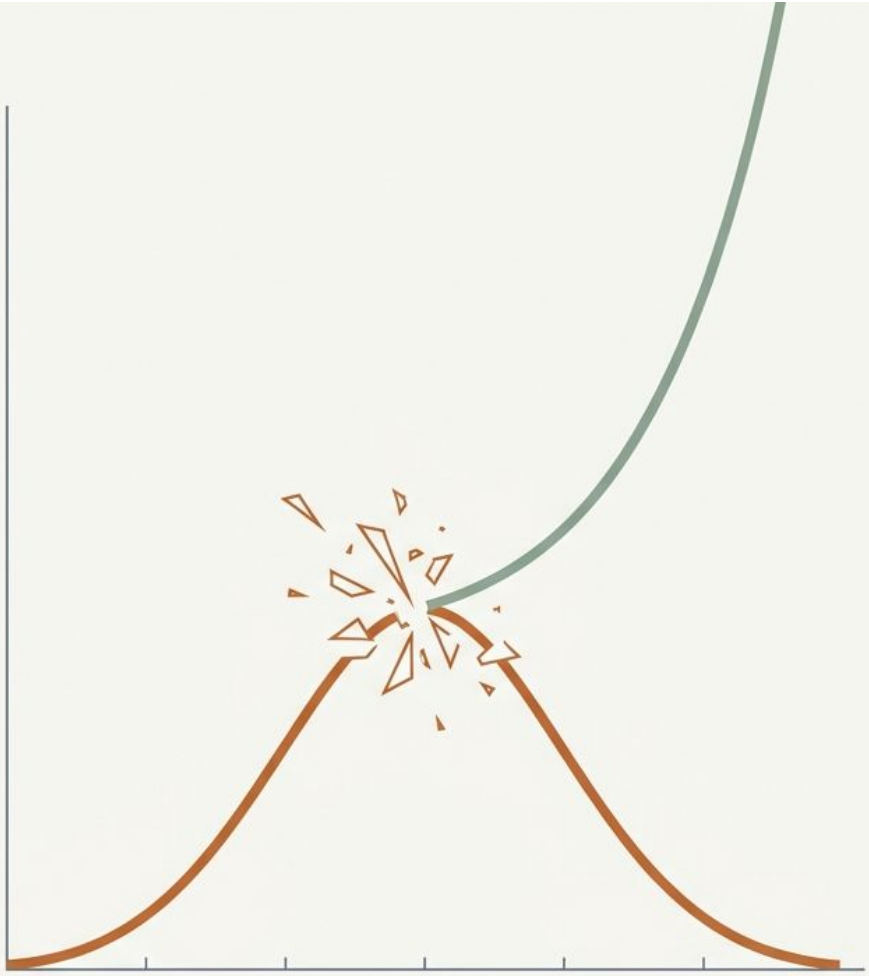
A STRATEGIC BRIEFING BASED ON THE
RESEARCH OF JONATHAN H. WESTOVER, PHD

Back on the Curve

The return of forced ranking, the illusion of quotas, and the evidence-based playbook for true accountability.



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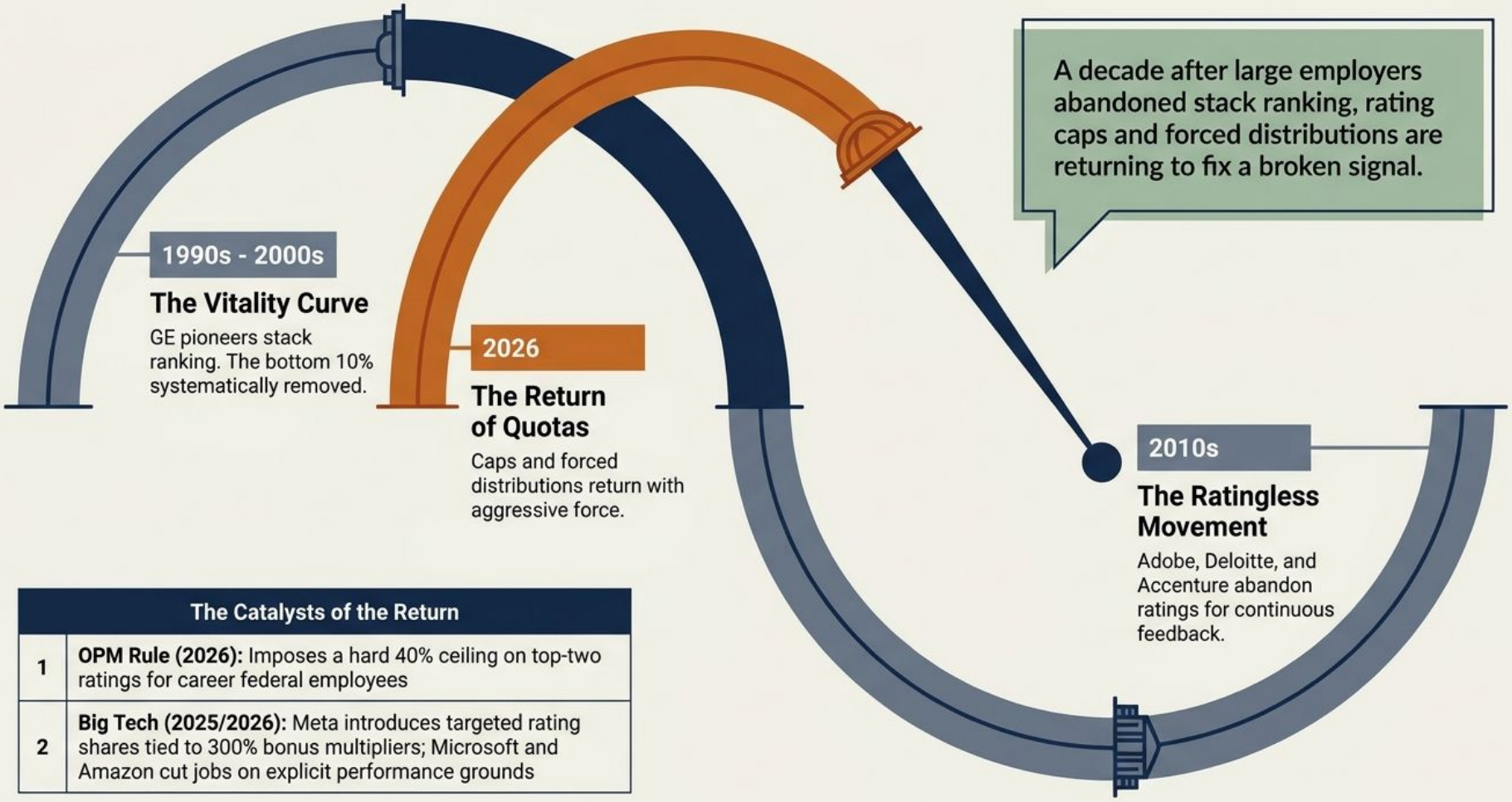

The Catalysts of the Return	
1	**OPM Rule (2026):** Imposes a hard 40% ceiling on top-two ratings for career federal employees
2	**Big Tech (2025/2026):** Meta introduces targeted rating shares tied to 300% bonus multipliers; Microsoft and Amazon cut jobs on explicit performance grounds

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The Catalyst: Why is the Curve Returning?

Leaders are not reintroducing forced distributions arbitrarily; they are responding to three acute organizational failures.



01. The Loss of Signal

Rating inflation has neutralized differentiation. When almost everyone is rated highly, ratings stop carrying information and cannot guide retention or pay.

90% of federal senior professionals received one of the two highest possible ratings in 2023-2024.



02. Cost Pressure

Ratings are increasingly weaponized to justify workforce reductions and tighten budgets, shifting evaluations from development tools to exit pipelines.

Amazon's alleged 6% "unregretted attrition" target utilized performance processes ahead of mass layoffs.



03. Cultural Intensity

A renewed executive belief that engineered differentiation and internal competition maximizes organizational output.

Meta's 2026 shift to twice-a-year reviews with targeted 20% "Outstanding" categories.

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The Three Regimes of Performance Management

Past systems produced predictable side effects. The current moment requires a synthesis.

	Unconstrained (The 2010s Wave)	Forced Distribution (The Curve)	Evidence-Based Action (The Third Way)
Core Philosophy	Evaluate strictly on individual merit; abandon numbers.	Ration top ratings to force differentiation and exit the bottom.	Precision measurement and localized budget controls over blunt quotas.
Treatment of Low Performers	Often avoided, undocumented, or deferred entirely to HR.	Forced out via rigid mathematical quotas.	Addressed early via task-focused feedback, independent of arbitrary targets.
Predictable Side Effect	Massive rating inflation and the total loss of the pay-for-performance link.	Team sabotage, manufactured distinctions, and high legal exposure.	True accountability without destroying psychological safety or collaboration.

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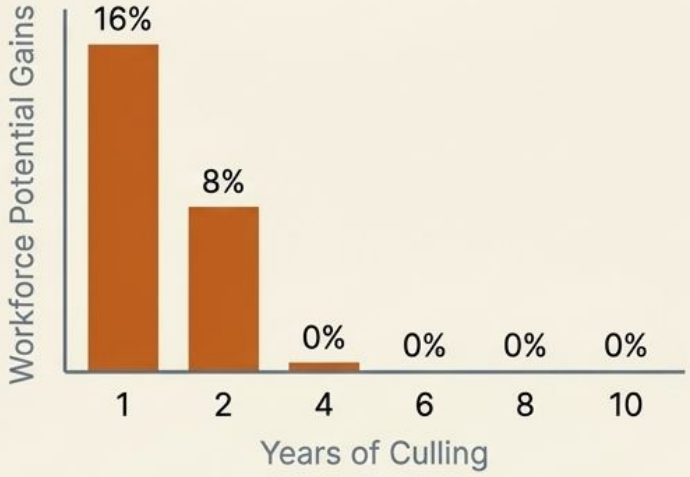
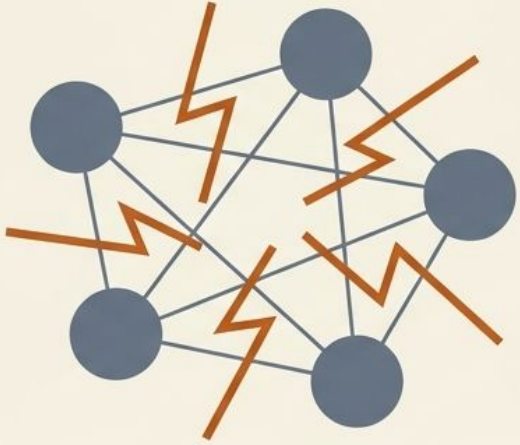
The Illusion of the Curve

The Mathematical Limit
(Expectation)



Forced curves harvest easy gains quickly by culling the obvious bottom. Once the bottom is cleared, you are arbitrarily culling strong employees. The gains permanently fade.

The Collaboration Penalty
(Reality)



In interdependent work, relative rankings introduce a fatal flaw. They incentivize status-focused competition, invite direct sabotage, and erode the cross-functional cooperation modern work requires.

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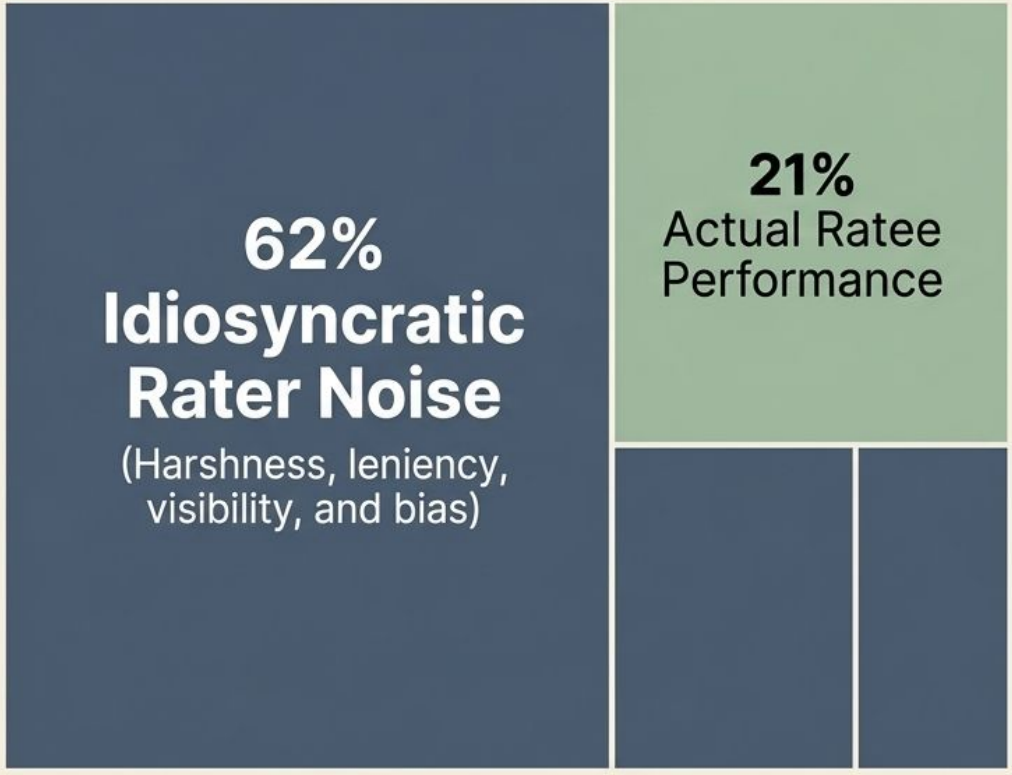
The Measurement Mismatch: Signal vs. Noise

Variance Decomposition



100% of a Performance Rating

The Core Assumption Fails

When leaders implement a forced curve, they assume they are rationing high performance. The science of performance appraisal proves they are mostly measuring the biases and tendencies of the rater.

The Reality of the Quota

Forcing a quota doesn't identify the weakest performers. It identifies the employees whose raters were the harshest, whose work was the least visible, or who sat in teams that happened to be exceptionally strong.

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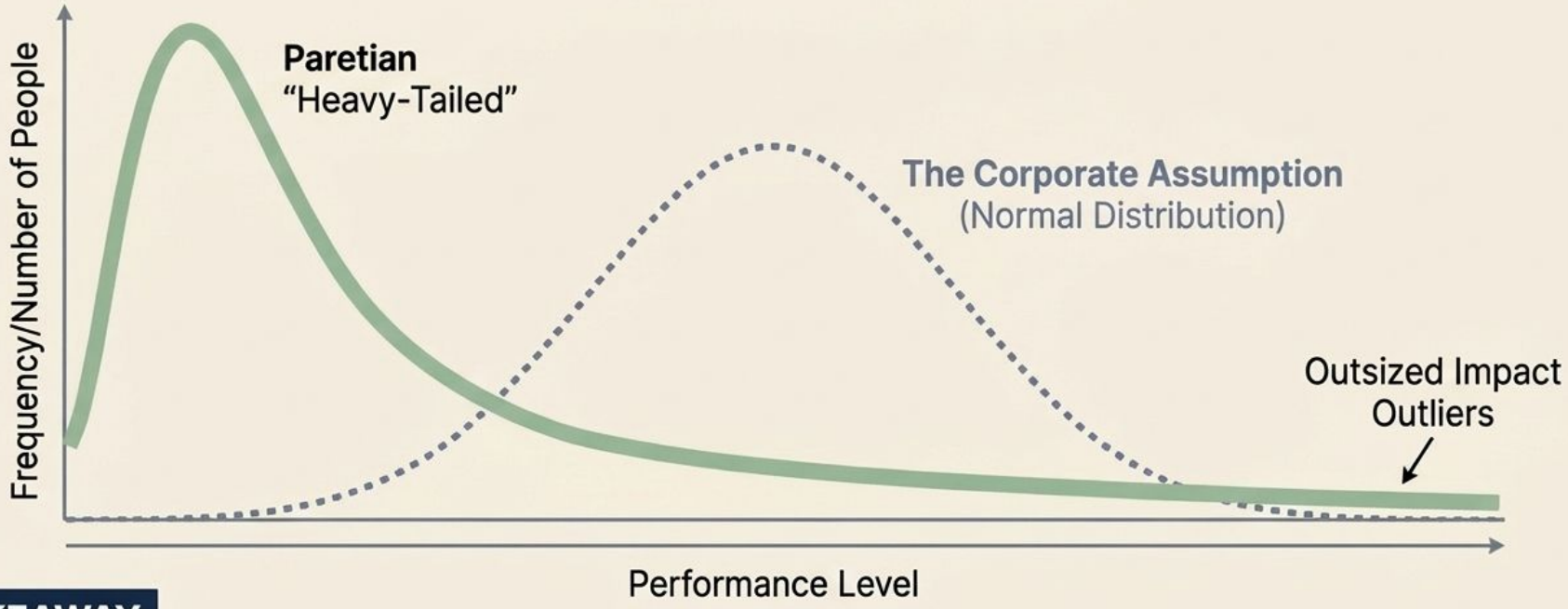
The True Shape of Individual Performance



TAKEAWAY

Analyzing over 600,000 individuals reveals human performance rarely follows a normal distribution. Output is heavy-tailed: a few outliers produce outsized results, while most cluster in the middle. Forcing a bell shape compresses true stars and manufactures toxic, arbitrary distinctions in the crowded middle.

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The Hidden Costs: Bias and Legal Exposure

Subjective systems dividing a fixed pool create patterned, documentable outcomes.

Performance-Reward Bias

Subjective systems dividing a fixed pool create disparate impact. Identical performance scores consistently yield smaller salary increases for women and minorities (Castilla).

Historical Anchor:
Goodyear (2002): Discontinued 10/80/10 system amid discrimination suits.

The "Potential" Trap

Women frequently receive higher performance ratings but lower "potential" ratings. These subjective potential ratings explain roughly half the gender promotion gap in major cohorts.

Historical Anchor:
Yahoo (2016): Sued over mandatory low-rating quotas and unannounced layoffs.

Class Action Exposure

Quotas inherently produce patterned outcomes that invite age and gender discrimination lawsuits by proving artificial, non-performance-based downgrades.

Historical Anchor:
Ford (2002 / 2026): Historic $10.5M settlement, followed by renewed 2026 lawsuits over "soft layoff" quotas.

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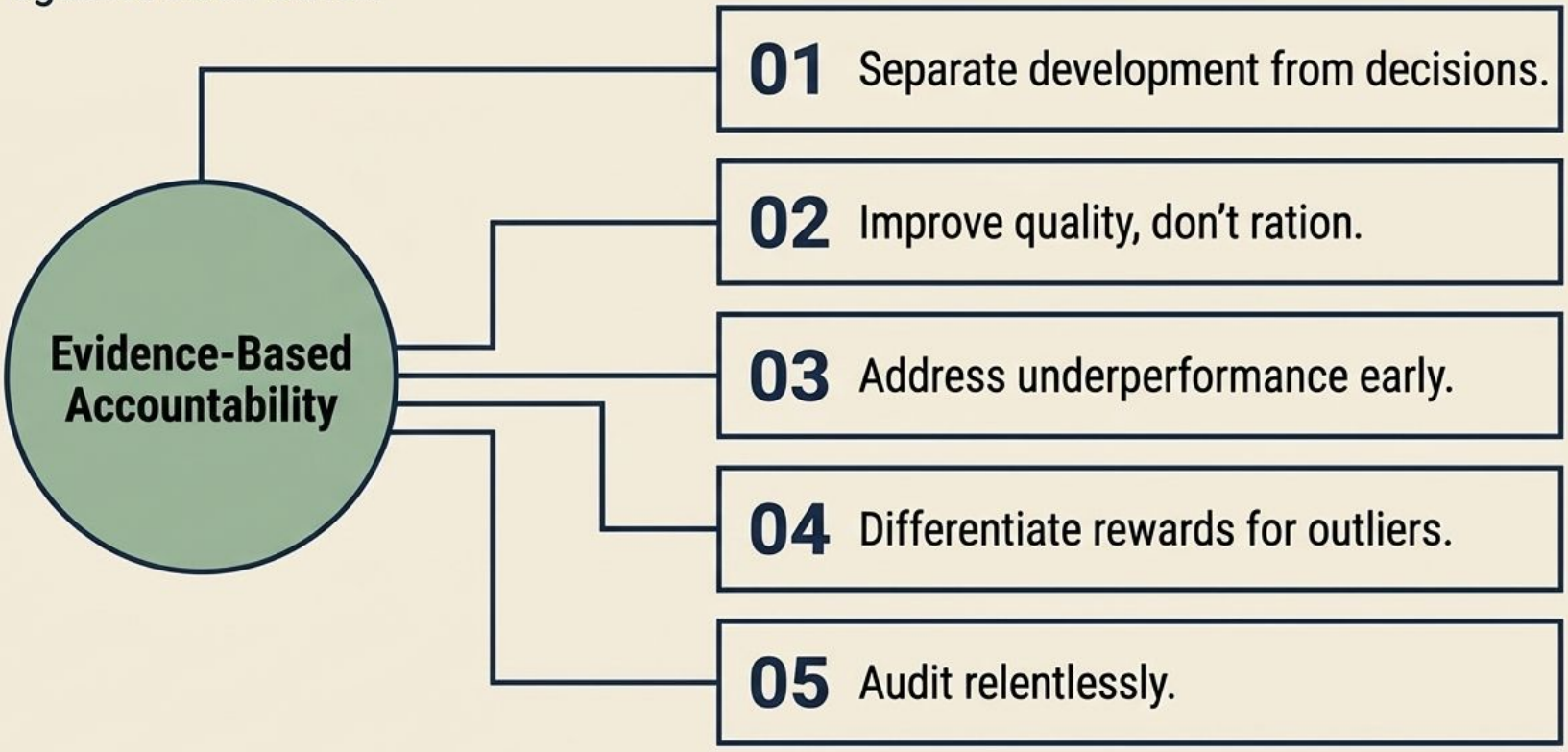
The Third Way: Five Evidence-Based Responses

How leaders can build honest differentiation and credible rewards without pitting people against each other.



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01. Separate Development from Decisions

Split-Stream Flowchart



Frequent, forward-looking check-ins initiated by employees. Radically decouple these from compensation. (e.g., Deloitte's weekly check-ins).

Defensibility and Comparison

Q1 | Q2 | Q3 | Q4

Quarterly/Annual pay and promo decisions based on aggregated snapshot data. Ask specific intent questions (e.g., "Would you always want this person on your team?") rather than abstract scores.

When one conversation carries both development and compensation, employees defend themselves, and managers soften the message. Separate the two entirely.

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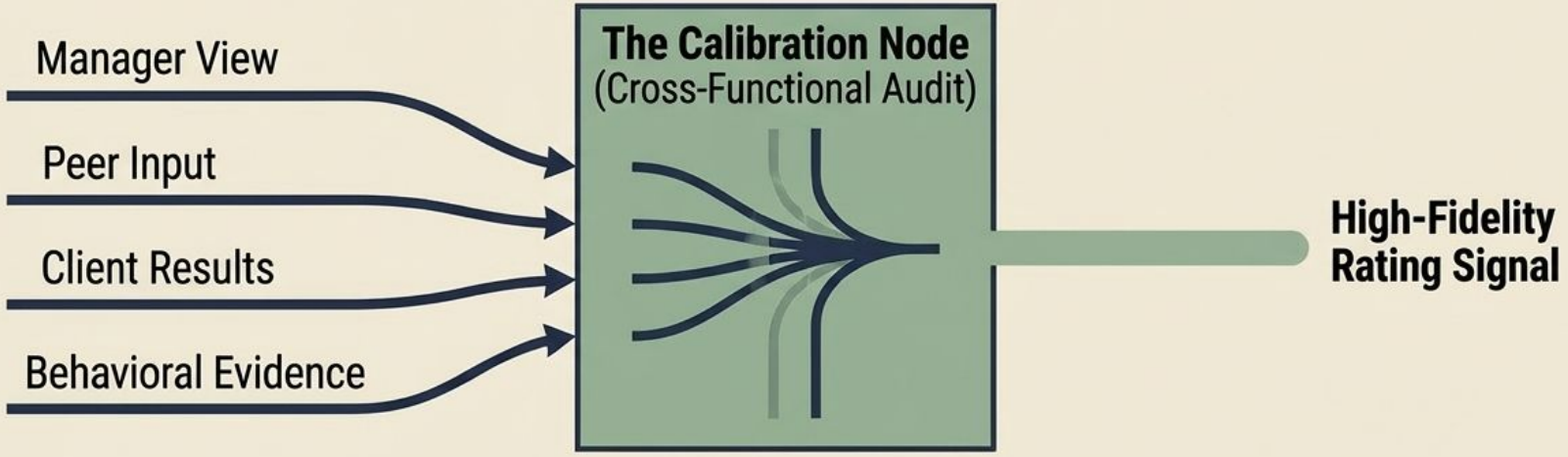
02. Improve Quality, Don’t Ration

If ratings are inflated, the root problem is low-quality judgment, not generosity. A cap masks the symptom; rigorous evidence treats the disease.



Multiply Perspectives:
Dilute idiosyncratic manager bias by requiring input from cross-functional peers.

Require Evidence:
Demand specific, documented behavioral examples for any rating at either extreme.

Shift the Cap’s Purpose:
Use distribution caps (like a 40% rule) strictly as an audit trigger to investigate anomalies, never as a mandatory quota.

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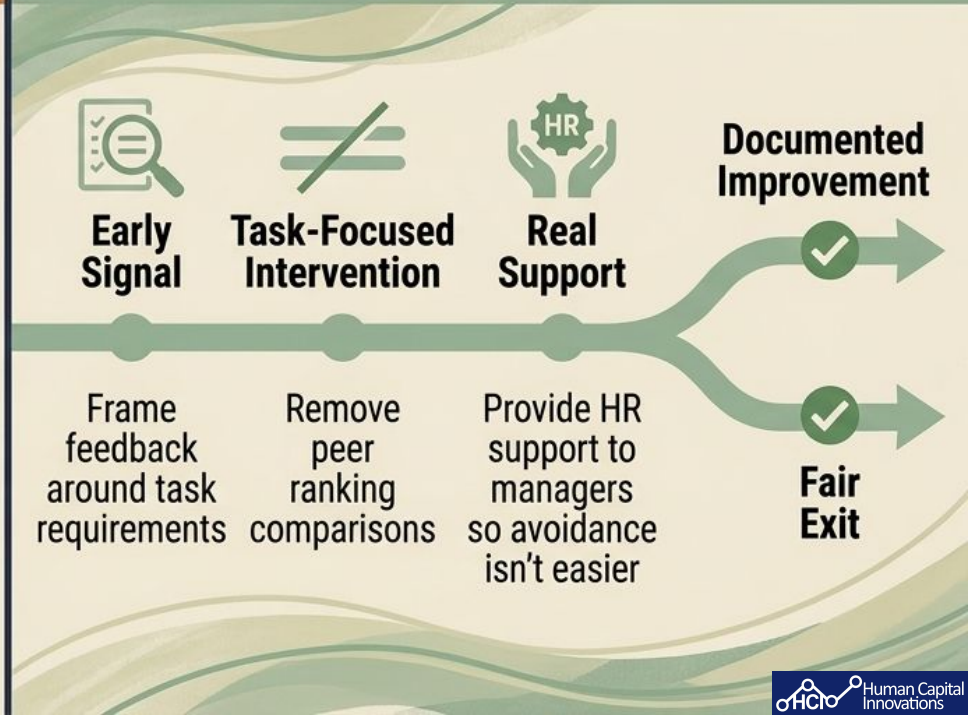
03. Address Underperformance Early

Exit quotas don't fix manager avoidance—they just turn coaching programs into pipelines for unregretted attrition.

The Broken Way



The Evidence-Based Way



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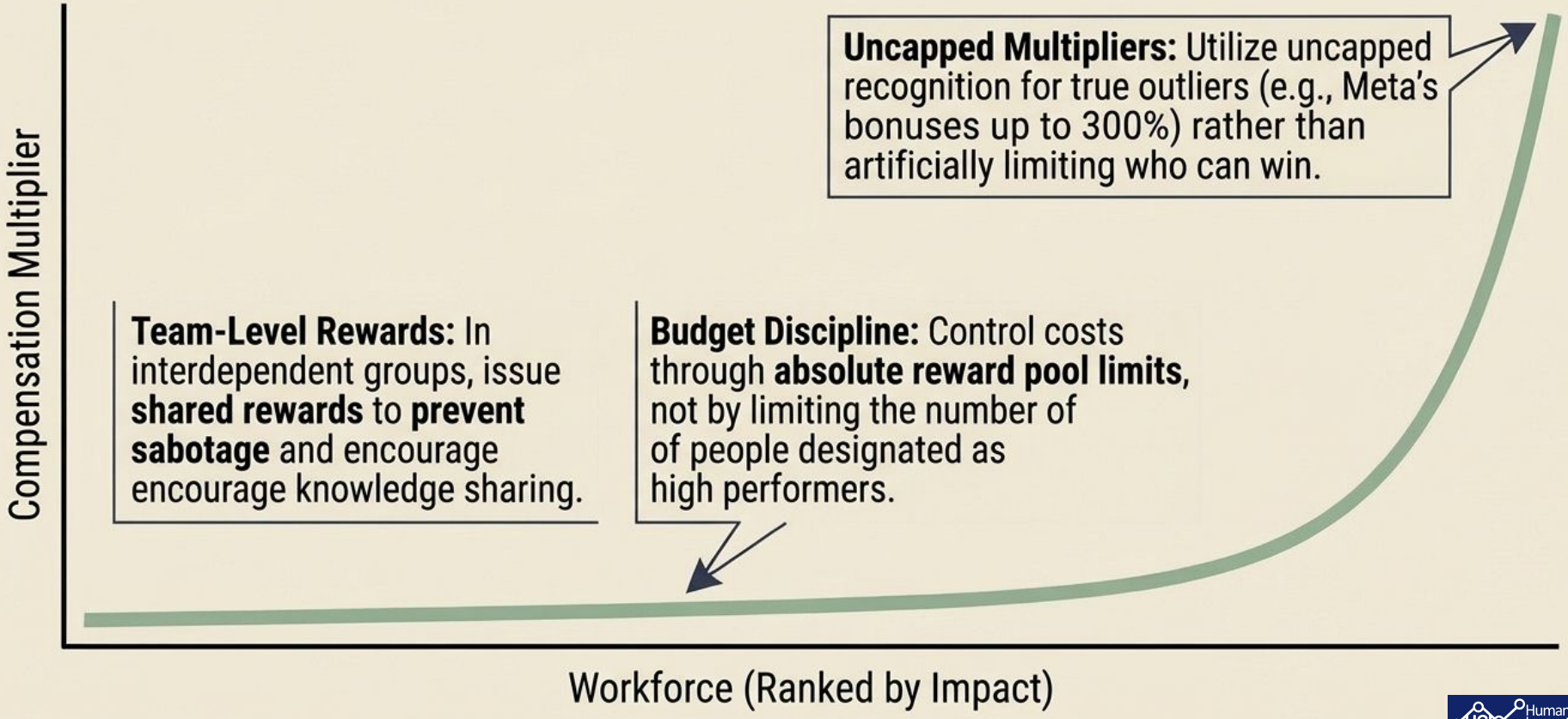
04. Differentiate Rewards for Outliers

You do not need a rating cap to control budgets or motivate top performers.



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05. Relentless Auditing

Any scarce distribution will produce patterns. Audit during calibration, not after.

Adverse Impact Scrutiny



Analyze distributions across protected demographic groups during the calibration phase, when ratings can still be adjusted based on evidence.

The “Potential” Check



Demand concrete evidence for soft judgments like “potential” or “leadership,” where demographic demographic bias most frequently hides.

Collaboration Indicators



Monitor knowledge sharing, mentoring, and cross-team help-giving. If these drop, your evaluation system is breeding toxic competition.

Rater Accountability



Track manager rating patterns over time. Make managers defend their ratings with specific data, not just seniority or gut feeling.

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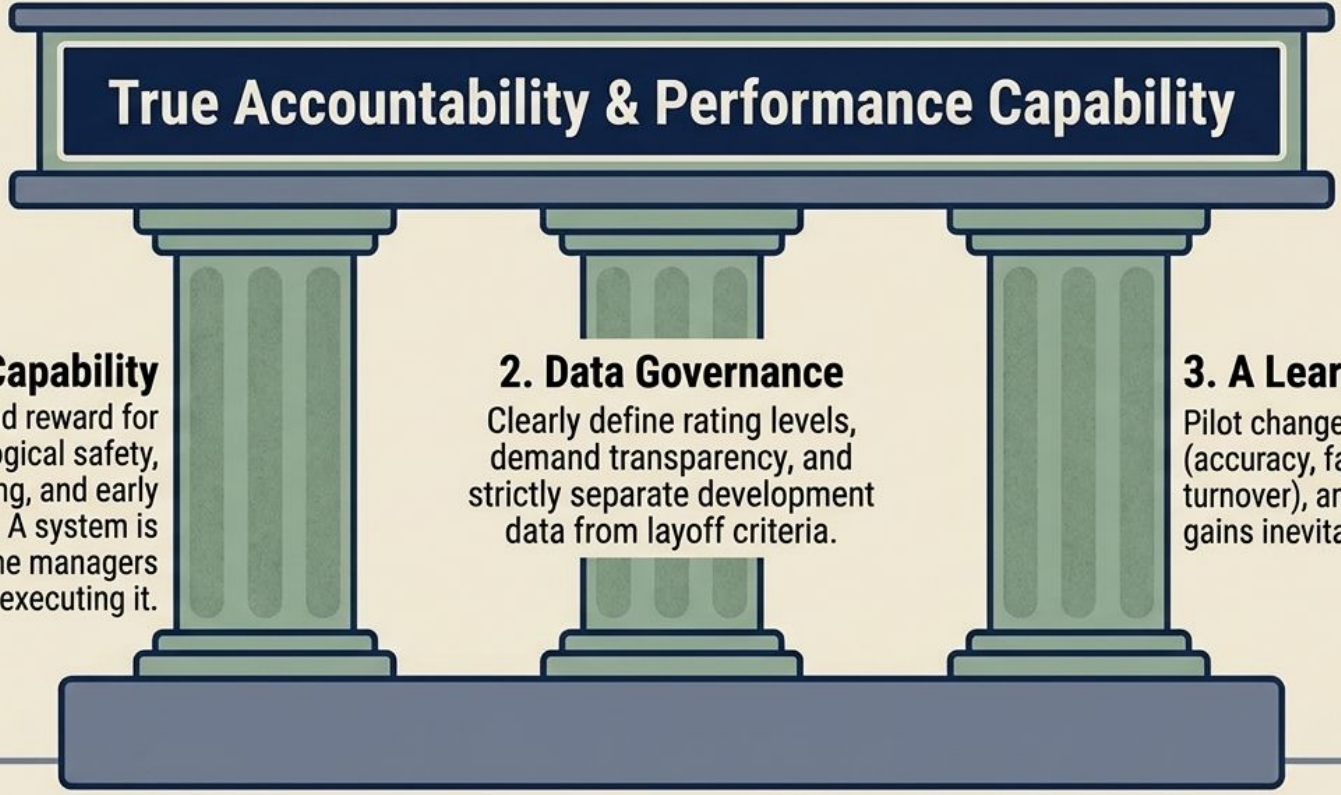
Building Durable Performance Leadership



1. Manager Capability

Train and reward for psychological safety, expectation-setting, and early intervention. A system is only as good as the managers executing it.

2. Data Governance

Clearly define rating levels, demand transparency, and strictly separate development data from layoff criteria.

3. A Learning System

Pilot changes, track outcomes (accuracy, fairness, regretted turnover), and adjust as early gains inevitably fade.

Choosing between curves and no curves is just a design decision. The true capability is an organization's ability to judge accurately, talk honestly, and act fairly.

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