Reinventing performance management processes won’t unlock human performance. Here’s what will. - Deloitte

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Executive Summary

This article addresses the persistent failure of performance management systems, citing Deloitte's 2025 Global Human Capital Trends survey showing that 61% of managers and 72% of workers distrust their organization's performance management process, with only 2% of CHROs believing their systems work. The authors argue that decades of process reinvention have failed because organizations expect too much from a single HR process. They propose 'engineering human performance' as a holistic approach that integrates organizational design, technology, workforce practices, and workplace design beyond traditional performance management. The article presents case studies from WalkMe, Roche, AXA, and others demonstrating improved outcomes through comprehensive approaches. The authors conclude that organizations effective at enabling human performance are 2.08 times more likely to report positive financial results, suggesting that success requires moving beyond process redesign to systematic performance engineering.

Key Insights

1. Only 2% of CHROs believe their performance management systems work, with 61% of managers and 72% of workers distrusting their organization's processes

2. Traditional performance management fails because organizations expect a single process to drive complex human performance outcomes that require multiple organizational factors

3. Organizations effective at enabling human performance are 2.08 times more likely to report positive financial results than others

Practical Takeaways

• Shift from process reinvention to holistic human performance engineering that includes organizational design, technology integration, and workplace practices

• Use technology like GenAI to simplify performance management by identifying feedback providers, aggregating data, and detecting bias

Frameworks Mentioned

Human Performance Equation — Framework requiring both business and human outcomes to support each other

Critical Analysis

Strengths include comprehensive survey data from 10,000 respondents across 93 countries and multiple case studies demonstrating practical applications. The diagnosis of performance management failures is well-supported by statistics from multiple sources including Gallup and Betterworks. However, the proposed 'engineering human performance' solution relies heavily on anecdotal case studies without rigorous empirical validation. The article conflates correlation with causation in several examples, and the 2.08x financial performance statistic lacks methodological detail. Some case studies appear cherry-picked to support the thesis.

Organizational Practice

Case studies include WalkMe's quarterly bonus system with 8-120% salary bonuses based on firm financials and individual goals, Roche's technology-enhanced learning reducing competency time from 1.5 years to 90 days, AXA's comprehensive 'We Care' well-being program, and workspace redesign at a pharmaceuticals company that increased sales by 20% through strategic coffee machine and cafeteria placement

Strategic Implications

The findings suggest a fundamental shift from performance management process optimization toward comprehensive human performance engineering. Organizations may need to integrate multiple disciplines including organizational design, technology systems, and workspace planning to achieve performance outcomes that traditional HR processes cannot deliver alone.

Validation Status: passed
