

## High performers like performance evaluations

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It seems every week some HR blog says employees hate performance evaluations and we should get rid of performance reviews. I agree that many performance management processes are in dire need of improvement. But as I've discussed elsewhere, recommendations to eliminate performance evaluations are naïve and misguided <insert hyper link to article>. These recommendations are naïve because if a company pays some people more than others then it evaluates performance, even if it says it doesn't. Companies that claim to be eliminating performance evaluations are usually just hiding the evaluation process from employees. These recommendations are misguided because performance evaluations, assuming they are done well (and admittedly a great many are not done well), are critical to creating a high performance workforce. What I've also come to appreciate through conversations with scores of companies is the claim that "employees hate performance evaluations" is also wrong – at least when applied to high performing employees.

**No one likes a lousy process.** Before I explain why high performing employees like performance evaluation processes, let me be clear that I do not mean they like lousy performance management. Many companies have really bad performance evaluation processes. These processes are often designed to justify compensation decisions that have already been made, give leaders the illusion of having a high performance workforce by forcing managers to make differentiations in performance that do not actually exist, and/or allow HR organizations to simply "tick the box" that employees have received a documented review. It is unlikely any manager or employee will like these processes because they do little to increase workforce productivity.

Good performance management processes are designed so employees are given clear job goals and expectations, are fairly and consistently evaluated based on these expectations, and are managed differently based on the contributions that they make to the company. These processes ensure that high performing employees who contribute relatively more to the company receive greater levels of investment in the form of pay and career growth opportunities, while low performing employees are held accountable for improving their performance or managed out of the organization. When I say "high performing employees like performance evaluations", I mean they like these types of effective performance evaluation processes.

**Why do high performers like performance evaluations?** There are at least three reasons why high performers like rigorous performance evaluation processes, although the three reasons do not apply equally to all types of high performers.

**Competitive orientation.** Many high performers are driven by a competitive desire to be the "best in their class". These people derive motivation from being able to show they are in the "top 25%" or higher. Learning that they are not in the top quartile often drives them to work harder so they'll be on top next time. Competition is not a motivator for all people, and can even be demotivating for some. But it is highly motivating for people in many jobs. For example, I once asked a group of sales people "how many of you are motivated by knowing whether you are in the top 10% of performers in your organization?" Virtually every person in the room raised their hand. And the only way you can know if you are the best of the best is to have your performance evaluated relative to that of your peers.

**Recognition for a job well done.** Psychologists differentiate between competitive orientation and self-actualization or “mastery orientation”. High performers with a strong mastery orientation are driven to do the best job they possibly can do, regardless of how their performance stacks up against others. In my experience, mastery orientation tends to be more influential than competitive orientation for employees in most jobs (a noticeable exception being sales jobs which seem to attract highly competitive people). Mastery oriented people do not care much about competition, but they do appreciate being recognized for exceeding performance expectations. For example, I worked with a restaurant chain that prided itself on hiring highly cooperative, service oriented employees. These employees tended to be mastery oriented yet showed appreciation when they were evaluated and recognized as being “best in class” job performers. Being recognized as a top performer wasn’t about being better than others, but about achieving a level of job performance that was bordering on perfection.

**Protection from low performers.** One of the hallmarks of an effective performance evaluation process is ensuring that companies recognize and address issues of under-performance. Many high performing employees can tolerate not being recognized for their contributions, but hate working with employees who do not share their commitment to quality and productivity. High performers appreciate performance evaluation processes that ensure all employees meet minimum levels of competence. I saw a great example of this when several high performing nurses chose to quit a hospital rather than being forced to entrust the care of their patients to less competent coworkers.

These are a just three of many reasons why high performers like accurate and rigorous performance evaluation processes. For example, I also suspect many high performers value the meritocracy that comes from more effective pay for performance methods. The main point is high performing people like to work for high performing companies, and effective performance evaluations are a critical to creating high performance cultures.

**You can like the process outcomes without liking the process steps.** At this point you might be saying, “hey I’m a high performer but I hate filling out performance reviews!” First, check the criteria provided earlier to ensure that your performance management process is a good one. Second, recognize that you don’t have to enjoy a process to appreciate its benefits. The process of evaluating performance can be tedious, is occasionally stressful, and often leads to difficult but important conversations. That’s the price you pay if you want a high performing culture. It’s a bit like getting a flu shot. No one likes waiting in a doctor’s office for an hour to get a needle stuck in their arm. But we appreciate the value of staying healthy.

**Many poor performers do not like performance evaluations.** High performers like effective performance evaluation processes, but many poor performers dislike them. These processes call attention to the fact they are not fulfilling their work commitments and letting down their co-workers. Being told you aren’t making the grade is likely to be ego-threatening and generally unpleasant. Many poor performers would probably prefer no evaluations rather than be identified as being poor performers. But if they are going to be identified as poor performers then the use of well-defined performance management methods tends to be perceived as being fairer than simply having managers express their opinions about performance with no clear justification or process of evaluation.

In conclusion, the next time someone suggests that your company get rid of performance evaluations because people don't like them, what they might really be doing is encouraging your company to create a performance management processes that only appeals to low performers. That's not a good formula for creating a high performance workforce.