

**Expert Feedback to the
“Rules on Assessment of the Work of State Officers
in State Services of the Federation Bosnia and Herzegovina”**

BOSNA I HERCEGOVINA / FEDERACIJA BOSNE I HERCEGOVINE / AGENCIJA ZA DRŽAVNU SLUŽBU
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ADS

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1 General comments

- **Important:** An organisation should be aware of the underlying assumptions inscribed into individual staff performance appraisal (further “ISPA”) procedures. In particular, if the results (output) of work of individuals are seen as purely hinging on their competence (input) and performance in the tasks/incidences (activity) – as a kind of implicit theory of change or logic model, see the blue areas in Fig. 1 – this can lead to a blindsided perception of other factors contributing to or limiting output of individual staff members. The shift of perspective towards a multi-factor view on individual performance (see the orange areas in Fig. 1) has also methodological implications. How are ‘infrastructure’, resources and working conditions considered when assessing the performance of staff?

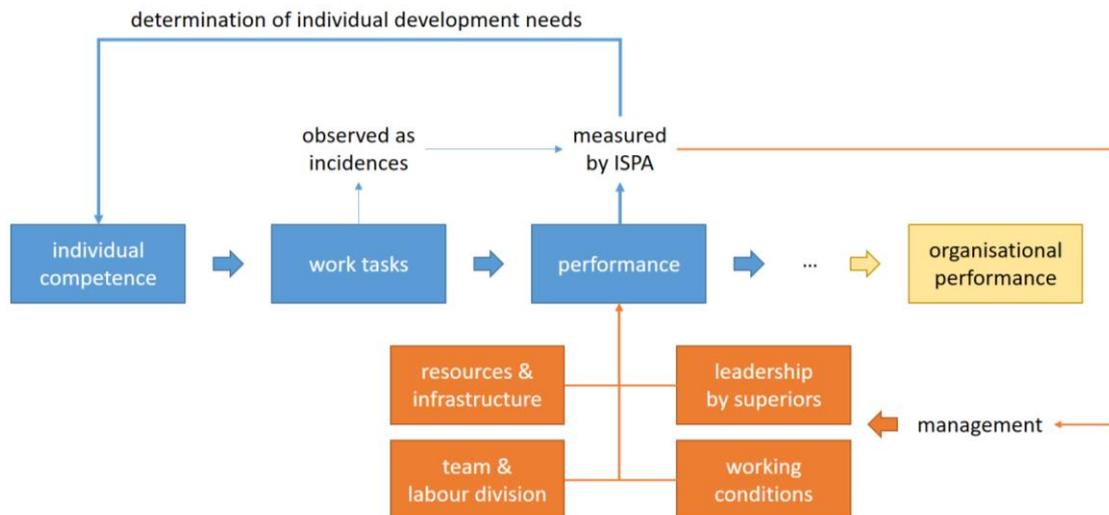


Fig. 1: Multi-factor view on individual performance.

- **Important:** How is responsibility for performance distributed/shared? Current trend suggests shared responsibility for ISPA, i.e. it is borne not only by the immediate superior, but increasingly also by HR units and/or possibly with the involvement of others (see e.g. EUPAN).
- **Important:** The larger context, through which ISPA should be viewed, poses the following question: How to achieve a shift from a culture of formalism, loyalty and (selective) intolerance to errors to a culture of honesty, merit and learning? The problem is that ISPA requires to be embedded in a broader strategy towards changing the culture of public administration into a managerial one. Otherwise ISPA practice will be adopted through the prism of the current culture, and will only serve to reproduce it. Result would be numerous exemptions from ISPA, inflated scores, formalism, gaming etc. How to ensure that ISPA does not become a ‘pro forma’ (or alibi) act but is taken seriously by all involved parties? (See also below.)

2 Purpose of individual performance appraisal (Art. 2)

- **Important:** In the description of the purpose of individual staff performance appraisal (ISPA) one critical function is missing: *Setting individual objectives & linking those individual objectives to the goals of the organisation.* In this sense, ISPA provides an orientation to the employees on their own competence (in terms of quantity, quality and division of labour within a team or the whole organisation) as well as a larger picture of the performance and mission of the whole organisation. The primary function of ISPA should be facilitating motivation of the employee, instilling a sense of purpose, an ethos and understanding of how an individual contributes to the purpose of the organisation – and the organisation as a whole to *public value*. This function is probably more important than providing a precise record of quality and quantity of

work of an individual that is supposed to serve as grounds for individual remuneration (or even dismissal).

- **Important:** Overall, the current version of “Rules on Assessment” does not seem to have a specific strategic goal in mind. (It would seem that the main concern is to identify poor performance and punish such staff.) In general, ISPA can be more focused on organisational performance or on individual development – and it is important to decide upon the strategic use for ISPA within public administration (see Fig. 2). The decision where this focus will be placed has implications on the design of ISPA process and methods. At the same time, ISPA is not the only tool that links these two domains, another option would be, e.g., competence framework or civil (organisational/functional) service code (useful for shaping organisational culture, individual attitudes and dealing with ethical dilemmas). ISPA should therefore be developed: (a) for a specific strategic purpose; and (b) in relation to other tools that exist in both of these domains (and not in separation). A systemic vision of the purpose of ISPA is missing in the document.

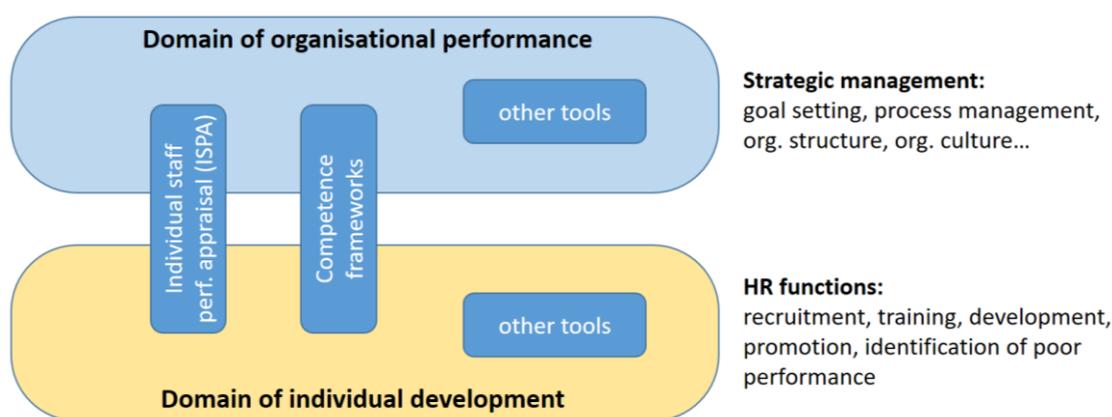


Fig. 2: Relationship between ISPA and other tools.

- Which of the available managerial tools and dimensions should play the role of the leverage point in increasing administrative capacity/organisational performance? Why ISPA (and how)?
 - Consider alternatives: stronger performance budgeting, organisational goal setting, outcome orientation, strengthening of leadership competence (link to performance through daily informal recognition of success, providing motivation), quality assurance tools (e.g. CAF, EFQM, benchmarking), value for money, performance contracts etc. One feasible option is to make these components stronger while keeping ISPA relatively informal (as in, e.g., the Austrian model).
- **Important:** In the case HR functions are supposed to be the focus of ISPA, it is recommended to review the academic literature and conduct pilot studies on the link between salary raise (bonus)/promotion and intrinsic/extrinsic motivation. The research on public sector motivation (PSM) suggests that institutionally linking pay and performance might lead to strengthening of extrinsic motivation and crowding out of intrinsic motivation. This might have severe impacts on organisational culture and public service ethos.

3 Staff grades (Art. 4)

- **Important:** It is unclear who is defined as “management” (although this would obviously be addressed by Civil Service Law and other regulatory acts and documents). The focus group meeting on 7 May made clear that the distinction between managerial and non-managerial positions rests on formal criteria, in particular the job title, and “management” thus covers only

senior positions. Nevertheless, for the purpose of ISPA it would be useful to distinguish between management and “other staff” based on the substantive nature of their tasks and the means and logics through which these are being carried out (certain autonomy in objective setting and task organisation, bounded decision-making competence, own budgets, team coordination and leadership or what is currently discussed as “managerial accountability” etc.). Public managers can very well be found at the medium and perhaps even at the lower levels. Especially if ISPA is supposed to provide a larger picture of organisational processes and structures contributing to its performance and to determine learning and development needs of individual staff, it is pertinent that it operates with a substantive understanding of individuals’ work, rather than formal job descriptions.

- But since management plays a strategic role in ensuring effectiveness of performance appraisal, ISPA has to be driven and led by senior management. That means that senior management might still require specific performance criteria and ISPA design, even though some aspects of management would be covered at the lower levels as well (see the next section and Kuperus & Rode 2016 for details how senior civil servants are tackled in the EU countries).
- How to increase managerial accountability? SIGMA defines managerial accountability as an “approach to public management in which managers are held accountable for results by assigning them responsibility, accompanied by delegated authority for decision-making and giving them autonomy and resources necessary to achieve these results” (2018, p. 11). Thus, there is a need to provide higher autonomy and authority for the unit/organization the individual managers supervise, including decision-making power over budget and staffing and then hold the managers accountable for the results of the unit/organization.
- *Further suggestions:*
 - Who is “the Government”, Art. 4(5), i.e. who does the evaluation? Heads of Independent Agencies and their managerial accountability are of utmost importance, how is this accountability secured (including minimisation of political interference)? Is there a link between the performance of the agency and evaluation of the head of the agency?

4 Criteria for evaluating performance (Art. 5)

- **Important:** Results or outcome orientation, although explicitly included in the first criterion (Article 5.1, where formulated as “expertise”), is not implemented thoroughly and thus largely missing. ISPA should address personal responsibility for achieving the goals of the organisation, i.e. the contribution to the societal impact which lies at the heart of the mission of the organisation.
- “The ability to concretise strategic goals into everyday tasks” as well as “integrating the values and goals of the organisation into everyday tasks” is now included as competencies *for managerial staff only* (Article 5.2.6), but ISPA should provide a more systemic, institutionalised way to include these into ISPA for lower levels as well (see the previous section).
- Learning and improvement are missing among the criteria. These are important for professional development and learning organisation and should be made explicit. (They are only implicitly present, as a change in results from one year to the next.)
- *Further suggestions:*
 - “Interdisciplinarity” (“*interdisciplinarnost*”, Article 5.1) is not the ideal word for describing horizontal co-ordination, collaboration or integration across organisational units and organisations.

- “Motivation for Work” (Article 5.1) is a competence? How would it be measured? (Also: Would this not be a measure of leadership, i.e. a criterion applicable to the superior?)
- For determining the criteria for assessment of knowledge, skills and competencies a professional commission should be set up (i.e. for operationalising 5.1 and 5.2 for each specific function or organisation). (What role should the “professional commission” have (Art. 14)?)

5 Methodology of appraising performance (Art. 8, Annex I)

- **Important:** A description of the individual criteria and guidelines for assigning or examples of specific values are missing (see also Article 14).
- **Important:** It is unclear whether any flexibility of these criteria and their measurement is provided. The “Rules of Assessment” should specify the scope and possibilities for adjusting the criteria and procedures. The demands for flexibility can occur at least on three levels: **Sectoral:** Are there any particular links to sectoral/policy areas and specific governance functions? **Organisational:** How flexible are these criteria for individual organisations? There is a need to tailor these for specific needs and goals of individual organisations and functions within the organisation. **Individual:** There also does not seem to be any flexibility for individual demands placed on a civil servant. If flexibility is allowed: When (at what point in the procedure) and by whom can changes be made? To what extent are these collaborative/participatory?
- **Important:** Both methodologically and practically, one number as an aggregate index (Article 8.2) is problematic.
 - There are no weights (all criteria and competencies equal weight?).
 - A single number gives no specific information for improvement (the areas in which the employee needs to improve), just a very general overview of an abstract quality of staff.
 - How to avoid accumulation of appraisals in one grading category? Gaming in Western Balkans is wide spread, particularly if punishment is the main objective. As a result many of the ISPA’s (70–80%) are in the two best categories rather than mirroring a natural statistical distribution. Continuous appraisals may assist avoiding this type of skewing. Collection of data and evidence to support any appraisals are of utmost importance.
- *Further suggestions:*
 - Instead of a single number (accompanied by a brief descriptive grade, Article 8.2) a more detailed and specific qualitative appraisal is more desirable.

6 Data for appraising performance (Art. 7 to 8)

- **Important:** In general, how are data for the performance appraisal generated?
- What is the expected “descriptive” part, what type of information is collected and presented during the performance interview? If evidence is used (e.g. from monitoring), in what form, and how often is this generated?
- Can the employee make a case for a good note? Can he/she provide underlying data/evidence – and in what manner?

- Setting the method of monitoring (Article 7): Are there any standards as to the frequency and method (e.g. recommended by HR units or Central Agency)? These might be needed to avoid errors in evaluation and monitoring, especially in determining the data that should be collected in order to provide evidence for assessment?
- *Further suggestions:*
 - It might be useful to conduct an interim talk/informal chat between the superior and the employee regarding what has worked and what has not. This should be held several times throughout the year, always at the opportunity of a specific incidence during the work year (at the closure of specific tasks, organisation of events, finalisation of projects etc.). This has following functions:
 - i. The superior can collect specific evidence of successes, shortcomings or failures across such incidences and thus generate evidence for a balanced and objective annual appraisal. It thus serves as irregular monitoring.
 - ii. The employee has an understanding of his/her overall assessment from the superior's perspective and can thus better prepare for the performance interview.
 - iii. The employee can thus work on improvement and development and demonstrate learning over time. This should be the main function of ISPA.
 - iv. The chat serves to make clear the conditions for achieving good performance in line with the multi-factor performance perspective. In other words, the reasons for failures or successes will be discussed during the chat.
 - v. Thanks to these chats the superior can also better understand the lived roles in the team, its synergies, and the strengths and potentials of individual team members.
 - vi. The employee can better understand his/her position within the organisation and in relation to the organisation's mission and public value.
 - Another useful technique is to motivate civil servants to keep a "work diary" (possibly on a monthly basis), in which they document activities and keep thoughts on the elements relevant for the appraisal? This again can serve as data or evidence in the context of ISPA and specifically the performance interview.
 - In the proposed version only direct superior provides assessment (and probably also the only one who collects performance-relevant data). Consider expanding to so-called "360° feedback" (used, e.g., in the WB) It has four components: The vertical dimension consists of (a) superiors, and (b) subordinates (also against misuse of power associated with ISPA). The horizontal dimension consists of (c) colleagues & peers, and (d) target groups, clients & external partners. This form of feedback is useful for flatter hierarchies, matrix & project-oriented organisation structures, tasks with intensive contact work with target groups and external partners, also for temporarily contracted staff.
 - Links to competence frameworks are missing.

7 Interaction between employee and superior (Art. 6 to 10)

- The superior "determines the task" (Article 6.1): To what extent does this take place in a participatory manner? What is the link to the previous ISPA results and future goals ("performance interview")?

- The employee may file a complaint (Article 10.2), but with what rationale/justification? When is a complaint valid? Process and result criteria should be defined more unambiguously so that a complaint with valid grounds can be formulated.
- *Further suggestions:*
 - Performance interview or the actual conversation during which an assessment happens (Articles 8.5 and 8.6): Only 30 minutes and only once a year is too little (see suggestions above).
 - How final is the assessment immediately after the performance interview takes place? Is the final assessment discussed with the employee and can he/she voice his/her opinion?

8 Appraisal follow-up (Art. 11 to 14)

- What is the link to the HR functions beyond the vocational training module (Article 13.1.d)? How is ISPA related to competency frameworks, recruitment, individual development, promotion, or other means of poor performance identification?
 - Lacking formulation of a personal development plan. Not necessarily only when “not satisfactory” or “satisfactory”, but for all CS! (Articles 14.1 and 13.1.d.)
 - Instead of dismissal other options should be tried: motivating the employee, finding another position appropriate to his/her individual needs, (re)training...
- What type of monetary or material incentives are linked to ISPA results? (I.e. no effect on pay, pay grades, conditionality of bonuses, or link to promotion.)
- **To be seen as positive:**
 - Tasks and annual program of work to be determined for the upcoming year on the basis of ISPA (6.1 and 6.2).
 - Grounds for dismissal only after 2 subsequent low results (i.e. not automatic).
 - Possibility of complaint (to prevent arbitrariness) – but this should be seen as a last resort.

9 The need for a multi-pronged implementation

- How are the HR capacities and competence to be secured?
- How will the implementation of ISPA be monitored? Who will assist managers in conducting ISPA (in preparation for and during the performance interview, for setting up a development plan, etc.)? What analytical and monitoring tools are to be used in practice?
- Because of the larger context of the change of PA organisational culture it is required to manifest new patterns of governing already in the attempt to introduce ISPA. Adopting ISPA in the spirit of formalism won't do. Suggestions:
 - Provide hands-on training to HR staff, i.e. ability to learn to conduct ISPA the way it is intended through simulation.
 - Build a horizontal coalition of top managers, who can act as leaders in ISPA implementation (some of these being insiders, some outsiders). The goal is to shape the values of public administration and readiness for adoption of ISPA.

- Shoot an instructional good-practice Youtube video of a performance interview, which shows correct practice as well as possible errors/breaches (by both superior and employee). Such a video would also help preventing the misuse of ISPA.
- Write a commentary to the performance appraisal form as an annex to the “Rules of Assessment”. This should also specify the specific possibilities for flexible interpretation of the criteria.
- Conduct public promotion of ISPA. Identify leaders or ambassadors who would speak positively about its purpose and experience in the media.
- Identify cases of good practice, i.e. organisations and leaders with concrete experience. This is the best counterargument for claims that “this is a theory and it would not work in our case”.

10 Suggested Literature

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