Estimating the Costs of Performance Evaluations

Narrow Span of Control	
Average span of control	8
Average time to complete one written review	1 hour
Average time to discuss with employee	1 hour
Administrative time to set up meetings with employees	1/2 hour

8 employees × 2 hours per employee + 1/2 hour administrative time to set up times to meet with employees = 16.5 hours of time for one manager to complete all performance reviews

Wider Span of Control	
Average span of control	25
Average time to complete one written review	1 hour
Average time to discuss with employee	1 hour
Administrative time to set up meetings with employees	1 hour

25 employees × 2 hours per employee + 1 hour administrative time to set up times to meet with employees = 51 hours

Once you have the number of hours it takes, you can multiply that by your manager's hourly pay to get an estimated cost to the organization

16 hours × $50 per hour = $85051 hours × $50 per hour = $2550

Source	Advantages	Disadvantages
Manager/Supervisor	Usually has extensive knowledge of the employee's performance and abilities	Bias
	Favouritism	
Self	Self-analysis can help with employee growth	In the employee's interest to inflate his or her own ratings
Peer	Works well when the supervisor doesn't always directly observe the employee	Relationships can create bias in the review
	Can bring a different perspective, since peers know the job well	If evaluations are tied to pay, this can put both the employee and the peer in an awkward situation
	If confidential, may create mistrust within the organization	
Customer/Client	Customers often have the best view of employee behaviour	Can be expensive to obtain this feedback
	Can enhance long-term relationships with the customer by asking for feedback	Possible bias
Subordinate	Data garnered can include how well the manager treats employees	Possible retaliation if results are not favourable
	Can determine if employees feel there is favouritism within their department	Rating inflation
	Subordinates may not understand the "big picture" and rate low as a result	
	Can be used as a self-development tool for managers	If confidential, may create mistrust within the organization
	If nothing changes despite the evaluation, could create motivational issues among employees	

Employee Performance Appraisal
XYZ Company

Employee's Name _____

Title _____

Department _____

Please put an X in the area which best describes this employee's performance.

Attribute	Above Average	Average	Below Expectations
Dependable			
Shows problem solving ability			
Works well in a team			
Takes initiative			
Produces high quality work			
Shows leadership within department			
Communication ability			

Please provide specific comments which describe the ratings for each category.

_____

_____

_____

_____

_____

_____

_____

_____

_____

Date _____

Signature of employee _____

Signature of manager _____

Employee Performance Appraisal
XYZ Company

Employee's Name _____

Title _____

Department _____

Please write comments about the employee's performance in the space below.

Attribute	Comments
What does this employee do well?	
What aspects of his/her job performance should be improved upon?	
Describe performance challenges.	
Aspects of job to continue doing	
Aspects of job the employee should improve	

Date _____

Signature of employee _____

Signature of manager _____

Employee Performance Appraisal
XYZ Company

Employee's Name _____

Title _____

Department _____

Please select yes or no for each of the statements.

	Yes	No	Comments
This employee works well with the people on his/her team.			
He/she is well liked and respected by people on the team.			
The employee has in depth knowledge of his or her job.			
The employee needs minimum supervision in performing his or her job.			
Aspects of job the employee should improve			

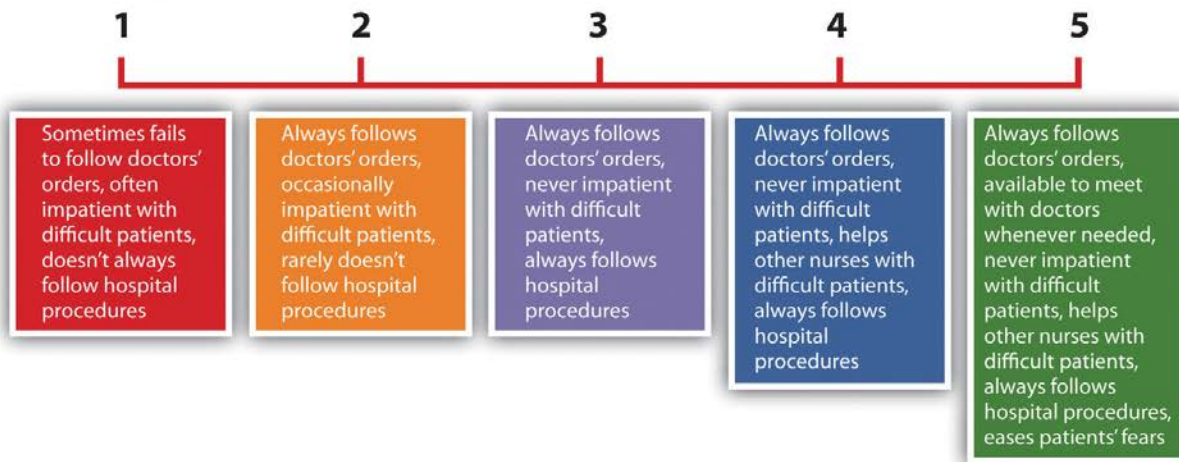Date _____

Signature of employee _____

Signature of manager _____

Behaviorally Anchored Rating Scale (BARS): Performance is assessed along a scale with clearly defined scale points containing examples of specific behaviors.
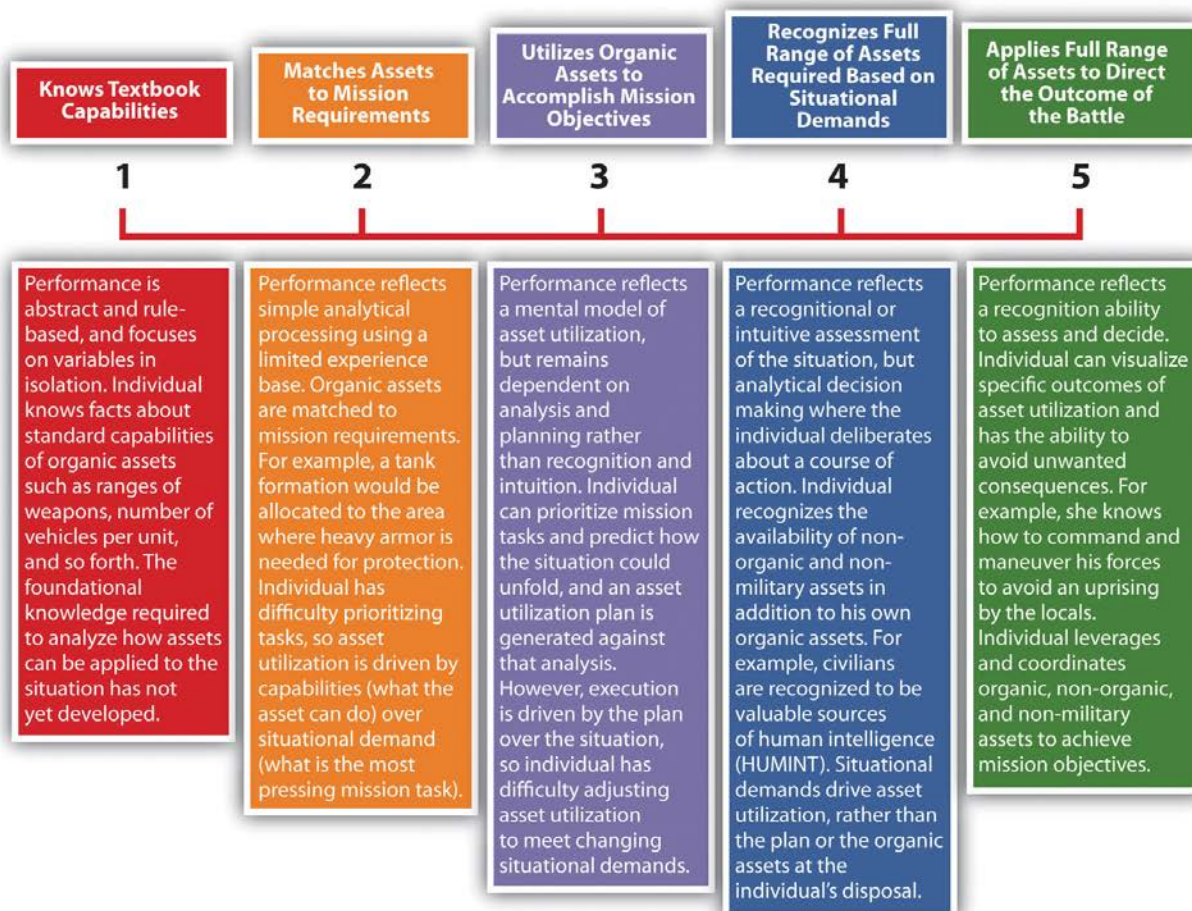Example: A supervisor of a nurse indicated which scale point best describes the behavior of the nurse.

BARS for Army nurses

1	2	3	4	5
Sometimes fails to follow doctors' orders, often impatient with difficult patients, doesn't always follow hospital procedures	Always follows doctors' orders, occasionally impatient with difficult patients, rarely doesn't follow hospital procedures	Always follows doctors' orders, never impatient with difficult patients, always follows hospital procedures	Always follows doctors' orders, never impatient with difficult patients, helps other nurses with difficult patients, always follows hospital procedures	Always follows doctors' orders, available to meet with doctors whenever needed, never impatient with difficult patients, helps other nurses with difficult patients, always follows hospital procedures, eases patients' fears

Bars for Army Combat Leaders

Know and Use All Assets Available. Combat leaders must not lose sight of the synergistic effects of fighting their command as a combined arms team—this includes not only all assets under their command, but also those which higher headquarters might bring to bear to assist them.

Knows Textbook Capabilities	Matches Assets to Mission Requirements	Utilizes Organic Assets to Accomplish Mission Objectives	Recognizes Full Range of Assets Required Based on Situational Demands	Applies Full Range of Assets to Direct the Outcome of the Battle
1	**2**	**3**	**4**	**5**
Performance is abstract and rule-based, and focuses on variables in isolation. Individual knows facts about standard capabilities of organic assets such as ranges of weapons, number of vehicles per unit, and so forth. The foundational knowledge required to analyze how assets can be applied to the situation has not yet developed.	Performance reflects simple analytical processing using a limited experience base. Organic assets are matched to mission requirements. For example, a tank formation would be allocated to the area where heavy armor is needed for protection. Individual has difficulty prioritizing tasks, so asset utilization is driven by capabilities (what the asset can do) over situational demand (what is the most pressing mission task).	Performance reflects a mental model of asset utilization, but remains dependent on analysis and planning rather than recognition and intuition. Individual can prioritize mission tasks and predict how the situation could unfold, and an asset utilization plan is generated against that analysis. However, execution is driven by the plan over the situation, so individual has difficulty adjusting asset utilization to meet changing situational demands.	Performance reflects a recognitional or intuitive assessment of the situation, but analytical decision making where the individual deliberates about a course of action. Individual recognizes the availability of non-organic and non-military assets in addition to his own organic assets. For example, civilians are recognized to be valuable sources of human intelligence (HUMINT). Situational demands drive asset utilization, rather than the plan or the organic assets at the individual's disposal.	Performance reflects a recognition ability to assess and decide. Individual can visualize specific outcomes of asset utilization and has the ability to avoid unwanted consequences. For example, she knows how to command and maneuver his forces to avoid an uprising by the locals. Individual leverages and coordinates organic, non-organic, and non-military assets to achieve mission objectives.

A sample graphic rating scale for a receptionist

1. Answers calls by the second ring.   1   2   3   4   5

1. Answers calls using the appropriate greetings.   1   2   3   4   5

2. Greets customers in a friendly manner.   1   2   3   4   5

3. Offers customers something to drink within 2 minutes of arrival.   1   2   3   4   5

In a graphic rating scale method, the employee is rated on his or her ability to meet each expectation of the job

A sample checklist scale method for janitor

_____ Arrives at work on time

_____ Is dressed appropriately at the start of shift

_____ Maintains cleaning standards

_____ If completed daily tasks are finished, takes initiative in finding new work to perform

This method shows clear expectations and the manager simply checks them off if the employee meets them

A sample essay method for a mechanic

Please describe the employee's strengths. _____

_____

_____

Please describe the employee's weaknesses. _____

_____

_____

What should the employee improve over the next year? _____

_____

_____

In the essay method, the manager has freedom to write about the employee, which can be an advantage. This method works well combined with one of the other methods.

A sample work standards approach for a salesperson

	Met	Did not meet
Met quota of $300,000 for the quarter	☐	☐
Made 25 new possible client contacts	☐	☐
Assisted the marketing department in development of sales material	☐	☐

As you can see, the minimum standard is listed for each aspect of the job.

A sample MBO method for a project manager

	Met	Did not meet
Casey, Inc. project completed on time	☐	☐
Casey, Inc. project completed on budget	☐	☐
360 review team scores of 3 or higher	☐	☐

MBOs for quarter three:

1.

2.

3.

In an MBO system, the employee and the manager sit down together to figure out goals for the next time period, and review success on previously determined goals.