STAFF PERFORMANCE EVALUATION IN PUBLIC ORGANIZATIONS

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Abstract: *In public Organizations staff performance is difficult to measure in absence of overall quantitative performance indicators. There are also the qualitative indicators that give an overview on staff's motivation, strive, ability, commitment to values, teamwork. These aspects are even less easy to illustrate, in private and public sectors equally. In both cases, measuring staff performance at work, as well as its input on the global performance of the organization is a difficult task which has in practice different approaches. Subsequently, this paper is discussing the system indicators and performance triggers used in International Organizations UN affiliated, in order to adjust staff classification and benefits to their staff's performance.*

Key words: staff performance, motivation, talent management.

1. Introduction

How to measure staff performance in general? There are some consecrated indicators that assist in quantifying staff performance (e.g. Productivity – in all forms of expression, Net Profit/employee, Staff Fluctuation coefficients and rates etc.), but they mainly apply to the profit-oriented organizations, where it is possible to depict direct effects from the staff's endeavor (such as Turnover, Profit, Production).

Or public organizations function on budgetary sources from public and private donors, Member States (for International Organizations) or any other donors that establish, under the low, such specific relationships with the public entity. In using their allotted budgets, a cluster of rules and regulations apply in order to insure fair and transparent use of the (converted) public financial sources. It is why, in such contexts, performance in

general can be measured mainly through correctness of disbursing allocated resources, in line with the established objectives and, obviously, through "clients" satisfaction. By clients we understand the beneficiaries of public services/goods rendered and society at large, as well as any sections/departments/divisions that get support from another division in the same or a different public organization. As we speak about a broad range of intervenient in the whole process, the performance measuring falls once again under lots of caveats and it gets difficult to actually have a good picture of the quality of services provided by public organizations staff. A way to however measure the level of satisfaction from the beneficiaries of services and work done by employees is through independent surveys conducted by specialized agencies and comprises two distinct approaches: client's satisfaction

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and staff's motivation and gratification at work. Such assessments are led unfrequently, as quite expensive and difficulty enterable in the budget limits. Their results also tend to be somewhat biased by the type of the questionnaires used, which is a qualitative approach (as opposed to quantitative one) aiming to mark the level of service perceived on the client's side. As virtually no monetary value is attached to the public's organizations activities, client's satisfaction is only measurable by qualitative attributes, in absence of penalties, loss or misperformance, as it would be the case in a business environment. The surveys also quantity the level of satisfaction perceived by the employees themselves while at work, their motivation level, sense of leadership and goals settings perception. Studies are designed to identify key opportunities for improving individual and overall staff effectiveness and efficiency at work, as well as and any actions needed to exploit opportunities, to improve staff's determination and ability to cope with changes and challenges. On the staff's satisfaction part, the review uses as tools: the desk research, staff opinion survey, one-on-one interviews with staff and additional management consultations and information analysis. Final report draws conclusions on: current situation, Jib content and design, meeting organizational objectives, staff's opinions and feedback, support and career paths and development and perspectives. It assesses as well on the way workflow is organised and as to the point where organization is making good use of its human resources.

According to Prendergast [7] not many organizations use such a system of indicators in the economic reality and deploy instead a mechanism in which the employees' bonus/wages depends on a subjective evaluation of their performance by the appraiser. Such mechanisms are called Principal-Agent models with subjective evaluation [6].

2. Measuring Staff's enactment through Performance Appraisal System

One of the most logical objectives of implementing a Performance Appraisal System is it's strive to assist the organization into directing the efforts and competencies of its staff towards maximizing overall performance; or at least synchronize staff performance with salary and benefits packages, so that staff would not end up being over-paid. As salary packages in Public Organizations are generally fixed by public salary scales, being consistent in classifying staff to the best category/grade of the scale becomes synonym to a first step to fair staff costs and finally organizational performance in this area. This is done by means of measuring, reviewing and developing individual performance [5].

According to Brown and Haywood [4], the performance appraisal system is adopted when the employer attains to obtain benefits from the use of practice that is to obtain a tangible return on the investment. In practice of the Public Organizations Staff Performance Management (as well as in the private sector) we actually find that it is used as a management tool in order to influence performance overall, rather than to obtain clear results based on the effort of implementation.

During the Performance Appraisal process there are three main areas that are addressed, namely: job responsibilities, performance objectives and competencies in order to reach the objectives. All evaluations, grading and assessments are given for the timeframe that the appraisal is conducted for. They may vary from a cycle to another (generally yearly with a

mid-term evaluation every 6 months), but any variation of more than 2 points on a scale of 5 has to be pre-addressed for the staff's attention at the mid-term evaluation, so the issues raised by the supervisor(s) can be timely addressed.

The positive fact is that the Appraisal system is focused on providing feedback on staff competencies, which seems to cultivate an effective personal development at work. The exertion that arises often is that direct supervisor (generally conducting the appraisal) and the subordinate being appraised do not agree completely (or at all) as to the criteria on which the effort of the evaluated staff is to be assessed. They may as well not agree on the score given per criteria or on the overall performance evaluation. Or, agreement between the two parties in terms of evaluation criteria and overall performance is essential in order to maintain the fairness of the whole process in the eyes of the subordinate being appraised. Fig. 1 shows the steps to follow in order to go through the appraisal methodology.
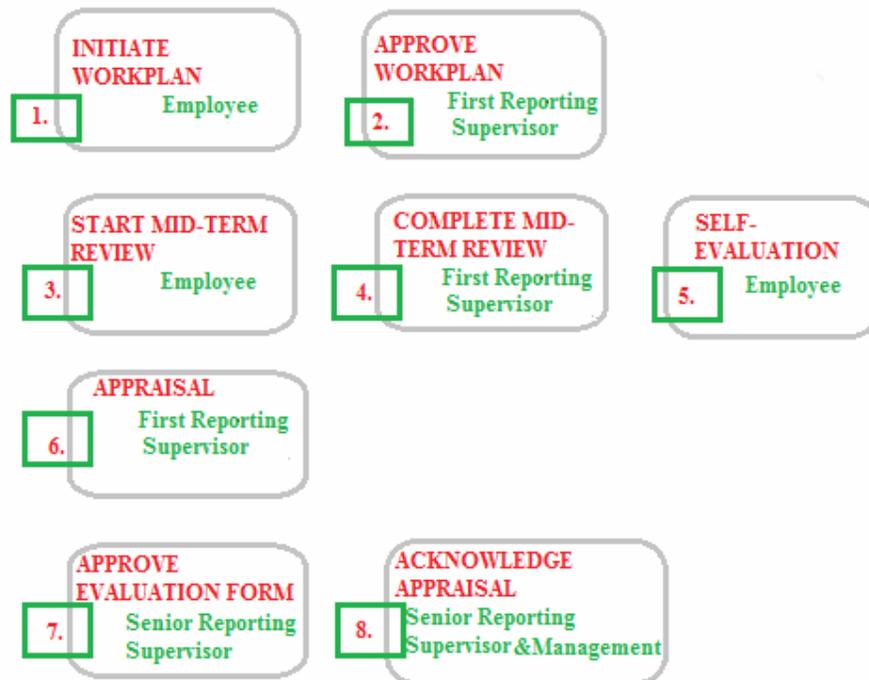

Fig. 1 *Staff Performance Appraisal steps*

We consider that in real life situations, failing to match the criteria of the appraisal process, thus to maintain a perceived fairness of the performance appraisal system generates the main reason why performance appraisals tend to be disgraced within public organizations as well as private sector companies. We shall examine the situations and possible solutions to be implemented in order to avoid the entire process being compromised by lack of coherence in finding the particular set of combined indicators that can be accepted as relevant both by the appraiser and by the employee under evaluation.

Public Organizations in particular tend to be more inertial towards any new

management tool, especially linked to staff performance or other forms of appraisal. As no real or tangible input is expected from their staff in terms of profitability or quantitative targets, public organizations tend to evaluate the staff's performance mainly through attendance records and physical presence at work, rather than client orientation, proactivity, promptness, ability to solve problems or simply number of cases solved – as the nature of work might not allow for such measurements to be recorded. It is only recently that surveys were conducted in order to quantify the client satisfaction as far as the administrative services and support (for example) are concerned in a public organization.

For the UN system, administration counts as 30 to 40% of the staff costs versus core staff activities staff costs (either related to Justice, Health, Humanitarian Affairs, Environment, natural disasters or any other field in which Organizations are involved and function as such). While appraising staff pertaining to the core activities is easier linkable to the budget allocations and targets, the admin and support staff categories are even less easy to appraise and to justify as budgetary lines of expenditures.

However, in order to appraise the quality of work that has been provided for an interval for example, we need to fix thresholds that clarify levels of expectation and achievements. In terms of personnel, these are generally known as "Service level agreement" (SLA), which sets a line of mutually acceptable performance for the "clients" (core activities staff and associated incumbents) and service providers (staff in administration, for example). While setting vague targets as "to the best possible" affects by subjectivism the evaluation, we reckon that in practice there are still SLAs that only stipulate such liberal margins. The most

common SLA establishes nonetheless quantitative targets to measure satisfaction against (E.g.: number of days for processing payments/recording data for Finance activities, percentages of time-up for IT systems, number of days for processing requests in HR field). This should be clearly specified in agreements between public service provider (the public organization) and the clients, as defined earlier.

3. Motivation Triggers

In order to increase motivation at work for the employees and to create a milieu that generates gains of productivity, in public organizations in the UN system we find several triggers: quantitative ones (that add on to salary on a temporary basis, as a difference from scale promotions) and qualitative ones (that do not influence monthly salary as per such, but ease up the work conditions).

For the quantitative triggers, the most important is called Special Post Allowance (SPA), which means a temporary increase of salary by changing the grade from the salary scale, in accordance with a temporary recognition of the employee assuming more (or harsher) responsibilities at work.

This translates into a salary increase that is directly linked to an increase of work responsibility over a certain period of time. If the period extends generally over one year, a process of reevaluation of the job classification might be put in place.

For the qualitative triggers, a much used form of motivation is the implementation of the Flexible Working Arrangements. That consists in a mutually accepted system in which staff is allowed to decrease its working hours, through several mechanisms: compressed hours (work 9 for 10 hours for example, thus freeing time off), working hours dedicated for staff's trainings and personal development

(employees may enroll in learning programmes or trainings that help their personal development) or flexible hours arrangements or telecommuting (meaning that employee may choose to work from home for a maximum of two days per week, for a certain period, with the direct supervisor's approval). Generally the type of work that employees are hired to produce in public organizations do allow this latter type of arrangements, meaning that such system of accommodating staff's needs is possible to put in place, increasing staff's motivation and improving work climate.

4. Talent Management (TM)

The concept comes from the private sector, where it has been implemented or at least heard of since early '90s. It consists in the organizations recognizing in their employees talents and skills that drive their success and fuel their ability to achieve specific objectives.

There is not, however, one specific process for Talent Management; the framework has to be adapted to each company or organization. For our case study, the Talent Management framework at the United Nations focuses on four core areas: workforce planning, staffing, performance management and development, and learning management. For this, a new technology platform to support Talent Management was introduced: it is called Inspira. The new system was designed to integrate and replace the several different human resources systems currently existing in the Organizations within UN, for example Galaxy, Nucleus and e-PAS.

Why a platform needed to be created an implemented? From a system's standpoint, the old systems were handling several human resources processes with limited cross-system integration. In addition, there were other areas that did not have formal

system support and were executed in an ad hoc way. These processes should now be executed from a common technology platform, allowing employees and HR Departments to better use common data while eliminating the need to maintain multiple systems.

From a conceptual point of view, Talent Management should not be mistaken for management of the talented, but rather management of the talents of individuals, whatever they may be. Releasing and seeking talent requires that the Organization understands its staff as individuals in their entirety, meaning their skills, qualifications and performance. What Talent Management means to each staff member also depends on what his or her role is; e.g. if you are an applicant, hiring manager, human resources practitioner, central review body member or department head.

For the Organization, it means that it is better equipped to meet current and future staffing needs, due to integrated information. The platform better screens job applications and ensure an equal consideration for each vacancy. The Organization would then benefit from a better documented record of each staff member, which means that it is in a better position to understand its staff as individuals, as well as in their entirety.

For employees, Talent Management scheme provides more tools and information to help them plan their career, as well as easier document their skills and qualifications.

Regarding *staffing*, the system brings more consistency in hiring practices and a standardized methodology for evaluating candidates. It should be clearer to the job applicant what qualifications and skills are needed for a particular job. Consequently, the candidates that have created a job profile online can keep a better track of their job applications in Inspira, while the

system allows for instant information updates. The *performance management section* should be able to link staff development and learning management to allow for better career planning. Also, the *learning management system* should provide all staff with access to a standardized learning platform. It allows staff to enroll, track and keep records of learning programmes, including the mandatory courses, which are a standard practice in public organizations.

Conclusions

With variable frequencies, in public organizations a staff performance assessment process is put in place; this creates firstly a traceable professional path for every staff that undergoes the evaluation, and secondly it traces down any underperformance, lack of motivation, or even failure that employees may face. This is intended for both the organization and the employee to improve communication, to adjust expectations and to correct missteps when necessary. It does not fully serve, however, as performance indicator as per such, nor does it explain the complexity of the staff performance in public organizations, as it does not quantify the input of each employee to the overall performance (in absence of a set of indicators, as well). It is then not allowing, in our opinion, for fair and transparent rewarding systems to be put in place based on the Performance Appraisal exercise, which fairly undermines the scope and utility of this HR management tool. It is then requested to first define and put in place a public organization performance system of indicators and then to include and adjust the staff performance accordingly.

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