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The self-evaluation report on performance appraisals in the Western Balkans – 2023 Update



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for

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The Regional School for Public Administration (ReSPA) is an inter-governmental organisation for enhancing regional cooperation, promoting shared learning and supporting the development of public administration in the Western Balkans. As such, it helps governments in the region develop better public administration, public services, and overall governance systems for their citizens and businesses, and it helps prepare them for membership and integration into the European Union (EU). The ReSPA members are Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia, while Kosovo*¹ is a beneficiary.

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CMA	Central Management Authorities responsible for civil service
CSL	Civil Service Law
HR	Human Resources
HRMIS	Human Resources Management Information System
IT	Information Technology
MISA	Ministry of Information Society and Administration of North Macedonia
OECD	Organisation for Economic Co-operation and Development
SIGMA	The SIGMA Programme (Support for Improvement in Governance and Management), a joint initiative of the OECD and European Union.
TNA	Training Needs Analysis
WB	Western Balkans

1. Introduction

Performance management can be defined as “a systematic process for improving organisational performance by developing performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements”². A performance appraisal system is a formalised tool of HRM that aims to elaborate the structured appraisal of an employee and is an important element of the performance management system.

The definitions above draw attention to the fact that the ultimate objective of the performance appraisal system is improved organisational performance, even when more specific objectives of the performance appraisal are defined, like contributing to the development of employees, etc.

The basis for the report was the methodological framework related to performance appraisals developed by ReSPA. The objective of the Framework is to provide public officials who are in charge of designing and implementing performance appraisals with a simple tool that would help them evaluate the design and functioning of the system of performance appraisals and provide them with suggestions as to which elements of the system could be improved further. This is a self-evaluation tool, which means that the ultimate objective is not ticking as many boxes as possible but stimulating discussions on current solutions.

This report starts with a short description of the methodological framework, followed by an analysis of the self-evaluation results. The analysis contains three parts – information about the main development since the previous self-evaluation conducted in 2021, comparative analysis of Western Balkan (WB) administrations, and a short summary of the results of the analysis of each system. Finally, the conclusions drawn lead to the formulation of a number of recommendations and the identification of examples of inspiring practices applied in the region.

It is important to emphasize that the evaluation exercise was not performed by independent external consultants, according to a strict methodology based on indicators. Thus, the presented comparative picture should in no way be used to draw conclusions about any kind of ranking between the administrations in the Western Balkans (WB).

This paper builds on ‘The self-assessment report on performance appraisals in the WB’³ – which summarized the self-evaluation exercise undertaken by administrations of ReSPA members with the support of experts in the following way:

- ▶ The self-evaluation was not conducted from scratch – it was based on the self-evaluation from 2021, albeit with several updates and improvements introduced.
- ▶ The methodology was improved (more details in the next chapter).
- ▶ The exercise was undertaken solely by Western Balkan administrations with the support of an expert.

2. Methodological approach



Objectives of the Self-evaluation Framework

This Framework is designed predominantly for public managers who have influence on applied solutions related to performance appraisal - civil service management agencies, relevant ministries, government schools and training institutions. It should help them self-evaluate the system that is currently in place and inspire them to improve. The framework could also be useful for human resource (HR) practitioners from the public sector.

It is not a strict evaluation with the attribution of points for different criteria (such as the methodological framework for assessment against SIGMA's Principles of Public Administration). The function of this Framework is rather to provide public bodies with a checklist to determine whether certain solutions that could potentially improve the application of performance appraisals are in place. The objective of the self-evaluation is not to tick as many boxes as possible but to stimulate discussions on improving performance appraisal systems while minimizing risks.

Description of the Methodological Framework

This is the second version of the Performance Appraisal Self-Evaluation Framework, which builds on the version applied for the self-evaluation of Western Balkan administrations in 2021. Certain modifications were introduced to the previous Framework, mostly based on:

- ▶ The experience gained during the self-evaluation exercise conducted in 2021.
- ▶ The ReSPA paper "Professional Requirements and Competency Frameworks in the Civil Service Administrations of the Western Balkans", prepared in August 2022.
- ▶ Additional literature review.
- ▶ Valuable comments received from SIGMA.

The Framework also draws on the previous ReSPA work on the topic of performance appraisals, namely:

- ▶ ReSPA (2018), Individual Performance Appraisal of Employees in Central Public Administration in the Western Balkans - Baseline analysis.
- ▶ ReSPA (2020), Towards Effective Performance Appraisal in the Western Balkans. How to develop performance, which also contains several checklists.

The Framework is aligned with the SIGMA (2017) Principles of Public Administration⁴, SIGMA (2019) Methodological Framework for the Principles of Public Administration⁵, and current SIGMA Principles of Public Administration,⁶ and it takes account of the latest developments and trends in performance appraisals.

The Framework consists of the following areas:

- ▶ preconditions and enablers (comprising nine questions)
- ▶ the process of conducting performance appraisals, including agility and flexibility of solutions (comprising 14 questions)
- ▶ effectiveness and the use of results of performance appraisals (comprising 11 questions).

The questions relate to both the regulations in place and the implementation of performance appraisals in practice.

Preconditions and enablers

Successful implementation of performance appraisals requires not only sound legal provisions but also the existence of a number of preconditions. For instance, a competency framework, good quality and up-to-date

job descriptions and a well-organized performance management framework in an organisation are necessary for performance appraisals to reach their full potential and add value. A performance framework should not only address task-related performance but also the performance of other kinds, e.g., contextual (contribution to organisational effectiveness and values beyond the job's role), or adaptive (going beyond the job role due to unexpected changes or crises). A performance framework should comprise a set of well-developed, relevant indicators.

Moreover, the undertaking of certain actions (enablers) can increase the chances of performance appraisals being implemented successfully. They relate to necessary support and guidance provided to public servants and managers and to functional IT tools that leave the process more user-friendly, intuitive, less time-consuming, and better integrated with HR processes.

Other elements that increase the chances of successful implementation of performance appraisals are a positive work climate (quality of relations between staff), perceived fairness of the process, and performance-oriented organisational culture. Another important element is the accountability of managers for people management and performance.

The process of conducting performance appraisals

This part of the Self-Evaluation Framework focuses on the most important steps in conducting performance appraisals, the actors involved in this process, and the existence of safeguards for public servants. It also encompasses questions on how agile and flexible the system is.

Effectiveness of performance appraisal and the use of its results

This section focuses on the use of performance appraisal results.

It encompasses questions related to the use of performance appraisals for professional and career development. This section contains a limited number of questions about the impact of performance appraisal on salary-setting and linkage with awards. The reason for this is the lack of unanimity among experts on whether the establishment of a direct connection between appraisals and financial incentives represents a proper solution⁷. It does not mean that such a link should not exist, but it means that it should not be recommended for all organisations or in all situations.

This section contains questions, not only about the formal scope of application of performance appraisals but also on their actual implementation, on potential inflation of performance appraisal grades, etc. It emphasises the alignment between individual, team, and organisation-level achievements, and finally, it asks questions concerning perceptions of usefulness and user-friendliness of performance appraisals.

Main changes in the Framework compared with the version used in 2021

- ▶ ReSPA has resigned from three-option answers (yes, partially, no). Answers to the questionnaire are now fully descriptive.
- ▶ The term 'civil servants' was changed to 'public servants' to emphasize that public bodies not covered by civil service legislation should also apply performance appraisals.
- ▶ In the section related to preconditions and enablers, the following main changes were introduced:
 - improved definition of competency frameworks, which takes account of future-oriented competencies, following the OECD research;
 - an added question about the existence of good-quality job descriptions, as these are the basis not only for performance appraisals but also for other HRM tools and processes;
 - an added question on the accountability of managers for the performance and development of their teams.
- ▶ In the sections related to the process of performance appraisals, including agility and flexibility of solutions, the following main changes were introduced:
 - an added question on whether performance appraisals promote teamwork and work for the organisation beyond job-related tasks – necessary to emphasize the strategic dimension of performance appraisals;
 - an added question as to whether performance appraisals allow for sufficient differentiation of grades, which contributes to improving the perception of fairness;
 - an added question on the practice of calibration meetings is to ensure better consistency of performance appraisals within an organisation and their alignment with whole-organisation objectives.

- ▶ In the sections related to the use of performance appraisals and their effectiveness, the following main changes were introduced:
 - a splitting into two distinct questions, one about the use of performance appraisals for professional development and the other for career development;
 - a modification of the question related to the scope of application of performance appraisals to ask about their application beyond civil service;
 - a modification of the question about the differentiation of performance appraisal results between good and poor performers;
 - a re-wording of the question about the perceived usefulness of performance appraisals to make it more detailed and more precise.

Limitations of the Framework

Differences in the systems applied

Different approaches to performance appraisals that reflect objectives, specificity of legal systems, design of the public service, tradition and methodological choice are possible. Thus, the checklist focuses on the most important issues that could be regarded as a common denominator; certain questions in the Framework could prove less relevant or less important for certain systems.

Objectives of performance appraisals

HR experts agree that the design of a performance appraisal system should be aligned with its objectives. Some are of the opinion that it is not optimal that performance appraisal fulfils different objectives at the same time. The research has proven that performance appraisals focusing on professional development and providing feedback are usually more accurate and reliable than those that serve the objective of evaluating achievements for pay-setting purposes and the determination of bonuses and transfers⁸.

Samuel A. Culbert and Lawrence Rout propose, as an alternative, “performance previews” that focus solely on providing feedback to employees⁹. In line with this trend, Slovenian public administration is considering getting rid of formalized performance appraisals¹⁰. Nevertheless, the usual legislative solution in many Western Balkan administrations is that performance appraisal should serve both objectives: provision of feedback and influencing other areas like career development, professional development, bonuses, etc.

Some important aspects of performance appraisal are not included in the Framework

The objective of the Framework is to find a common denominator – a list of suggestions for improvement of a performance appraisal system that could be applied successfully in most cases. The literature and practice suggest that certain features of performance appraisal systems are disputable, their application creates significant risks, or are not recommended in all situations in all organisations. This relates, for example, to creating direct links between performance appraisal results and salaries of employees¹¹, forced distribution of performance appraisal results that can lower the morale of staff¹² or the introduction of 360-degree appraisals, which, while it offers perspective and increases the objectivity of performance appraisals, creates risks and is not recommended in certain situations¹³.

Lack of a representative sample of respondents

Another reason for the non-inclusion of certain aspects is the applied self-evaluation method – it is planned for self-evaluation to be engaged in by public servants from service management bodies and relevant ministries, with the assistance of a ReSPA expert.

While many questions could be answered during interviews with public servants working for a central civil service coordination body or relevant ministry, and while the data available for them can be relied upon, there are several questions best answered with the help of staff surveys. It was decided to maintain some of these questions in the Framework, knowing that answers received from selected officials from central civil service co-ordination bodies would not always be 100% accurate due to the lack of a representative sample of respondents. Partner administrations may consider taking inspiration from these questions when designing surveys¹⁴.

Certain issues are not included, like the detailed set of questions on how performance interviews are conducted, as these questions cannot be answered by public officials from civil service coordination bodies.

Covering only regular, periodic performance appraisals

Apart from regular, periodic performance appraisals, there are also other forms of evaluating the performance of employees. An example would be the first appraisal performed at the end of the trial period for newcomers. This appraisal serves objectives other than annual performance appraisal, and thus, the process should be designed differently. Appraisals after the probation period are not a part of this Framework; nevertheless, many questions from the Framework could be relevant for this kind of appraisal. The periodic evaluation of the knowledge of civil servants is also excluded from the analysis.

Participants in the exercise

The exercise of self-evaluation of performance appraisal systems in the WB was performed by civil servants from the institutions in charge of managing the civil service in Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia.

The ReSPA expert supported this exercise, although it must be emphasised that the self-evaluations were performed predominantly by participating administration officials.

3. Results of the self-evaluation



Main developments since 2021

Western Balkan administrations have not introduced significant improvements in their systems of performance appraisal since the 2021 self-evaluation. It is not uncommon for certain reform initiatives signalled back in 2021 (legal or technical, like the introduction of IT systems) to still be pending in 2023. The exemption is Serbia, which has managed to introduce certain improvements, like the new rulebook on performance appraisals or guidelines on assessing behavioural competencies.

During interviews, the respondents were more positive (than in 2021) about the alignment of individual objectives with organisation-wide and team objectives. Despite this, the inflation of performance appraisal grades not only persisted but, in most administrations, even increased. This happened despite the legally prescribed distribution of mandatory performance appraisal grades in North Macedonia and voluntary/suggested in some other administrations.

Comparative overview

Some questions in the Framework were not based on hard data (legislation, numbers) but were related to the practice of performance appraisals and allowed subjective answers. Thus, the answers and numbers from the administrations should in no way be compared with each other, nor should a ranking of the administrations be established. The review of the answers made it clear that some respondents were more critical of their own system than others. Different approaches to questions contained in the Framework are acceptable, as the main objective is to provide inspiration for the administrations to continue improving their HRM tools, as opposed to comparing them.

In line with the methodology, the analysis was broken down into the following areas:

- ▶ preconditions for performance appraisals;
- ▶ the process of implementation of appraisals is supported (enablers);
- ▶ agility and flexibility of solutions;
- ▶ the process of performance appraisals;
- ▶ the use of performance appraisal results;
- ▶ effectiveness of performance appraisals.

Each of these areas contains several questions about more specific elements. The general conclusion is that, like in 2021, the self-evaluation of existing procedures and processes of performance appraisals is rather positive. However, the respondents were less positive regarding the use of performance appraisal results in practice and the effectiveness of their systems. The preconditions for a performance appraisal system were not always in place, to some extent helping explain why their effectiveness was below expectations.

Preconditions for performance appraisals

A more detailed analysis of the existence of preconditions for effective performance appraisals shows that these are not always in place. Competency frameworks, although in certain administrations in place (North Macedonia, Serbia), sometimes encompass only selected groups of positions, usually senior (this is the case in Albania and Montenegro). A common competency framework was developed for Bosnia and Herzegovina, but it is not applied at all levels and, if so, is used to different extents.

All administrations confirm that performance management with the objective setting at the level of the organisation is implemented. Nevertheless, in some countries (Serbia, Montenegro), these objectives are not cascaded down to the individual level, or else the quality of set objectives is questionable.

Job descriptions are in place in all administrations. Central management authorities responsible for civil service (CMAs) do not have enough information to determine how up-to-date they are. A frequently used solution in WB administrations - job descriptions can only be changed with the systematisation acts, which require a lengthy, centralised process - does not help keep job descriptions up-to-date. In some (but not all)

administrations (this is the case, for example, in Albania), CMAs are engaged in the approval process of systematisation acts and job descriptions, thus increasing their uniformity.

To sum up, the preconditions for effective performance appraisals are not always in place. Job descriptions, though in place, are not always up-to-date, and rigid procedures for their change do not help. While performance frameworks are in place at the organisational level, the objectives are not always properly cascaded down to the individual level. Competency frameworks, if applied, do not, in most cases, encompass all positions and/or are not used for performance appraisals.

Process of implementation of appraisals is supported (enablers)

In general, the administrations have invested a lot in creating enablers to increase the chances of successful implementation of performance appraisals. There is a solid legal basis in place (in all cases), and awareness-raising and capacity-building activities have usually been undertaken, both when the system was introduced and on a regular basis in support of implementation. The objectives of performance appraisals are spelt out in legislation in most cases (except for North Macedonia). The weaker point is IT solutions to support the process of performance appraisal, which should make the process less burdening and facilitate the use of its results in different HR areas. While many administrations have taken some steps to develop relevant IT solutions supporting performance appraisals, these have so far been implemented only in Bosnia and Herzegovina, the level of the Federation of Bosnia and Herzegovina. Managers are responsible for the performance of their staff, but these responsibilities, though subject to regulations, are not always translated into job descriptions. Moreover, their responsibility for the professional development of subordinate staff is not always spelt out clearly.

Agility and flexibility of solutions

The analysis of answers confirms that the process of performance appraisals in the WB region is well designed in terms of ensuring flexibility to react to unforeseen situations, organisational and personnel changes, etc. It is also flexible in terms of modifying objectives in an unstable environment and in the face of changing priorities. In most cases, it is also adjusted to the needs of different groups of civil servants, which means that the procedures and assessment criteria for senior civil servants are at least different from procedures for other civil servants. With a view to limiting burdens, some institutions in Bosnia and Herzegovina (institutions of Bosnia and Herzegovina and institutions of Republika Srpska) are considering a move from more frequent appraisals (performed on a semi-annual basis) to annual performance appraisals.

Process of performance appraisals

The process of performance appraisals is rather well-regulated in the WB; however, civil servants conducting self-evaluation were not sure about the actual practice regarding certain elements. For example, there were doubts over the extent to which individual objectives are well defined or continuous feedback is being provided to civil servants in practice (regulations usually provide for some form of continuous monitoring of performance or mid-term reviews). There is room for improvement in designing the criteria of performance appraisals so that they combine both competencies and performance objectives in line with good practice. The interviews to discuss objectives required by provisions in place are not always conducted - this is a poor practice that makes performance appraisals a formal exercise and creates obstacles to increasing the engagement of staff towards set objectives. In one case (North Macedonia), interviews are also not necessary at the end of the appraisal cycle, which puts in question the main objective of performance appraisals - their function of providing feedback to staff.

In most cases, performance appraisals consider teamwork and the work for the organisation beyond job-related tasks - through the assessment criteria or grading. In WB, the most common solution is to have four performance appraisal grades (in most cases, three positive and one negative; Serbia has two negative levels), but there is an example of a five-level scale (North Macedonia) and a three-level scale (Montenegro, which however considers introducing more levels).

Unfortunately, calibration meetings that should have the potential to limit the inflation of performance appraisal results and better link performance on different levels (individual, team, and organisation) are practiced only - to a certain extent - in one case (Serbia). In Bosnia and Herzegovina, at the level of institutions of Republika Srpska, the controllers play an important role in ensuring the coherence of performance appraisals - they review set objectives and performance appraisal results; however, this solution cannot replace proper calibration meetings.

Having experimented with 360-degree feedback performance appraisals, North Macedonia is considering returning to a more traditional assessment method, as civil servants were not ready for this innovative solution.

In most cases, the existing processes ensure solid safeguards for civil servants to protect their rights during performance appraisals.

Use of performance appraisal results

According to the self-evaluation results, performance appraisal serves two main objectives – providing feedback to employees and contributing to their professional development planning. There is an obligation to support civil servants who are not performing well in all cases. The respondents reported that linking performance appraisal results to career development (which is the case in all administrations) creates considerable pressure on superiors and leads to the inflation of performance appraisal grades. The biggest challenge seems to be the IT infrastructure (or the lack thereof) that would enable the collection and analysis of up-to-date performance appraisal results. Lack of functional IT solutions makes it more difficult to monitor and manage the process of conducting performance appraisals and, for example – using their results effectively to plan training.

Effectiveness of performance appraisals

While the legislation makes performance appraisals compulsory for all categories of civil servants, in some cases, its implementation in practice fails, and not all eligible civil servants are assessed; in certain administrations (institutions of Bosnia and Herzegovina, North Macedonia), there are also problems with reporting – the CMA does not receive relevant information from all obliged institutions and does not have a clear picture of the state of play. In most cases, the CMA did not have sufficient information about the application of performance appraisals outside the CS.

Respondents had mixed opinions on how user-friendly their performance appraisal system is, and most had serious doubts about whether it is perceived as a useful HRM tool. In 2021, in all cases, the inflation of grades of performance appraisals was reported, which could – to some extent – explain the criticism regarding the usefulness of performance appraisal as an HRM tool. Since 2021, the inflation of performance appraisal grades has even increased in most administrations (for example, Serbia, Montenegro, Bosnia and Herzegovina, the institutions of Bosnia and Herzegovina and institutions of the Federation of Bosnia and Herzegovina). Performance appraisals could be useful if they succeed in differentiating between good and poor performers. When almost all civil servants are qualified as excellent performers, it makes little sense to base HR decisions on performance results. In most cases, performance appraisals of individual civil servants do not relate sufficiently to the performance of the organisation. It seems that better linkage between individual appraisal, the performance of organisational units, and the whole organisation could limit the “inflation” of grades of performance appraisals, increasing the general perception of performance appraisals as a useful HR tool.

The impression of participants about the limited usefulness of performance appraisals may also result from the high expectations lodged in this tool. This topic would require further discussion and analysis.

Overview of ReSPA members

Albania

In addition to performance appraisals, regulations (CSL, Art. 62.1-1) introduce periodic evaluation of the knowledge of civil servants – not a subject for this analysis.

Albania has invested much in support of the process of performance appraisals with capacity-building activities. While the existing solutions are perceived as flexible enough, and the process is broadly in line with good international practices, some managers still perceive it as a burden. Not all preconditions for effective performance appraisals are in place. For example, the competency framework exists only for senior positions. The inflation of grades of individual performance appraisals seems to be a challenge (up-to-date data about performance appraisal results is not available). Other challenges encompass setting individual objectives and targets, linkage with salaries, and documentation of poor performance. Albania has started implementing certain solutions that could serve as inspiring cases, for example, the E-performance IT system and HRM surveys that – among other things – ask about the feedback on the performance appraisal system. Unfortunately, the introduction of the e-platform was suspended, and the existing one will be reconstructed. The practice of surveying civil servants continues. Another good practice from Albania is a high level of stan-

dardization of job descriptions across the civil service, thanks to the involvement of the Department of Public Administration (DoPA) in this process.

Since 2021, there have been no important improvements in the system of performance appraisals in Albania. Some proposals for improvements were prepared by the EU-financed Technical Assistance project in 2019, but these were not implemented. Albania has not taken any significant steps to address the recommendations formulated in 2021.

Bosnia and Herzegovina

Performance appraisal schemes in Bosnia and Herzegovina differ across the levels. Self-evaluation was performed by the institutions of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina and Republika Srpska. All levels lack certain preconditions for effective performance appraisals. For example, at all levels, while a competency framework is in place, it is not used, or not fully used, in the process of performance appraisals. All levels have invested in awareness-raising and capacity-building to support the process of performance appraisals; however, only the Federation of Bosnia and Herzegovina has managed to develop human resource management information system (HRMIS) functionalities that facilitate this process. At all levels, the process is flexible enough; however, in the institutions at the level of Bosnia and Herzegovina and the institutions of Republika Srpska, the criteria for appraising senior civil servants (at the level of institutions of Bosnia and Herzegovina relates to assistant directors and assistant ministers; performance appraisals of secretaries with special tasks is regulated separately – art. 37a of the Rulebook) are the same as for other civil servants, which is problematic. The process of performance appraisals is well regulated in practice, but the self-evaluation results differ. In all cases, the inflation of grades is a fact, and in none of the administrations are performance appraisals perceived as a useful HR tool; however, the opinions on the user-friendliness of the current system differ. A problem for the institutions at the level of Bosnia and Herzegovina was frequent cases of non-compliance with the obligation to report the results of performance appraisals to the central coordination body, but the situation has improved recently¹⁵.

Since 2021, not many changes have been introduced to performance appraisal systems in Bosnia and Herzegovina. The Federation of Bosnia and Herzegovina has managed to link the results of performance appraisals better with training and career planning. A common trend in the Federation of Bosnia and Herzegovina and at the level of institutions of Bosnia and Herzegovina since 2021 has been the increased inflation of performance appraisal grades; the numbers have not changed much in Republika Srpska, but they were already at a very high level. The recommendations from 2021 were not addressed.

Montenegro

Montenegro’s self-evaluation of 2021 was the most self-critical compared to those from other administrations, which does not mean that its system is less developed. Like in other administrations, the preconditions for effective performance appraisal are not fully in place – it relates mostly to the competency framework. Montenegro has invested a great deal in awareness-raising and capacity-building to support the implementation of performance appraisals; however, IT solutions to support the process are not yet in place. The performance appraisal system is regarded as flexible enough. Regarding the organisation of the performance appraisal process, the officials in Montenegro admit not to regulate some important issues like objective setting at the start of the appraisal process in discussion between the superior and the employee. These are recommended by guidebooks, but in a legalistic culture, these recommendations are not always followed. The same applies to the preparation of training needs analysis (TNA) with the use of performance appraisal results. The latter do not exert a direct influence on the decisions regarding bonuses. Montenegro faces some challenges in making performance appraisals effective. Like in other administrations, there exists a problem of “inflation” of appraisal grades, which has increased substantially compared with 2019 and 2020. Moreover, in the times of the COVID-19 pandemic, Montenegro observed a significant decline in the number of conducted appraisals, and the number of appraised civil servants is still far from satisfactory. Other challenges related to performance appraisals in Montenegro encompass limited engagement of civil servants in appraisals and problems with their objectivity. In Montenegro, the grading scale has only three levels, which seems insufficient.

Since 2021, there have been no significant developments in the area of performance appraisals, and the recommendations from 2021 were not addressed, though the several initiatives ongoing include:

- ▶ work to improve job descriptions;
- ▶ preparations for the elaboration of a competency framework for non-senior positions;
- ▶ elaboration of the electronic evaluation system.

North Macedonia

In 2021, North Macedonia presented a quite positive self-evaluation of the performance appraisal system. It was the only analysed administration to claim that all preconditions for effective performance appraisal are in place, including the competency framework and performance management on the organisational level. North Macedonia has invested a lot in awareness-raising and capacity-building activities to support the implementation of performance appraisals. The only missing element was an effective IT system supporting performance appraisals, which was developed but is not in use. According to the answers received, the system is quite flexible; however, the procedures are not sufficiently differentiated to meet the needs of different staff categories (for example, for managerial positions). The interviews conducted in 2023 reveal a more critical picture of the system in place. First, the system is overcomplicated and has become a kind of formality for users; it is still not supported by IT solutions. Secondly, the interviewees were of the opinion that some innovative solutions, like 360-degree appraisals, do not work so well in practice as a result of the limited commitment of staff. Legally obliged distribution of performance appraisal grades also seems not to work well, causing frustration among staff. Another problem is the monitoring of performance appraisals – many public bodies fail to report to the Ministry of Information Society and Administration (MISA). In North Macedonia, interviews with appraised civil servants to decide on objectives and, at the end of the period – to evaluate their work are not mandatory. Nevertheless, some aspects of the general performance management system in North Macedonia work well in practice, which positively influences the practice of performance appraisals – for example, good alignment between organisation-level and individual goals and the mentoring scheme.

No important changes have been introduced since 2021. The planned amendments to the legislation that would, among other things, bring an end to 360-degree performance appraisals are still pending. These amendments would, to some extent, address the recommendations from 2021. The HRMIS is still not used to support performance appraisals, and these are performed in a paper format.

Serbia

The competency framework, which should increase the usefulness of performance appraisals, is in place in Serbia; a strong point of the Serbian system is the use of behavioural competencies. The specific feature of the Serbian system is that objectives are defined only at the level of sectors/departments/sections and organisations, not cascaded further down to the individual level. This is a creative solution to avoid practical problems with cascading objectives and promoting teamwork but is not fully in line with good management practices. It would be interesting to research more about how it works in practice and whether it should be replaced with the traditional cascading of objectives from the level of the organisation through departments and units to individual positions. According to respondents, current solutions work reasonably well and support teamwork. Serbia has also invested in awareness-raising and capacity-building capacities. The IT system supporting performance appraisals was developed but is not yet operational. According to the self-evaluation results, the Serbian performance appraisal system is flexible enough, and the process is well-designed. Performance appraisals, by the regulations, should be used for professional development, and this works in a vast majority of institutions. Civil servants have mixed opinions on performance appraisals as a useful management tool, and there is some room for improvement regarding its design, even as some perceive it as burdensome. Remarkably, some institutions (for example, Customs) managed to curb the inflation of appraisal grades, which is rarely the case in the region. Calibration meetings are held in many public institutions – managers' meetings to discuss future objectives. Despite these meetings, some managers are not fully committed to performance appraisals. Another good practice is regular staff surveys that pertain – among other things – to performance appraisals.

Unlike in some other administrations, some progress since 2021 has been noted in Serbia. First, the new rulebook was adopted in 2022. Secondly, although a fully-fledged IT system to support the practice of performance appraisals is still not in place, some improvements were introduced – the files are not filled in PDF anymore, but in Excel – which facilitates their management and analysis. The results of performance appraisals have become a mandatory part of professional development planning. Another positive development is the development of instructions/guidelines for assessing behavioural competencies. The inflation of performance appraisal grades has increased compared with 2020.

4. Identification of some inspiring cases and conclusions

As there is a limited number of improvements in the practice of performance appraisals in WB administrations, there is also a limited number of new inspiring cases. In 2021, three main inspiring cases were identified:

- 1) The example from Serbian Customs of the activities undertaken to curb inflation of performance grades.
- 2) The Albanian e-performance system is a tool that makes performance appraisal more user-friendly and makes it easier to use performance appraisal results in HR decisions.
- 3) North-Macedonian system of 360-degree feedback in performance appraisals.

The latter two cases are not good practices anymore – the Albanian e-Performance system was finally not implemented, and North Macedonia is considering resigning from 360-degree feedback in performance appraisals.

Nevertheless, some solutions are particularly interesting in WB administrations:

- ▶ Linking organizational and team objectives in Serbia
- ▶ IT solutions supporting performance appraisals in Bosnia and Herzegovina, at the level of the Federation of Bosnia and Herzegovina – however, the system needs to be further developed to digitalise the practice of performance appraisals fully
- ▶ The use of competency frameworks in performance appraisals in Serbia
- ▶ Good quality, up-to-date, and well-coordinated job descriptions in Serbia and Albania – which are the basis for effective performance appraisals
- ▶ Mentoring as a tool to support underperforming civil servants in North Macedonia
- ▶ Staff satisfaction surveys – the case of Albania, North Macedonia, Serbia, and Bosnia and Herzegovina.

The main conclusions remain unchanged compared to the 2021 report, as little progress has been noted since then¹.

¹ <https://www.respaweb.eu/download/doc/Self-assessment+report+on+performance+appraisal+in+the+WBs+.pdf/4291fc77ac64ec-4d3a35c043c01cb4f6.pdf>

5. Recommendations



General recommendations to all administrations:

- 1) To further improve the practice of performance appraisals, it is necessary not only to improve the existing individual assessment tools but also to better connect the general system of performance management at the organisation level with performance management at the team and individual levels. This should include the implementation of the so-called calibration meetings.
- 2) Continue efforts to change organisational culture and raise managers' and other civil servants' awareness about the benefits of using performance appraisals.
- 3) To implement or further develop IT solutions supporting the preparation process, conducting and monitoring performance appraisals.

Albania

- 1) Continue the development of the competency framework for positions other than senior level ones, with a view to further use being made of these in the performance appraisal process.

Bosnia and Herzegovina

- 1) Better align the criteria of performance appraisals with the competency framework to ensure consistency.
- 2) The institutions of Bosnia and Herzegovina and the institutions of Republika Srpska should improve the criteria of performance appraisals so that they take more account of the specific features of different employment groups, particularly senior civil servants.

Montenegro

- 1) Continue the development of the competency framework for positions other than senior level ones, with a view to further use being made of these in the performance appraisal process.
- 2) Improve the legislation to prescribe some important elements of the performance appraisal process, like objective setting.

North Macedonia

- 1) Improve the procedures of performance appraisals so that they take more account of the specific features of different employment groups, in particular, senior civil servants, and ensure that the objective-setting is done in a more participatory way.
- 2) Introduce mandatory interviews to discuss performance at the end of the cycle.
- 3) Review the procedures to make them less burdensome in application.
- 4) Analyse the practice and effectiveness of applied solutions for 360-degree feedback and setting thresholds.

Serbia

- 1) Analyse the practice and effectiveness of applied solutions related to objective-setting only at the department/division level, and, depending on the results of this analysis – consider potential changes.
- 2) Review the procedures to make them less burdensome in application.

Recommendations for the ReSPA:

The process of performance appraisals is challenging for all WB administrations. Thus, it is proposed to:

- 1) Continue the exercise of self-evaluation and exchange of practices between WB administrations during workshops, but less frequently. Such an exercise could be conducted every 3-4 years.
- 2) Provide individual, request-based support to interested administrations in improving performance appraisals in the broader context of performance management.

Annexe 1: Performance Appraisal Self-Evaluation Framework

Self-evaluation framework template

There are no good or bad answers – the list of questions in the questionnaire should inspire to think about the functioning of the performance appraisal system and its potential improvement. Below, each question is a short clarification to make it more precise and provides space for writing a response about the current situation. Several questions relate to the practice of performance appraisals. These questions are necessary to ensure that the Framework addresses the real situation and is not limited only to legal and procedural issues. However, central civil service management bodies may not possess the data necessary to provide evidence-based answers. It is a self-evaluation tool and not a strict assessment methodology; thus, some answers are based on opinions, and it is permitted not to present hard data.

The questions highlighted in yellow are the questions that were substantially modified compared to the previous self-evaluation. The questions highlighted in green are the questions that were added compared to the previous self-evaluation.

Area 1: Preconditions for performance appraisals
<p style="text-align: center;">1. Is a competency framework implemented in the public service?</p> <p>The existence of the competency framework means that the set of competencies needed for successful performance by the organisation has been developed. This question focuses on the <u>existence of a competency framework and its alignment with performance appraisals</u>, but it does not address the quality of the Framework in detail.</p> <p>Sub-questions:</p> <ul style="list-style-type: none"> - Does a competency framework exist for all public service positions? - Do competencies encompass knowledge, skills, and abilities? - Are the descriptions of competencies detailed enough (including positive and negative examples of behaviours)? - Was the competency model elaborated in a participatory process following job analysis (a bottom-up approach)? - Are competencies aligned sufficiently with strategic documents (a civil service strategy, organisational strategies)? - Does the catalogue of competencies contain future-oriented competencies? - Are competency-based criteria used in performance appraisals aligned with the general competency model? <p>The answer to the question is positive if all or most of the above-mentioned elements are in place (the answer to the last question must be positive). Source: interview, reference to competency framework – if publicly available.</p>

2 The OECD has defined the following six core competencies for meeting public policy challenges of the 21st century:

- Iteration: incrementally and experimentally developing policies, products, and services
- Data literacy: ensuring decisions are data-driven and that data is well communicated
- User-centricity: public services should be focused on solving and servicing user needs
- Curiosity: seeking out and trying new ideas or ways of working
- Storytelling: explaining changes in a way that builds support
- Insurgency: challenging the status quo and working with non-typical partners

https://www.oecd.org/media/oecdorg/satellitesites/opsi/contents/files/OECD_OPSI-core_skills_for_public_sector_innovation-201704.pdf

Another set of future-oriented competencies defined by the OECD are:

- Policy advisory skills: leveraging technology and synthesising a growing range of evidence-based scientific insights (e.g., behavioural economics, data science, strategic foresight) and a diversity of citizen perspectives for effective and timely policy advice to political decision-makers
- Engagement skills: working directly with citizens and users of government services to improve service experience, legitimacy and impact by leveraging the “wisdom of the crowd” to co-create better solutions that take account of service-users’ needs and limitations
- Commissioning skills: designing and overseeing various contractual arrangements (outsourcing, PPPs, service-level agreements, etc.) and managing projects to achieve impact through organisations (public, private, not-for-profit) that are best placed to deliver services due to their expertise and/or local position
- Network management skills: collaborating with a range of independent partners to address complex/wicked policy challenges by developing a shared understanding of the problem, collectively identifying potential solutions, and co-implementation. If money and legal contracts are the key currency of supplier management, communication, trust and mutual commitment are the currency of network management.

Answer:
2. Is management by objectives implemented in most organisations (an organisational performance framework)?
Detailed questions: <ul style="list-style-type: none"> - Is a set of measurable objectives defined at the level of the organisation? - Are these objectives cascaded down to departmental and unit levels? - Are individual objectives used for performance appraisals aligned with the above-mentioned objectives? <p>The quality of the formulation of objectives is not being checked. The answer to the question is positive if you think that most organisations in the public service <u>implement management by objectives</u>, and answer all the above questions positively. Source: interview, link to objectives on different levels, if publicly available.</p>
Answer:
3. Do good-quality job descriptions exist in the public service?
Good-quality job descriptions are necessary for effective objective and target setting. They are also indispensable for competency-based performance appraisals. <u>Job descriptions should be prepared for all positions, be up-to-date, and contain the main tasks performed in positions; thus, they could be used for identifying necessary competencies and setting objectives and targets.</u> The answer to the question is positive if you have no significant doubts as to any of the above-mentioned elements (coverage, up-to-date, quality of job descriptions). Source: interview.
Answer:
Area 2: The process of development and implementation of the performance appraisal system is supported (enablers).
4. Are the performance appraisal system's objectives spelt out explicitly and clearly?
<u>The objectives of the performance appraisal system should be spelt out clearly both in the legislation and in supporting materials.</u> This is one of the conditions necessary to get the buy-in from public servants and their managers. If this tool is implemented without informing people what it is for, then it would be difficult to expect active participation with engagement from public servants. The answer to the question is positive if the legislation or supporting materials state the objectives of the performance appraisal system clearly, without the need to look at numerous paragraphs/articles dispersed through legal texts. Source: interview, reference to regulations.
Answer:
5. Were awareness-raising activities organised as performance appraisals were introduced?
Introducing performance appraisals, like introducing other HR tools, requires the application of proper change management techniques that encompass, among other things, <u>consulting/involving stakeholders, investing in communication, awareness-raising, and capacity-building activities.</u> Without undertaking the activities mentioned above, performance appraisal risks becoming just another paper exercise. The actions mentioned above should be taken both at the central level (if one central performance appraisal system exists) and at the level of organisations. Source: interview
Answer:
6. Is a regulation related to performance appraisals in place?
There could be a <u>central regulation</u> laying down procedural rules related to performance appraisal, criteria, etc. (usually in the form of a secondary regulation); however, an effective system of performance appraisals is also possible if such a regulation exists at the level of each organisation (ministry, office, etc.) – internal acts. The answer to the question is positive if the procedure of conducting performance appraisals is regulated either at the central level or in most public organisations. Source: regulation (s), interview.

OECD (2017). Skills for a High Performing Civil Service. OECD Public Governance Reviews. Paris: OECD Publishing. <https://doi.org/10.1787/9789264280724-en>

Answer:
7. Do managers and public servants receive support in implementing performance appraisals?
The process of performance appraisals should be supported by <u>training courses for managers, guidebooks and other support materials, a helpdesk</u> (a possibility to call and consult with HR professionals), etc. The support for the process of performance appraisals should be provided <u>at the central level</u> (if there is a relevant central regulation) and <u>within each institution</u> (by HR units). A crucial role should be played by HR units, which should have capacities to provide advice, training courses, etc. The answer to the question is positive if support activities are undertaken both at the central level and within institutions. At least two of the proposed three activities should be offered (training, a guidebook/other support materials, and a helpdesk). Source: interview.
Answer:
8. Are performance appraisals supported by effective IT tools?
The process of performance appraisals should be supported by <u>adequate IT tools</u> . They should <u>make the process user-friendly</u> (limit the need to introduce the same text many times; provide examples; offer drop-down menus); <u>limit the work of HR units</u> and make it easier to use the results of performance appraisals by <u>integrating performance appraisal data with other HR data</u> . They should also <u>allow for performance appraisals to be conducted remotely</u> . The answer to the question is positive when you agree that relevant IT solutions are in place in most organisations, and they make the process user-friendly for public servants, make it easier to store and analyse the results of performance appraisals and enable easy preparation and signature of all necessary documents online. It should also be possible to conduct performance interviews online. Source: interview.
Answer:
9. Are managers accountable for the performance and development of their team?
To increase the chances of successful implementation of performance appraisals, managers need to know that they are <u>accountable not only for compliance with regulations but also for the performance and professional development of their subordinated team</u> . This accountability can be built by various means. First, it should be spelt out clearly in their tasks (be it in legislation, internal regulations, or job descriptions); second it should be promoted during managerial capacity-building activities; and third, it should be enforced in practice and required by the highest management. Source: interview, regulations
Answer:
Area 3: Agility and flexibility of solutions
10. Are performance appraisal procedures flexible enough to address various situations?
Performance appraisal <u>procedures should be flexible enough not to create additional burdens</u> in situations like a change of position by the employee (including mobility), change of superior, change of tasks, change of employer, taking longer leave, etc. Flexibility could be achieved in two ways: by creating flexible procedures and not regulating all details, or by creating detailed procedures that address various situations. The answer to the question is positive if you agree that the procedures are flexible in all the above-mentioned situations. Source: interview.
Answer:
11. Are performance appraisal procedures well-adjusted to the specificity of positions?
To increase the effectiveness of performance appraisal procedures, consideration should be given to the <u>adjustment of procedures to meet the needs of different groups of positions</u> . This relates to both procedures and criteria. At a minimum, <u>the procedures (and criteria) of assessment of senior positions should differ from those for other positions</u> . In certain situations, it may be advisable to differentiate procedures or criteria for other groups of positions. The answer to the question is positive if at least the procedures and the set of criteria for senior positions are different. Source: interview, reference to regulations.
Answer:
12. Is performance assessment methodology flexible enough to allow account to be taken of unforeseen/unplanned tasks/achievements?

Performance appraisals should allow <u>account to be taken of additional tasks not planned for the appraisal period</u> . Moreover, the system should allow for modification, addition, or deletion of certain objectives during the assessment period, if that is necessary. Some public servants work in a volatile environment, and it is almost impossible to plan accurately all assessment criteria and targets one year ahead. If performance appraisal regulations allow for fast, not-too-formalised modifications of assessment criteria and objectives, the answer to the question should be positive. Source: interview.
Answer:
Area 4: The process of performance appraisals
13. Are individual objectives and appraisal criteria set and communicated at the start of the appraisal period?
The basic rule for performance appraisals is that employees should have clarity about what is expected from them. Thus, <u>objectives and criteria for assessment should be set and communicated to them at the very start of the appraisal period</u> . If there is such a legal requirement in place and well-implemented, the answer to the question should be positive. Source: not only looking at regulations but discussing actual practice during an interview.
Answer:
14. Are objectives set during an interview between a superior and an employee?
A good practice is that the objectives are set in the process of <u>dialogue between a superior and his/her employee</u> . This increases the buy-in of the employee and his/her engagement. Source: interview, reference to regulations.
Answer:
15. Are objectives well-defined?
Objectives should be well-defined and follow criteria that are SMART - denoting specific (concrete, clear), measurable (indicators, measures of success), achievable (within possessed resources, not over-ambitious), relevant (e.g. in line with higher-level objectives) and time-bound (with concrete deadlines). They should be <u>well-aligned with the objectives of the unit, and with the tasks performed in the position</u> . <i>Comment: to answer this question, the most suitable solution would be to include it in a staff survey. If there is no such survey in place, the answer should depend on the opinion of interviewees about the usual practice in the public service.</i> Source: interview.
Answer:
16. Do assessment criteria combine objectives and competencies?
<u>Assessing both objectives and competencies</u> helps to ensure that objectives are reached in line with organisational values, ethical norms, and support promoting certain behaviors. Moreover, including competencies creates a natural bridge linking results with the planning of professional development. The answer to the question is positive if performance appraisal methodology combines measurable objectives and competency-based criteria. Source: interview, reference to regulations.
Answer:
17. Do performance appraisals promote teamwork and work for the organisation beyond job-related tasks?
Attention paid exclusively to individual performance may have unintended, negative effects on teamwork and for the organisation as such. The answer to the question is positive if performance appraisals also relate to teamwork or if one of the criteria is <u>contribution to the work of the team or contribution to organisational effectiveness and values</u> beyond the job's role. Source: regulations, interview.
Answer:
18. Does the scale of performance appraisals allow for sufficient differentiation of grades?
If performance appraisals end up with only two notes – positive or negative – they do not provide employees with sufficient feedback and are more likely to be regarded as unfair. Sufficient differentiation is assured when there are <u>at least four grades available</u> . Source: regulations.
Answer:
19. Are regular interviews compulsory?

Performance appraisal interviews should be an occasion for a frank discussion between an employee and his/her superior. The interview should be regular and should take place <u>at least once a year</u> . The answer to the question is positive if compulsory interviews are performed at least that often. Source: interview, reference to regulations.
Answer:
20. Is continuous feedback provided to employees?
Usually, a formal process of performance appraisals encompasses a period of 6 to 12 months. It is a good practice to encourage managers to provide more frequent (less formalised) feedback to their employees. This could be done by organising <u>mid-term interviews</u> or by encouraging superiors to provide more frequent or continuous feedback to their employees. Such feedback should be less formalised or not formalized at all and follow the rules other than with regular performance appraisals. This could take the form of <u>weekly or monthly conversations</u> . The answer to the question is positive if meetings to provide feedback to public servants are the usual practice in public service. Source: interview.
Answer:
21. Does a direct superior have the predominant role in assessing the employee?
Different persons could be engaged in performance appraisal (some organisations use 360-degree assessments). However, the predominant role must be <u>played by a direct superior</u> . The answer to the question is positive if the direct superior has the most important role in assessing his/her subordinates. Source: interview, reference to regulations.
Answer:
22. Do appropriate safeguards for employees exist?
In cases where performance appraisal could result in concrete HR decisions (on bonuses, promotions, dismissals, redeployment), <u>proper safeguards should be built into the process of performance appraisal</u> . These encompass:
<ul style="list-style-type: none"> - Public servants have a right (explicitly regulated in the legislation) to appeal against at least negative appraisal results in two instances (administrative appeal and in the court) - The period of formal assessment is long enough, especially after the first negative assessment (at least six months). - The procedure sets important deadlines related to setting objectives, organising interviews, preparing performance appraisal results, appeals, etc. - The results of the formal appraisal cycle are recorded in written form.
The answer to the question is positive if all points listed above are fulfilled. Source: interview, reference to regulations.
Answer:
23. Do calibration meetings take place to ensure consistency of performance appraisals within public organisations, and alignment with organisational objectives?
Calibration meetings are the meetings of the management of an organisation to discuss and agree on the approach to performance appraisals. They are very important for ensuring consistency thereof, as well as comparability across units and departments, and alignment with organisational performance. Calibration meetings can take place before the performance appraisal cycle starts or before final appraisal decisions are made.
The answer to the question is positive if calibration meetings are foreseen in appraisal procedures and applied regularly. Source: regulations, interview.
Answer:
Area 5: The use of the results of performance appraisals
24. Are the up-to-date results of performance appraisals included in the human resources management information system (or HR system in a ministry, in decentralised systems)?
The availability of <u>up-to-date, reliable data</u> is a precondition for effective use of performance appraisal results in HR decisions. Up-to-date means that they should be updated every day or every few days. The answer to the question is positive if up-to-date data is contained in the HRM registry and includes at least: the number of eligible public servants, the number of assessed public servants, and the appraisal results (grades). Source: interview.
Answer:
25. Are performance appraisal results used for professional development?

The main, undisputable area in which appraisal results should be used is the professional development of public servants. The use of performance appraisals for other purposes like salary-setting is more disputable among practitioners and scholars. Performance appraisals should be used in planning training and development activities for public servants. The answer to the question is positive if performance appraisal results are considered at least in establishing individual programs of professional development or training needs analysis. Source: interview and regulations.

Answer:

26. Are performance appraisal results used for career development?

Performance appraisals could also be used for career development, for example, in considering promotions and other forms of mobility (horizontal). In addition, performance appraisals are a tool that could be used for the identification of talents.

The answer to the question is positive if performance appraisal results are taken into account of in at least one of the above-mentioned HR processes (horizontal mobility, promotions, identification of talents). Source: regulations, interview.

Answer:

27. Are public servants who received a negative appraisal supported to improve their performance?

Negative performance appraisal results could lead to dismissals of underperforming public servants. Before this is the case, a public servant should be offered the necessary time to improve performance and should be supported by the organisation, for example:

- Dismissal should be possible only after a recurrent negative performance appraisal result; the total period of performance appraisal (counted from the start of the appraisal period that ended up with the first negative note) should not be shorter than 12 months (for non-senior positions); and the period between the dismissal and first negative assessments should not be shorter than six months.
- After the first negative appraisal, it is a good practice to offer professional development opportunities to public servants.

The answer to the question is positive if both above-mentioned criteria are met. Source: interview, analysis of regulations.

Answer:

28. Are appraisal interviews used for discussing professional and career development?

It is a good practice to use performance appraisal interviews to discuss the professional development of public servants and potential career planning, including mobility. The discussion on professional development could happen together with one on performance assessment during the same interview. Professional development interviews should produce written statements about required training or other professional development activities (and could take the form of individual professional development plans). Source: interview, reference to regulations.

Answer:

29. Do criteria used to decide about awards (and bonuses) take account of the results of performance appraisals?

According to the literature and research, a direct linking of performance appraisal results with remuneration generates certain risks. Nevertheless, in the public service especially, managerial accountability requires that managers be able to justify their decisions, especially if they relate to the use of financial resources. This applies also to the distribution of awards and bonuses. While establishing a direct link between financial awards and performance appraisal results (for example, appraisal note "Excellent" translates into x EUROS of bonus) is not recommended, the results of performance appraisal should be taken into account in deciding about awards (both financial and non-financial). This could take the form of – for example – the exclusion of public servants with low-performance appraisal grades from participation in awards in a specific period. This question relates to both financial and non-financial awards. The answer to the question is positive if performance appraisal results influence the decisions on distributing awards (financial and non-financial). Source: interview, reference to regulations.

Answer:

Area 6: Effectiveness of performance appraisals

30. Do performance appraisals apply to all groups of public servants?

Performance appraisals could be effective only if they are applied to all groups of public servants. However, certain exemptions are not only possible but also necessary, for example, in situations where the assessment period is too short or as regards temporary workers. As a rule no category of permanent public servants should be excluded from performance appraisals. Apart from the exemptions mentioned above, all eligible public servants should undergo performance appraisal at least once a year. The answer to the question is positive if all or almost all public servants are eligible for performance appraisals, and performance appraisals are applied to them. If such appraisals apply to all civil servants, but civil service law is narrow and does not encompass a large number of public servants (and they are not subject to performance appraisals), the answer should be negative. Source: interview, data, and reference to regulations.

Answer:

31. Do performance appraisals allow for the identification of good and poor performers?

Some experts argue that appraisals, having the unique objective of providing feedback to employees and facilitating their professional development, do not require any formal grading of public servants. However, as performance appraisals in WB administrations also have other goals, grades are usually used. The practice, not only in WB administrations, shows that the share of the highest appraisal results is very often too high and does not conform to the Gaussian curve. In such a situation, performance appraisals do not achieve their goals. If more than 30% of public servants gain performance appraisal results at the highest grade, the answer to the questions should be negative. Sources: interview; data, if available.

Answer:

32. Is the performance of individual employees aligned with performance at the level of the organisation?

It is important to compare the achievements of an organisation (for example, the KPIs related to the performance of a Ministry) with the results of individual performance appraisals. A major discrepancy between the results may suggest that the performance appraisal system is ineffective, for example, when many ministry-related KPIs are not met, and a vast majority of public servants achieve the highest performance appraisal results. While systematic comparison of organisation-level versus team and individual performance may be challenging, the answer should be positive if at least this topic is discussed, for example, during calibration meetings. If information about the performance of public organisations is not available, the answer to the question should be negative. *Comment: this question relates rather to the level of the organisation, ensuring that meaningful answers would require interviewing public servants from several organisations. The answer should depend on the opinion of interviewees about the usual practice in public service.* Sources: interview; data related to individual performance appraisals and KPIs of the organisation.

Answer:

33. Are performance appraisals perceived as a useful HRM tool?

It is a good practice for an HR unit to run employee surveys or ask for other forms of staff feedback.

If surveys are run, they should include questions related to:

- perceived fairness; quality of received feedback (if it is formulated in a positive way, evidence-informed, etc.), and communication of work objectives/targets
- managers being asked about the impact of performance appraisals on the performance of public servants.

If HR units do not run staff surveys on performance appraisals or do not gain any other feedback on the practice of performance appraisals, the answer to the question should be negative. *Comment: to answer this question, the most suitable solution would be to include it in a staff survey. If there is no such survey in place, the answer should depend on the opinions of interviewees as to the usual practice in the public service.* Source: Interview, survey results.

Answer:

34. Are performance appraisals designed and applied in a user-friendly way?

Very often, public servants complain that performance appraisals are too burdening for them – requiring too many formalities and consuming too much time. More detailed questions are:

- Is the methodology simple and well-explained?
- Are the templates short and easy to fill in?
- Do managers receive pre-filled forms before the appraisal starts?
- is an IT system used to support the process of performance appraisal (as opposed to a paper-based process)?

Comment: to answer this question, the most suitable solution would be to include it in a staff survey. If there is no such survey in place, the answer should depend on the opinion of interviewees about the usual practice in the public service. Source: Interviews, survey results.

Answer:

End notes

1 * This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and ICJ opinion on the Kosovo Declaration of independence.

2 Armstrong M. (2006), A handbook of human resource management practice, Kogan Page, London and Philadelphia

3 <https://respaweb.eu/download/doc/Self-assessment+report+on+performance+appraisal+in+the+WBs+.pdf/4291fc77ac64ec4d3a35c043c01cb4f6.pdf>

4 <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-2017-edition-ENG.pdf>

5 <http://www.sigmaweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-May-2019.pdf>

6 <https://www.sigmaweb.org/publications/principles-public-administration.htm>

7 According to Otley and Franco-Santos who reviewed available literature and research on unintended effects of performance management, ‘the link between performance measurement and rewards is found to be a critical choice that can lead to negative unintended consequences.’ Franco-Santos M., Otley D. (2018), Reviewing and Theorizing the Unintended Consequences of Performance Management Systems, in: International Journal of Management Reviews, Vol. 20, 696-730 (2018), DOI: 10.1111/ijmr.1218. One of the authors very critical about performance appraisals with objectives other than provision of feedback and professional development is: Culbert, Samuel & Rout L (2010). Get Rid of the Performance Review! How Companies Can Stop Intimidating, Start Managing and Focus on What Really Matters, Grant Central Publishing, New York.

8 CIPD (2016), Rapid evidence assessment of the research literature on the effect of performance appraisal on workplace performance; Lipowska J. (2013), Appraisal Interview: Studies on Contemporary Guidelines, in: Human Resource Management, 5/2013, Institute of Labor and Social Studies, Warsaw. A similar view is expressed by Van Slyke E. (2010), An Alternative to Performance Appraisal, Society for Human Resource Management

9 Culbert, Samuel & Rout, with. (2010). Get Rid of the Performance Review! How Companies Can Stop Intimidating, Start Managing and Focus on What Really Matters.

10 Presentation by Mr Peter Pogacar, the director general of the public sector directorate in Slovenian’s Ministry of Public Administration during the ReSPA HRMPD WG meeting 30.11 – 1.12.2023 in Belgrade.

11 The OECD comparative paper, while admitting potential benefits of performance-related pay draws attention to these not necessarily working well in all environments. The important factors, are for example organisational culture and values, and a sound performance management framework. OECD (2005), performance-related pay policies for government employees, OECD Publishing.

12 CIPD (2016), Rapid evidence assessment of the research literature on the effect of performance appraisal on workplace performance, p. 10

13 “Changes in employee performance appraisals systems – an editorial debate of experts”, in: Human Resource Management, No. 5 (94)/2013, The Institute of Labour and Social Studies, Warsaw. The debate brought together six HRM experts – two representing Academia and four practitioners – from public administration (a trainer and HR director from one of the ministries) and business (HR director in REAL stores and the representative of the Great Place to Work).

14 While surveys are a very useful tool to monitor the motivation and engagement of staff, they are also time-consuming both for HRs and surveyed staff – so each time before running such a survey – a cost-benefit analysis is recommended.

15 Due to the Conclusion of the Council of Ministers (CoM).



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