The Talent Strategy Group

SCIENCE + SIMPLICITY

The Identical Suzies (and Why You Should Focus on Your High Performers)

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Amidst the many pandemic-driven workplace changes one constant remains: Employers love high performers. Employers love those who are willing to work harder, produce more, behave well and lead courageously. They know that high performers produce anywhere from 50% - 900% more than their average performing peers.[1]

Employers' demand for high performers is the same as it was pre-pandemic but, unfortunately, the available supply has shrunk. There are 3.4 million fewer people in the workforce compared to February 2020 in the US alone.[2] That means 680,000 fewer high performers are available to employers.[3]

Add to that number the millions of people who are no longer willing to engage in high performing behaviors because they have quietly quit or rebalanced their lives.

Given this shortage and the value of high performers, it's odd that today's dominant conversation is about how people are dialing back their contribution. We hear how employees are actively quitting in the great resignation, quietly quitting by "acting your wage" and rebalancing their priorities away from work.

We believe that everyone should find the balance in life that's right for them. We recognize that a catastrophic event like the pandemic can lead one to reevaluate life's priorities.

We also feel that focusing the conversation on those who are reducing their contribution at work distracts employers from focusing on the group that adds the most value.

The strange debate about what makes a high performer

Before we discuss how to best manage high performers, let's clarify the definition of high performer. In our Talent Management Institute programs, we discuss what's scientifically proven to help someone be a high performer. We share that powerful factors like intelligence and select personality traits are inborn and largely unchangeable. That means that some people have a natural advantage if they want to be a high performer.

We also share that there are controllable factors that influence performance with one of the largest being an individual's applied effort and willingness to sacrifice.[4] While we occasionally heard push-back on this definition pre-pandemic, we now more frequently hear the argument that a critical part of that

definition no longer applies.

The group that objects to this definition says that that hours worked no longer matters and that it's not fair to ask for personal sacrifice to be considered a high performer. Some people say that employers no longer want people to work more than 40 hours and prefer employees who have a good work-life balance.

This is not a trivial disagreement. It's essential that an organization aligns to an accurate definition of high performer and it's especially essential for HR leaders. They are the ones who create practices to elevate performance including performance management, engagement, development planning, and compensation.

It's also essential that the definition is based on facts, not projections of personal opinions or individual value systems.

To help redirect those conversations to the proven facts about high performance, we often share the story of the Identical Suzies.

The Identical Suzies

There are two leaders named Suzie who are loved by their employer. Suzie #1 works hard, behaves well, leads others inspirationally, is highly engaged and models the company's values. Suzie #1 is willing to contribute 40 hours a week to her organization given how she chooses to manage her life. She puts clear boundaries between her work and non-work life.

Suzie #1 has an identical twin sister who works at the same company. We'll call her Suzie #2. Suzie #2 is completely identical in every way to Suzie #1 – works hard, behaves well, is highly engaged, etc. The only difference between the completely identical sisters is that Suzie #2 is willing to contribute 50 hours a week given how she chooses to manage her life.

She acknowledges that there are other ways she could spend her time, but she is willing to sometimes sacrifice those things for a period of time to invest in herself.

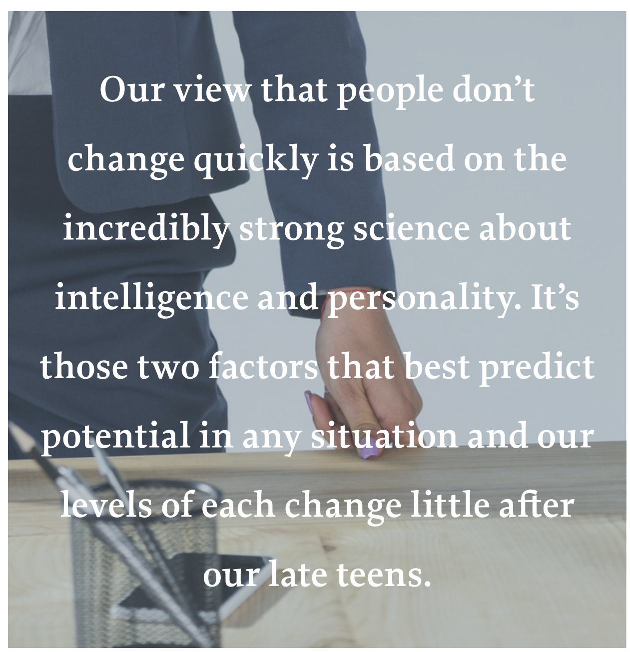
Suzie #2 uses her extra 10 weekly working hours to advance projects, build productive relationships, increase her skills and mentor others. Each year, she has nearly 500 extra hours to invest in those activities.

The question we ask our classes is: Which Identical Suzie is likely to be, over time, a higher performer? While we occasionally hear very tortured logic trying to support Suzie #1, including that Suzie #2 will get burned out or that work contributions drop meaningfully after 40 hours a week, there is a very obvious answer.

All things being equal, the person who works more hours will contribute more than the person who works fewer hours. Additional contribution is an excellent, but not perfect, indicator of higher performance.

You might say, as one recent TMI participant did, that employers would value Suzie #1 more because they now prefer employees with good work life balance. That statement projects the participant's personal value system onto the question rather than providing a fact-based response. There is no reason that someone who works 50 hours a week must have any worse work life balance than someone who works 35 hours.

There is also no reason that an employer would reject the efforts of an employee who wants to contribute more. Telling an employee to stop contributing when they want to do more not only makes no economic sense for an organization, but it infantilizes the em-



ployee by suggesting that they are not capable of determining how to best invest their time.

Employers additionally prefer Suzie #2 because she is a more efficient hire. They can get the same output from hiring four of her as they would from hiring five Suzie #1s. She is also a more desirable hire because she will likely develop faster and therefore be a potential successor sooner than Suzie #1. The additional hours she works create a virtuous cycle of benefits for both her and her company.

More hours worked is certainly not the determinant of individual high performance. But it's important, especially for HR leaders, to recognize that it's almost always a key differentiator. For more insights, see my article, "'Work Smart, Not Hard' Is a Lie."

How to manage your high performers

Given that high performers are in short supply, your organization should be doing everything possible to engage and retain this rare group.[5] We offer five pieces of advice to help achieve those outcomes.

- **Clarify true high performers using challenging goals:** Someone who exceeds their goals every year is not necessarily a high performer. They might just have relatively easy goals or your performance evaluation process may make it too easy to label someone as a high performer.

  The only way to accurately identify high performance is to set challenging goals and have someone perform exceptionally well against them almost every year.

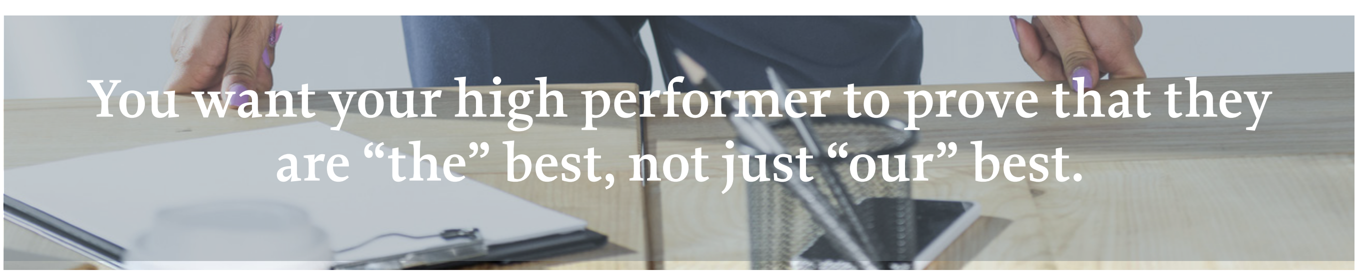
  Ideally, those goals are set at a standard consistent with the best performers in the industry. You want your high performer to prove that they are "the" best, not just "our" best.

- **Help managers to distinguish high performers from high potentials:** It's quite common to conflate high performance with high potential. Sometimes managers do this because they are unaware of the distinctions between the two.

  Other times they feel that being a high potential is the only "prize" they can hand out to their team members, so they want to assign that label to the people they care most about.

  A simple way to clarify the difference for people managers is to describe high potential as "high performance+." If your team member is consistently delivering and behaving at the 75th percentile against challenging goals, they are very likely a high performer. That's a great accomplishment and should be recognized.

  A high potential not only does that, but also clearly demonstrates the ability to suc-



ceed in roles of significantly larger scope or challenge.

- **Audit the market to ensure extremely competitive compensation:** We're often surprised at the excuses we hear for not paying top performers exceptionally well. No matter how many other things your company does for an individual, it's difficult for anyone to turn down a 40% or 50% increase from your competitor.

  Using an external compensation expert, determine what 75th and 95th percentile total direct compensation is for each high performer's role. Determine what your company's compensation philosophy (level and mix) should be for sustained high performers. Make the changes as quickly as possible and let the high performer know exactly why you're raising their compensation.

- **Invest in their functional expertise:** Every high performer should have a development plan that is co-created by their manager, HRBP and talent management expert. There are two goals for that development plan – one practical and one personal.

  Practically, you want to keep that high performer as technically or functionally sharp a possible. While we love focusing development on experiences, if that high performer also wants education or other forms of development, it's likely a great investment.

  Personally, you want that high performer to understand that they are highly valued and that they likely won't find another company that will invest in them like yours will.

- **Clarify the Prize for High Performers:** What is your company's collective point of view about how to invest in a high performing leader? If your company is like most companies, you don't have a talent philosophy that clearly states your point of view on differentiation.

  As we wrote about in "A Prize in Every Box," we should help managers to have high-quality conversations with every employee about the investment that we will make in them. That conversation should happen with every employee at every level of performance and potential.

  But, that can only be done accurately if we determine in advance how we want to differentiate the investment for different levels of performance and potential.

Invest Where it Matters Most

It's a unique labor market which is challenging companies to think creatively about how to attract, retain and engage talent whose expectations have fundamentally shifted. That novel situation shouldn't, however, distract your company from appropriately managing the talent that consistently produces the largest results.

Your high performers will work harder than others. They will invest time to learn, build relationships and deliver bigger results. They will compete productively to be the best in their field.

As a result, they will consistently outperform others in your company. For that, they deserve a substantial amount of your time, attention and investment.

References

1. Aguinis, Herman, and Ernest O'Boyle Jr. "Star performers in twenty-first century organizations." *Personnel Psychology* 67, no. 2 (2014): 313-350.
2. Ferguson, Stephanie. Understanding America's Labor Shortage, U.S. Chamber of Commerce, https://www.uschamber.com/workforce/understanding-americas-labor-shortage, October 31, 2022.
3. Statistics assume a natural distribution of high performers among those no longer working and that 20% of any given group are high performers.
4. See 8 Steps to High Performance for a complete discussion on controllable factors of high performance
5. We define high performers as those who consistently perform at the 75th percentile or higher and behave consistent with your organization's values. This means that no more than 10% - 20% of your employees are in that category, no matter what your performance ratings distribution shows.

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