



The Conscious Leader

GILBURG LEADERSHIP INSTITUTE, INC.

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On Performance-Rating Creep

In response to our Summer newsletter a client, Larry Cullumber, at the Agricultural Research Service of USDA, suggested we write on the phenomenon of what he called, “performance-rating creep”. His reading of the problem is that over time performance ratings tend to creep upward. And what makes the “creep” a problem is that actual performance doesn’t change, making the rating itself, inflated.

Having consulted for many years in the public sector, we too have seen this problem and know that it can get out of hand if it isn’t curtailed. Further, we have noticed the cyclical nature of the problem – it is corrected in one decade, only to creep back in the next.

Let’s start by acknowledging that this is a naturally recurring problem that is built into the system and will get out of hand if not addressed. Moreover the problem tends to increase during “fat” years when budgets are up and diminish during “lean” years when budgets are down.

The most important thing to understand is that performance-rating creep is a *leadership issue*. The staff will always want to see their ratings get better, with or without any effort on their part. Therefore, leaders can count on constant and unrelenting pressure from their people to give them higher ratings.

Factors that Encourage Ratings Creep

The following factors tend to contribute to performance-rating creep, and need to be acknowledged in order to address the “creep” effectively:

- Seniority systems, formal and informal, promote the notion that people with longevity deserve higher ratings. After all, the argument goes, they have been around the longest and deserve recognition for their years of service
- Many work units become like families with low turnover and great longevity so managers end up wanting to keep peace in the family and make people happy
- Many public sector managers get promoted into management because of their technical expertise

and frequently find dealing with “people” issues to be difficult. As a result they may shun actions that distract them from doing the technical work and avoid confrontations that make them uncomfortable

- Many of the civil service personnel rules (and there are many) tend to favor the employees over the managers, making it very difficult to discipline employees for either performance or conduct issues. Managers end up avoiding the issues because of the amount of time and effort needed to deal with complaints and grievances
- Managers who tend to focus on the work itself, often prefer to avoid the tiresome processes required to document performance or conduct problems and, as a result, end up giving people higher ratings just to avoid the hassle and conflict
- Managers who do decide to address the issue may get overruled by superiors who want to avoid hassles and grievances themselves. So the lower managers end up going along with the system for lack of support from above
- Larry points out that a tiered rating system like his tends to create creep. For example there are two levels above “Fully Successful”-- “Outstanding” and “Superior”. It is virtually impossible to explain the difference between the two, which on a point scale system, is a disparity of only one or two points. “Outstanding” comes with more money and prestige, therefore that’s the one everyone wants. It’s easier to make someone “Outstanding” versus “Superior” than it is to try and explain the difference. In addition, when the distinctions and definitions are unclear, it forces managers to make interpretations themselves and that can lead to conflict within and between work units. In the end it is easier to award the “Outstandings” and put up with the grumbling of upper level management, than to try to create personal distinctions that are not supported systemically.

Steps to take to deal with the problem

1. **Get Clear About the Problem and Consider the True Cost of Performance-Rating Creep:** Focus throughout the organization on why performance-rating creep is a real problem. For example:

- Your best people become demoralized because poor performers keep getting high ratings. So why should they work so hard?
 - Consider the cost in cash and other awards that accompany high ratings
 - Consider the cost of promoting poor performers to grade levels beyond their capabilities and filling precious slots that could be filled by solid workers
 - Over time the poor performers get to run the place. All they have to do is threaten a grievance and managers give in. So who is really in charge?
 - The short term so-called benefits of making people happy end up creating long term organizational problems in performance, morale and retention
 - In a time of tight budgets with having to do more work with fewer people, having known poor performers around forces the high performers to work even harder and sets up managers to do the work their people should be doing
2. **Get Upper and Middle Managers on the Same Page:** *Upper managers* need to step up and recognize that this is a culture issue for which they are responsible. Culture change starts at the top and must be reinforced constantly in order to overcome the forces of inertia and resistance. Start by letting middle and lower managers know that you will support them for giving honest ratings. Call in your management team and create a strategy for making the culture change and make sure the team actually implements the strategy. *Middle and lower managers* need to make sure they will have the unqualified support of upper managers so they don't get the rug pulled out from under them. Don't assume anything; check with upper managers first.
 3. **Clearly Spell Out What it Takes:** Practically, managers need to redefine the meaning of the ratings and spell out what is required in order to achieve those ratings. In a time of ratings creep "fully satisfactory" gets equated with under-performing. This needs to change so "fully satisfactory" is seen as actually doing the job set forth in one's job description. Then higher ratings can have real meaning that relate to going beyond what is required. Moreover, if you are going to have two ratings above "fully satisfactory" make sure the distinctions are clearly spelled out so there is no confusion between them, and employees know what is expected to secure the higher rating.
 4. **Know your Rights:** Check with your Employee Relations people so you know your rights as a manager and don't get scared off by the threat of grievances. Face up to the reality that you need to live with the fact that you will get grievances and that you can survive them. The fact that you actually take a stand

can prove to be a major morale booster with your own high performers. So, even if the process is laborious and time-consuming, you will reap benefits in greater respect from among your better performers.

5. **Expect High Performance and document problems:** Take a stand as a manager that you will no longer do other people's work for them. After all if you are doing their work, what value are they contributing? And, more importantly, you are no longer managing, which is what you are getting paid to do. Stop enabling poor performers by redoing their work. Build their capacity by sending it back to them and requiring them to produce an acceptable work product. If they don't, make sure you keep a record and document everything. Make them feel the consequences of their performance and/or conduct.
6. **Utilize Probationary Periods:** Take full advantage of the employee probation period for new hires. If you keep a poor performer past the probation period you are stuck with the problem and now have to adhere to the complex procedures required to discipline a poor performer. Remember: "you snooze, you loose".
7. **Get Support:** Changing behavior, dealing with conflict, and holding the performance bar high can be daunting in the face of everything else you have to do. However, accept the fact that this is really an essential part of your job. So be willing to enlist a coach or colleague to help you navigate this new territory successfully.

Once the decision has been made to hold the line on performance ratings all managers involved need to follow through to make it happen. Remember the forces that promote creep; they are relentless. One of the most important things any manager does is review performance with each employee. If you are changing the system, you need to review employee performance at least monthly so they know how you are rating them. You can let them know clearly how they can succeed in getting the ratings they want, and thereby support their advancement in a meaningful and organizationally sound manner.

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