



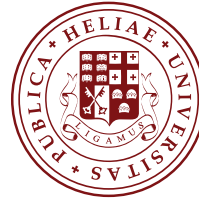
ATTITUDES AND PERCEPTIONS OF CIVIL SERVANTS ON PERFORMANCE APPRAISAL SYSTEM

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SUMMARY, FINDINGS AND RECOMMENDATIONS

Purpose of the Study

The presented document is a report on the research conducted in July-December 2019, implemented with the financial support of the UNDP; The research intended to study primary results of introducing performance appraisal system in the line ministries of the Government of Georgia (GoG); namely, after completion of the first cycle of the appraisal. The research was conducted in the following ministries:

- Ministry of Foreign Affairs of Georgia;
- Ministry of Defense of Georgia;
- Ministry of IDPs from the Occupied Territories, Labor, Health and Social Affairs of Georgia;
- Ministry of Environment Protection and Agriculture of Georgia;
- Ministry of Finance of Georgia;
- Ministry of Economy and Sustainable Development of Georgia;
- Ministry of Regional Development and Infrastructure of Georgia.

The study included in-depth interviews with first- and second-ranked public servants and HR managers (13 and 7 interviews, respectively), focus groups with third- and fourth-ranked public servants (11 focus groups), and interviews with local and international experts (5 interviews), as well as with a representative of the Civil Service Bureau(CSB). The study revealed mixed attitudes towards the performance appraisal system, which was introduced in the Georgian public sector in 2018.

The main topics covered were as follows:

- Assessing the level of awareness of lower-ranking servants, middle-ranking managers and HR representatives on the performance appraisal system, and providing information on models of performance appraisal in relevant ministries;
- Determining their views on the benefits and disadvantages of the appraisal system per each ministry;
- Determining how lower-ranking servants/managers/HR managers assess the impact of the appraisal system on the following issues: (1) individual effectiveness, (2) organizational effectiveness, (3) relationships with a direct supervisor, and (4) relationships with peers;
- Determining, to what extent public servants/managers perceive the performance appraisal process as a support and feedback mechanism from HR managers and mid-level managers. As well as identifying the improved aspects and civil servants' recommendations for successful implementation of the performance appraisal system in other public organizations.

Main Findings of the Study

All groups of respondents perceive the introduction of the performance appraisal system as a necessary step; however, there is some skepticism towards the implemented processes. According to the respondents, the system was hastily introduced, and many of the practical components identified during the first year were not considered. These included: the identification of the appraisal indicators, professional and career development opportunities, and instruments for material and non-material incentives.

All respondents, as well as a representative of the CSB, acknowledge that the introduction of the appraisal system is a complex and multi-faceted process, the institutionalization of which will take a long time. There is a high expectation that the appraisal system will establish a result-oriented work culture in public organizations; that it will also help to improve relationships and establish proper communication in the organization both horizontally and vertically. All groups of respondents positively assessed strengthening the role of the HR managers in the agencies, as a result of the evaluation process, imposing a facilitator and coordinating role on personnel issues for them.

As for critical evaluations, mostly the skeptical attitudes were revealed towards the following factors:

- 1) The performance appraisal system is considered as an additional bureaucratic procedure that does not result in effective and tangible outcomes in terms of individual and organizational efficiency. Consequently, there is a high risk that the appraisal will become a formality, and instead of a real appraisal each year, the results of the previous year will be “copied”.
- At the individual level, the perception of civil servants is high that the purpose of the appraisal is to increase personal motivation. However, the expectation of such an increase is higher than the actual results obtained after the implemented cycle. In this regard, the low level of mid-level management engagement is a significant obstacle, which is critically evaluated by all groups of respondents, including the managers themselves. It was revealed that despite the intensive work meetings and training sessions planned and carried out by the CSB in coordination with HR managers in every ministry, the level of mid-level management engagement was low. Their busy work schedule is perceived to be the reason for this. Another problem named by the respondents, mostly by the low-ranking servants, is the lack of communication between management and employees, which affects giving feedback on the appraisal. Usually, the feedback meeting is either not carried out, or is depended on the will of the manager. At the same time, public servants are aware of the importance of the feedback for the overall effectiveness of the appraisal system, as well as for individual personal and professional development plans. To that end, the respondents suggested that the quality and objectivity of the appraisal process should become one of the components of the personal appraisal of the managers themselves, by their direct supervisors (heads of departments);
 - Several problems in terms of organizational effectiveness have been clearly identified: a) the CSB launched functional an analysis and evaluation project of particular public organizations; despite this, measuring and assessing organizational effectiveness is not yet a priority in the public administration reform process, due to the lack of political will; b) Organizational efficiency is the result of a proper strategic management, one of the components of which is setting individual goals. Assessment of objectives adopted as one of the assessment models is incomplete until an institutional and sectoral strategic vision, mission, goals and objectives of the agency are elaborated and shared at the agency level. Thus, it is important to improve coordination between the various components of Public Administration Reform (PAR) (strategic planning and policy development on the one hand, and public personnel management, on the other). Another problem is that these components are coordinated by different public agencies (in this case, the Administration of the Government of Georgia (AoG) and CSB); c) In the public sector, overall, there is very poor organizational readiness for using performance appraisal as a management tool; the establishment of a result-oriented work culture in the organization is a multi-year and multi-component process, that needs to be backed up by a strong political will. It is also important that HR management issues are a priority on the political agenda of the PAR; besides, one of the critical components for successful institutionalization of the performance appraisal system is the institutional and political stability of public organizations and continuity of political leadership, which was heavily precluded by recent restructuring and reorganization of the line ministries.

2) After completion of the first year of an appraisal cycle, most of the respondents feel that the appraisal has not been carried out objectively, due to several factors:


- Scoring points: a) Some of the respondents claim that the scores have been assigned formally, as neither the evaluators, nor a large part of the staff are aware of the importance of the appraisal; b) The subjective attitude of high-ranking political officials towards specific servants are taken into consideration while assigning points – for this reason, manager avoids giving low scores, so as not to raise the issue of dismissal of a servant who is under so-called “high protection”; c) The annual appraisal coincides with the pre-New Year period, so evaluators avoid giving low scores and leaving employees heartbroken without a “thirteenth salary;” d) Some respondents seem to believe that managers misuse their authority and give points based on their own preferences; e) The experts and trainers have conducted an intensive work to explain in details the score calibration and development of the appraisal indicators in each public organization. Nevertheless, the principle of scoring is still vague to most public servants; many of them subjectively, incorrectly perceive 2 and 3 points as “bad”; as for the highest score 4 points (“exceeded expectations”), its definition is unclear. To that end, using the scores with decimal points was suggested, which would be more informative and allow more flexibility during the appraisal.
- The existence of an appellation mechanism is largely perceived positively as a mean for a servant for defending one’s own position; however, there are very few cases of the appellation, so far. According to the experts, the procedure is not clearly defined; in addition, in the perception of some employees, appealing to the commission is meaningless, because the commission receives the information on the activities of the employees from their managers. Therefore, the objectivity of the decision is questionable; moreover, appealing the results of the appraisal might strain the relationships and create a conflict situation between a civil servant and manager.

3) It is rather vague what legal and factual consequences the performance appraisal may have. The respondents stressed two issues:

- The results of the appraisal should be used for the professional development of civil servant, through the formulation of individual development plans. However, there is some criticism on this issue as well: a) The analysis of the appraisal results should be used to determine the needs of professional development; however, the analysis is not conducted in a systematic way and in many cases depends on the “good will” of a supervisor and an HR manager; consequently, appropriate training and development opportunities are not offered to servants based on the analysis of the appraisal results; b) The development conditions are unequal for different ministries. For example, some ministries have their own training centers, thus, their employees have much more opportunities to undergo appropriate training and educational modules. Also, the employees of the Ministries of Foreign Affairs and Defense have relatively more opportunities, as there are training programs abroad available for them.
- Many of the public servants expect, that the outcome of the appraisal should be career development; the appraisal should, at least to some extent, contribute to the advancement of a servant. The assignment of classes and 10% salary increase, in case of a positive appraisal within two years is not considered to be a motivator. Moreover, this mechanism is perceived as disproportionate, given that the negative appraisal for two consecutive years (score 1) lead to the dismissal of a servant.
- To some extent, the interim appraisal is also perceived as a formality. While the aim of it to monitor and adjust the performance during the year; the interim appraisal does not have any legal consequences. In most cases, no feedback is provided and, thus, this stage of the process loses its meaning and becomes another additional bureaucratic burden.

Based on the attitudes and expectations of different groups of respondents, we can speculate on the desired improvements in the appraisal process:

- Appraisal of a supervisor/manager by a subordinate: attitudes toward this issue are nonuniform. A large part of respondents believes that it is necessary to have a two-way appraisal process when an employee can evaluate his/her immediate supervisor. The bottom-up approach ensures the objectivity of the process, reveals manager’s skills such as leadership, goal setting. Although, a different opinion was expressed too. Particularly, it was mentioned



that nowadays, deficiencies of the appraisal process, especially the high degree of subjectivity, increase the risk of informal transactions between a public servant and a manager. HR managers and experts believe that at this stage, the Georgian public sector is not ready for this type of appraisal and, in general, for 360-degree or 180-degree models. Particularly, the problems will arise mostly in small subdivisions where it is easy to identify a person behind the appraisal. However, other mechanisms for evaluating manager's skills, such as using anonymous questionnaires to assess organizational effectiveness, or assessing a manager's ability to properly conduct the appraisal process by his or her immediate supervisor, can be effective and justified.

- Development and application of an electronic platform for appraisal will make the appraisal procedure more flexible and reduce the risk of routinization.
- During the survey, all groups of respondents raised the issue of non-uniformity of appraisal standards, not only among different agencies but also between departments within one organization. As some of the respondents stated, it is desirable to use the same standards, criteria and indicators for appraisal within the departments with the same functions across different organizations.

5.1. RECOMMENDATIONS

Recommendations can be categorized into two groups: a) Changes at the sectoral level, where the CSB and political decision-makers play a main role at the government level; b) Measures to be taken at the organizational level, with the involvement of HR managers and mid-level management.

Sectoral level:

- Improve coordination between agencies responsible for various components of Public Administration Reform, such as the CSB and the AoG;
- Establish organizational efficiency appraisal systems using the Total Quality Management or other continuous quality improvement methodologies adapted to the public sector;
- Strengthen strategic planning and managerial skills for mid-level and senior managers, including the ability to develop a strategic plan, define goals at organizational, departmental and individual levels;
- Continue organizing information meetings and training sessions related to appraisal, especially for mid-level managers;
- Develop an online platform for the appraisal process to avoid routinization of the process and ensure the anonymity of the appraisal process;
- Develop uniform appraisal criteria and indicators for departments performing uniform functions across various public organizations;
- Clearly define incentives and legal consequences for positive or negative appraisals, including more opportunities for professional and career development.

Organizational level:

- Conduct an annual analysis of appraisal results, compare past and new results, track dynamics of professional development of civil servants;
- Include an ability to conduct a proper appraisal process (results analysis and feedback provision) in the competence framework of mid-level managers and assess this competence;
- Assess mid-level managers through employee questionnaires on organizational effectiveness and employee satisfaction;
- Provide more detailed calibration (explanation) of scores for a more flexible grading;
- Establish commission-based decision-making procedures in case of assigning the highest (4 points) or the lower (1 point) scores;
- Make the appellation stages more transparent for civil servants; enhance the capacity of commissions.