

2021 REPORT

# State of People Strategy

The Resiliency of People-First Leadership

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# Introduction

Last year, HR teams were tasked with navigating health and safety risks, adapting to remote work, and in many industries, scaling back headcount. And in the twelve months since our inaugural [State of People Strategy Report](#), most of those challenges remain:

- Coronavirus variants have put reopening plans on hold in many sectors.
- The transition to remote and hybrid work still tests company cultures.
- Mental health challenges persist among HR professionals and employees at large.

On the surface, it's easy to assume 2021 is just a carbon copy of last year. But even in the middle of a pandemic, economies aren't just showing signs of a thaw — they're in a [full-on resurgence](#). Formerly furloughed employees are gradually returning, and companies are engaging in historic hiring sprees. Once desperate to keep their jobs, workers are weighing competing job offers as well as re-examining their careers entirely, leading to concerns of an impending wave of turnover. For already-exhausted HR teams, call it a case of whiplash.

**Lattice launched the State of People Strategy Report to better understand moments like these.** Gleaning insight into HR professionals' motivations, priorities, and concerns doesn't just give us a snapshot of *their* work, but also the world of work as a whole. As the driving force behind engagement, performance, and culture, HR leaders have an outsized impact on the workplace's past, present, and future.

# Survey Methodology

The State of People Strategy Report articulates the perspectives of hundreds of practicing HR leaders worldwide.

From July 26 to August 28, 2021, we invited professionals to complete a survey that explored topics ranging from employee engagement levels to HR priorities for 2022. We also asked them to assess how well they were performing against their team goals.

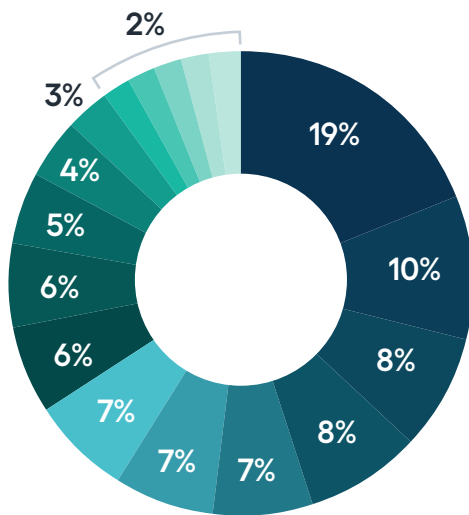
We received **726 completed responses** from respondents across all job levels, from HR generalists to talent acquisition leaders. Participants worked at companies both large and small, across all industries, and in seven countries. On the next page, you'll find a breakdown of these respondents by position, company size, and industry.

After the survey was closed, results were analyzed and compared with last year's [State of People Strategy Report](#). From there, our team identified key trends across common HR focus areas like engagement; performance management; diversity, equity, inclusion, and belonging (DEIB); and learning and development.

This report will outline each of those findings and their implications for the HR profession and workplace.

# Survey Respondents

Company Industry



- Software/IT
- Financial Services
- Education
- Manufacturing
- Other
- Professional Business Services
- Retail/Trade
- Healthcare/Pharmaceuticals
- Non-Profit
- Advertising/Marketing
- Construction
- Telecommunications
- Food/Beverage
- Utilities
- Leisure/Hospitality
- Transportation
- Media/Entertainment

Number of Employees



Position/Function



# Overview

## Competing Priorities

The start of the coronavirus pandemic ushered in a wave of layoffs and furloughs. Fast-forward to today, when HR teams are worried about a different kind of turnover. **Half of our respondents indicated at least a modest increase in employee-initiated departures this year.** Almost 20% reported “significant” increases. Employees are primarily leaving these organizations for higher pay and career growth opportunities. Still, a significant share (26%) of these departures are due to employees reevaluating their careers.

New turnover concerns coincide with the rise of recruiting, which climbed from the sixth- to second-ranked priority among HR teams this year. Desperate to meet hiring demands while keeping their current employees, **HR leaders have made engagement a top priority this year,** specifically focusing on cultural initiatives and engagement surveying.

Unfortunately, this shift in priorities has come at a cost: HR professionals in our dataset continue to report being overworked, understaffed, and emotionally exhausted. And **diversity, equity, inclusion, and belonging (DEIB) initiatives were deprioritized by most teams,** who cited a lack of time or bandwidth.

On the topic of hybrid work, reopening plans are on hold: **60% of HR departments don't expect to see much change in the number of employees working remotely next year.** Worries over team bonding and communication have also supplanted concerns about remote productivity and at-home technology.

## A Way Forward

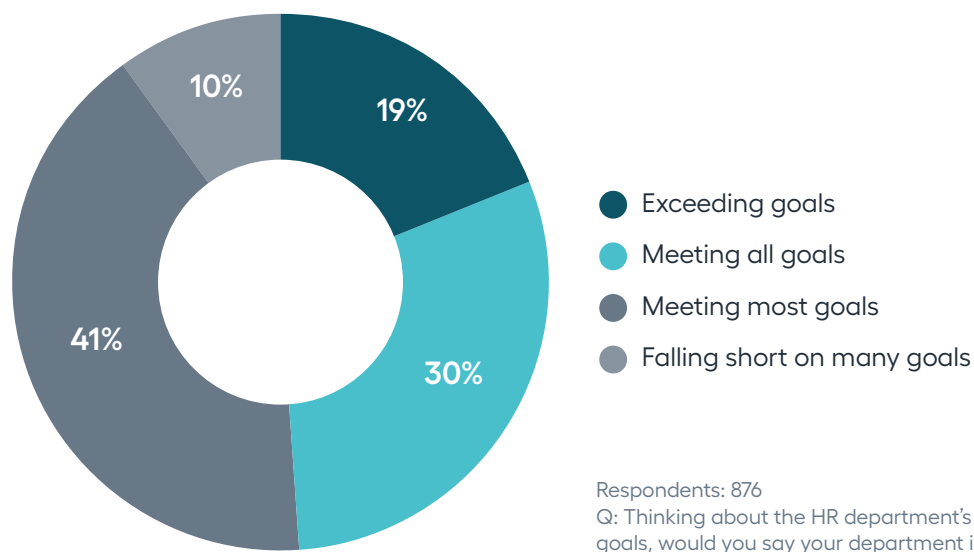
People teams are currently under enormous pressure, and that doesn't look to be changing soon. Still, there's encouraging evidence that prioritizing engagement surveys, feedback, manager training, and analytics leads to more positive HR outcomes and lower rates of burnout.

When we looked at those HR teams who say they are “meeting all goals” or “exceeding goals,” they also rate their usage of tools, technologies, and processes highly, demonstrating that they can help reduce some of the stress that comes with managing an HR department in disruptive times.

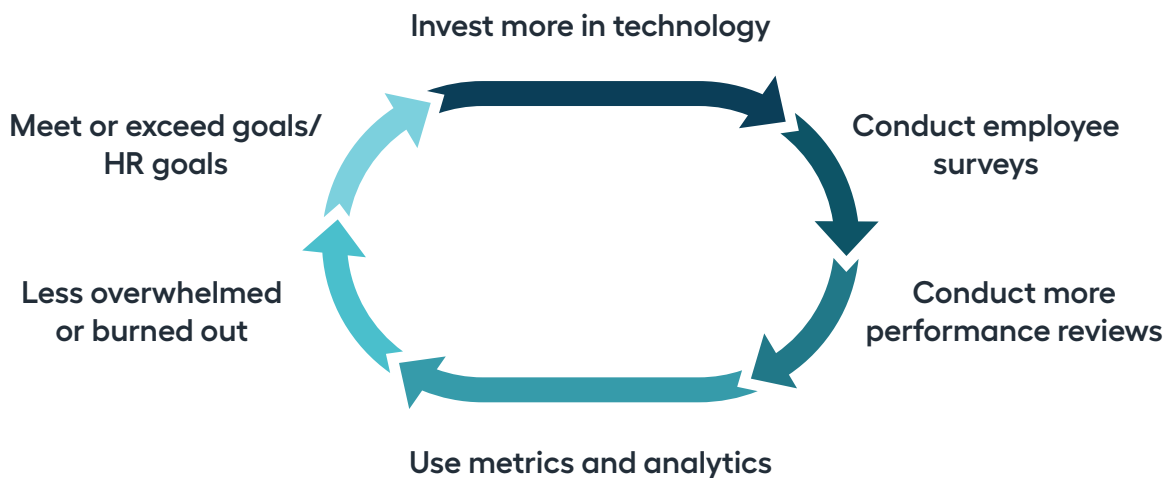
For example, our survey found that:

- HR leaders who conduct employee surveys are nearly 15% more likely to rate their workforce as engaged.
- High-performing HR teams are five times more likely to conduct quarterly performance reviews versus semi-annual or annual reviews.
- Nearly 60% of respondents who meet or exceed their goals use HR technology to manage processes like reviews, employee feedback, and objectives and key results (OKRs).
- High-performing HR teams are more likely to rate employee one-on-one meetings as important.

### HR Department Performance on Goals



Investments in these areas appear to create a positive feedback loop for organizations. For example, HR teams that invest in HR technology are also more likely to conduct engagement surveys. Those same teams are similarly more likely to run reviews, encounter fewer HR challenges, feel less burned out, and so on. This dynamic, present throughout this year's survey, is illustrated below.



It's no surprise that when People leaders are empowered by their organizations and equipped with budget and headcount, they're more likely to deliver. And amid increasing uncertainty about talent acquisition, retention, and the evolving nature of work, there's no business function companies need to invest in more urgently than in their HR teams.

The following pages detail what we discovered in this year's survey. Along with highlighting key trends, we've asked several leading People strategy experts to share their reactions to the results and offer their perspective on what they mean in practice.



# 2021 Priorities and Challenges

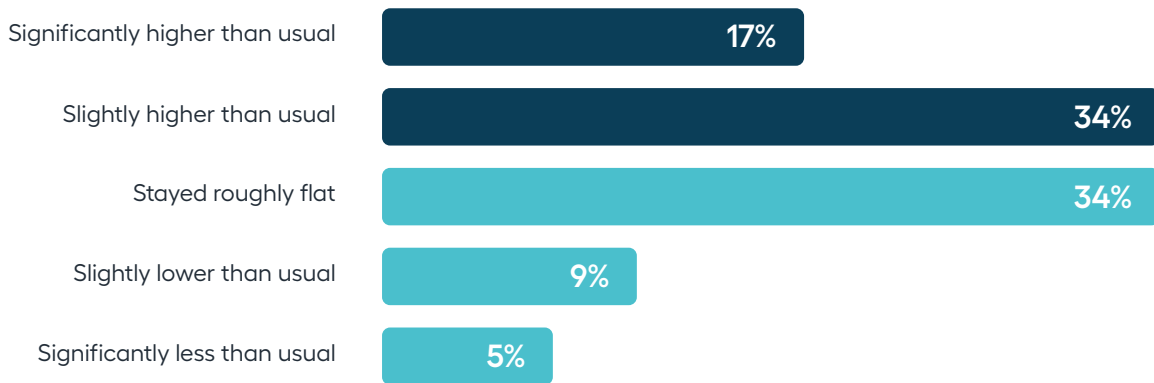
CHALLENGE #1

# Early signs of a “Great Resignation” are being felt by HR.

After a year of layoffs and employer leverage, workers are now comfortable seeking opportunities elsewhere — or so the theory goes. We’ve all heard about the [“Great Resignation,”](#) as it’s been dubbed by business writers, in which factors from the pursuit of greater flexibility to a wholesale rethinking of career choices are contributing to mass turnover. But is this theoretical shift forcing HR teams to rewrite their retention and recruiting playbooks overnight?

Our survey suggests there might be something to the story. **When asked to describe turnover rates within the last six months, half of our respondents indicated at least a modest increase in departures.** Specifically, 34% of those surveyed reported slightly higher turnover, and 17% reported significantly higher turnover.

## Employee Turnover Within Last 6 Months

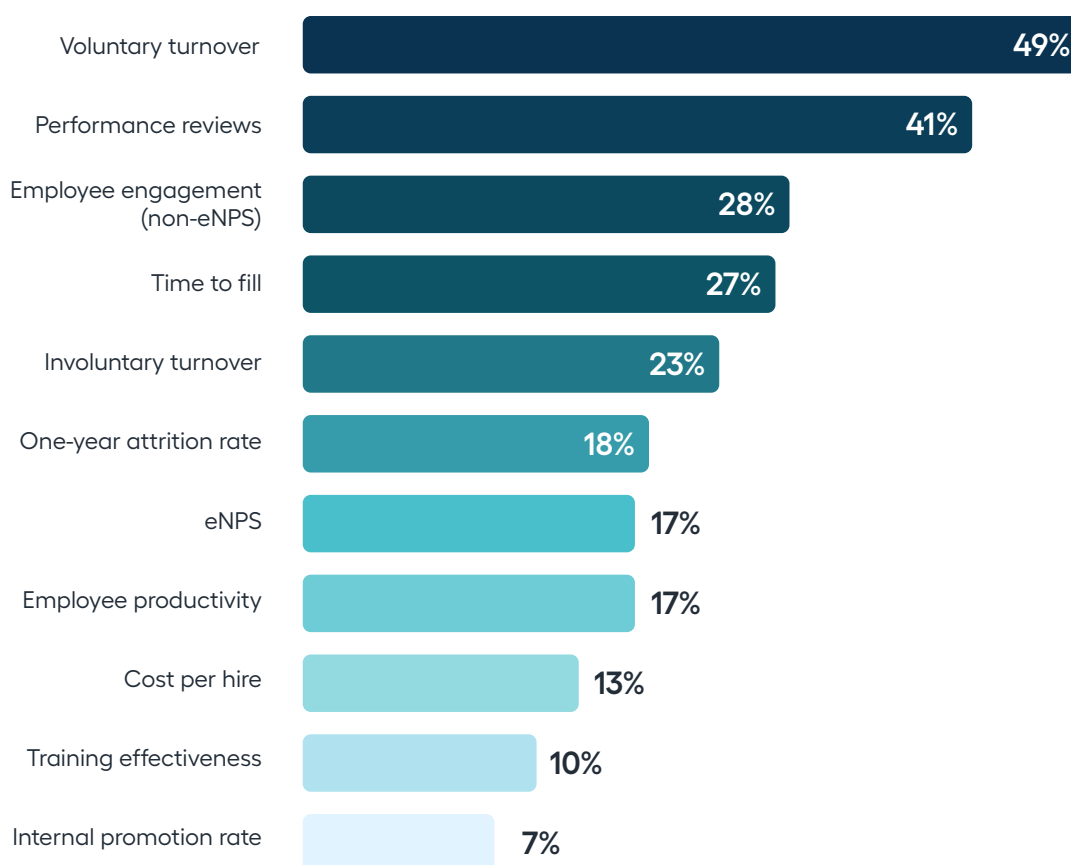


Respondents: 740

Q: How would you characterize employee turnover at your company within the last six months compared with 2021?

People leaders also appear to be keenly aware of the potential for turnover, especially right now. **When asked to rank their key performance indicators (KPIs) by importance, most indicated that voluntary, or employee-initiated, turnover rate was their ultimate measure of success or failure this year.** Employee performance reviews, engagement scores, and time-to-fill metrics ranked behind voluntary turnover. They were also honest in their assessment of the status quo: 57% of respondents indicated their turnover rates could use improvement.

### Most Important Key Performance Indicators



Respondents: 856

Q: What are the most important internal Key Performance Indicators (KPIs) the HR department uses as metrics to measure its success? These are the metrics kept within the team. Select up to 3.

Turnover isn't an issue that lends itself to quick fixes, as the causes behind employee departures are not always salary-driven. Yes, more than half (55%) of respondents indicate that compensation is usually to blame. But other factors, including lack of career advancement opportunities, burnout, greater flexibility, and career reevaluation, all ranked as additional drivers of voluntary turnover.

### Primary Drivers of Employee Turnover



Other employers offer higher pay (55%)



Employees don't feel like they have opportunities for advancement (37%)



Career reevaluation / taking a break from the workforce (26%)



Burnout (23%)

“For all that was ‘unprecedented’ about last year, we shouldn’t miss how enduring the key drivers of turnover are. Career growth and development continue to be core for employees and, with the restraints of slow economic growth lifting, they are ensuring that they work for companies that enable it,” said Dave Carhart, VP of People at Lattice. “What is newer is the way in which many people are re-evaluating life priorities at a more fundamental level.”

That last point, flagged by 26% of respondents, has been especially top of mind this year: The pandemic has led many to [reconsider their career choices](#), industry, and even geography. [One external survey](#) found that as many as a third of workers under 40 may change careers in the next year.

“It should lead to reflection on how we connect with employees on a deeper level. How is your hybrid model taking account of these shifting needs? How is your company engaging employees in meaningful work and also embracing the meaning in their lives outside of work?” Carhart said.

## CHALLENGE #2

# Turnover fears have made engagement HR's top priority.

If last year's wave of layoffs and furloughs seems like a distant (though painful) memory, it's for a good reason. With businesses reopening and increasing headcount, HR teams have had to pivot from downsizing to prioritizing talent acquisition. Since last year's record highs, global unemployment rates continue to dip, and businesses large and small are increasingly engaging in [unprecedented hiring sprees](#).

HR teams know it better than most: You can't fill a leaky bucket. With the threat of turnover looming large, keeping your current employees is just as important as bringing new ones on board. **Respondents echoed that sentiment, sharing that employee engagement (43%) and talent acquisition (40%) ranked as their top priorities over the next twelve months.**

### High-Priority People Strategy Initiatives



**43%**

Employee engagement



**40%**

Talent acquisition



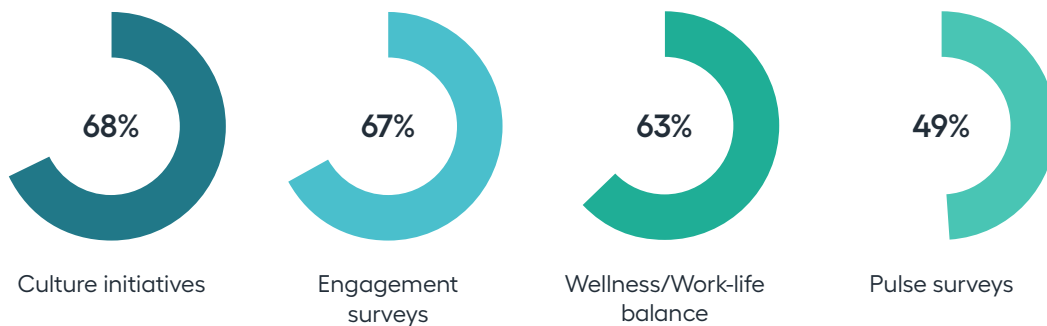
**37%**

Manager enablement  
training

“One of the most important parts of employee engagement are the ‘moments that matter,’ and how a company treats their employees in those moments. This pandemic is truly one of those moments,” said Farrah Jessani Mitra, founder of [Green Reed](#), a leadership development and executive coaching company. “Every employee remembers their experience, for better or worse, during the most significant moments of their lives.”

As is the case with turnover, engagement doesn’t lend itself to one-and-done solutions. Improving morale means taking a multi-faceted approach — from organizing cultural initiatives to more measured approaches like surveying. Both of these strategies for driving engagement were virtually tied (at 68% and 67%) for their level of importance among survey respondents. Work-life balance was also a concern, unsurprising given remote employees’ [erasure of personal-professional boundaries](#).

#### Top 4 Components to Employee Engagement



“When talent is your greatest asset, it’s critical to understand how employees are experiencing the workplace and what they truly need. And when the experience isn’t what they want — because the company hasn’t listened well — then the ‘Great Resignation’ comes into play,” Jessani Mitra said. “Using the voice of your employees to understand this, through surveys, is a key lever for engagement.”



## Surveying allows all voices to be heard and provides a safe venue for employees to help companies understand their experience and needs.

While cultural initiatives and surveying share top billing among respondents, the latter may be more efficient at driving outcomes. **We found that respondents who conduct engagement surveys are significantly more likely to rate their workforce as engaged (61% vs. 48%).** Similarly, 80% of the HR departments that regularly exceed their goals also conduct employee engagement surveys.

Most respondents conduct full engagement surveys (with 20 or more questions) *at least* once a year, and many (41%) do so more frequently. Over two-thirds of businesses use [pulse surveys](#), or recurring mini-surveys that HR teams can use to get a real-time measure of employee sentiment. **Importantly, respondents who conducted more frequent surveying (regardless of type) are more likely to rate employee engagement levels as high.**

“It’s important to stay on top of leading indicators given this ever-changing environment. Today, with much of the workforce remote or blended, there’s a greater reliance on getting employee engagement right,” Jessani Mitra said “Frequent surveying allows all voices to be heard and provides a safe venue for employees to help companies understand their experience and needs.”

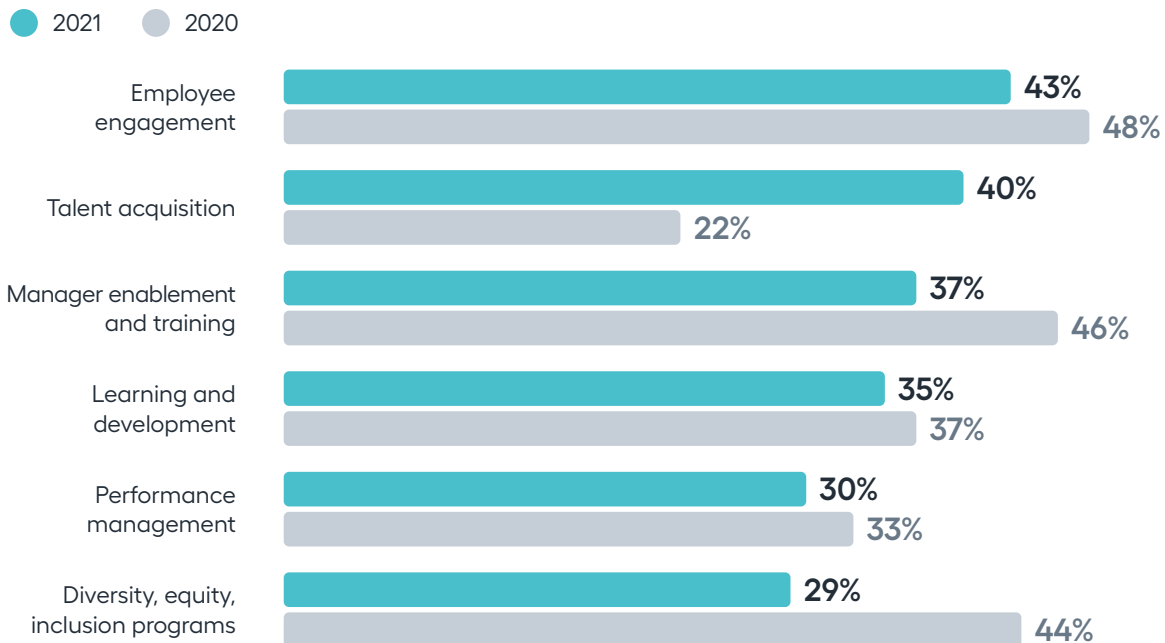
CHALLENGE #3

# Diversity, equity, inclusion, and belonging (DEIB) programs lost steam.

By all accounts, 2020 *should* have been a transformative year for diversity, equity, inclusion, and belonging (DEIB) in the workplace. The murder of George Floyd and the global swell of support for the Black Lives Matter movement was an impetus for change, and many companies stood against racial injustice and inequality both publicly and within their hiring practices. Last year's survey found that more than 60% of organizations were building on their DEIB programs after those events.

**Twelve months later, DEIB has gone from being our respondents' third-highest priority to their sixth.** Talent acquisition, ranked sixth last year, climbed into second position. Engagement, talent acquisition, manager enablement training, and learning and development all ranked above DEIB this year as well.

Top 6 Highest-Priority People Strategy Initiatives



Respondents: 876

Q: In the next 12 months, which of the following People Strategy Initiatives will be the highest priority to improve, or will have the most visibility to senior management? Select up to 3 initiatives.



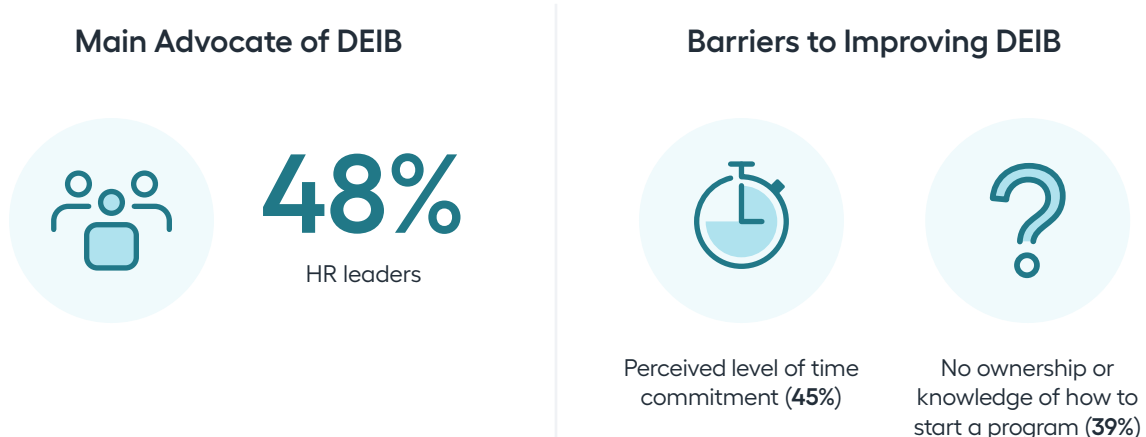
So what happened? One optimistic assessment might be that last year's heightened investment in DEIB achieved its goal. A perhaps more realistic appraisal suggests that competing HR priorities led to DEIB falling off most teams' radar.

"We know that to make real progress on DEIB it needs to be a priority, and not only when there's a horrific event capturing press attention," Carhart said. "Nearly a year and a half after the murder of George Floyd, we should take stock of where we've made progress and where we've fallen short."

Among People teams that are prioritizing DEIB this year, most are only doing so at the hiring stage. When asked to identify their leading initiatives, 80% of respondents identified "diverse hiring practices" as a focus area. Although diverse hiring practices are important, most experts consider them [only an entry point](#) to more substantial work in DEIB. Companies are less likely to keep these new hires long-term without investing in key areas like inclusivity, pay equity, and [equitable performance management](#).

Competing priorities, lack of bandwidth, and executive indifference may also be behind the lack of prioritization. Nearly half (45%) of respondents shared that they lacked adequate time to invest in DEIB initiatives, a particularly troubling stat considering that HR teams overwhelmingly shoulder that responsibility at most companies. If People leaders don't have the bandwidth to advocate for DEIB, the issue often gets dropped entirely.

"HR teams will play an essential role, but we need advocates across the company, particularly amongst the executive team. Employee resource groups are critical partners, but we know that too often it's been unpaid labor combined with the expectation to fix company issues," Carhart said. "Over the last year, we've finally seen some companies flip the approach and start to compensate ERG leaders."



## CHALLENGE #4

# Burned-out HR teams need headcount and budget.

Last year's State of People Strategy Report found that burnout and emotional exhaustion were rife in HR. Between navigating a global pandemic, health and safety concerns, and a new way of working, they certainly had ample reason to feel that way. Twelve months later, the sentiment remains the same — though the list of reasons why has evolved.

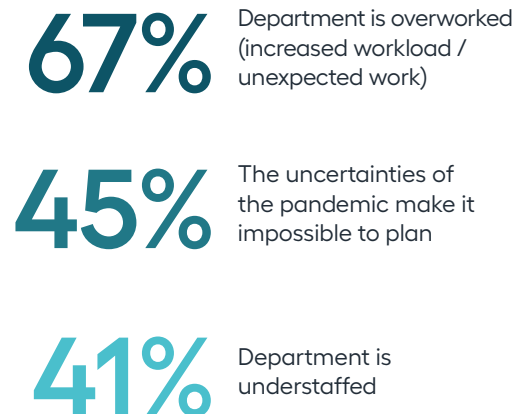
**More than 40% of HR teams cite an overwhelming number of projects and responsibilities as one of their biggest challenges.** Similar to last year, managing issues related to remote work and the pandemic were top of mind. But while last year's teams were deeply affected by having to facilitate furloughs and layoffs, today's leaders are faced with a completely different challenge: The need to source, hire, and onboard talent quickly and efficiently.

Hiring is a priority (and stressor) among today's HR teams. But there's a cruel irony behind the data: **The team tasked with upscaling the rest of the organization is critically understaffed itself.** Among HR leaders who said they were emotionally exhausted, more than two-thirds blamed it on being overworked, and more than 40% said it was because they needed additional headcount to meet their business goals.

### Biggest HR Challenges



### What Makes HR Team Exhaustion Challenging



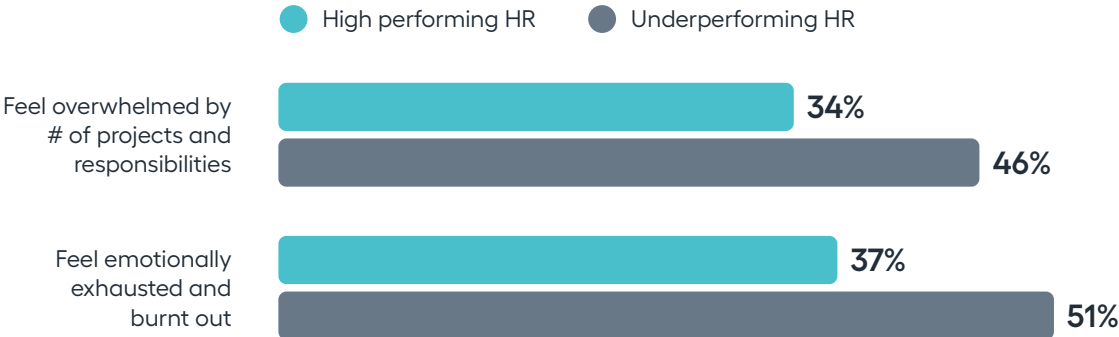
“The challenges brought on by the pandemic have been particularly acute for HR professionals who, for the last 18 months, have been on a roller coaster ride that seemingly never ends,” said Russell Lobsenz, Principal and Talent Management Practice Lead for [Lattice Advisory Services](#). “Although the worst of the pandemic is behind us, there’s no reason to believe HR’s job will get any easier, especially with a supercharged demand for talent.”



## Although the worst of the pandemic is behind us, there’s no reason to believe HR’s job will get any easier.

These challenges don’t just affect HR professionals. Because these teams drive recruiting, engagement, and performance management for their companies, it’s in the interest of every executive leader to ensure HR leaders are supported and equipped. Indeed, the highest-performing HR leaders in our survey were significantly less likely to report being burned out or overwhelmed. They also tend to be better staffed and, as we’ll address later, better equipped with technology.

“Think back to the financial crisis in 2008. Just like CFOs and finance teams were tasked with reinventing approaches to planning and budgeting, CPOs and HR professionals have been called upon to adopt more agile approaches suited to the moment,” Lobsenz said. “Against this backdrop, HR teams are struggling to take care of themselves while also taking care of their colleagues.”



CHALLENGE #5

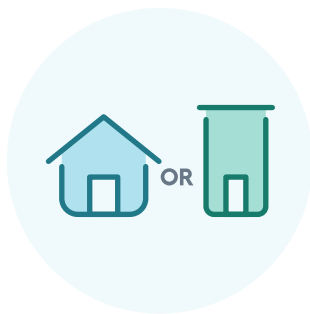
# Hybrid work isn't going anywhere.

Last year, the start of the coronavirus pandemic forced teams to transition to a new way of working. Managing the logistical challenges of remote work and finding ways to keep employees productive were chief concerns among HR professionals. Today, new virus variants and continuing health and safety concerns stand in the way of broader reopening plans in many industries.

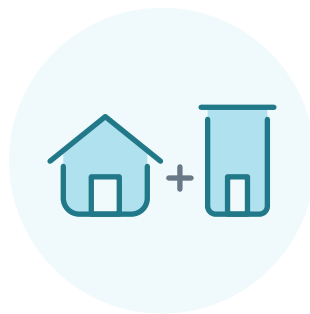
**In our survey, 60% of HR departments shared that they don't expect to see much change in the number of employees working remotely over the next year.** Averaged across all industries, they specifically believe that more than half of their employees will be remote in 2022, at least part-time. Nearly a third of respondents are leaving it up to employees to decide whether or not they'd like to report to a physical worksite, with the clear exception being in industries like manufacturing and hospitality.

With few respondents intending to reopen completely, hybrid work will be a business reality for most organizations moving forward. But just because we've been working this way for more than a year hasn't made it easier. HR leaders identified a host of challenges associated with hybrid and remote work, ranking "feeling disconnected from the organization" as their employees' leading challenge. Concerns around cross-team communication and work-life balance rounded out the top three challenges.

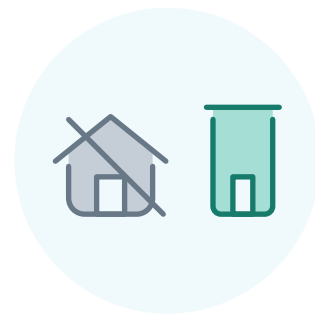
## Planned 2022 Remote Work Policy



Employees have the option to either work from the office or work remotely (**32%**)



Employees will be fully in-office for a few select days and fully remote for other days (**24%**)



All employees are required to work in-office/on-site (**15%**)

“Hybrid work is not only about where people work, but also when and how they work. While there’s evidence that fully remote and hybrid work has had a neutral or positive effect on productivity, these more flexible approaches to work are not without their challenges,” Lobsenz said. “One of the most pressing concerns is building culture when your workforce is highly dispersed.”

What you won’t find atop employees’ list of challenges are concerns about technology or productivity. Most hybrid workplaces appear to have overcome the logistical hurdles of remote work, leaving interpersonal challenges as the primary stressor.

“There is some evidence that suggests communication and connectivity within teams increases in hybrid settings. That’s the good news. The bad news is that there’s also evidence that connections across teams decline substantially,” Lobsenz said. “To develop and foster culture in a hybrid work arrangement, careful consideration must be given to how to connect team members in the right places, at the right time.”

When we asked HR professionals to rate *their* hybrid-work challenges, onboarding and employee training topped the list. It’s possible that respondents feel that new hires may be less engaged in these kinds of activities when they’re remote. And given that HR teams are in the middle of a hiring surge, they’ll want to ensure that future recruits feel included and a part of the company culture.

### Greatest Hybrid Workplace Challenges for Employees

**48%** Feeling disconnected from the organization

**39%** Communication with team members and other employees

**36%** Inability to create separation between work and personal life

### Greatest Hybrid Workplace Challenges for HR

**41%** Onboarding

**34%** Managing employee training

**33%** Hiring

# Meeting the Challenges

# Empowering managers drives better HR outcomes.

Faced with the transition to hybrid work and an overwhelming list of priorities, HR teams depend on managers more than ever. In an increasingly distributed workplace, managers serve as proxies for HR initiatives including engagement, performance management, and career development.

“Many often believe that HR ‘owns’ employee experience and engagement. It’s my view that one role of HR is to enable and empower managers,” Jessani Mitra said. “The manager plays a particularly important role, given their authority in hiring, delegating work, promoting, and firing. They also impact employee safety, empowerment, and engagement.”

**Respondents identified **manager development (75%)** and **leadership training (67%)** as critically important over the next 12 months.**

We asked HR teams to share the priorities that they *wished* they could spend more time on. Learning and development made their wish lists 43% of the time, making it the top-ranked choice. Within that category, respondents identified manager development (75%) and leadership training (67%) as critically important over the next 12 months. Career pathing, job competencies, and mentorship programs were also listed.

Manager training is a broad initiative, covering issues ranging from coaching to diversity and inclusion. This year’s respondents focused on behavioral foundations, including everyday practices like giving feedback and employee coaching. They also prioritized leadership training, coaching services *for* managers, and enhanced manager tools. (That latter category includes software for managing one-on-one meetings, employee recognition, and feedback.)

“Managers now more than ever can’t just support employees’ work. They may also need to be equipped to support *employees* through personal circumstances,” Jessani Mitra said. “Building trust and rapport, being able to have open conversations, and the need to problem-solve across virtual platforms, makes leadership training even more critical.”

The focus on leadership behaviors and tools was also apparent when HR teams rated one-on-ones and feedback as the two most important manager activities. That emphasis appears to be well placed, as **HR teams that meet or exceed their goals also tend to rate these manager/direct report touchpoints as important.** Respondents that *didn’t* rate these highly were more likely to indicate that they weren’t meeting their goals.

“The key is in empowering managers to have these conversations in a way that includes both care and clarity in the messaging,” Jessani Mitra said. “HR teams also need to enable managers in those really difficult scenarios, like when they have to give feedback but are worried about how an employee who feels stressed will receive it. In reality, helping these reports grow gives these individuals more, not less, job security and safety.”

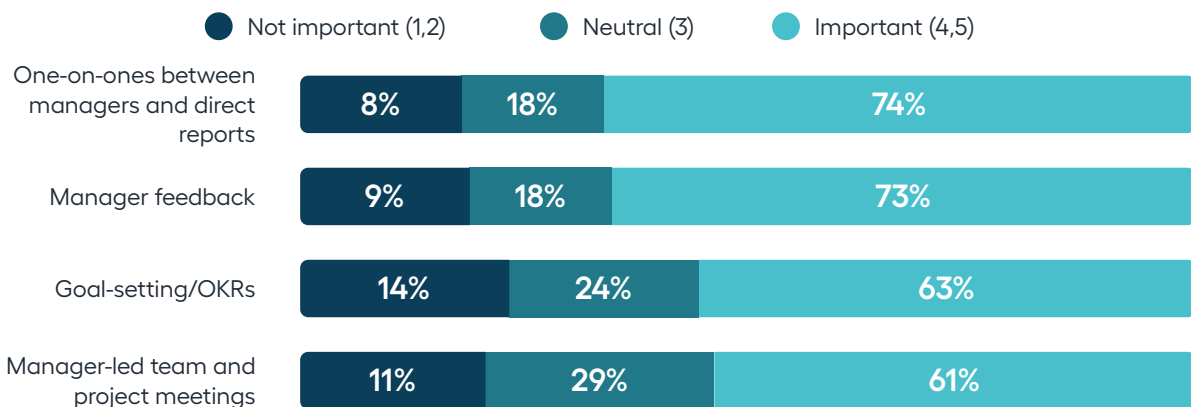
### Components of Manager Enablement and Training

**84%** Management behavioral foundations training (e.g., feedback, coaching, etc.)

**80%** Leadership training

**43%** Coaching services for managers

### Top 4 Highest-Rated Management Activities



Respondents: 828

Q: How important are the following behaviors and activities at your company? (1 = Not at all important, 5 = Extremely important)



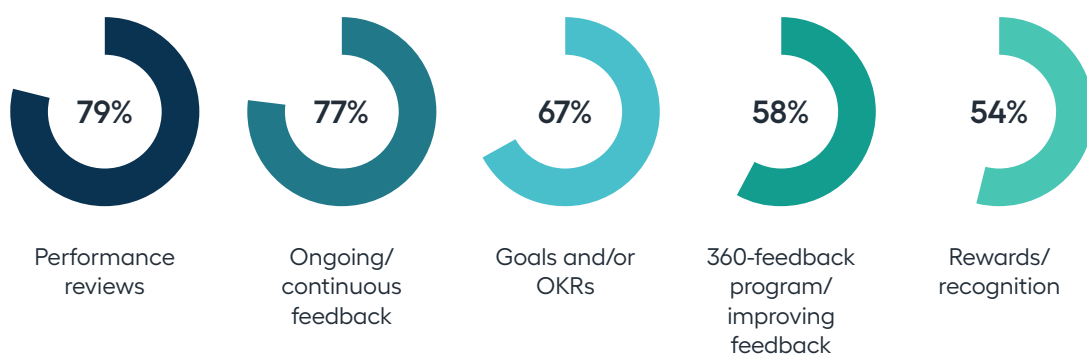
# Performance reviews aren't going extinct, they're evolving.

As an HR professional, you've likely heard what the critics have to say: Performance reviews are subject to bias, have unclear objectives, and risk making feedback a yearly event. And yet, when structured thoughtfully, they can influence business development and growth, give employees a chance to share and receive valuable feedback, and improve job satisfaction and turnover rates.

**And this is why performance reviews are still the dominant practice in performance management.** Nearly 80% of respondents consider reviews a core part of their performance management strategy, alongside ongoing feedback and goal setting. When asked to identify their leading KPIs, HR teams also ranked performance reviews second only to voluntary turnover.

Reviews are clearly the leading approach to driving employee performance. But there's also evidence that other models may soon supplant the traditional once-a-year approach. In our dataset, annual and semi-annual reviews accounted for 31% and 27% of respondents' review cadences. **Notably, this year's data shows a drop in the number of companies conducting annual reviews, and an increase in the use of quarterly and monthly reviews.**

## Components of Performance Management



Respondents: 263

Q: You selected Performance Management as one of the most important People Strategy initiatives for your company in the next 12 months. Which of the following are part of this initiative? Select all that apply.

What's driving the shift? In addition to the growing popularity of [continuous feedback](#) (77% of HR teams surveyed incorporate it as part of their performance management model), the shift to remote work may be prompting companies to rethink how they conduct reviews. Annual reviews already put limits on regular feedback. Absent daily, face-to-face contact, managers and direct reports have fewer opportunities to exchange constructive feedback organically.

## Notably, this year's data shows a drop in the number of companies conducting annual reviews, and an **increase in the use of quarterly and monthly reviews.**

“What one learns in a performance review should never be a surprise. That's why more and more companies are looking to create *cultures* of feedback,” Jessani Mitra said. “While annual and semi-annual reviews are helpful and can codify performance, consistent feedback also helps employees grow and helps them know where they stand.”

The shift toward more regular reviews and feedback conversations seems to be paying off. **Our dataset found that high-performing HR teams are five times more likely to run quarterly performance reviews.** While not every organization will have the bandwidth to immediately switch to a quarterly or monthly review cadence, bringing employee feedback into focus more regularly, even in an informal way, is a goal worth pursuing at most organizations.

“To make this culture of feedback happen, HR teams need to focus on both ongoing feedback through one-on-one meetings and consider more frequent review processes,” she said. “When increasing the frequency, the key is to make the process easy for managers to conduct and HR teams to execute. Otherwise, it can take too much time, putting the process and desired outcomes at risk.”

### Performance Review Cadence and HR Team Performance

Conduct employee reviews quarterly or more frequently



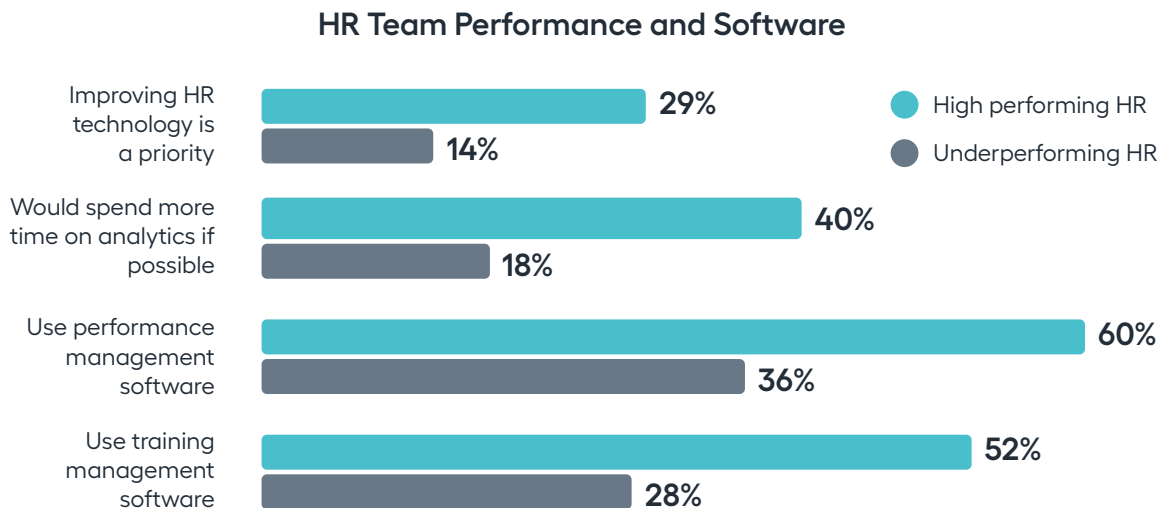
● High performing HR ● Underperforming HR

# The best-performing teams prioritize HR analytics and technology.

Modern HR teams have a lot on their plates. In theory, having the right tools in place should make their jobs easier. From applicant tracking systems to people management platforms, there's a tool matched for [every stage of the employee lifecycle](#) — each promising to have game-changing effects on your organization's People strategy. But does it actually play out that way in practice?

**The most successful People teams invest in HR software and analytics.** Specifically, 60% of high-performing teams indicate that they used performance management software in the last year to streamline processes like reviews, goals, and feedback. Similarly, more than half of those teams use training management software, suggesting that employee and manager enablement might be key to HR's success.

“We know that ‘software is eating the world’ and HR is no exception. With teams often light on resourcing, it's critical to automate otherwise manual processes to avoid spending all of their time in tactical work,” Carhart said.



These high-performing HR teams aren't resting on their laurels, either. Nearly a third are prioritizing future [HR tech stack](#) improvements. Besides searching for ways to better handle day-to-day administration through an HR information system (HRIS), more than half of People teams are looking at survey and performance review software. With remote and hybrid work remaining business-as-usual for most respondents, it's no surprise that keeping tabs on employee sentiment remains top of mind. Recalling our earlier findings on hybrid work, 48% of respondents indicate that their biggest concern was that remote employees would feel disengaged and disconnected from their peers. Notably, high-performing teams also tended to want to get more out of their HR data.

“Software on its own is never enough. There are many enablers, but a critical one to focus on is HR team skills in analytics,” Carhart said. “This *doesn't* mean that we need to be experts, but we should get comfortable — or be ok being uncomfortable — with basic data and financial information.”

Just as the shift to remote and hybrid work elevated the importance of engagement surveying, manager enablement also remains a key focus for tech investment. More than a third of HR teams are searching for manager tools and training systems to streamline weekly one-on-ones, status updates, and coaching. This trend, which was also evident last year, speaks to HR's growing reliance on management to keep employees engaged and productive in hybrid workplaces.

### Top HR Software Priorities



Respondents: 130

Q: You selected HR Technology as one of the most important People Strategy initiatives for your company in the next 12 months. Which of the following are part of this initiative? Select all that apply.

# Conclusion

After an unprecedented 18 months, it's clear that being in HR isn't getting any easier. With rotating priorities, new responsibilities, and higher expectations, the way forward isn't to simply ride out the storm. Today's challenges will shape tomorrow's, and the most successful People leaders will be the ones who can adapt and learn from the moment.

Being asked to single-handedly “own” business-critical priorities like employee engagement, talent acquisition, and performance management is hard. Doing so during a multi-year pandemic is even harder. But there's encouraging evidence that some teams aren't just weathering these challenges — they're *succeeding*.

Nearly 20% of HR teams are defying the odds and exceeding their goals. But don't call them lucky — we found consistent threads between these respondents' success and their focus on engagement, performance, and other People strategies. As is described throughout this report, the “secret” to exceeding your goals may be more intuitive than you think.

Consider our earlier findings: HR teams that believe in engagement surveys have more engaged employees. Those that hold more frequent performance reviews, in turn, perform better. Implementing technology doesn't just save time, it may reduce stress levels, too. Throughout our dataset, “trusting the process” created a positive feedback loop that made HR teams more successful.

These aren't new concepts to People leaders. Still, they need executive-level support, budget, and headcount to deliver on them. For businesses eager to attract, retain, and develop their talent, there's no team more deserving of your investment right now than HR.

# About Lattice

Lattice is the people management platform that enables people leaders to develop engaged, high-performing teams. By combining continuous performance management, employee engagement, development, and growth in one solution, HR and People teams get powerful, real-time analytics that lead to actionable insights turning managers into leaders, employees into high performers, and companies into the best places to work.

Lattice works with companies who aspire to put people first. Whether redefining the beauty industry or building self-driving cars, all of our customers have one thing in common: they value their employees and want to invest in the development and success of their people.

## Trusted by the best places to work

Join the 3,100+ organizations that use Lattice to help power their people strategy.

[Request a demo](#)

