COMPANION RESOURCE

Leader's Guide: Rethinking the Performance Curve

A practical reference for leaders ready to separate merit distribution from human development.

> **"At least in the Hunger Games, the tributes knew the rules. Your employees don't."**

THE CORE PROBLEM AT A GLANCE

What employees believe	What actually happens
I am measured against my job description and the results I produce.	They are ranked against peers to fit a predetermined distribution — often regardless of how well they individually performed.

WHAT THE CURVE GETS WRONG

Flawed assumption	Bell curves describe random populations. Hired, trained, and coached teams are not random — they skew high. Great leaders are penalized for building great teams.
Cost to leaders	Must artificially manufacture an 'average' category for people who genuinely exceeded expectations, just to satisfy the shape of a graph.
Cost to employees	They do their jobs well and still get downgraded — without ever knowing they were in a competition.
The escalating bar	Each year the bar rises. Employees must do more to earn the same score, while merit increases stay flat. The organization gets more output for the same cost.
The Bob problem	Employees with fewer life constraints (no caregiving, no vacation, 70-hr weeks) have structural advantages unrelated to talent or skill.

The merit irony	Bob sacrificed evenings, weekends, and vacations to 'win' the curve. His prize: a few hundred extra dollars in a 3% merit pool. The joke is on everyone.

THE BETTER FRAMEWORK: DECOUPLE THE CONVERSATION

Use calibration for: MONEY	**Use conversation for: GROWTH**
Apply the bell curve to merit budget distribution — where it belongs. This is a finite resource allocation question, not a human development question.	Free the performance conversation from scores and rankings. Make it genuine dialogue about capability, development, and what comes next.

When a performance conversation is not attached to a score, the entire dynamic shifts. The employee stops managing placement. The leader stops defending a rating. The energy spent navigating the meta-game becomes available for the conversation that actually matters.

REFLECTION QUESTIONS FOR LEADERS

- Have I clearly told my team members what standard they are actually being measured against?
- Am I using the performance review to grow my people — or to justify a rating that already exists?
- Are the highest-profile projects distributed equitably, or does the same person always receive them?
- If I removed scores from our performance conversations, what would change — and is that change worth making?
- What does my calibration process actually measure: individual growth, or peer comparison?
- Am I mistaking availability and sacrifice for performance and talent?

KEY IDEA TO SHARE

> *"People do not need to be sorted. They need to be seen."*

SOURCES & FURTHER READING

• Deming, W. Edwards — *Out of the Crisis* (on the statistical flaws of forced ranking systems)

• Harvard Business Review — The Performance Management Revolution

• Gallup — State of the Global Workplace 2024

• MIT Sloan Management Review — Rethinking the Performance Review

• Adobe, Microsoft, Accenture — Research on eliminating annual ratings

This resource accompanies the Human Work article series on leadership, systems, and the people inside them.