WHITE PAPER

# Why Reviews, Learning, and Compensation Must Be Interconnected

## Why HR Tech is Leaving Too Many Behind & How to Fix It

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In today's landscape of digital workflows, HR technology is experiencing a familiar phase of SaaS evolution and specialization. While enterprise platforms like Workday and SAP revolutionized HR and payroll for large-scale global operations, their growth has come at a cost. As these platforms expanded in complexity and focused on serving the needs of massive multinational organizations, smaller and mid-sized businesses were increasingly overlooked.

## The Result?

A fragmented ecosystem of disconnected platforms, where the very companies that require agile, integrated solutions are forced to navigate siloed tools that fail to keep pace with their evolving needs. This created a gap in the market.

That gap was quickly filled by a new generation of "all-in-one" HR suites offering affordability and simplicity. For many SMBs, these solutions address basic needs across core HR functions. However, as companies expanded, particularly those emphasizing culture, learning, and performance, they found these tools to be too rigid.

## What followed was fragmentation.

Influenced by frameworks like Drucker's MBO, Grove's management systems, and Google's OKRs, companies started looking for tools that support more precise goal setting and feedback methods. An early sign of this trend was the rise of OKR and review-focused vendors, such as Lattice, which quickly gained popularity among tech-savvy employers who found traditional HR suites too disconnected.

This pattern was consistent across the entire HR stack, including applicant tracking systems, learning platforms, and benefits management. In response, vendors took the opportunity to address more specific needs. This left many organizations struggling with tool sprawl, either by integrating all-in-one suites with add-on point solutions or by managing a confusing array of isolated platforms.

### The consequence?

HR leaders and managers are left to navigate a complex web of disconnected systems, misaligned expectations, and inconsistent workflows. The very tools meant to drive performance, learning, and growth are now a barrier to all three.

## Potential starts here.

# The Growth Flywheel: A Framework for Rapid People Development

In the most effective organizations we've studied, performance reviews aren't just isolated rituals or 'CYA' processes. They serve as key operational triggers for something bigger: a continuous growth cycle that connects employee feedback, development opportunities, and compensation, not only within a single system, but as part of a unified workflow.

We refer to this as **The Growth Flywheel**, and it looks like this:



Compensation Shapes Performance Expectations
Performance Reviews Inform Pay Decisions
Reviews Identify Skills Gaps – Overcome in Learning Platform
Learning Reflected in Next Performance Review
Learning Progress Reflected in Pay Expectation
Compensation Gaps Trigger Development Plans

**Trainery HCM 1™** Powered by **Trainery**CORE™

- **Reviews** highlight strengths, gaps, and ambitions.
- **Learning** targets those gaps with specific development – not just content.
- **Compensation** supports growth, turning results into retention and motivation.
- **Progress** now sets up a stronger, more informed cycle ahead.

**In this model, each piece not only exists, but it also supports the others. It's not just HR managing a process; it's HR running a system for performance acceleration.**

Most companies have these three pillars, but few connect them effectively. When they don't, **the flywheel breaks**:

- Reviews happen but **don't lead to development.**
- Learning occurs but **doesn't align with business-critical skills.**
- Raises are handed out but feel **disconnected from actual performance.**

This disconnection isn't just inefficient — it's demoralizing. Employees feel it. Managers feel it. HR observes the downstream effects in engagement, turnover, and talent development stalls.

**The future of strategic HR isn't just adopting tools; it's designing systems where each workflow drives the next.**

# Why Disconnection Hurts

Most companies don't lack tools — they lack alignment. HR systems are in place, but they rarely communicate with each other. When performance, learning, and compensation operate in silos, the result isn't just inefficient: **It's lost growth, eroded trust, and measurable business harm.**

Only 19% of employees strongly agree that their performance is managed in a way that motivates outstanding work, according to Gallup's latest global workplace research. This isn't due to a lack of reviews, but because feedback often goes nowhere. A high-potential employee gets glowing praise, but there's no follow-up plan, no skill development, and no career pathing. The message fades, and so does the motivation.

At the same time, companies are investing more heavily in learning and development (L&D). According to LinkedIn's 2024 Workplace Learning Report, 90% of L&D leaders cite employee retention as their top priority. Yet, when learning is disconnected from performance conversations, it risks becoming a checkbox activity rather than a driver of growth. Employees attend training that doesn't align with their feedback, managers fail to reinforce key takeaways, and HR is left unable to show meaningful impact.

Compensation reveals where disconnects are most visible and damaging. Raises and promotions are still often handled with spreadsheets and memory rather than grounded in structured performance data. When top performers feel ignored or compensation seems disconnected from their contributions, trust diminishes. HR ends up managing the fallout instead of fostering progress.

The business impact is substantial. Gallup estimates that employee disengagement costs the global economy $8.8 trillion annually, approximately 9% of the world's GDP. Much of this loss results from misaligned incentives, unclear expectations, and failures in the employee development system.

**When these systems become disconnected:**

- Feedback is provided **but not acted upon.**
- Learning occurs, but **does not align with actual performance needs.**
- Raises are awarded, but there is **no shared understanding of merit.**

This isn't just a missed opportunity, it's a growing problem. Employees feel unseen. Managers feel unsupported. HR becomes reactive. An increasing number of strategic HR teams are taking a different approach.

# Potential starts here.

# What Strategic HR Teams Do Differently

The most innovative HR teams have shifted from process managers to **growth architects**. They don't just conduct reviews or handle compliance but create systems that boost performance, develop talent, and improve retention.

This transformation started in fast-paced industries like tech, where talent was both the limit and the advantage. Facing constant competition for top performers, companies like Google couldn't afford disjointed HR practices. They needed highly integrated people systems that could scale talent faster than the market.

Google famously implemented its approach using Objectives and Key Results (OKRs), but the real breakthrough was what lay beneath that framework: a connected ecosystem. Reviews weren't isolated — they served as a starting point for calibration, development planning, and promotion discussions. Learning was linked to team performance and technical skill gaps, provided both on-demand and through manager recommendations. Compensation was supported by structured feedback, peer reviews, and upward input, not just manager memory or tenure. The system wasn't perfect, but it was deliberate. And it generated leverage.

**What sets these HR teams apart isn't just the software they use but how they design for connection:**

- **Reviews** aren't one-offs. They trigger learning plans and promotion pathways.

- **Learning** isn't ad hoc. It's aligned with performance data and delivered within the workflow.

- **Compensation** isn't isolated. It reflects structured, documented growth and is tied to the behaviors that matter most.

Instead of asking, "What do we need to comply with?", these teams ask, "What system will help our people grow faster, stay longer, and deliver more?"

The difference lies in architecture. They've transitioned from disconnected programs to integrated, reinforcing workflows. While tooling is necessary, the operating model is what creates a compounded impact.

# How This Informs Trainery's Product Design

Trainery didn't start with a product roadmap. It began by addressing a set of problems our clients couldn't solve. Reviews were disconnected from growth. Learning occurred in isolation. Compensation felt arbitrary. We were addressing obvious gaps identified in real-time. But as more organizations adopted our solutions, a broader insight emerged.

The true value wasn't in any individual module. **It lay in the interaction between them. The loop. The flywheel**.

**That insight has become the cornerstone of everything we develop.**

Today, TraineryHCM's core systems — performance, learning, and compensation — are already tightly integrated. Review data can trigger development plans. Learning progress is visible within the performance cycle. Compensation reviews depend on structured, contextual performance inputs. These connections are active, sparking action and amplifying growth.

**The roadmap has unfolded.**

We're making bigger strides. Our roadmap aims to strengthen connections between modules, cut down manual handoffs, and promote a smarter flow of insights throughout the entire employee lifecycle. Every product supports the system as a whole.

We're not adding features to a tech stack. **We're creating a performance architecture. This is one that aligns people, workflows, and decisions around a core principle: growth is a process, not just an outcome. Systems can speed up that process.**

## Potential starts here.

# A Challenge to HR Teams

TraineryHCM™ is designed for HR teams that think like operators and leaders who view their role not as a service desk but as a growth engine. If you're focused on alignment, momentum, and genuine performance, not just compliance, we're built for you.

## If that's the future you're working toward, we'd love to be part of the journey.

### LearnMore@Trainery.one | 800.397.5215

**Sources**

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- **Gallup** (2023 State of the Global Workplace) – Employee disengagement costs the global economy $8.8 trillion annually (~9% of global GDP): https://www.gallup.com/workplace/349484/state-of-the-global-workplace-2023-report.aspx

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