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PERFORMANCE APPRAISAL

OF CIVIL SERVANTS FOR HUMAN CAPACITY DEVELOPMENT IN AZERBAIJAN

EVALUACIÓN DEL DESEMPEÑO DE LOS SERVIDORES CIVILES PARA EL DESARROLLO DE LA CAPACIDAD HUMANA EN AZERBAIYÁN

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ABSTRACT

The article covers one of the important issues such as the definition of performance appraisal, especially in terms of civil service. As personnel appraisal is of great importance from both the employee and organizational perspectives, establishing efficient appraisal methods that is closely related to achieving organizational goals. The research is mainly aimed at identifying the importance of performance appraisal in civil service for improving the efficiency of civil servants as a special type of human capital. It concludes with the measures needed to be carried out in order to ensure the efficient use of personnel capacity in civil service.

Keywords:

Appraisal methods, civil service, efficiency, personnel appraisal, public administration, reform, sustainable development

RESUMEN

El artículo cubre uno de los temas importantes, como la definición de evaluación del desempeño, especialmente en términos de servicio civil. Como la evaluación del personal es de gran importancia tanto desde el punto de vista de los empleados como de la organización, el establecimiento de métodos de evaluación eficientes está estrechamente relacionado con el logro de los objetivos de la organización. La investigación tiene como objetivo principal identificar la importancia de la evaluación del desempeño en el servicio civil para mejorar la eficiencia de los funcionarios públicos como un tipo especial de capital humano. Concluye con las medidas necesarias para garantizar el uso eficiente de la capacidad del personal en el servicio civil.

Palabras clave:

Métodos de evaluación, servicio civil, eficiencia, evaluación del personal, administración pública, reforma, desarrollo sostenible.

INTRODUCTION

The most pressing problems facing the world has been human capacity building for sustainable development, because developing and building human potential to an optimal level is the linchpin of rapid and innovative development, as well as an important element in contemporary management.

Rapid development processes across the world have led to the creation of new theories in public administration. Several factors, including economics, changes in people's thought processes, civil society development, and the increasing involvement of the private sector in government-led activities- for example the introduction of new services to meet basic human needs, stemming from changes in science and technology- have led to public administrators' adaptation to these new changes. The most important factor influencing the implementation of these changes in public administration has been the increase in expectations of both citizens and society in general for qualitative and quantitative changes in government services.

Traditionally, society expects the government to deliver services to the population on the principles of equity, equality, availability, accountability, efficiency, and impartiality. In order to ensure the delivery of services as mentioned, every country should have an effective management system in place that is comprised of a team of professionals. Here, it is central not only to manage the necessary knowledge and skills that personnel is equipped with, but also to adequately determine ways to increase the effectiveness of capacity building.

The assessment of human capacity building stipulates the identification and building of existing human capacity. Assessment of the existing structure needs more attention. This process is called human capacity planning. Human capacity building is key to promoting sustainable development, and more attention should be given as to how this will be accomplished. At the same time, capacity building activities often put strong emphasis on training key players in the government, such as senior officials, who are making the decisions and civil servants. One major constraint of developing country administrations is the ability to implement reforms.

Similarly, important is capacity building for partners outside the government, which will serve to build a critical mass of people who can initiate and sustain the process of change. These partners would include civil society groups, companies, associations and unions who can advocate within government for change or initiate processes of change outside the government sphere through new

business ideas or social trends. To build a critical mass of people pursuing the ideas of sustainable development, these groups need as much attention as government officials. For any policy decision the government makes, the support or opposition of major stakeholder groups will be key in the success of the reform. If, however, these groups lack knowledge about the issues at stake, as well as the ability to sufficiently analyze the situation, decisions going against sustainability may pass without attention, whereas decisions that support sustainable development may face strong opposition. A fundamental change in the approach to personnel capacity building is necessary in order to build a critical mass of people who can support the process of change towards sustainable development.

As mentioned above, personnel capacity assessment and personnel capacity building are essential elements of efficient management, which necessitate, in turn, assessment of the staff's knowledge and skills, accomplishments, vision and initiative. Assessment of staff not only serves to improve personnel overall, but it also is important for the management of sustainable development and in ensuring that all sectors can work well together. Assessment is also important for more innovative management.

DEVELOPMENT

Despite different terms like "Performance Evaluation", "Performance Assessment" and "Performance Review" are met in literature for personnel appraisal (Chruden & Sherman, 1972), the term "performance appraisal" is widely used around the world (Vallance, 1999). In Azerbaijani scientific literature, terms like "skills appraisal", "appraisal of civil servants' efficiency" and "performance appraisal" are used in addition to personnel appraisal. Generally, personnel appraisal is a system of appraising personnel achievements in accordance with performance demands. The important point here is that appraisal of personnel should be in line with the demands of the work they have completed. Appraisal based on factors other than the work completed by the personnel is not a genuine appraisal. And an effective personnel appraisal system helps the related parties to achieve their goals, whereas a bad performance appraisal system prevents the achievement of the goals (Murphy & Cleveland, 1995).

Another source defines personnel appraisal as a combination of administrative and organizational activities carried out for the purpose of identifying achievements, strengths, and weaknesses of predefined targets, and are aimed at developing personnel, the organization and management. These activities are implemented at defined intervals and are based on objective factors (Armstrong, 1996; Kreitner, 2006).

In general, the main purpose of personnel appraisal is defined as assessing and providing feedback about an employee's job performance over a specified period of time, assessing the employee's future potential in their work, including what training or further education the employee might need for their professional development, and to make decisions about compensation and promotion (Werther & Davis, 1995).

At the same time, personnel appraisal is performed for implementation of the following objectives (Janman, 1993; Moussavi & Ashbaugh, 1995; Kreitner, 2006).

- To identify the degree to which personnel produce the work expected from them;
- To obtain information regarding the potential for the employee's future development;
- To identify personnel with the potential to undertake responsibility for future tasks;
- To identify personnel training needs;
- To propose a basis for salary increase and compensation;
- To express personnel efficiency feedback;
- To approve human resources policy to satisfy national and international standards;
- To stimulate and increase organizational fidelity by providing regulated and programmed opportunities for discussion of performance and problems and providing suggestions for development.

Personnel appraisal is of great importance from both the employee and organizational perspectives. Since decisions regarding personnel, including the appointment or dismissal to important positions, are implemented in accordance with personnel appraisal results, employee assessment is of great significance. Employees want appraisal of their accomplishments, rewards for their achievements and differentiation between successful and non-successful candidates. When reasonable requests of employees are met, they are more loyal to the organization and their productivity rises as well. The most important point is that when employees have information about their performance at work, they have a better chance for self-development and improvement. At the same time, appraisal based on objective factors also makes it clearer where the employee would be best utilized in the organization and how the employee can work most effectively.

Personnel appraisal is also important from the organization's perspective. Having a system of appraisal leads to a more solid base of personnel leading the organization and having a skilled workforce dedicated to deciding upon and working towards the organization's objectives, with the help of personnel appraisal, an organization can achieve a healthy, economic, efficient and productive structure (Christensen, et al., 2007).

Personnel appraisal in organizations via scientific and objective methods is an irreplaceable means of management for organizations and ensures successful implementation of several other management processes. Personnel appraisal is not only related to the issues covered by personnel management, it is also among the key elements substantiating several management functions such as planning, organizing, orientation, association, and encouragement.

Several important points must be taken into account during personnel appraisal within an organization. These points are outlined below:

- ✓ Personnel appraisal must be completed by the supervisor closest to the employee, because this supervisor will have the ability to best observe the employee's performance and other qualities.
- ✓ Appraisal must be implemented in accordance with objective factors. Personnel must be assessed based upon their job performance. Other criteria may be used as appraisal criteria within the time affecting the employee's performance.
- ✓ Appraisal not only by the closest supervisor, but also by other leaders within the organization who know the employee, is an indicator of an open and objective appraisal.
- ✓ Appraisal criteria and objectives must be identified in advance to personnel. This ensures a fair process and the acceptance of the appraisal by the employee.
- ✓ The volume of work completed by the employee must be compared and assessed in accordance with the standards predefined by the organizational objectives.
- ✓ The supervisor performing the appraisal must not be influenced by his/her personal bias (positive or negative) towards the employee and must not use the appraisal as a means to fulfill his/her personal objectives. Personnel must not feel like they are being micromanaged and leaders must be certain they are putting the organizational objectives ahead of their own interests.
- ✓ Four key factors must be taken into consideration when evaluating supervisors' ability to rate their

employees: qualities of the supervisors, qualities of their subordinates, quality of performance, and resources. Once these qualities have been evaluated, it can be determined how well these supervisors will be able to rate their own staff (Christensen, et al. 2007).

Another issue equally as important as the criteria used for appraisal is the interval at which the appraisals are conducted. This interval can be determined by establishing a connection between the purpose and the time of the appraisal. Often, time of appraisal changes due to the relationship between appraisal and promotion, coordinating with the organization for efficiency, and planning with management and usually appraisal of personnel comes in conjunction with the distribution of promotions.

However, appraisal should also be used as a means to ensure organizational efficiency and to establish a connection with the management. This can be the basis for establishing a link between frequent appraisal and efficiency. Conducting appraisals at certain interval, for example once per year, is connected with annual promotions at work.

The success or failure of an organization can be determined by ways of managing of performance (Rani, 2012). As the ways of managing of performance are different, its methods of assessment are also different, where establishing efficient appraisal methods is closely related to achieving organizational goals. Just as it is not wise to rely on a single tool to solve every problem, it is similarly unwise to evaluate every employee using the same technique. Therefore, personnel also require various objectives and appraisal methods for accomplishment of these objectives.

Personnel appraisal methods are divided into two groups: traditional and contemporary. Both the traditional and contemporary appraisal methods benefit from McGregor's (1987), X and Y theories on management approaches. Douglas McGregor's X theory, which was conceived approximately 55 years ago, takes into account the industrial enterprises in the USA and exemplifies the authoritative management and control notion of the traditional management approach. The Y theory exemplifies the more contemporary notion of management via integration of individual and organizational objectives.

The most commonly used traditional appraisal methods are: Straight Ranking Method, Grading Method, Person-to-Person Comparison Method, Forced Choice Description Method, Graphic or Linear Rating Scale and etc. Basic features of these methods are as follows - supervisors are the sole determinant of personnel achievements,

appraisals are not transparent, employees are assessed less by their work performance than by their personalities, employees are not involved in the appraisal process, appraisal is based largely upon subjective criteria, and appraisals are based on goals achieved through pressure, intimidation, punishment and control.

Common features of the contemporary appraisal methods are as follows: presentation of work life issues as well as each employee's individual work goals, balance between the task and the personality of the employee, the employee's identification of their strengths and weaknesses as related to their future job performance, building constructive employee-supervisor relationships, the appraisal of an employee based solely upon the employee's job performance and the allocation of important tasks to both the supervisor and employee during appraisal (Janman, 1993). Some of the contemporary appraisal methods are mentioned below.

a) Appraisal by Results (Management by Objective)

Objective-based management is a contemporary personnel appraisal method used in the majority of organizations. This method identifies objectives for the entire organization and its structural entities as well as goals and expected results in mutually arranged employee-leadership meetings at the beginning of the appraisal period. The method begins with the identification of objectives, defines methods to achieve these objectives and finally is characterized as successful or unsuccessful upon completion of the objectives. This method creates conditions for employees to take initiative for their own self-development and instills in them a sense of ownership and accomplishment within the organization. Along with increasing motivation, it also ensures the organization's achievement of a dynamic structure.

b) Systematic Approach Method

Systematic approach method is another contemporary management method and it considers personnel appraisal as a system. The system is an entity consisting of interrelated, balanced and relevant subsystems. Therefore, appraisal is based on how the system is working: how subsystems are interrelated, how the system is functioning within the overall environment, observing how deviation from the system impacts the overall environment, and providing feedback. This method uses personnel appraisal as a means to determine why or how something didn't work and to find an appropriate solution, which is required for increasing the levels of success.

c) Potential Appraisal Method

This method is aimed to minimize the problems associated with reviewing past performance, assessing the employee's potential success, as well as their strengths and abilities (Goel, 2010). This method is based on the notion that past performance of an employee is the strongest indicator of their future performance. This method is particularly preferred for determining the administrative skills and suitability of employees under consideration for promotion to a higher rank. Candidates' behavior is tracked and assessed by experts trained specifically in this area in two three-day programs that apply various methods. Along with this, potential appraisal method stands out among the other contemporary appraisal methods for having the ability to discover skills employees have that have been underutilized.

After regaining its independence, our republic not only began the process of establishing national statehood, but it also began reforming the management system. By the decree of 29 December 1998 signed by the President of the Republic of Azerbaijan, the State Reforms Committee was established in the Public Administration System of the Republic of Azerbaijan. In our opinion, the establishment of a modern civil service system has been a major factor in these reforms. Several reforms were successfully implemented in the Republic of Azerbaijan during the independence period. The Republic of Azerbaijan already has its own civil service system that has benefited from the advanced experience of other countries (Rahimli, 2014). Establishing a civil service system has led to successful outcomes in the following areas:

- a) The concepts of civil servants and civil servant circles have been specified;
- b) categories of public authorities have been identified in accordance with their statuses and functions;
- c) civil service positions have been divided based on classifications;
- d) the system of granting specialty degrees to civil servants has been established;
- e) a civil servant labor appraisal system has been created;
- f) relevant systems have been developed for appointing staff to civil service roles and positions via transparent procedures;
- g) rules for forming reserve cadres to fill leading civil service positions in public authorities have been confirmed;
- h) procedures related to attestation, appraisal of service/performance, rewards, and discipline of civil servants have been created;
- i) a normative-legal base for the regulation of civil servants' ethical behavior has been created;

- j) authorities specializing in civil service -The Civil Service Management Board of the Republic of Azerbaijan, Civil Service Commission under the President of the Republic of Azerbaijan, and the Academy of Public Administration under the President of the Republic of Azerbaijan have been established;
- k) a normative-legal framework regulating civil service relationships has been established.

It should also be noted that reforms related to improving the legal framework regulating public sector service have recently been implemented in other countries around the world. The main objectives of these reforms are to achieve a more efficient government, to limit duties of the public sector which will enable the public administration to strengthen the services the public sector does provide, and to assign some service areas to the private sector. For this, special attention must be paid to expanding civil servants' ability to adopt and learn new methods. This can be accomplished through increased professional development and in-service training (Rahimli, 2011). Also, the performance appraisal process for civil servants' is politically and practically important and constitutes the basis of appraising personnel potential in sustainable development management. Modern approaches in the appraisal of civil servants serve to increase their performance efficiency (Rahimli, 2012). Identification of factors affecting the growth of performance efficiency is considered one of the most important issues of modern public administration science. At the same time, management, especially personnel management, necessitates two types of personnel to ensure sustainable development: general personnel who are responsible for political decision-making and the civil servants. Implementation of decisions affecting the regions is done via civil servants and if the actions required to carry out these decisions are performed incorrectly, there will be negative consequences. Deficiencies of civil servants must be identified during their appraisals in order to re-train and re-qualify them, ensuring they will use human resources efficiently, as well as participate in the planning and efficient administration of sustainable development in the future.

The main normative-legal documents related to the Appraisal of Civil Servants' Performance in the Republic of Azerbaijan are the Law of the Republic of Azerbaijan On Civil Service (Article 30-1. Performance Appraisal of Civil Servants) and Rules on Performance Appraisal of Civil Servant (10 February 2014). The Rules on Performance Appraisal of Civil Servant are prepared in accordance with Article 30-1 of the Law of the Republic of Azerbaijan On Civil Service and is related to civil servants holding administrative positions in accordance with the

third through the seventh classifications of administrative positions. In accordance with these rules, appraisal of civil servant's performance is implemented in the following order and stages:

I. Personnel service is informed that the structural divisions' appraisal process will begin no later than December 1st of the current year;

II. Head of the structural division (head of department) will control the timely, objective and unbiased implementation of the appraisal and solve disputes occurring directly between the manager and civil servant who has been assessed via mutual discussions;

III. Direct supervisor assesses the civil servant based on tasks and appraisal criteria (skills). Structural divisions commence the performance appraisals no later than December 1st of every year and finish by the 10th of January. After appraisals are completed, the form is submitted to the head of the structural division. The form is signed by the head of the structural division and is submitted to the personnel service by the 1st of February;

IV. Civil servant looks at the activities performed during the appraisal period and prepares for the appraisal (achievements, difficulties faced, etc.), taking notes on the issues he/she wishes to discuss during appraisal (training demands, promotion, etc.).

The main criteria in the appraisal of a civil servant's service performance are defined as the following: professional knowledge; attitude towards the service professions; ability to analyze, solve problems and make decisions; creativity and initiative; labor discipline; work experience and sharing that experience with colleagues; ability to work in a team, communication skills, and relationships between employees. In addition to the criteria above, appraisals for employees in management positions should include the ability to analyze and anticipate issues, management skills, authority amongst the group and expertise in team-building and motivating staff. The respective entity's personnel service analyzes the results of the appraisal based on the relevant forms provided with consideration of the mentioned criteria, prepares reports for each structural division as well as the final report for the public authority and submits it to the head of the public authority by the 20th of February. After the head of the public authority confirms the final report, the personnel service submits proposals regarding implementation of the measures outlined in the rules (which are dependent on the results of appraisal) to the head of the public authority. The final report on the results of the public authority appraisal is submitted to the Civil Service Commission under the President of the

Republic of Azerbaijan by the 1st of March of the current year.

The appraisal process for employees holding administrative positions is based on the rules above and was approved in December 2014. Naturally, outcomes and challenges with this new system will be identified as the system goes into effect. However, current information reveals that since no objective criteria have been identified in the appraisal of civil servants' performance, the appraisal is performed based on the managers' personal ideas and initiatives. This subjectivity in appraisal will create a lack of consistency in the process and will likely be less effective in identifying ways to improve civil servants' performance. Thus, identification of genuine characteristic relationships appearing in the practice of civil service as well as observing and evaluating factors impacting the performance of civil servants are important issues. For example, ensuring employee rights will lead to an increase of labor productivity in service and performance efficiency in general by strengthening professional and personal potential. On the contrary, positions that lack sufficient power and resources and that are not clearly defined play a significant role in reducing civil servants' efficiency. We must also realize that the efficiency of civil service depends heavily on the efficiency and skills of the employees within the administration. Increasing efficiency is also related to factors impacting the system of accountability (i.e., capacity to appraise employee's genuine performance efficiency) and ensuring that the civil servant is aware of both process, and outcomes. The measures aimed at increasing efficiency have also brought forward the issue of strengthening e-government in our times.

CONCLUSIONS

The above-mentioned can be summarized with the conclusion that although the rules of appraising the civil servants' performance have been confirmed in our country, the appraisal system remains closed for the most part. Despite the fact that as per the Article 30-1 of the Law on Civil Service, performance appraisal of a civil servant holding an administrative position is conducted at the end of each calendar year, civil servants are reluctant to obtain information about the outcomes of their self-appraisal. Therefore, civil servants find it difficult to meet the demands of their position, because they are holding on to the idea that everything is satisfactory with their job performance, and they are not given information about areas that need improvement. At the same time, despite the fact that the Law on Civil Service considers career, dignity and impartiality to be major principles, their implementation is impossible due to the many exceptions and the lack

of a system to ensure these principles are incorporated. On the other hand, the available performance efficiency appraisal system reveals that appraisal outcomes have no impact on in-service training and education decisions. Along with this, a majority of managers do not take part in special training programs on the performance appraisal, and this affects the process negatively.

One of the most important non-material components of the national wealth are civil servants in management who are largely responsible for capacity building for sustainable development. Therefore, in order to maintain the national wealth, there needs to be a system in place for training a greater number of qualified civil servants, and this system must be based upon the principles of efficiency, motivation, and innovation. In order to ensure the efficient use of human capacity in civil services, the following measures need to be carried out:

- To reorganize the civil service system in the Republic of Azerbaijan.
- To improve the mechanisms for the principles of career, dignity and impartiality stipulated by the Law of the Republic of Azerbaijan On Civil Service and to ensure the process of creating and executing individual career plans of civil servants.
- To shape a strategy for incentives and penalties in accordance with the results of the activity assessment. The key here is to introduce innovative methods for assessing the efficiency of civil servants, taking into consideration the innovations emerging in public, economic and social areas.
- To meet the civil servants' staffing requirements by using the resources they already have, which includes rotating existing staff into unfilled positions.
- To draw attention to the training of administrative personnel at The Academy of Public Administration under the President of the Republic of Azerbaijan with the focus being directed towards improving the institution to shape reserve personnel for administrative positions, to work out in-service training and educational programs based on innovative methods, and to identify a mechanism for close cooperation with government bodies and agencies.
- To coordinate the results of activity assessment with in-service training and education-related decisions within the appraisal system for civil service activities.

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