

5 reasons the best performers underestimate their value

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A few days ago, a highly-placed executive at a large Bay Area company mentioned to me that he got laughed at when he set his consulting rate for his first client. It was less than 50 percent of what the company expected to pay him. I've seen this as a hiring manager as well. The people I've placed at the top of my "want to hire" list have been the least likely to negotiate their salaries.

This phenomenon seemed odd to me. Why should the best of the best be willing to take less money than the next tier? Why is it that brilliant, competent people fail to ask for what they're worth? I dived into the research and came up with five likely reasons.

1. Curse of knowledge.

A friend of mine put it quite simply -- "If I know the answer or how to do something, it's easy. If I don't, it's hard."

In other words, people take their own knowledge for granted. While this certainly leads to , it also leads to a fundamental devaluing of their own worth. Because people think that what they know is easy, they don't think it has much value. They need to stop and think about the value they can provide to those who don't have that knowledge -- especially to those who might be trying to hire for that knowledge.

Interestingly, this leads people to devalue the skills and knowledge for which they have the most mastery, and high achievers will certainly have more skills and knowledge than those who don't strive as hard. Becoming conscious of their competence will help achievers know themselves better.

They can most easily do this by going through an exercise where they objectively evaluate their own skills and knowledge.

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2. Impostor syndrome.

Contrary to many articles in the popular press, the impostor syndrome isn't unique to women. experience impostor syndrome at some point in their career. That's quite a few people sitting at their desks, feeling like frauds. When people experience impostor syndrome, they live in fear of being found out to be less competent or unable to do their job.

Shockingly, impostor syndrome disproportionately affects and those who grew up in families that emphasized achievement. If these brilliant people live in fear of being exposed as frauds, they're not going to recognize and promote their own value. Unlike the curse of knowledge, it's much more difficult to overcome impostor syndrome, but .

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3. Don't compare themselves to the market.

When my brilliant friend set his consulting rate, he set it based on what he thought would be a fair rate. In doing this, he failed to notice that standard market rates for consulting were much higher.

Employers feed into this cycle with lack of pay transparency. Many companies set job offers based on previous salaries. If someone started his or her career with a low salary -- likely caused by not negotiating or

undervaluing yourself -- his or her compensation will feel the effects for many, many years. Because most companies do not disclose salaries, people can get stuck there without even knowing it.

The effects of pay transparency are still being studied, and have been published. Until companies become transparent -- if they actually do -- high achievers, or anyone else for that matter, can look at sites like or that publish salary bands by area, and compare themselves to what they see. If someone is setting consulting rates, he or she can talk to friends and contacts in the industry to discover going rates.

4. Only compare with the best of the best.

When brilliant people are working alongside other brilliant people, they often compare their own failures with the other people's successes. Only comparing themselves with the best of the best can be a symptom of impostor syndrome, but it can also simply be a symptom of their environments.

For example, I went to MIT for my bachelor's degree. As an alum, I receive the MITTechnologyReview, where they publish articles like "." I can easily find myself negatively comparing my (lack of) success in my 40s with the innovators' quick descriptions and achievements. This despite not pursuing classic "innovation" in either of my careers in technology or marketing. This would be like comparing my lack of success in the NBA with , although I've never played basketball in my life!

High performers who only compare themselves to the top people in their industries will be less likely to place a high value on their own work. This may subsequently lead to asking for less money, since they don't believe in the high value they bring to the table. If they instead compare themselves to the average employee -- or even the top 10 percent -- rather than the best of the best, they will be more likely to set their own value higher.

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5. Discount positive feedback.

Like the comparison issue above, discounting positive feedback can also be a symptom of impostor syndrome. Also like comparison, it's one of the symptoms to which I fall victim. However, impostor syndrome aside, the , and we tend to . This is also called , and it takes five to 10 positive events to counterbalance one negative event.

The result of this negative bias in self-valuation becomes evident. By focusing on the negative, brilliant people don't see or value their positive attributes. By focusing on the negative, people also don't see themselves as good performers who might be worth a bit more cash. Like overcoming impostor syndrome, overcoming negativity bias will .

One area where high achievers are actually underachievers is in understanding and assigning value to their own work. Apparently, high achievers need to do a little work to increase their own perceived value, and most of it has to do with addressing the issues above and attempting to get a more objective view of themselves.

As a hiring manager, I can keep an eye out for some of these behaviors and make sure my job offers reflect the industry salary bands and anticipated high performer value. But fundamentally, only market research and self-examination can help high performers stop lowballing their value.