

# IU researchers explore managing star performers

From IDS reports

Herman Aguinis, the John F. Mee chair of management and professor of organizational behavior and human resources in the Kelley School of Business, discussed how companies can effectively produce and manage star performers in the journal *Organizational Dynamics*, according to an IU press release.

"Star performers produce more than other individuals, help increase the productivity of those around them and have an important impact on the performance of their organizations as a whole," Aguinis wrote with Kyle Bradley, a doctoral candidate at the business school, in their article, "The Secret Sauce for Organizational Success: Managing and Producing Star Performers."

In a series of studies conducted during the past five years involving more than 600,000 people including scientists, entertainers, politicians and athletes, Aguinis and his team found the performance of individuals does not follow a normal distribution, which usually follows a characteristic bell curve showing the average and middle numbers as equal.

Many top organizations have unrealistically forced managers to assign a set percentage of their people to certain performance measures in order to create a normal distribution.

The practice restricts who can succeed and clusters the majority of people around the center of the distribution.

"Rather than a normal distribution, our research suggests that performance usually follows a power law distribution," Aguinis and Bradley said in the article. "Under this type of distribution, we expect to see many more star performers."

For example, in 2012

Aguinis and Ernest O'Boyle Jr., an assistant professor at the University of Iowa, gathered data for more than 25,000 researchers across more than 50 scientific fields.

If data followed a normal distribution, there should be about 35 researchers with 10 or more publications. In contrast, they found 460 people who had produced that high level of publication.

In a sample of 3,300 entertainers nominated for a Grammy Award, five would be expected under a normal distribution to receive at least 10 nominations. However, 64 artists have been nominated at least 10 times, according to the release.

"It is becoming apparent that the performance distribution is not normal in most cases and consequently star performers are more common than previously assumed," Aguinis and Bradley said in the release.

They said if an organization uses a performance evaluation system that forces a normal distribution when it actually follows a power law distribution, many star performers will be rated average.

"This could have demoralizing effects on the individual and result in loss of motivation, drops in performance or even turnover of some of the organization's most valuable human capital," they said in the release.

Most of the paper focuses on the "secret sauce" — what organizations can do to manage and produce star performers effectively.

"Implementing such practices may get us closer to reaching one of the most coveted 'holy grails' in management: turning human capital into an unbeatable and long-lasting source of competitive advantage," Aguinis and Bradley said in their article.

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