

Personnel Evaluation Process for Employees of State Administrative Institutions

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Abstract

Nowadays, the greatest proportion of any economy is comprised of services rather than goods, therefore enterprises are interested in optimising the use of resources, while customers increasingly focus on the quality of customer service. In a special way, it may be also attributed to state administrative institutions, the customer service of which is directly associated with the state's prestige and the meaningful achievement of the state's strategic goals.

However, a personnel evaluation process and the organisation of it for employees of state administrative institutions is subordinated to the state's strategic goals and regulated by a relatively broad range of legal documents. Such considerations indicate that the research problem is urgent at national and municipal levels.

The research aim is to examine a personnel evaluation process for employees of state administrative institutions in order to identify possibilities to enhance the evaluation process.

The specific research tasks are as follows: 1) to summarise the theoretical aspects of a personnel evaluation process; 2) to examine the personnel evaluation process for employees of state administrative institutions in Latvia.

The research employed the following methods: monographic, descriptive, analysis and synthesis, as well as abstract analysis and logical construction.

Keywords: Personnel evaluation, state administrative institutions

Introduction

An assertion dominates in such disciplines as economics, management and administration that the key resource in providing services for any enterprise (organisation) is their employees because whether an enterprise is able to compete with other ones depends on its employees.

However, there are institutions where the evaluation of their employees does not directly relate to the factors influencing competitiveness and business. At state administrative institutions, the evaluation of their personnel is based on the right choice of administrative methods and the transparency of the evaluation process.

A number of research studies and theoretical findings (Beaumont, 2000; Anderson, 2008; Showkat, 2013; Martin, 2010) point out that personnel evaluation may be based not only on personnel performance but also goal achievement measurements. Furthermore, the objectives involve the individual, collective and administrative dimensions. Therefore, one can state that such an evaluation is always associated with increased urgency, as today employees are one of the most important elements in the successful operation of organisations. Besides, it is important not only to find employees who meet the requirements but who also contribute to the organisation's achievement of its operational targets. To achieve it, it is necessary to persistently study and enhance the personnel management process, including the personnel evaluation process, which would allow the enterprise both to enhance its internal microclimate and to reduce costs relating to finding new employees and their training.

The scientific literature has extensively discussed personnel evaluation as one of the most important stages in personnel management, yet a little focus has been placed on the urgency of and challenges in evaluating personnel based only on objectives and competences. Such an approach is important for state administrative institutions, as they perform quite a few quantitatively measurable tasks. Furthermore, the focus in the performance of state administrative institutions is placed on the general goals and strategic role of the state, which involves evaluating an employee from an aspect completely different from that in conventional entrepreneurship.

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Personnel evaluation process as one of the components of personnel management

The very first personnel management and evaluation models that

could be appropriate for evaluating employees of state administrative institutions and measuring their suitability were developed in the USA, which may be partly explained by an overlap between human resource management values and the values that are referred to as an “American dream” – human development, enhanced opportunities and strict management. However, European scientists rely on a different approach, the key features of which involve smaller personnel management departments, a lower percentage of wages spent on training, a performance-based remuneration system and more information on the strategy and performance that is available to employees (Anderson, 2008).

B.Beaumont believes that the process of individual evaluation of employees is considered to be one of the key pillars in strategic human resource management for two reasons – first, it is asserted that the criteria on which personnel evaluation is based have to be reflected in the competitiveness strategy of any organisation. Mostly direct supervisors are involved in the evaluation of employees as evaluators who are concurrently evaluated by their managers (Beaumont, 2000). In their research studies, both I.Forand (2007) and I.Voronchuk (2009) stress that managers have to evaluate their employees for various reasons. The reasons might be a potential transfer, promotion, enrolment in training courses or a pay rise. Managers may perform an evaluation based on a well thought-out system instead of their subjective opinions. A job performance evaluation consists of systematic information about the employee’s performance and his/her potential for development and learning. There are two types of evaluation:

- performance evaluation – an evaluation of the previous performance (usually one year);
- potential evaluation – an evaluation of the employee’s potential for performing future tasks (usually five years).

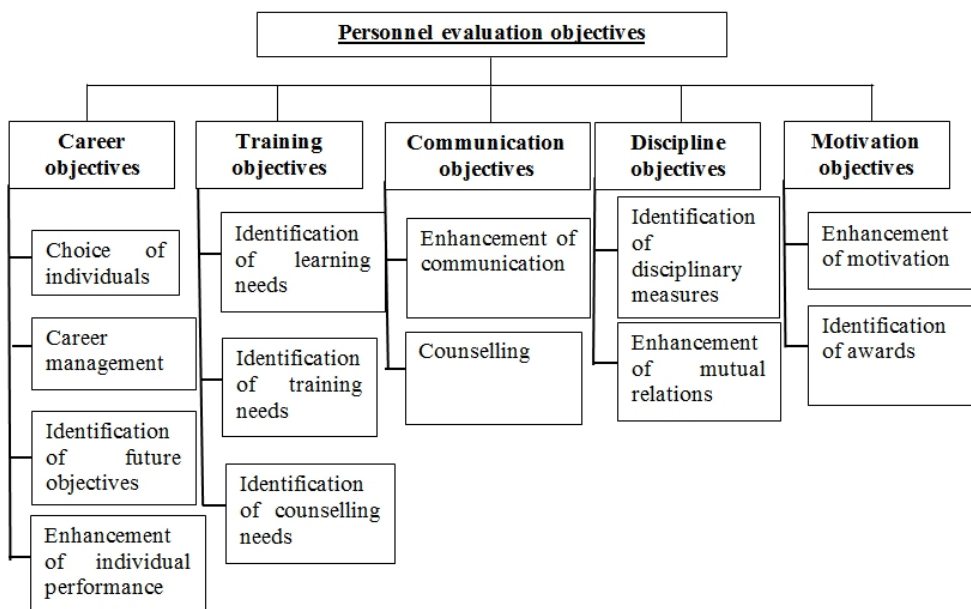
According to research studies by S.Showkat, a personnel evaluation system is an important instrument in personnel management that facilitates overall organisational effectiveness, defining performance tasks and objectives, providing quality formal and informal feedback, a mechanism for participant evaluation as well as complaint processing, determining clear performance standards and making fair decisions on remuneration and personnel development in relation to the status of employees with regard to their promotion, transfers, career planning, training and development needs, pay rises, downsizing or the termination of employment relationships (S.Showkat, 2013). Such an approach is usually attributed to state administrative jobs and state administrative institutions. It is also pointed out that despite the fact that administrative and development decisions are made based on personnel evaluation results, these results might become a useful instrument for enhancing relations with the employees, planning their

performance and identifying their talents as well as increasing the effectiveness of the organisation (S.Showkat, 2013).

However, J.Edwards et al. (2003) emphasise that a great role is played by whether evaluation **criteria** are consistent with evaluation **objectives**.

According to J.Martin, personnel evaluation reflects the evaluation process, the purpose of which is to identify the **overall potential and abilities of an individual or a team** based on their previous and current work behaviours and performance. Measurements may be done based on various criteria, but usually the expected and the achieved results relative to the objective set are compared.

After summarising the findings of the mentioned scientists and the information available, the authors systemised the information (Figure 1), dividing the key objective of personnel evaluation into several sub-objectives, which, in their turn, were subdivided into task groups.



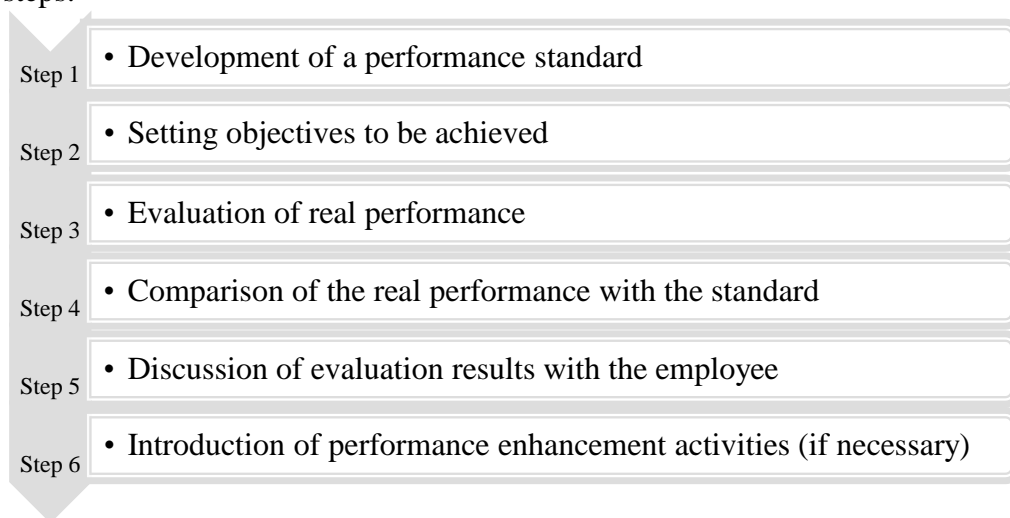
Source: authors' construction based on Beaumont P.B, 2010

Fig. 1. **Division of personnel evaluation objectives**

Organisations, including state administrative institutions, usually distinguish two kinds of personnel evaluation functions and quite often discuss what is really worth evaluating and which kind may be employed in what situations. They usually discuss **competence** evaluation and **job performance** evaluation. If one believes that competence is *a set of factors characteristic of a personality that are needed for good and successful task performance*, it would be quite simple to evaluate personnel based only on

this competence criterion. However, competence is divided into hard and soft competence. It is particularly difficult to evaluate soft competence, which is mainly composed of emotional intelligence, i.e. the individual’s ability to cope with his/her basic stresses (fear, uncertainty, anger, the sense of guilt) by being aware of and controlling them as well as the skill to communicate and influence those around, by means of both selection procedures and interviews for internal evaluation. All the traits, interests and attitudes that arise from the personality belong to soft competence. In contrast, hard competence consists of knowledge and skills being acquired by an individual during the career. It is easy to prove and confirm these components of competence by means of diplomas, certificates and licenses. Language skills, computer skills and other abilities that may be acquired and evaluated also belong to this kind of competence.

However, W.Werther divides the personnel evaluation cycle into six steps.



Source: authors’ construction based on Werther B.W., Keith D., 1996.

Fig. 2. **Personnel evaluation process**

The above-mentioned steps seek to include objectives, performance as well as individualised evaluation, which is discussed with the employee.

Personnel Evaluation Process for Employees of State Administrative Institutions

The National Development Plan of Latvia for 2014-2020 and the Sustainable Development Strategy of Latvia for 2030 define key guidelines for employees and employers in relation to work. Decent work provides a sufficient remuneration that is adequate to skills and productivity, job security and social protection for the family, better opportunities for personal

growth and social integration and freedom to express one's interests, unite and participate in making decisions. Decent work enables individuals to earn enough money for themselves and their families and to enhance their qualifications in order to persistently ensure wellbeing and ability to adapt to changes in the labour market. In order that individuals can have an opportunity to get and do decent work and provide for themselves and their relatives and to contribute to the development of the country, they need various competences (knowledge, skills and attitudes), e.g. language skills, skills in information and communication technologies, communication and cooperation skills, work skills, entrepreneurial ability, civic self-confidence, abilities to critically think, plan their finances, evaluate risks and find solutions to the risks. Competences have to be built up throughout the lifetime, as it is impossible to predict future needs (National Development Plan..., 2012).

Therefore, one can conclude that an evaluation of employees is not only necessity for employers but also a need for the employees themselves to acquire an evaluation of their skills and competences and, if necessary, to enhance them to the level that allows the employees to adapt to trends in the labour market.

The evaluation of employees of state administrative institutions is regulated by Cabinet Regulation No. 494 (in force since 10 July 2012), which defines the following performance evaluation objectives:

1. to define performance-related individual objectives and tasks for an employee that are consistent with the objectives and tasks of the institution and the relevant department;
2. to evaluate the employee's job performance according to evaluation criteria;
3. to determine the employee's training and development needs;
4. to identify opportunities for the employee's professional growth;
5. to identify necessary changes to be made in the description of the job position;
6. to propose options for discussion between the employee and his/her direct supervisor about his/her job performance and to ensure regular feedback.

The job performance evaluation process consists of the following stages:

- development of a job execution schedule;
- setting objectives to be achieved and tasks to be performed;
- agreement on requirements for job responsibilities;
- definition of preferred actions according to competence;
- definition of requirements for the professional qualification;

- updating data on job performance through examining whether job execution meets the requirements, objectives and tasks set for the job position and determining the status of the job execution not less than once a year;
- evaluation of the job performance through analysing the job execution and assessing it in accordance with criteria set in Paragraph 29 of the Cabinet Regulation;
- discussion of the job performance evaluation between the supervisor and the employee for the purpose of analysing the evaluation results and agreeing on the content of a report on the job performance evaluation.

The frequency of evaluation of employee job performance, in accordance with the Cabinet Regulation, is as follows: once a year for employees and once in two years for heads of institutions; a repeated evaluation is done before the end of the probationary period in case of long absence (e.g. child care leave, training, incapacity for work). In other situations, an evaluation is done to determine a job category (e.g. if no probationary period is set). The job performance of an employee is evaluated by his/her supervisor.

Job performance evaluation process for employees

Before starting an annual job performance evaluation, the head of a department has to draw up a discussion schedule for the job performance evaluation at the department, giving a time limit – so that the employee can prepare for discussions – and a time limit for the discussions with the employee who has to prepare a form in advance, which is filled in by the head. The filled-in form is used in the discussions. During the discussions, the achievement of objectives and the execution of tasks set in the previous period, the fulfilment of job responsibilities and the actions of the employee are analysed based on the competence criteria and the professional qualification by mutually expressing judgements that justify the evaluation. In addition, the effectiveness of training and development activities in the previous period is analysed and the employee's training and development needs for the next period are identified, and the potential professional growth and necessary changes in the description of the job position and, if possible, objectives and tasks for the next probationary period are determined as well. The job performance evaluation may also involve other individuals who can give their opinion about the employee's job performance, performing an extended (180 or 360 degree) competence evaluation, which is taken into account when making the final competence evaluation. The head of an institution or his/her authorised person determines job positions that require an extended evaluation. An extended evaluation may be done by the employee's subordinates, colleagues, other heads, cooperation partners,

clients as well as representatives of nongovernmental organisations. When performing an extended evaluation, a mandatory prerequisite is the employee's self-assessment and the direct supervisor's evaluation.

Job performance evaluation process for the head of an institution

The performance of the head of an institution is evaluated by an evaluation commission (hereinafter the commission) not less than once in two years (at the end of the probationary period and in case of a repeated evaluation). The commission is established by the relevant member of the Cabinet of Ministers. The commission consists of not less than five members from a list of persons that has been approved by the Cabinet of Ministers in accordance with Clause 1 of Paragraph 1 of Section 9 of the State Civil Service Law (in force since 1 January 2001). The performance of the head of the Corruption Prevention and Combating Bureau is evaluated by a commission consisting of five members.

An evaluation of the head of an institution may require an extended (360 degree) evaluation as well. A form for an extended evaluation represents an annex to the regular form. A relevant member of the Cabinet of Ministers approves a list of persons participating in an extended evaluation. An extended evaluation may be done by subordinates of the head of an institution, other higher-level heads, cooperation partners, clients as well as representatives of nongovernmental organisations. When performing an extended evaluation, a mandatory prerequisite is a self-assessment by the head of an institution and the commission's evaluation. An extended evaluation is carried out before the regular job performance evaluation, and its results are taken into consideration by the commission's members when doing the final competence evaluation.

Annual (previous period) job performance evaluation

The job performance of an employee in the previous period is evaluated by analysing and examining:

- **performance criteria** – the achievement of individual objectives and the execution of individual tasks that arise from the objectives and tasks of the institution and the relevant department and involve a certain part of what the institution as a whole has to achieve;
- **achievement of objectives and the execution of tasks;**
- fulfilment of job responsibilities according to the requirements – whether the fulfilment of regular job responsibilities meets the requirements and standards set in the description of the job position;
- **contribution criteria** that ensure the effective fulfilment of job responsibilities and the achievement of objectives and the execution of tasks;
- **competence build-up level;**

- **suitability of the professional qualification.**

In evaluating the performance criteria of an employee, the following facts are analysed|:

- **the employee's actions** according to competences necessary for the job and based on action indicators;

- **the employee's professional qualification**, given the employee's education, professional experience, professional and general knowledge and skills that have to meet the requirements set in the description of the job position. If professional qualification criteria have not changed, an evaluation of the employee's professional qualification may be omitted and the last evaluation of the employee's professional qualification may be used.

However, competence evaluations have to consider the following prerequisites, which are broken down by group of job positions at state administrative institutions:

1. **policy makers** are evaluated based on at least three of the following competences: analytical thinking, work in a team, the initiative, communication, conceptual thinking, orientation towards development, planning and management, creative thinking and innovation, flexible thinking and independence;

2. **policy introducers** are evaluated based on at least three of the following competences: analytical thinking, work in a team, the initiative, communication, orientation towards development, orientation towards clients, orientation towards achievements, planning and management, flexible thinking and independence;

3. **performers of support functions** are evaluated based on at least three of the following competences: work in a team, the initiative, communication, orientation towards clients, planning and management, care about order, accuracy and quality, responsiveness;

4. **performers of physical and qualified jobs** are evaluated based on at least two of the following competences: work in a team, the initiative, communication, orientation towards clients, planning and management, care about order, accuracy and quality;

5. **lower-level managers** are evaluated based on at least three of the following competences: employee motivation and development, the initiative, conceptual thinking, team management, orientation towards development, planning and management, achievements, ability to make decisions and take responsibility;

6. **medium-level managers** are evaluated based on at least four of the following competences: establishment and maintenance of relations, employee motivation and development, team management, conceptual thinking, orientation towards development, orientation towards achievements, change management, planning and management, ability to

make decisions and take responsibility;

7. **higher-level managers** are evaluated based on at least five of the following competences: establishment and maintenance of relations, employee motivation and development, team management, awareness of values of the organisation, orientation towards development, orientation towards achievements, change management, ability to make decisions and take responsibility, a strategic vision.

The employee and the head may agree on some extra competences to be evaluated. The head of a special civil service institution may define other competences to be evaluated. According to the nomenclature of jobs at national and local government institutions, competences are the same for equally classified jobs within one department, except for the competences than may differ for specialists of diverse levels or deputies of heads.

Conclusion

1. Personnel evaluation at state administrative institutions is based on an approach that considers the overall potential and abilities of an individual or a team, taking into account their previous and current work behaviours and performance.

2. The primary objective of evaluating personnel at state administrative institutions is to enhance the personnel's performance, yet other objectives are simultaneously achieved as well: the enhancement of communication between heads and employees, the avoidance of mistakes and barriers as well as the explanation of individual objectives.

3. Employees of state administrative institutions are evaluated employing regressive evaluation methods that contain a future component.

4. Since an evaluation of an employee is performed by another individual, the evaluation might contain errors owing to the human qualities of both the evaluator and the one evaluated.

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