



The ROI of Employee Performance Management Software



High-performing employees are pivotal to a company's success. They are motivated to succeed, engaged in their work, and inspire their team members to new heights.

When applied consistently and judiciously, effective performance management programs and tools **improve retention, increase job satisfaction, and significantly boost organisational performance**, underscoring a strong correlation between investment and results.

Let's dive deeper into the value of performance management software and why it's so critical to success in 2024.

Research firm McKinsey found that organisations with good talent management **outperformed their peers by 22%.**²

And ZipDo found that similar good practices produce nearly **50% higher revenue per employee.**³

All practices involved in performance management are designed to drive value within the organisation, which can be substantiated through increased market share, innovation, and, most importantly, happy employees.

Surveys, for example, keep employees engaged and let them know their opinions matter—especially when action is implemented based on that feedback.

Compensation management and reward systems are also critical for talent retention. When automated, it ensures companies never miss an opportunity to nurture and reward the people who matter.

For its part, automation provides the added benefit of taking many of these responsibilities out of people's hands, allowing them to focus on higher-value tasks and putting hours back into their day.



Cost Savings

Perhaps the most notable and quantifiable benefit of automating employee performance management is cost reduction. There is no better indicator of ROI than the money a company saves on core initiatives like those mentioned above.

Here are a few areas where costs can balloon without adequate performance management.

1. The costs of paper/manual processes

Manual processes are cumbersome, tedious, time-consuming, and often inefficient. Additionally manual processes are almost impossible to track how much time and often lead to inconsistencies and errors.

Automating processes allows managers to focus on more critical tasks while ensuring they have the data they need to make decisions. Automation also reduces errors and can save companies hundreds of payroll hours—resources that can be redirected into business-building initiatives.



Recent studies show that even in 2024, upwards of **58% of companies still use paper or spreadsheets**⁴ to track performance and according to Gartner, of those HR leaders using traditional performance reviews, **95% were unhappy with the process.**⁵

emPerform conducted a survey in 2021 and found that companies using emPerform to automate performance reviews **saved an average of 2 hours per review compared to traditional manual processes.**

That includes time from managers, employees and HR completing and submitting via manual processes. If you add that up across an organisation with 1,000 staff, **the time savings are huge.**



4. The costs of not achieving company goals

When performance management is lacking, companies pay a massive price for not achieving their business goals. Inefficient processes, lack of clarity, poor oversight, or focusing on the wrong things can lead to instability in the workforce, underperformance, reputational damage, and loss of market share. Underperforming companies will have trouble attracting talent and will be challenged to maintain any kind of long-term stability.

Economist Impact reports that **90% of businesses fail to reach strategic goals.**

According to **Dynamics Achievement**, one of the top reasons companies don't meet their goals are:

1. Unclear goals
2. Lack of communication
3. Lack of clarity and roles and accountability
4. Lack of processes
5. Poor employee development



Only 51% of companies even attempt to develop aligned goals, and among the companies surveyed, only 6% regularly revisit them.¹²

80% of organisations fail to track their business goals.¹²

Informing Data-Based Decisions

Automating performance management delivers the robust data leaders need to maintain, improve, and evolve the organisational culture. Without these insights, management and the C-suite would be flying blind, relying on instinct and opinions over data-driven business intelligence. Data collected helps track progress toward company goals and highlights deviations so they can be corrected quickly.

Performance management software allows for streamline **reporting and insights** that can lead to reduced costs and better talent decision-making.

- **Analyze** skill gaps to plan development funds
- **Identify** future leaders to close succession gaps
- **Compare** manager and team results to coach leadership
- **Track** objectives in real-time to better achieve goals
- **Analyze** peer input to identify and address performance gaps



Get a Return on Your Investment in Performance Management Software

Performance management is critical to a company's success. Investment in performance management software and processes pays dividends in talent retention, reduction in turnover, improved engagement, productivity, and bottom-line profits.

But to achieve the greatest return, it is critical to choose the right software for your needs.



Get your buyer's guide outlining the questions and considerations you need to choose the best software.

Learn how emPerform can engage your talent and enhance ROI.

[Book your demo today!](#)

Value with emPerform

“

Our employees love that development and career planning are part of the process in emPerform. They feel heard and seen. This change has boosted employee morale and engagement levels.”

City Director, Texas city

“

emPerform has made performance reviews quick and easy and helped us make strides towards ensuring our valuable staff have the feedback and coaching needed to grow and thrive in their roles.”

Julie Kovencz
HR Manager, Watson Clinic

“

The shift from manual processes to emPerform has been a game changer. emPerform has significantly reduced the time and effort needed to track reviews and generate reports— that’s time our HR team can put into other valuable organisational initiatives.”

Wes Horne
HR Business Partner, Mortgage Banker’s Association

“

Using emPerform, HR teams have cut administrative time by 50% or more, and are better equipped to address any performance issues in a timelier manner.”

Jill Keinsley
EVP, HR & Administration, First Harrison Bank

