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BELL CURVE IN PERFORMANCE APPRAISAL

- LOSING ITS CHARM?



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“WHEN YOU PROHIBIT FAILURE, YOU KILL INNOVATION.”
– DAN PALLOTTA

“CURIOUS THAT WE SPEND MORE TIME CONGRATULATING
PEOPLE WHO HAVE SUCCEEDED THAN ENCOURAGING PEOPLE
WHO HAVE NOT.”
– NEIL DEGRASSE TYSON



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PURPOSE OF EMPLOYEE PERFORMANCE MANAGEMENT

- REDIRECTING EMPLOYEE'S EFFORTS FOR BUSINESS SUCCESS
- REWARDING EMPLOYEES BASED ON THEIR PERFORMANCE
- HELP EMPLOYEES DEVELOP AND GROW
- HELP EMPLOYEES PERFORM TO THEIR HIGHEST POTENTIAL
- ENHANCING AND MAINTAINING EMPLOYEE MOTIVATION



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LATEST HAPPENINGS IN PERFORMANCE APPRAISALS;

- ADOBE ABOLISHES ANNUAL PERFORMANCE REVIEW – SOURCE BUSINESS INSIDER.
- MICROSOFT AXES ITS CONTROVERSIAL EMPLOYEE RANKING SYSTEM – SOURCE THEVERGE.COM
- HOW DELOITTE IS REDESIGNING PERFORMANCE MANAGEMENT – SOURCE HARVARD BUSINESS REVIEW.
- IN A BIG MOVE, ACCENTURE WILL GET RID OF ANNUAL PERFORMANCE REVIEWS AND RANKINGS - SOURCE WASHINGTONPOST.COM
- GLAXOSMITHKLINE SCRAPS TRADITIONAL APPRAISAL SYSTEM OF ITS EMPLOYEES – SOURCE TIMES OF INDIA.





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WHY THE SHIFT FROM BELL CURVE MODEL?



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1. A FORCED RATING SYSTEM

A) INACCURATE AND UNFAIR ASSESSMENT

B) RESULTS IN DEMOTIVATION OF
EMPLOYEES



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2. BELL CURVE MODEL REWARDS MEDIOCRITY



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EXAMPLE:

YEAR - 1

CATEGORY	SALES (RS. IN MILLION)
TOP PERFORMERS	11-12
AVERAGE PERFORMERS	4-10
POOR PERFORMERS	< 4



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YEAR - 2

CATEGORY	SALES (RS. IN MILLION)
TOP PERFORMERS	11-12
AVERAGE PERFORMERS	4-10

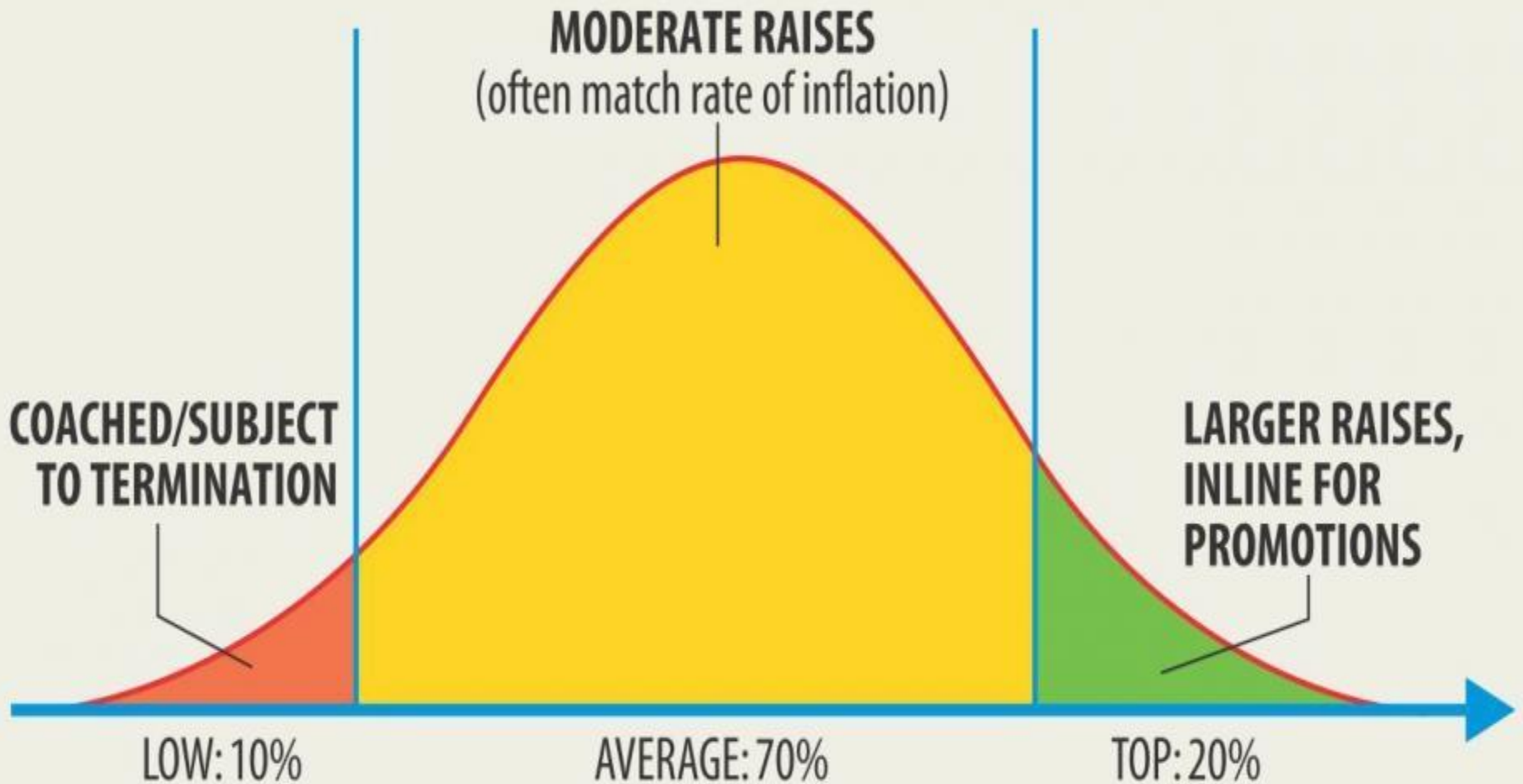
FOR THE SAKE OF BELL CURVE

CATEGORY	SALES (RS. IN MILLION)
TOP PERFORMERS	11-12
AVERAGE PERFORMERS	6-10
POOR PERFORMERS	< 6



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3. TEDIOUS AND TIME CONSUMING



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4. INDIVIDUAL PERFORMANCE TAKES PRECEDENCE OVER GROUP OBJECTIVES



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5. RELATIVE BASIS OF PERFORMANCE ANALYSIS



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BETTER ALTERNATIVE TECHNIQUES TO BELL CURVE;

1. MANAGEMENT BY OBJECTIVES

2. 360 DEGREE FEEDBACK

3. BEHAVIOURALLY ANCHORED RATING SCALES



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WHAT THE FUTURE HOLDS?



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THANK YOU!