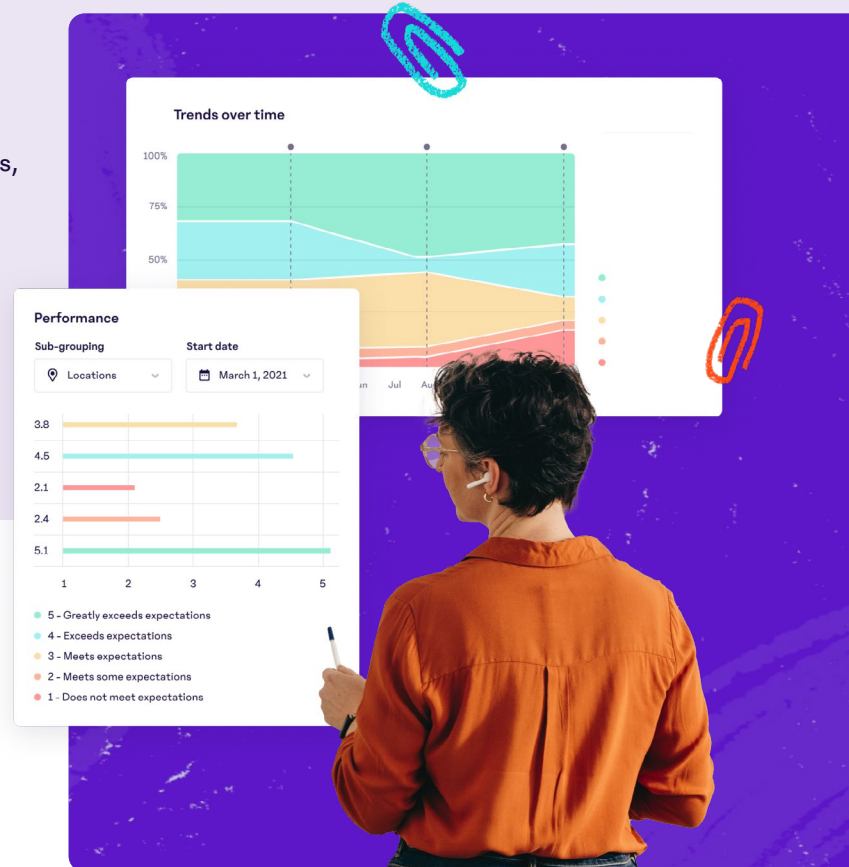
Get 15Five's Performance Review Playbook.

Invest in continuous performance management tools

Having a great performance review process is great, but it should never be the only avenue for managing and improving employee performance. Furthermore, setting goals is important, but monitoring those goals is arguably just as, if not more, important for maximizing employee performance in the long term.

It is crucial for HR leaders and managers to take a more holistic approach to performance management. That's where regular check-ins come in. Having a mechanism for employees and managers to routinely check in with one another helps managers keep a finger on the pulse of each employee's progress and address any challenges or obstacles that arise in real time. This helps to build a foundation of trust between managers and employees, and ensures that everyone is working together towards a common goal.

Additionally, regular 1-on-1 meetings offer a more focused and dedicated space for managers to provide feedback, guidance, and support to their employees. These meetings can be used to review progress on specific goals, discuss areas where improvement is needed, and explore new opportunities for growth and development.



By keeping employees accountable and engaged in their work, 1-on-1 meetings can help to drive long-term performance improvements and ensure that everyone is working towards the same objectives.

15Five's weekly **Check-ins** are a powerful, two-step path to highly effective conversations for your team, and, when used alongside OKRs, are the most efficient way to support continuous growth and development. The Check-in is completed asynchronously and includes a prebuilt framework to clearly identify and track progress on work goals and objectives, as well as a series of questions to surface challenges, celebrate wins, and recognize other employees.

Then, the most important topics from the Check-in are pre-populated into their 1-on-1 agenda, organizing the most pressing talking points to review when they sit down and chat. In 15Five, because team members submit their Check-in before the 1-on-1 meeting conversation, managers already know their team members' progress on their main work goals. The 1-on-1 feature is then used to focus on what matters most, like prioritizing specific roadblocks and challenges, without wasting valuable facetime to obtain status updates.

How did you feel at work this week?

Awful 1 2 3 4 5 Amazing!

Smooth and steady! Anything to add?

Questions

Any wins you'd like to share?

Created my Q4 OKRs

Any challenges your facing? What's not going well?

I need help analyzing the salesforce report

Are you inspired by the work we're doing?

Absolutely! I'm so inspired by our mission.

II. Decrease Regrettable Turnover



Regrettable turnover occurs when somebody's departure from the company has a negative impact on the organization, or when a high performing employee that the company would have liked to keep decides to leave of their own accord.

Why Is It Important?

For organizations that are striving to be high-performing organizations where employees thrive, focusing on the problem of regrettable turnover is key. Paying attention to regrettable turnover means paying attention to why the high performers in your organization are not satisfied. If you take steps to solve those problems, all employees will benefit, and the organization as a whole will realize the positive impacts.

High turnover requires HR to devote more resources to onboarding new employees, but it also overwhelms the talent acquisition function, which can increase the likelihood of hiring employees that aren't a good fit for the role/organization, only contributing to the vicious cycle of turnover. Reducing regrettable

turnover can lead to cost savings in many ways. Replacing employees is expensive — replacing high-performing employees even more so. **According to SHRM**, the cost of replacing an employee can range from 50% to 200% of their annual salary, with this cost including things like recruiting, onboarding, and training. And, according to the **Employers Council**, that number can increase to 400% of their annual salary for high-level or highly specialized employees. Beyond cost savings, reducing regrettable turnover also leads to greatly improved succession planning, as key talent is retained within the organization. This ensures that there is a good pool of potential candidates from within the organization when leadership roles become available, and reduces the need to expend additional resources on external recruiting, training and onboarding.

The cost of replacing an employee can range from



50-200%

of their annual salary

to

400%

of their annual salary for high-level or highly specialized employees



Decrease Regrettable Turnover



How to Measure It

Ultimately, how your organization defines what is considered “regrettable” turnover and what is not is up to you — but here are some things to consider.

Regrettable turnover data should include:

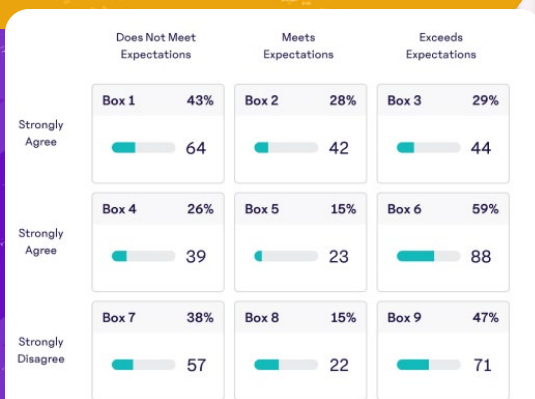
- Employees that leave unexpectedly whose departure is seen as a significant loss to the organization.
- A high-performing employee whose compensation level is not aligned with their role and impact, who decides to leave because the company decides it cannot/will not increase their compensation.

Determining whether or not an employee’s departure is a “significant loss” to the company feels quite nebulous. Going a level deeper and attempting to quantify and define criteria for what constitutes a significant loss is helpful.

Some criteria to consider when determining if an employee’s departure is a significant loss to the company include:

- Current performance level (above level, at level, below level)
- Cost to replace
- Culture and values fit
- Ramp time for replacement
- Hard to replace skills
- Irreplaceable knowledge
- Single point of failure

To operationalize the designation of regrettable vs. non-regrettable departures, managers should document their own opinion on the designation, but the final decision should be made by the HR/People Ops team. This data can be captured whenever an employee departs and reported on regularly. Then, changes and improvements in regrettable turnover can be monitored over time.



Decrease Regrettable Turnover



How to Improve It

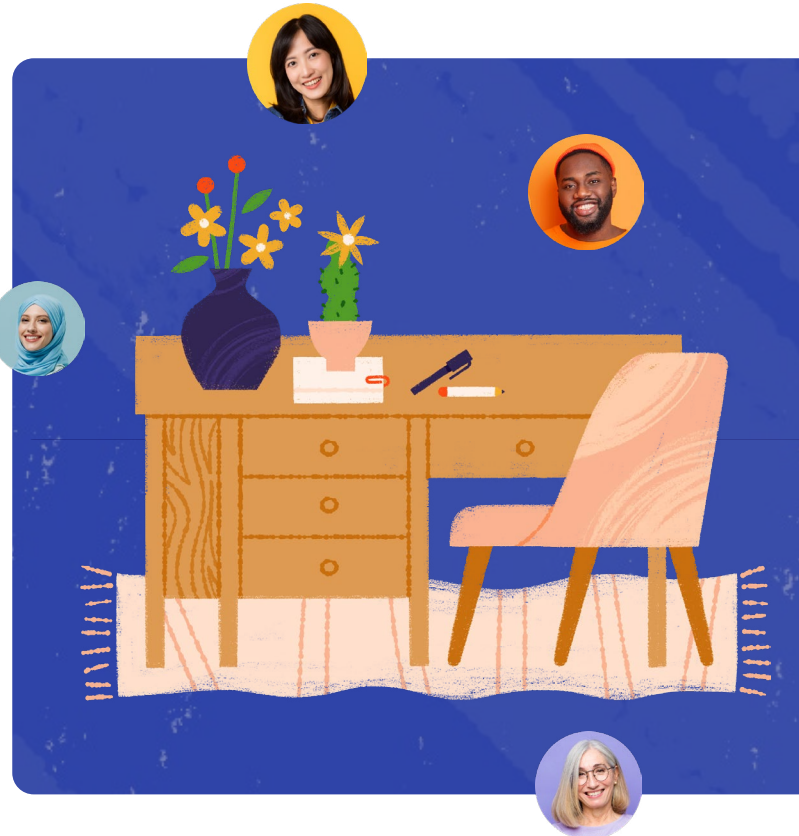
Increase transparency in the hiring process.

So much regrettable turnover can be attributed to a discrepancy between the role the employee thought they were being hired for, and the role that the hiring manager thought they were hiring for. To take it even further, many hiring managers are simply lacking clarity on what exactly they need in a new hire.

Take the time to sit with hiring managers to help them craft a robust job description that truly captures the responsibilities and expectations of the role, before a single interview occurs. This can include creating a scorecard that outlines the key performance indicators (KPIs) of success in said role, as well as the soft skills required to be impactful in the role. It is a good idea to consult with team members who will be working closely with this hire to have them list the qualities they believe an ideal hire would have. And, when possible, it is always beneficial to be as transparent as possible about salary range and opportunities for growth so that prospective candidates can have a solid understanding of whether or not this role is even a match for their current desires and long-term career goals.

Improve onboarding.

Onboarding new hires is an opportunity for your company to set its new employees up for success in their role, but it can also determine how quickly they become acculturated to the company culture. When an employee starts a new job, they are looking for a sense of belonging, clarity about their role and responsibilities, and the tools and resources that they need to succeed. If the onboarding process fails to provide these things, it can lead to confusion,



frustration, and disengagement, which can increase the likelihood of turnover.

Furthermore, many employees and their managers don't put the time or effort into getting to know one another and creating a foundation for their professional relationship. Fostering connection between a manager and their new hire is a crucial part of onboarding.

15Five's **Best-Self Kickoff** template is a two-part interactive document intended to guide the conversation and strengthen the connection between managers and employees, opening the door for more transparent communication in the long run.



Build a strong employee experience foundation.

The bulk of reducing regrettable turnover is all about building a strong employee experience foundation. What does that mean? It means putting the right systems, structures, and supports in place to help employees be their best selves, so that they can help the organization thrive. It also means adopting tools and performance management software that can elevate the impact of said initiatives.

A strong employee experience is comprised of:

- **Goal clarity** and a universal goal setting methodology.
- **Consistent check-ins** between managers and employees.
- **Effective managers** that are able to truly support their teams and unlock employee potential.
- **Routine engagement surveys** to gather employee feedback and make improvements.
- **A robust performance review process** that helps the organization recognize and reward people fairly and equitably, identify skill gaps and opportunities for improving performance, and invest in and retain the right people.

Improve the compensation philosophy.

While compensation is not the only, or even the most important, factor contributing to an employee's decision to leave, it is certainly still a factor that cannot be ignored. Employees want to feel that they are consistently being valued and that they are growing within the organization.

Thus, there needs to be a transparent compensation philosophy that involves defined opportunities for employees to receive promotions and raises. Clear, enforced promotion criteria help ensure that employees are aware of exactly what goes into promotion decisions. Without this clarity, employees may feel left in the dark wondering if they will ever get promoted, or become too afraid to bring it up.

To learn more about developing a compensation strategy that attracts and retains top talent, get **15Five's Compensation Playbook** ▶

Who are the key players and stakeholders in your compensation strategy and decision-making processes, and what are they responsible for?

PEOPLE / HR

- Creating and owning the compensation program
- Involving other key stakeholders appropriately to create alignment and buy-in
- Ensuring alignment with other People and HR strategies, technology, and programs
- Providing compensation expertise
- Advocating for equity and fairness
- Orchestrating feedback from other team members
- Documenting your compensation policy
- Creating and maintaining a living compensation FAQ
- Escalation point for employee questions about compensation

YOUR BOARD AND COMPENSATION COMMITTEE

- Providing expertise and feedback based on their experiences
- Providing guidance, making decisions, and approving policies related to CEO and executive compensation
- Approving programs such as Equity and Employee Stock Plans

CEO

- Ensuring alignment with your organization's mission, vision, and values
- Ensuring alignment with organizational goals, strategy, and financial plan
- Communicating the why behind your compensation strategy to your people

LEGAL

- Ensuring your compensation program is aligned with relevant laws, rules, and regulations
- Mitigating risk

...ity, inclusion, and belonging, and job market, HR and People leaders are... ation strategies and programs that retain...

...more than ever from work: community, career paths, a sense of identity, and... and programs supporting each of these

...employee receives in their paycheck, but in... sation, including:

SHORT-TERM INCENTIVES

- Restricted Stock Units
- Employee Stock Plans

BENEFITS

- Flexible Work Arrangements
- Health Programs
- Learning Programs
- Time Off

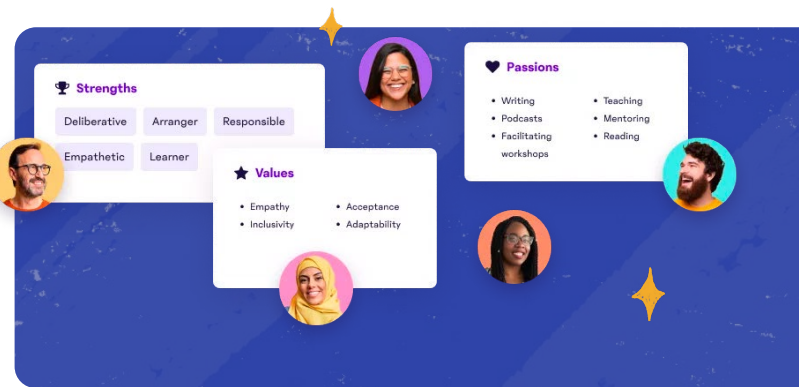


Ensure that managers and employees are having regular career conversations.

A major reason high performers leave a company is because they simply do not feel there is any more room for them to grow within the organization. That's why it is so critical for managers to have regular career focused conversations with their direct reports. These conversations should be separate from performance reviews and compensation conversations, and should be focused exclusively on the direct report's career path and their opportunities for growth both within the company and in general.

15Five's **Career Hub** enables managers and employees to have productive career growth conversations through exercises in role clarity, strengths discovery, and career visioning. Employees are empowered to identify work that is energizing and meaningful, which has a huge impact on productivity, revenue growth, and retention.

For a more in-depth guide to reducing regrettable turnover at your organization, get [The HR Leader's Guide to Reducing Regrettable Turnover: Identify top performers and do your absolute best to retain them.](#) ▶



It is especially important to identify who the top performers are, and do everything you can to keep them at your organization. Analyzing performance data at the individual, team, or department level can help to determine who these top performers are, and where they sit in the organization.

Once top performers have been identified, engage them by giving them the tools they need to carry out their career plans that align with the company's success. Finding a way to leverage top performers' strengths to achieve business objectives leads to continued innovation, productivity, and profitability. Furthermore, aim to recognize and enable recognition across the company every time somebody goes above and beyond in their role. This creates a bottoms-up culture of productivity and performance.

Invest in soft skills training for managers.

According to Gallup, one in two employees have left a job to get away from their manager at some point. There's a good chance that the way your managers are interacting with their direct reports is impacting the turnover rate at your organization, for better or worse. By providing managers with training in areas such as communication, emotional intelligence, and conflict resolution, they can increase psychological safety and build better relationships with their teams, resulting in increased employee engagement and loyalty, and ultimately, reduced turnover.



III. Improve Employee Engagement

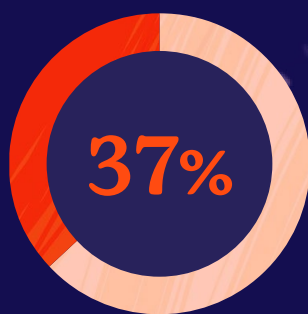


Why Is It Important?

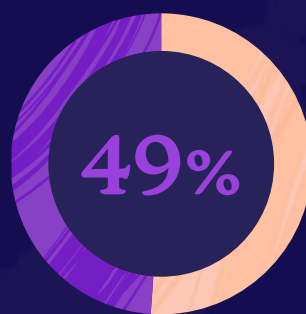
Employee engagement is a key driver of overall business success. According to **Gallup**, companies with highly engaged employees have 21% higher profitability. And disengagement can be **extremely** costly. In **studies by the Queens School of Business and Gallup**, disengaged workers had 37% higher absenteeism, 49% more accidents, and 60% more errors and defects.

Thus, it is crucial to actively monitor and address any potential disengagement. When you regularly measure and analyze employee engagement, you're identifying issues before they have a chance to become full-blown problems, and you set the stage for an authentic culture built around collaboration and trust. This, in turn, makes people comfortable taking on initiatives that help move the business forward. Instead of shying away from big ideas and grand goals, engaged employees will embrace them and find satisfaction in achieving them.

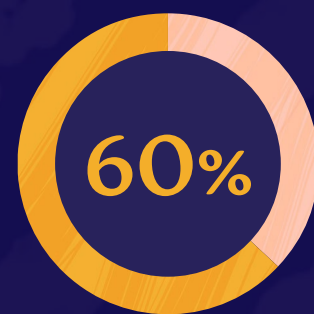
Disengaged workers had ...



higher
absenteeism



more
accidents



more errors
and defects



Improve Employee Engagement



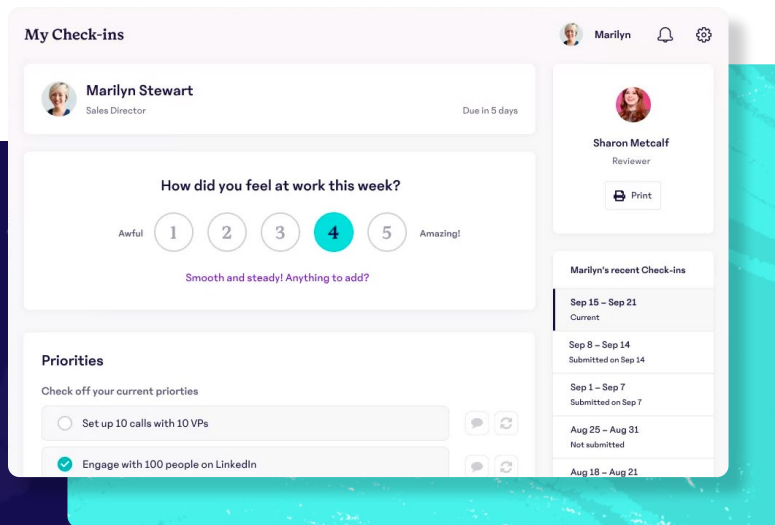
How to Measure It

Engagement surveys.

The most obvious way to measure employee engagement is through engagement surveys. A well-crafted survey can communicate to your employees that their voice matters, and offer you a clearer view of the roadblocks that may be hindering performance. By putting a system in place to confidentially and incrementally measure employee engagement, you can begin to collect honest feedback that quantifies the presence (or absence) of key engagement drivers.

Pulse surveys.

Engagement surveys are great, but they typically only happen once or twice a year. Employee engagement is a very fluid metric that can change greatly from week to week, so it is important to have mechanisms in place to keep a continuous finger on the pulse of employee engagement levels at any given time. That's what pulse surveys are for. Pulse surveys are short, more frequent surveys designed to gather real-time feedback on employee engagement. They can be as short as one question, like "How did you feel at work this week?"



15Five's Check-ins

are like weekly pulse surveys that give managers and HR visibility into what can boost engagement, productivity, and motivation.



15Five's Engage

is for HR leaders and executives who want to measure employee engagement, quickly find actionable insights, and take steps to drive change.



Improve Employee Engagement



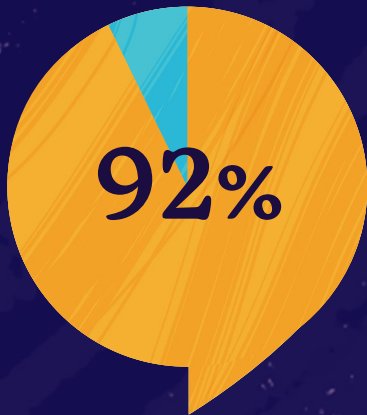
How to Improve It

Turn engagement insights into outcomes.

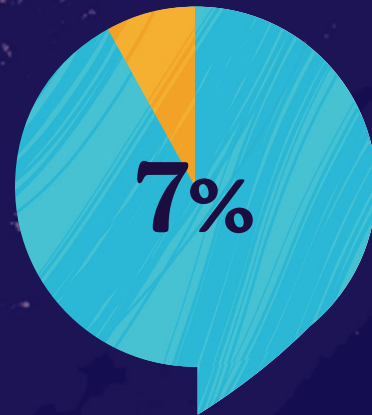
Measuring employee engagement is pointless if you don't do anything with the data. Once you've gotten the survey results back, the next step is to take recommended actions based on your engagement results, including driver scores, which give targeted insights into which areas need improvement.

Then, consider having conversations with employees who are closest to the issues for more qualitative data to inform your strategy. By drilling down to a specific group of employees with precise questions that directly addresses their concerns, you can get highly actionable insights. Rather than guessing at what needs to change, you'll be empowered to provide employees with exactly what they need to thrive at work.

Once you've identified the two or three most impactful initiatives based on engagement survey results and employee feedback, it's time to take action. But many companies fail to see this step through. **Research from Qualtrics** found that while 92% of employees believe it is important that their company listens to their feedback, only 7% say their company acts on feedback really well. Therefore, it is vital to demonstrate to employees that management is actively listening and responding to feedback right away. Moreover, it's essential to continue measuring and acting on feedback every quarter. By gradually prioritizing the most impactful initiatives, you can create genuine and sustainable changes that will lead to a more engaged workforce.



92% of employees believe it is important that their company listens to their feedback



But only 7% of employees say their company acts on feedback really well.



How to Improve It

Recognize and celebrate wins.

Organizations that recognize their people inspire real connection, and cultivate a sense of purpose and momentum. Despite that, **research has found** that 52.5% of employees want more recognition from their immediate manager. As an HR leader, you can amplify recognition at the organizational level by building out structures and systems that increase the exchange of employee recognition. Today, employee recognition software makes it easy to make acknowledgement and gratitude a core part of the company culture in a way that is operationalized, trackable, and scalable.

Employee recognition software also helps to hold managers accountable for contributing to building a true culture of recognition and gratitude.

While celebrating individual wins, be sure that the leadership team is also regularly reporting on organizational wins. When leaders are able to share progress that is tied to the company living out its purpose, it instills a renewed sense of momentum and efficacy in employees, which further drives engagement.

Want to learn more about how to recognize and celebrate employee wins to boost engagement?

[Get the Ultimate Guide to Gratitude in the Workplace](#) ►

Give managers the support they need to really connect with their team members.

An employee's manager is a key driver of their engagement levels, and managers need support with truly connecting with employees, getting to the root of their struggles, and unlocking their full potential.

As an HR leader, your job is to do everything you can to strengthen the relationship between managers and employees, in a way that is tactical and measurable but that also allows for human connection. Tools like a **check-in tool**, a **1-on-1 tool**, and a **tool that supports career conversations and planning** are a great place to start.

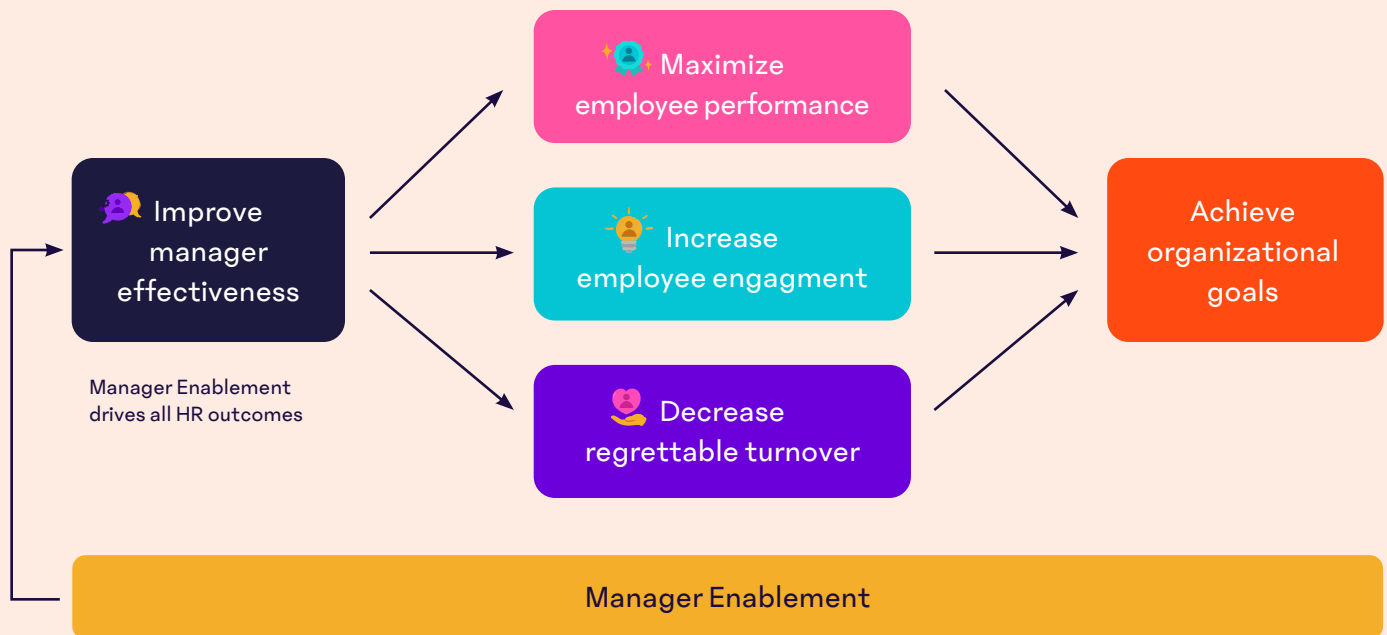


The Relationship Between the 3 Outcomes

By now, you may have noticed some overlap in both the methods for measuring and the methods for improving the three outcomes we've discussed. That's because these three outcomes, while separate, are **closely interrelated and mutually reinforcing**. For example, when you take time to measure employee engagement and then make improvements based on what you've found, you will likely also realize increased performance and decreased turnover as a result.

Manager effectiveness is a critical force multiplier that drives greater performance, engagement and retention. Effective managers provide their employees with clear expectations, constructive feedback, and opportunities for growth and development. By doing so, they create a supportive work environment that promotes employee engagement, boosts performance, and reduces the likelihood of turnover. Thus, honing in on manager enablement is a crucial investment that can drive other outcomes forward.

Relationship between HR Outcomes



IV. Manager Effectiveness

A Critical Driver of HR Outcomes

By now, you may have noticed some overlap in both the methods for measuring and the methods for improving the outcomes we've discussed. That's because these outcomes, while separate, are **closely interrelated and mutually reinforcing**.

We've learned that the main driver for achieving these outcomes is Manager Effectiveness, because managers have the closest relationships with each individual employee and are directly responsible for ensuring they are engaged, performing well, and have everything they need to want to remain with the organization. Effective managers provide their employees with clear expectations, constructive feedback, and opportunities for growth and development. By doing so, they create a supportive work environment that promotes employee engagement, boosts performance, and reduces the likelihood of turnover. Thus, honing in on manager enablement is a crucial investment that can drive the outcomes forward.

Managers have a massive impact on employees' overall experience at the company, and they have great power to influence business results for better or worse. According to **Gallup**, **70% of the variance in employee engagement scores can be attributed to the quality of an employee's manager**. **Gallup** also found that employees who receive regular feedback and coaching from their managers are 3.5 times more likely to be engaged in their jobs than those who do not receive feedback.

The manager-employee relationship is a nexus with influence over almost every aspect of the work experience, yet many managers today are floundering

as they navigate the evolving workplace and the challenges that come with it. In our **2023 Manager Effectiveness Report**, we found that only 37% of employees are impressed with their manager's leadership skills. Without support or investment in their growth, these managers can have a negative impact on their teams and the organization as a whole.

How to Measure It

While "manager effectiveness" can feel like a nebulous thing to quantify, it is actually possible to measure with the right tools in place. Some quantitative data that can contribute to the measurement of manager effectiveness includes:

- Turnover rates by manager
- Engagement scores by manager
- Performance review completion rate by manager
- Goal attainment rate by manager

And of course, qualitative data can and should be gathered through 360°/upward feedback during the performance review process.



Manager Effectiveness

How to Measure It

Now that it's clear that manager effectiveness **can** be measured, there's no excuse to not be regularly measuring and striving to improve it within your organization. But how?

Provide continuous coaching and training to managers.

Gone are the days of solely offering one-off training seminars or workshops for talent development. Sure, these things still have value, but they often provide a barrage of information that is quickly forgotten. German scientist Herman Ebbinghaus developed the concept of the **Ebbinghaus Forgetting Curve**, which demonstrates how learners forget 90% of information that they take in within a few weeks if it is not reinforced.

A successful manager development program will be multi-pronged, and occur in the flow of work, so that talent development becomes a part of your managers' day-to-day work lives. Be sure to offer development opportunities in a variety of formats — instructor-led skills intensives, 1-on-1 coaching, group coaching, etc. — and then ensure that there are mechanisms in place to help employees put what they've learned into action.

Incorporate technology that helps managers do their jobs better.

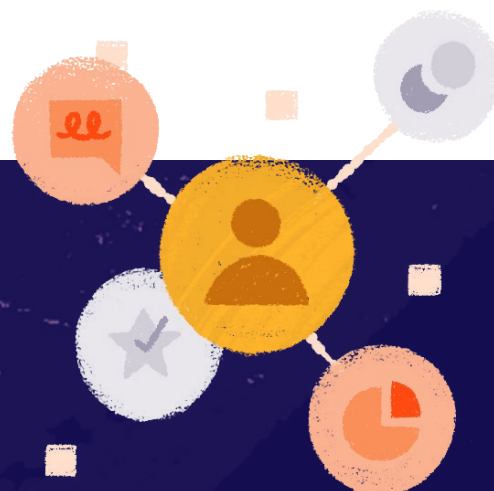
You should be thoughtfully incorporating software that can enable your talent development initiatives and accelerate behavior change. Having software for things like **one-on-ones**, **engagement surveys**, and **goal setting** makes it a lot easier for managers to initiate and employees to participate in these growth-oriented activities. This technology can also be extremely beneficial for the HR team, as it can provide insights into manager performance and discern which managers may be needing additional support or training.

Some examples of touchpoints where having technology can amplify impact:

- Being prompted to give a high five/recognition at the end of a check-in
- Getting a ping to review the priorities of an employee every Friday to ensure alignment
- Having a documented, accessible high-level performance conversation at least twice a year

Need help deciphering exactly what managers should be trained on?

- ▶ Check out **15Five's Competency Creation Playbook**, and scroll down to page 8 for some of our examples of competencies for managers.



Boost Manager Effectiveness with 15Five's Transform

Transform Coaching and Education is a blended learning solution designed to support your growth and development initiatives by offering skills intensives, group coaching, 1-on-1 coaching, and engagement action planning.

With Transform, we teach managers how to achieve business goals by:

- Leveraging their own and their team's strengths
- Setting team objectives and making better decisions
- Motivating, communicating, and inspiring action
- Driving performance and measuring progress
- Providing feedback that drives growth and performance



Learn more about how our cyclical approach to leadership training and coaching is proven to lead to improved business outcomes by [scheduling a demo today.](#) ▶



How to Talk to Executives About Outcomes

Now, let's get down to brass tacks: We're not just emphasizing these outcomes because we like the way they sound. We're emphasizing them because we know that they are the business outcomes that the other executives in the C-suite care about. We know that they are your gateway, as an HR leader, to getting the attention, trust, and support of other executives — and that buy-in is the key to actually having the impact you crave in your role and your organization.

When it comes to these outcomes, they are, of course, ones that everyone in the business should care about. But realistically, **HR is often the key driver behind these outcomes**, as they are responsible for developing and implementing the policies, programs, and practices that support them. This includes everything from recruitment and onboarding, to performance management and professional development, to compensation and benefits, and more.

By taking a proactive approach to these areas, HR and People Ops leaders can create a positive work environment that fosters employee engagement and productivity and enables employees to thrive, ultimately leading to improved business outcomes for the organization as a whole.



Building a Business Case for Strategic HR

Building a Business Case for Strategic HR

In order to build a rock solid business case for strategic HR initiatives, you need to start with the pain point and connect potential solutions to business impact. We like to follow this four step framework:

1. Identify the problem.

First, identify the core problem in the organization, and be sure to share additional context related to it. Take it a step further by connecting the core problem to potential negative impacts the business could be facing as a result.

2. Propose a solution(s).

Next, proposed a data-informed solution to address the pain point.

3. Identify business impact.

Demonstrate how your proposed solution could have a positive business impact. Provide a few examples and be as quantitative as possible. Use outside research to support your claims. Your CEO and CFO will want to see step-by-step how you created your business case, including the assumptions you are relying upon and the sources you used for creating your benchmarks.

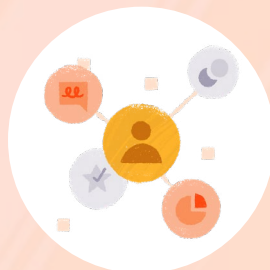
4. Align on next steps.

Lay out the proposed timeline and/or a list of action items to get the strategy off the ground. At each phase, list key stakeholders that need to be involved.

The Executive Buy-in Process for Strategic HR



IDENTIFY
PROBLEM



PROPOSE
SOLUTIONS



IDENTIFY
BUSINESS IMPACT



ALIGN ON
NEXT STEPS



Best Practices for Attaining and Sustaining Executive Buy-in

With the right data in hand, you could focus less on digging for numbers and more on the visioning, strategizing, and cross-functional collaboration that will be required to bring strategic HR to life in your organization. Here are some of our tips for making that happen:

- **Partner with other executives on initiatives.** Seek out partners for initiatives before you present them to a larger group. Focus on what's in it for them and their team, and use these conversations to uncover ways to gain greater alignment and synergy not just for this initiative, but for future initiatives as well.
- **Tailor your pitch to each stakeholder during 1-on-1 meetings.** Integrate metrics that matter to each stakeholder. This will help you build momentum and understand potential concerns before presenting to the entire leadership team.
- **Use data to tell a story — but be realistic.** Combine multiple data points to create a more compelling case. For example, a vendor focusing on reducing employee turnover is incentivized to share a high number regarding the cost of someone leaving an organization. Having multiple data points will add credibility to your claims. Test your assumptions on a peer at another organization or someone you trust internally before you share with your CFO.
- **Align your HR strategy proposals to the overall business strategy.** Make the connection between your proposed investments and what's most important for your organization. If it's not connected to what's most important, it's not strategic.
- **Be unapologetically bold.** Once you've put your business case together and the numbers are clear and compelling, advocate for your proposal with backbone and heart. Some leadership teams say no to everything at first. Defend your perspective. Thank people for feedback and come back stronger with answers.

Want to dive deeper into securing executive buy-in for strategic HR initiatives?

- ▶ **Get *You're at the Table... Now What?***
The Guide to Getting Executive Buy-In
for Strategic HR Investments

You're at the Table ... Now What?

The Guide to Getting Executive Buy-In
for Strategic HR Investments



It is time HR gets the credibility and respect it has always deserved.

Strategic HR finally has the dashboard to collect, analyze, and act on the data that matters most to the rest of the C-suite.

- Improving manager effectiveness
- Maximizing employee performance
- Increasing employee engagement
- Reducing regrettable turnover



SEE HOW YOUR MANAGERS ARE IMPACTING THE BUSINESS (FOR BETTER OR WORSE)

Managers are the #1 driver of employee retention, engagement, and performance. Now you can easily see which managers need support in specific areas and take action before it is too late.



ALL THE INSIGHT YOU NEED, NONE THAT YOU DON'T

Avoid analysis paralysis by focusing on the most important data points that actually impact business outcomes rather than lagging metrics that aren't actionable.





PEOPLE ARE COMPLEX, BUT THEIR DATA DOESN'T HAVE TO BE

Identify trends, make informed predictions, and recommend actions to improve the HR outcomes that drive business performance with ease, all in one place. No Data Analyst required.



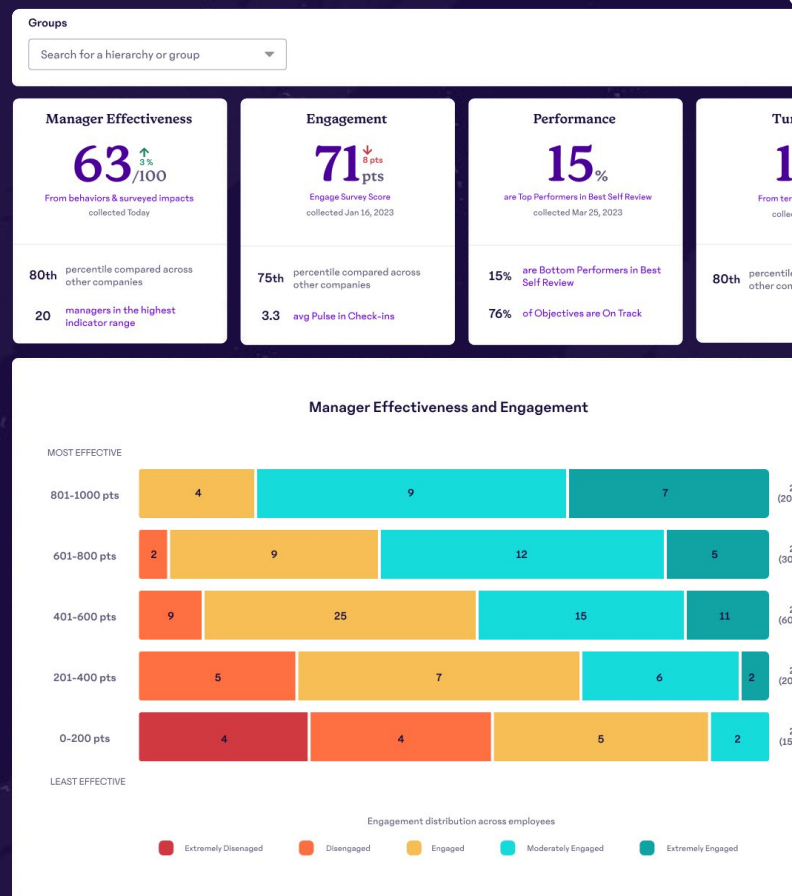
FILTER BY MANAGERS, GROUPS, AND OUTCOMES

Narrow in on specific parts of your organization, such as executive hierarchies, departments, or managers to focus your analysis. Compare by cohorts of each outcome measurement (i.e. How engaged are my top performers? How many of them have turned over recently? Are their managers effective?)

Showcase the value of your HR programs on business outcomes.

HOW IT WORKS

- Configure and customize the weighting of your metrics, or use our default recommendations.
- Quickly access metrics about the important outcomes you're driving: performance, engagement, manager effectiveness, and turnover – all in one place!
- Evaluate outcomes by group, manager, and more to identify where you should take action.
- Go to your next Board meeting, leadership call, or status update with easy-to-use, objective results that tie HR programs to business results.
- Prove the value HR has on the business.



Become an HR Superstar with 15Five

By focusing on the key outcomes of reducing regrettable turnover, improving employee engagement, maximizing employee performance, and their main driver of increasing manager effectiveness, HR and People Ops leaders can play a critical role in driving business success. These outcomes all impact the success of the business, but need to be driven by HR, as HR is responsible for putting into place the policies, practices, and programs that will bring these outcomes to life. When demonstrable impact is shown in these outcomes, the rest of the C-suite will gain a better understanding of the true impact that strategic HR can have on the success of the business, making them more likely to support and adopt future strategic HR initiatives.

15Five is here to be your strategic partner in making these outcomes a reality in your organization.

To learn more about how 15Five can support you as you champion strategic HR in your organization, contact us today and [schedule a demo](#). ▶



HR SuperStars
COMMUNITY by 15five

Want to connect with other HR leaders?

[Join the HR Superstars Community.](#) ▶



Congrats! You're on your way to growth

When do you want to accomplish this by?

Start Date



3/1/2022

End Date



6/30/2022

How often would you like to be reminded of this growth area?

Start Date



Every other week

Set Another Goal

Done

[Request a demo](#) of Perform and the full suite of 15Five products at www.15Five.com

Or access more great content on our blog at 15five.com/blog.



About 15Five

15Five is the performance management platform that drives business results. By continuously measuring the indicators of engagement and performance that matter most, 15Five helps HR leaders uncover risks of turnover, poor performance, and ineffective management before they impact the organization. 15Five's approach provides HR with everything they need to achieve their strategic people objectives, and the data to tie those objectives to business outcomes. The platform combines 360° performance reviews, actionable engagement surveys, robust goal & OKR tracking, customizable manager training, and ongoing manager-employee feedback tools like weekly 1-on-1s and check-ins. Together, all of these enable HR leaders to deliver high engagement and performance within the flow of work, and empower their managers to drive change from the bottom up. 15Five is loved by strategic HR leaders, managers, and employees at over 3,500 companies, including Credit Karma, HubSpot, and Pendo.

For more information, visit www.15five.com.