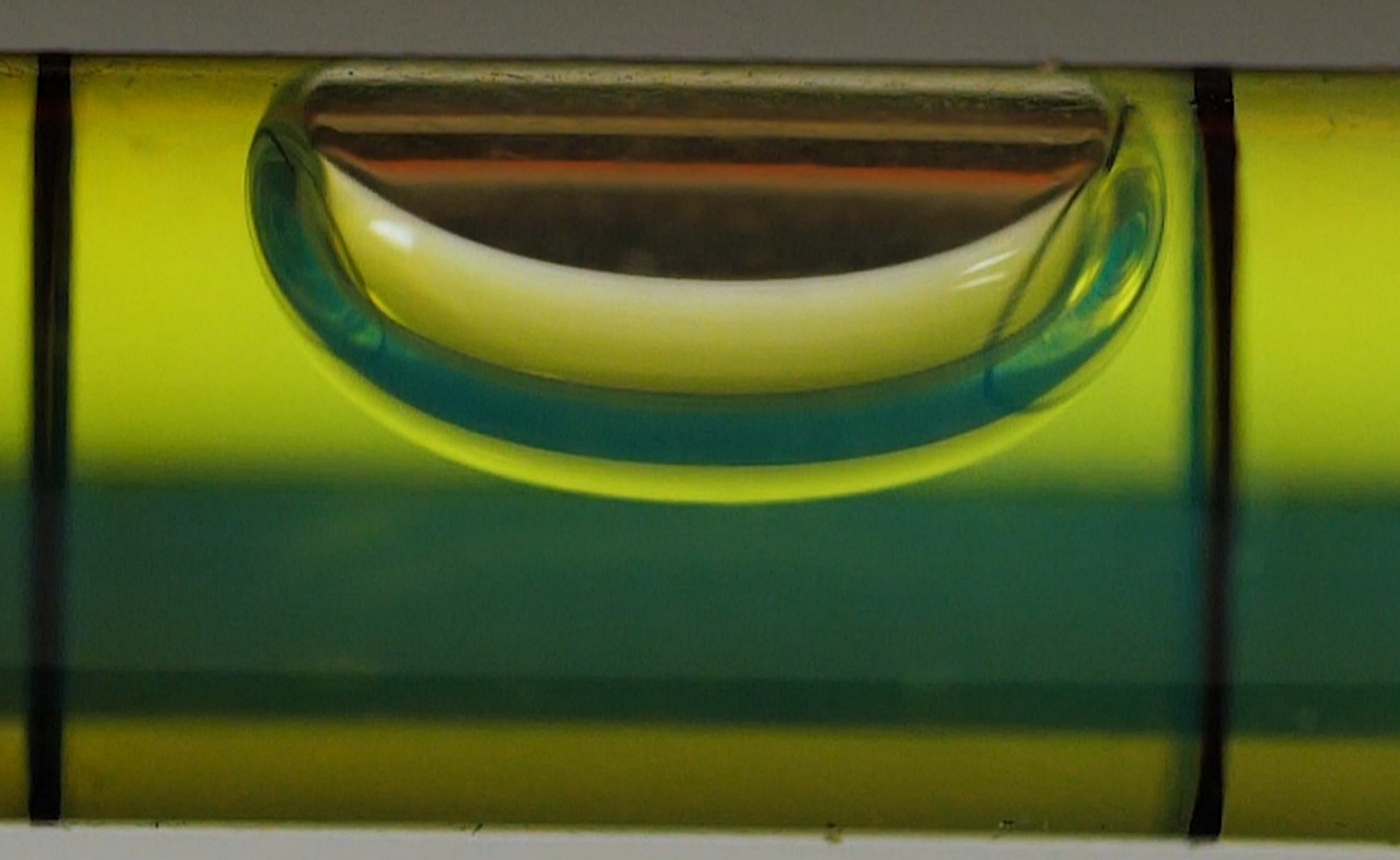


Why 'Meets Expectations' Never Does

A Manager's Guide for a productive
'Middle Rating' conversation



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by Marc Effron,
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Your family has just finished eating dinner and your spouse or significant other asks if you could clean up the kitchen. You respond, "no problem" and start to gather the dishes from the table.

In the kitchen, you dutifully rinse the dishes and put them in the dishwasher, wrap up the leftovers and put them in the refrigerator. You spray and wipe the counters with disinfectant, gather the trash and recycling and take it to the garage. A job well-done, you think to yourself as you walk back into the kitchen.

Your significant other walks into the kitchen a few seconds after you. You smile at them and say, "all done!"

*They respond, "Good. You met expectations."
How happy are you?*

Your feelings at this moment mirror what many employees feel in a performance review when they hear that they've "met expectations", "fully achieved" or whatever label your company assigns to the middle of its performance rating scale.

There's no good way to dress up the dreaded middle rating and no way to convince anyone that being "average" is absolutely fine. If this conversation is in your future, here are a few practical ideas to make it easier and more productive.

We're all better than average

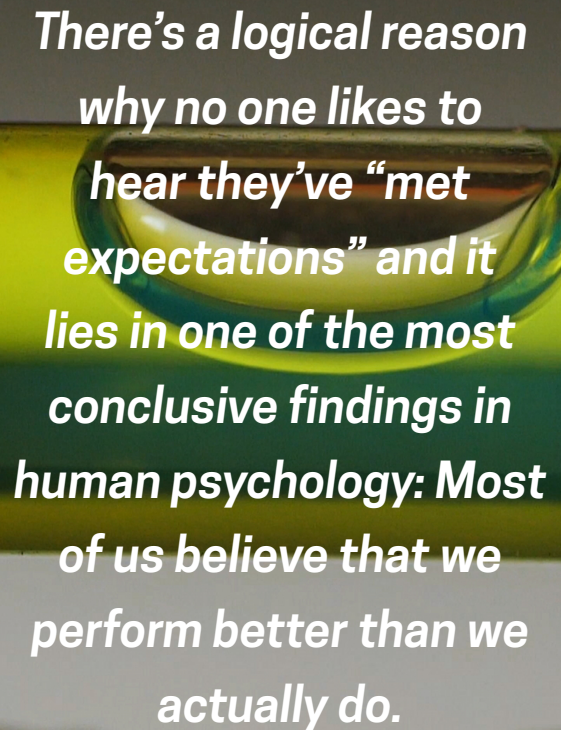
There's a logical reason why no one likes to hear they've "met expectations" and it lies in one of the most conclusive findings in human psychology: Most of us believe that we perform better than we actually do.

The best science tells us that the bottom 80% of performers believe that they perform better than they do. Even worse, the lowest performers are the least aware of how poorly they perform.¹

Men tend to overrate their performance more than women.² People from higher economic classes overrate it more than those from lower economic classes.³

Even college professors suffer from this bias. In a classic study, 68% of faculty at the University of Nebraska–Lincoln rated themselves in the top 25% for teaching ability, and 94% rated themselves as above average compared to the other faculty members!⁴

That belief in our performance superiority is a consequence of our brains working very



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hard to preserve our self-image. When our positive self-image is challenged with feedback we feel is negative, our brain reminds us that "I'm smart" or "I work harder than others." It's not hard to see how that defense mechanism gets in the way of having a rational conversation about our performance.

How to have a great "Middle Rating" conversation

Our strong belief in our own capabilities means that we won't necessarily enjoy hearing that we're rated in the middle performance category. Yet, you can still have a productive conversation with those who are.

Start by remembering the three points that science says makes people consider a review to be fair.

1) Trust: Do I trust that the person evaluating me is not biased against me and genuinely wants me to succeed?

Even if you set perfect goals and had regular coaching conversations, do not expect them to be thrilled to hear they are not in your highest performance category.

2) Standards: Is there a clear performance standard that I'm being evaluated against? This typically means that goals and metrics were set and communicated in advance.

3) Facts: Did someone have a chance to see me perform, or is other objective data available to evaluate my performance?

We find that #1 isn't an issue in most performance review conversations, but #2 and #3 often are.

For your direct reports who had goals and performed to expectations, the conversation should be relatively straightforward. "Here is what we agreed that you would do for the year and you accomplished those things. Your behaviors were aligned with what we expected.

The facts I used to make that determination are X, Y and Z and I gathered input from persons Q, R and T. We set a high standard to

meet expectations and you reached that high standard. Thank you."

If you didn't set clear goals or expectations, you can still establish a performance standard even if it's a bit late. In that case, you need to determine your reference standards for the role in advance of the review conversation. You need to be able to say "Keiko, my expectations for the performance of this role are A, and B, and C. Here's how I believe you performed against each of those standards."

Since you didn't set goals at the beginning of the year, it's fair to expect some push-back from employees who feel that the performance standards were not clear. You need to own that and do a better job of setting great goals going forward.

As a note, even if it's halfway through the year and your employees don't have goals, there's no bad time to set goals. It's better that people have goals for six months of the year than for none of it.

But I did better than that/I'm not happy/It's not fair

Even if you set perfect goals, had regular coaching conversations and are confident that you accurately assessed your direct reports, do not expect them to be thrilled to hear they are not in your highest performance category.

There are a few ways to help reassure them and give them context that their rating, while not what they wanted, is very acceptable.

- **It's a picture, not the movie:** Reinforce that you think about their career holistically, not just as what they've done for

you lately. It can be helpful to remind your team members that a performance review is a picture at a point in time and not the summary of their entire past and future career. If they are not happy with this year's picture, they have a fresh chance next year to create a new one.

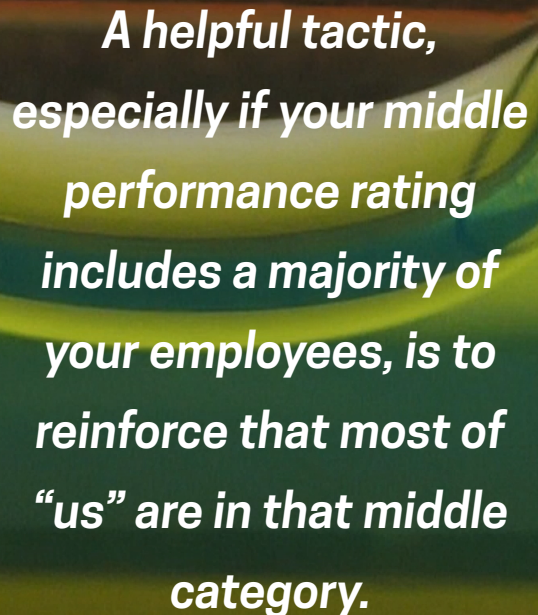
- **You're one of "us":** A helpful tactic, especially if your middle performance rating includes a majority of your employees, is to reinforce that most of "us" are in that middle category. The middle rating can feel like a penalty if the employee's mindset is that this is a consolation prize given to a few people who could've done better.

The heart of this message is that most of our team members do a great job and behave well, and that meets our high expectations.

If you want to be bold, you can even share your own rating if you're in the same category. This will reinforce that one of "us" includes you.

- **Explain the "deal" for the middle rating:** The middle rating can feel unjust if the employee assumes that they won't get fair rewards for their perceived performance. Explain to the employee what the "deal" is for employees in that category. This can include a competitive salary, good development opportunities, a positive company culture, benefits, etc.

Reinforce that there's a very good "deal" at your company for those in the middle category (and that's hopefully true). Read our article ["A Prize in Every Box"](#) for more




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insights on what should be a part of the deal.

- **We're just like other companies:** In some organizations, promotions are strongly influenced by or directly controlled by the performance rating. In that case, the impact of the rating is more than just a salary increase or bonus percentage.

If your direct reports say that other companies are more generous in their rating and promotions, remind them that most companies have a ratings distribution and only have so many promotion slots available. The rating approach they will find at another company will likely be very similar to the one at your company.

- **Fine-tune the message with compensation:** You may have more control over your annual salary increase budget or bonus distributions than you do over the ratings distribution. If so, you can fine-tune the



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that role.*

middle rating message by awarding a little more or less as appropriate.

What Can I Do Differently?

Even if the middle rating conversation goes well, you'll likely hear the question, "What can I do differently next year to earn the highest (or higher) rating?"

A reasonable response is that you'll be happy to discuss great performance when you discuss their goals for the coming year.

You should not define what type of performance will lead to which rating for two reasons.

- First, the distribution of performance ratings is sometimes adjusted at year end to correct for an unreasonable percentage of employees being rated as above average. So, you may not have control over the percent-

age of your team members in each category.

Similarly, employees' performance is always evaluated against others' performance. If your company calibrates performance ratings at year-end, the person you recommend for the highest category might not end up being placed in it.

- Second, it is the employee's job to show you what great performance looks like in that role. Unless their job is so simple that you can tell them that producing 20 widgets a day is average and producing 30 a day will make them a high performer, they should build a strong case for you about why they exceed high expectations.

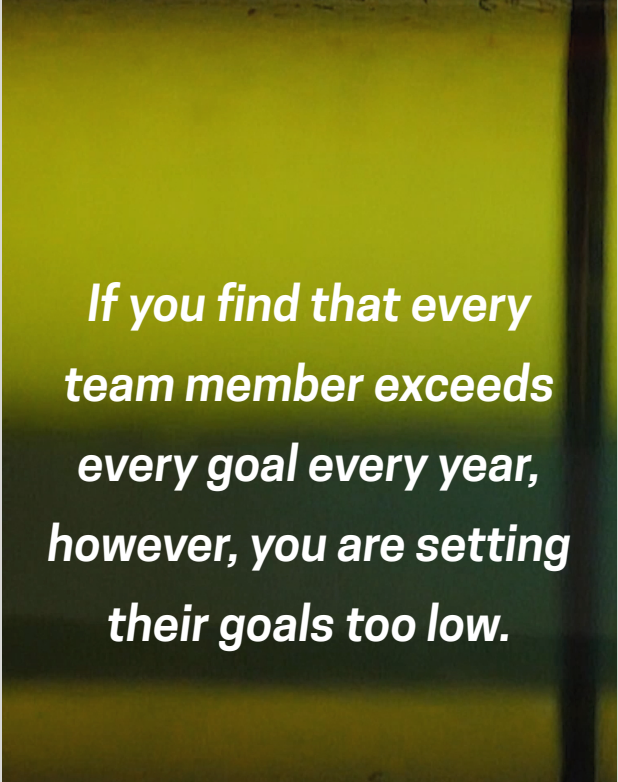
About Ratings and Scales

If you're frustrated with the rating process, it's fair to ask:

- **Why not just eliminate ratings?** There have been a number of companies globally that have eliminated performance ratings. Some have done this successfully and some have had to reverse that decision.

The best research on companies that eliminate ratings shows that removing ratings typically results in worse outcomes, with fewer performance conversations being held, lower quality conversations and even decreased engagement.

Ratings can be a helpful mechanism to force managers to do what they are often unwilling to do – accurately differentiate the performance of their teams. And remember, high performers love ratings. Read more about this in our article ["We](#)



If you find that every team member exceeds every goal every year, however, you are setting their goals too low.

[Love Ratings.”](#)

- **Why not use a different rating scale?**

We all have our personal preference for the right number of points on a rating scale. You can argue that an odd number of points allows a clear middle rating. You can argue an even number of points forces managers to declare people as above the line or below it.

Unfortunately for those with strong preferences, science is extremely clear there is no ideal number of points on a rating scale. It turns out that managers will abuse any scale you give them in the exact same way.

What Not to Say

We provided you with guidance for what to say in those potentially tough middle rating conversations. There are also a few things you should never say in those conversations. These

are things that deflect blame, deny accountability and make you look like an ineffective manager. They include:

- **But all of my people *did* perform above average:** It's not impossible that all of your team members exceeded their goals one year. If you find that every team member exceeds every goal every year, however, you are setting their goals too low.

Properly set goals should be achieved by a majority of your team members and exceeded by very few. If you genuinely believe that your team over-achieves every year, you need to make the case for their enhanced ratings to your peers.

- **HR made me do this:** You are not asked to love the performance management process that HR has created for your company. If you don't like it, however, your complaints need to be voiced directly to HR, not to your employees.

As a leader in your company, your responsibility is to execute the processes that you were given to the best of your ability.

- **I rated you higher and was forced to lower it:** This statement may objectively be true, but it's not appropriate to communicate to your employee. If, in a calibration meeting, the collective decision was that you needed to reduce an individual's rating for any reason, that is the decision.

You can appeal to your boss and their boss. But, telling this to your employee makes you look weak and undercuts their confidence in the effectiveness of the overall process

- **You're a high "3"**: Your company has given you a five-point rating scale (for example), and you are asked to assign one of those five ratings to each employee. Telling an employee that they are a "high 3" suggests that a five-point scale is not sufficient for you. You require at least a 10-point rating scale, or perhaps a 15-point scale if every rating can be both high and low.

State the rating accurately and use the messaging provided earlier to explain it. Fine tune the message with compensation if possible.

- **I only can give so many 4's. Next year, I'll give one to you:** This would be funny if it wasn't true. It's not unusual to hear stories directly from managers of them "rotating" ratings among team members year over year so that no one gets the middle ratings two years in a row. If you need to more clearly differentiate between those who earn the middle rating or something higher, set harder goals and see who performs better.

Your performance discussions with those who achieve their goals or meet expectations might not always be easy. Use the tips above to help to explain what it means to be rated in

that category. Reinforce that meeting expectations and achieving goals is a high standard that they should be proud of. If you set goals properly and have fairly evaluated their performance, it's up to them to own their reaction to that conversation.

There are many other considerations when helping employees to become high performers. For more insights, read the following [articles](#) and read Marc Effron's best-selling Harvard Business Review book, [8 Steps to High Performance](#).

Endnotes

- 1 Kruger, Justin, and David Dunning. "Unskilled and unaware of it: how difficulties in recognizing one's own incompetence lead to inflated self-assessments." *Journal of personality and social psychology* 77, no. 6 (1999): 1121.
- 2 Paustian-Underdahl, Samantha C., Lisa Slattery Walker, and David J. Woehr. "Gender and perceptions of leadership effectiveness: A meta-analysis of contextual moderators." *Journal of Applied Psychology* 99, no. 6 (2014): 1129.
- 3 Belmi, Peter, Margaret A. Neale, David Reiff, and Rosemary Ulfe. "The social advantage of miscalibrated individuals: The relationship between social class and overconfidence and its implications for class-based inequality." *Journal of personality and social psychology* 118, no. 2 (2020): 254.
- 4 Cross, K. Patricia. "Not can, but will college teaching be improved?." *New Directions for Higher Education* 1977, no. 17 (1977): 1-15.

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