**Exploring Bell Curve Performance Appraisal System and its Alternatives**

A Bell Curve is a graphical illustration of Normal distribution. In the area of Human Resource Management, a typical Bell curve system of performance appraisal categorizes employee performance as Below Average, Average and Excellent which is in the form of Normal Distribution. This is the traditional and most popular method for Performance Appraisal. But growing evidence shows that the bell curve may not be an effective system. This article explores the Bell Curve system and its alternatives including a mention of AI.

A performance Appraisal system should be a means and not an end in itself. The goal of any appraisal system is to induce and motivate the employees to perform better rather than just assessing and measuring employees’ performance. Bell Curve system rather than motivating employees except for few engages them in a highly competitive environment and makes many feel less self-worthy of themselves which are two factors when it backfires creates negative performance.

According to the article from Harvard Business Review “The Pros and Cons of Competition Among Employees” by Anna Steinhage, Dan Cable, and Duncan Wardley dd.March 20, 2017, competition creates two kinds of behaviour – creativity or unethical behaviour. What differentiates between these two is how it makes the employees feel. If a competition creates anxiety or fear because they focus employees on the threat of being laid off, losing income and not excitement then it doesn’t promote creativity. And Bell Curve system typically creates anxiety where this type of end behaviour jeopardizes the very objective of appraisal system.

Secondly, Bell Curve creates unhealthy competition thus undermining collaboration and synergy that is important for team success or the success of an organisation. Instead, employees may feel like they need to compete against each other to get ahead. This would create a toxic work culture within an organisation leading to high employee turnover.

Third, Bell curve may also make a person doubt his self – worth. Self-Esteem has a significant impact on many essential results of employees, being identified as a determining variable on their behaviour both inside and outside the workplace, affecting performance, satisfaction, commitment, turnover, work motivation, and even on the civic behaviour of workers ([Campbell, 1990](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9875080/#B10); [Pierce and Gardner, 2004](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9875080/#B43)). Hence Bell Curve system underperforms in this area too.

Lastly, Bell Curve doesn’t consider individual circumstances. It may be that a high valued employee was not performing well that year due to health issues. This is not reflected and gives a negative report which doesn’t help him or the company. The goal is not just categorizing employees but to get maximum from the employees and in circumstances like above Bell Curve fails miserably.

Bell Curve underestimates an employee who has potential to perform better but couldn't do it because of certain restrictions. Further if all members of a team are performing well, still the employees are pushed into ‘Average’ category just to fit into the curve. And hence few call the Bell Curve as inhuman approach. So then what are the alternatives?

A 360 feedback appraisal system instead of the bell curve method can effectively rank an employee's performance based on individual work and not against the work of their peers. Feedback from managers, clients, peers and self will effectively suffice and bring out the areas needing improvement and training needs as such. This would reduce the distress caused by performance appraisal system and meet its true objective. This is being followed by IBM through a system called Checkpoint which encourages continuous feedback between the appraiser and appraisee. It considers different facets of an employee’s performance – business results, impact on client success, innovation, particular responsibility to others and skills.

The second tool is Nine-box grid. Here employees are placed in grids not only on their performance but also on their potential to grow. Different strategies are used for different grids so that it ends up in growth of individuals and the organisation. Employees under low potential and low performance are immediately brought to the attention of management and necessary steps are taken. So this is a more holistic approach as you are not judged on only one dimension of performance but also your capacity to perform better in future.

The assessment centre is one of the tools that companies use to measure individual potential and performance and typically involves the use of methods like social/informal events, tests, exercises, assignments administered to a group of personnel to evaluate their abilities to take higher responsibilities in the future. The major aptitudes that are judged during this exercise are in areas of interpersonal skills, intellectual ability, planning and organizing abilities, motivation, career orientation etc.

Behaviourally Anchored Rating Scale is a performance appraisal tool based on particular behaviours related to a job position. It is a rating scale that measures specific behaviours which are job specific. For example a customer support representative will be judged by how quickly and cheerfully he responds to a customer call, whereas a teacher will be judged on how strong she is in her subject and how supportive and inspiring she is with her students, with these behaviours showing a high rating and lack of these given a low rating scale.

Thus, one can conclude that Bell Curve appraisal system is highly irrelevant today it being one-dimensional and inhuman in its approach and this needs to replace by other systems like 360 degree feedback, 9 box grid, assessment center and BARS. AI tools like Datalligence, Reflektive, Keko, Zoho People that use 360-degree multifaceted approach are also replacing traditional Bell Curve system. “Especially zoho was used by lots of hospital management and non tech management’s”. These AI tools are automated and give continuous unbiased feedback and are more relevant to today’s work nature, and automate difficult task, analyse the data improve the decision making. Thus it is high time one understands the change in new working environment and adopt new performance appraisal tools which are more meaningful and serve the purpose thus moving beyond the traditional Bell Curve.

Source:

1. https://www.talentlyft.com/en/resources/what-is-assessment-centre
2. <https://www.bamboohr.com/blog/9-box-grid/>
3. <https://www.performyard.com/articles/what-are-behaviorally-anchored-rating-scales-bars>
4. <https://datalligence.ai/blogs/best-performance-management-tool/>