Impact Factor 3.025

ISSN 2349-638x

Refereed And Indexed Journal

AAYUSHI INTERNATIONAL INTERDISCIPLINARY RESEARCH JOURNAL (AIIRJ)

UGC Approved Monthly Journal

VOL-IV ISSUE-X Oct. 2017

Address
- Vikram Nagar, Boudhi Chouk, Latur.
- Tq. Latur, Dis. Latur 413512 (MS.)
- (+91) 9922455749, (+91) 8999250451

Email
- aiirjpramod@gmail.com
- aayushijournal@gmail.com

Website
- www.aiirjournal.com

CHIEF EDITOR – PRAMOD PRAKASHRAO TANDALE

Aayushi International Interdisciplinary Research Journal (AIIRJ)
UGC Approved Sr.No.64259
Vol - IV Issue-X OCTOBER 2017 ISSN 2349-638x Impact Factor 3.025

Force Fit Bell Curve Appraisal – Perceptions of HR Professionals

Madhu.S,
Research Scholar,
PP.MAN.0721, Department of Management,
Rayalaseema University, Kurnool,
Andhra Pradesh, India.
madhusrinivasa73@gmail.com

K. Ramachandra
Associate Professor and PG Coordinator,
Department of Commerce and Management,
Maharani's Arts, Commerce and Management College for Women,
Bangalore.

Abstract

Performance appraisal is as old as business itself. Various methods and techniques are in use for the purpose. Bell shaped curve has been widely followed for a long time but has been criticised and even discontinued in a few organisations. Bell curved should continue in spite of criticisms.

Key Words: Bell Curve, Central Tendency, HR Executives, Leniency, Performance Appraisal.

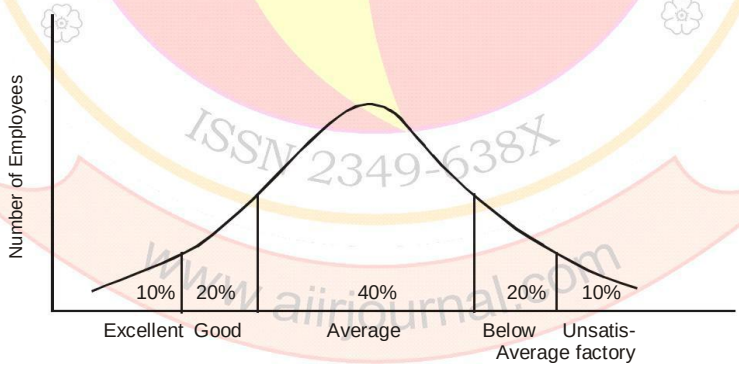
1. Introduction

Assessing performance of employee and rewarding or reprimanding is old as business itself. Performance appraisal and its management are essential part of running a business.

Over a period of time HR experts have evolved various methods and techniques for assessing and managing performance of employees. Among the various techniques, Bell Curve (BC) has been highly popular and universally followed technique.

Bell curve operates under the assumption that the employee performance level conforms to a normal statistical distribution. Generally, it is assumed employee ratings conform to a BC, for instance, the following distribution might be assumed to exist – excellent 10 per cent, good 20 per cent, average 40 per cent, below average 20 per cent and unsatisfactory 10 per cent. (Refer Figure. 1).

Figure 1: Forced Distributions on a Bell Curve



Bell curve is called forced distribution method as the raters are compelled to fix ratee in one of the four silos.

Off late, BC has been in the news, has been criticised and many top notch organisations have discontinued the technique. Prominent among them are Microsoft, GE and Infosys.

In view of the developments circling around BC, we decided to have a small and quick survey to know the real status of the method. We chose 32 HR executives based in and around Bangalore, structured questionnaires were sent to the sample HR executives. The views expressed by them have been analysed and presented in Table 1 and Figure 2.The analysis revealed the following conclusions.

Figure 2: Perspectives of Bell Curve

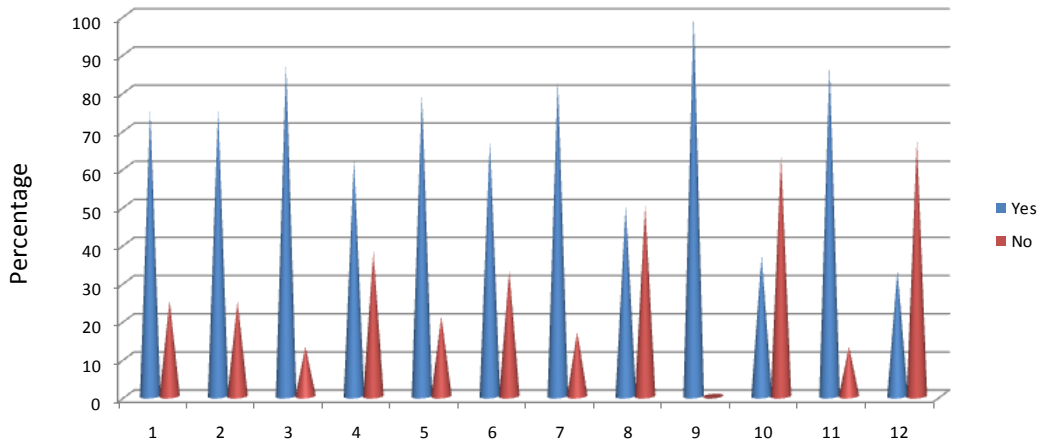


Table 1: Perspectives of Bell Curve
N = 32

Sl.No.	*Particulars*	*Percentage*	
		Yes	*No*
1	Usage of Bell-curve	75	25
2	Identify future leaders	75	25
3	Avoid Leniency effect	87	13
4	Is a simple and straight method	62	38
5	Assumes that performance conforms to a nearest distribution curve	79	21
6	Destroys an organisation which did good selection of employees and performing well	67	33
7	Permits error of central tendency	83	17
8	Effect of immediacy is lost	50	50
9	Lack of frequent feedback	100	0
10	Encourages bureaucracy and political culture	37	63
11	Fails to appraise team performance	87	13
12	Once in a year assessment makes employees forget what all has been done in the last year	33	67

From the Figure 2 and Table 1, it is evident that

- 75 per cent of HR professionals still prefer BC in spite of the fact that a lot of criticism has been levelled against this method.
- Contrary to popular perception, BC method has the potential of identifying future leaders, 75 per cent of HR professionals have surveyed expressed so.
- It is equally surprising that BC method has potential benefit of avoiding leniency effect.
- It has also been pointed that the BC is simple and straight method. This is the opinion express by 62 per cent of respondents.
- 79 per cent respondents felt that performance conforms to a very nearest distribution curve in BC appraisal.
- It has been expressed by majority (67 per cent) of the respondents that BC has the potential to derail an organisation however well employees have been hired and howsoever the company is performing

- Majority of (83 per cent) the respondents opined that BC allows error of central tendency to affect employee morale and motivation.
- Interestingly, 50 per cent of the respondents felt that effect of immediacy is lost as the BC appraisal is done once in a year.
- Almost all the respondents feel lack of frequent feedback makes it difficult for employees to correct or improve their performance.
- Surprisingly, 63 per cent of respondents don't feel that BC kills innovation, helps encourage bureaucracy and political culture.
- It has been understood that BC fails to assess team performance.
- It has also been noted out that the appraisal in BC takes place once in a year when they sit for assessment. And 67 per cent of respondents feel they would have forgotten what all he or she did in the whole year.

Contrary to the popular perception, BC is not dead, it is alive and can be gainfully used to appraise and manage performance of employees.

It's not that bell curve is without faults.

- The major weakness of the BC method lies in the assumption that employee performance levels always conform to a normal (or some other) distribution.
- The error of central tendency might also take place, as the rater resists placing an employee in the lowest possible or in the highest group. Complications also arise for the rater to explain to the ratee why he or she has been placed in a particular group.

Too Rigid: Using BC model for performance appraisal may be considered a rigid approach for rating employees.

Loss of Morale: Employees tend to get demotivated and demoralised. Possible exits may be a reality.

Not suitable for small companies: The BC is not appropriate to be used in small companies were the number of employees is less than 300. It may give incorrect results.

2. Conclusion

After eliciting opinions of sample HR executives, we are of the opinion that BC can have renewed relevance and application.

3. References

1. Grote, R. C. and D. Grote (c2005). *Forced Ranking: Making Performance Management Work*. Boston, Massachusetts.
2. Chintan Vaishnav, Ali Khakifirooz, Martine Devos (2008). *Punishing by Rewards: When the Performance Bell-curve Stops Working for You*, Massachusetts Institute of Technology.
3. R Chattopadhayay, AK Ghosh, (2004), *Performance Appraisal Based on a Forced Distribution System: Its Drawbacks and Remedies*, International Journal of Productivity and Performance Management, Vol. 61(8), pp.881-896.
4. R Chattopadhayay, 2017, *Impact of Forced Distribution System of Performance Evaluation on Organizational Citizenship Behaviour*, Global Business Review, Sage Publication, First Published 3 Aug 2017.
5. Findley H.M., Giles W.F., Mossholder K.W. (2000). *Performance Appraisal Process and System Facets: Relationships with Contextual Performance*. Journal of Applied Psychology, 85(4), 634–640. Google Scholar CrossRef, Medline.
6. Folger R., Konovsky M.A. (1989). *Effects of Procedural and Distributive Justice on Reactions to Pay Raise Decisions.* Academy of Management Journal, 32(1), 115–130. Google Scholar CrossRef.

7. Ramachandra K, Shivarudrappa D, Chandrashekara B, *Human Resource Management*, Himalaya Publishing House, 2011, pp. 99-103.
8. Aswathappa K, *Human Resource Management: Text and Cases*, Tata McGraw Hill, 2013.
9. Charles J. Fombrun and Robert J. Laud, "*Strategic Issues in Performance Appraisal: Theory and Practice*," Personnel, November-December 1983, pp. 26-28.
10. Keith Davis, *Human Resouces in Management*, 1962, p. 43.
11. P. Subba Rao, *Essentials of Human Resource Management and Industrial Relations*, Himalaya Publishing House, 2017, p. 196.

Aayushi International Interdisciplinary Research Journal
ISSN 2349-638X
www aiirjournal.com