

It goes to 11: Performance ratings, HR doublespeak and the death of transparency

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Rating performance involves placing employees in different categories based on their perceived value to the organization. If your company believes that not everyone performs at the same level, and that employees who contribute more to the company should be rewarded with greater resources and opportunities, then your company rates employee performance in some manner. Your company may not use annual performance ratings or assign numeric ratings to employees, but leaders in your company are using some method to categorize certain employees as being more valuable than others. So the question is not whether you rate employees, but whether you rate them in an accurate, fair and effective manner.

I have never encountered a company that did not believe in rewarding performance, even though most struggle to do it well. I have also never encountered a company that did not rate employee performance in some manner. Yet I occasionally encounter HR professionals who say their company has eliminated performance ratings. When I hear such statements, I usually ask a few questions to see how they got rid of something that [may not be possible to totally eliminate](#). The following describes a typical exchange:

HR Professional: We have eliminated performance ratings from our company.

Me: Do you mean you got rid of annual manager ratings and shifted to rating employees through other methods such as calibration talent reviews?

HR Professional: No, we have totally gotten rid of any form of performance rating.

Me: Interesting. Does your company believe there should be a relationship between employee performance and decisions related to compensation, promotions, and restructuring?

HR Professional: Yes. But we do this without rating performance. Instead we have sessions to identify which employees add more impact, talent, capability and contributions to the company.

Me: How do you determine who these employees are?

HR Professional: We look at a variety of things such as potential, influence and attitude.

Me: And what data do you use to evaluate those things?

HR Professional: A major part is looking at what they've done in their current role.

Me: So you use job performance to place employees in categories based on their value to the organization.

HR Professional: Yes. But we aren't rating their performance.

These conversations remind me of a scene in the movie Spinal Tap where a guitarist claims his amp is better because its volume knobs go to 11. The interviewer notes the amp could be just as loud by increasing the volume when the knobs are set to 10. To which the guitarist responds, “these go to 11”. (<https://www.youtube.com/watch?v= sRhuh8Aphc>)

Companies claiming to get rid of performance ratings are often just re-labeling performance ratings as something else. This sort of doublespeak in HR is certainly not new. This is the profession that replaced terms like “weakness” and “counterproductive” with phrases like “development opportunity” and “over using one’s strengths”. HR has a long history of changing the names of things without actually changing the things themselves.

There is some defense for doublespeak around performance ratings. Saying you are rating employee impact, talent and capability instead of rating employee performance may encourage a more forward focused attitude toward performance evaluation. After all, companies actually don’t care that much about past performance in and of itself. What they care about is what past performance tells us about likely future performance. If replacing the word performance with words like impact or talent gets people to focus on future actions and spend less time debating past results, then by all means change what you call your rating process. But please don’t pretend you are getting rid of performance ratings. You are just doing it differently than how it was done before.

There are big differences in how companies rate performance and the emphasis they place on performance ratings. But every company rates performance. You don’t need knobs that go to 11 to have a louder guitar amp, and you don’t need to pretend you are getting rid of ratings to have a better performance management process. Hopefully we can stop all this noise about eliminating ratings and instead focus on providing employees with honest transparent communication about how their contributions will be evaluated and rewarded.