ASSESSMENT OF HUMAN RESOURCES IN ORDER TO OPTIMIZE THE STATE OF ORGANIZATION’S CLIMATE: NATIONAL EXPERIENCE IN INTERNATIONAL CONTEXT

Jolita Vveinhardt, PhD
Palmira Papšienė

ABSTRACT
The present paper reviews peculiarities of assessment of human resources in the public sector in comparison with the private sector. Economies of developing countries face some interference creating management quality gaps from the perspective of human resource assessment and organisational climate related to it both in public and in private sectors. Non-transparent assessment of human resources has a negative impact on the climate of the organisation and its divisions. The analysis of the structure and actions of the assessment process and of the way to ensure the transparent implementation of the assessment process in order to improve the climate of the organisation is carried out. During the research, theoretical links between human resource assessment and organisational climate are established. The universal algorithm of human resource assessment optimizing the state of organisational climate is presented in the article, substantiating the practical significance of the stages chosen for the algorithm.¹

Key words: assessment of human resources, state of organisational climate, public sector, economy of developing countries

JEL: M12, M14, M19

INTRODUCTION
Assessment of human resources in the public sector gains significant attention in the developing post-Soviet states, the public sector of which could be named as transforming and looking for optimum models. Transition economies have to solve multiple tasks: improve human resource management in organisations and make it more efficient, as well as develop the management culture. In this context, human resource assessment procedures still remain the problematic sphere. The assessment

¹ Authors’ contribution: Vveinhardt 80%; Papšienė 20 %.
process is regulated in the public sector, and in the private sector organisations determine the process and separate procedures by themselves. Standardized assessment procedures are considered unnecessary bureaucracy and waste of time, except in some progressive companies. Social economic transformations that took place a few decades ago helped accumulate financial capital; however, the management culture remains a secondary concern. Economic logic and intuition are not absolute criteria, which would negate the necessity of standardized procedures. However, the managers who have come to municipal and state government institutions from the private sector, especially after the election, are inclined to depend on the attitude that was developed in business. Therefore, the development of public sector culture remains complicated. Economies of developing counties, both in public and in private sectors, have to solve relevant problems of corruption, nepotism and favouritism, which influence the management quality, especially from the perspective of assessment and organisational climate related to it. Moreover, there are a lot of negative assessments addressed to specialists of the public sector – both single individuals and the system – in the public discourse of developing societies. Disunity and stereotypical thinking of societies that are still forming, without the impartial criticism, frequently demonizes public systems and their representatives, and this has additional negative impact on the internal climate of organisations of this sector, which could be named one of the factors significantly influencing the development and expression of intellectual capital of human resources.

In comparison to other EU countries, Lithuania is a small state with a growing economy. Various political, cultural and institutional / organisational changes taking place determine the international development. As the expansion of globalization progresses, the assessment of human resources from international aspect may represent the organisation successfully. Systematic provision / publicizing of information assume the feature of internationality, which ensures even better quality of organisational performance and spread of information.

**Relevance of the research.** Measures employed by the European Commission encourage the creation of national qualification systems substantiated by descriptions of qualification levels (Lobanova, Chlivickas, 2009, p. 64). It is very important for countries with transition economies to evaluate the academic theoretical and practical experience of countries solving identical and/or similar problems. Then it would be possible to create practically applicable structures assessing this experience and determining the activity. Very frequently, practitioners are offered models employed in developed Western economies that could prove inactive or inefficient, if the national socio-cultural context is not taken into consideration. Conceptuality and comprehensibility of the method are very important for management practitioners who often lack theoretical preparation.

International development ensures the cooperation in various fields, which determines the successful course and strategy of human resource assessment. This way, human resource assessment in the organisation gains not only more opportunities but also obligations while developing the international partnership.

**Problem of the research.** Non-transparent assessment of human resources negatively affects the climate of the organisation or its division. Therefore, the problem

---

of the research is brought forward with the question: what should the assessment process structure and actions be like and how to ensure the transparent implementation of the assessment process in order for the organisational climate to become more beneficial?


Upon analysing the academic literature of authors of developing countries, the algorithm of public sector human resource assessment process, which would consider the impact of the process on the organisational climate, was not found.

**Object of the research:** assessment of human resources optimizing the climate of the organisation.

**The research aim:** to construct the algorithm for assessing human resources, which optimizes the state of organization’s climate in assessing national experience in international context.

**The research objectives:**
1. To theoretically relate the assessment of human resources and organization’s climate.
2. To substantiate the practical importance of chosen stages for the algorithm.
3. To assess national experience in international context.

**Methods of the research:** algorithmization, logical generalization.

1 **Links between the assessment of human resources and organisational climate**

Assessment of human resources in the public sector discussion field is broad and ambiguous. The ones who sympathize with the new public management theory orient themselves towards business management models. Gižienė and Simonavičienė (2009, p. 214) evaluate human resources from the economical perspective. However, the economical criterion is also not always directly applicable, especially when trying to measure the potential of human resources, which could manifest itself in the future in the creative processes or remain unused. Costs are the sensitive subject in the

---

business practice, which sometimes tends to be absolutized. Especially in those fields of human resource development, where the financial result is not always immediately obvious. For example, Kumpikaitė (2007, p. 34) emphasized that human resource training programs are usually assessed by comparing the benefit obtained from the programme to programme costs, although this is not always the correct attitude. Other principles are also difficult to apply in the public sector, especially when assessing the performance of officials in spite of the fact that in post-Soviet countries, emaciated by the corruption and nepotism, the society frequently demands radical decisions. This applies to the area of performance assessment as well. Daft (2006, p. 265) calls the assessment of performance results the component part of Management by Objectives model (formulation of objectives – creation of the action plan – control – assessment). Assessment becomes the basis for rewarding for the results achieved according to the set objectives, while formulating objectives for another cycle of activity. For example, in 1996–1998, when the profit of the German company Siemens decreased by two thirds, the company has applied the mentioned model: the managers who achieved the set objectives received bonuses, and the ones who did not achieve them were fired. Performance efficiency has increased rapidly. However, it is obvious that this mechanical application of assessment creates quite a number of conflicts and has negative impact on the organisational climate. Moreover, it could be hardly applied in the public sector, not only because of the fact that it is difficult to measure the performance of public sector employees (meaning companies not controlled by the state or municipalities), but also due to the legal framework. For example, in Lithuanian public sector organisations, most cases end with the victory of officials, in spite of public opinion and demands to maximize the responsibility for performance results, as well as apply standards and sanctions used in business. This also creates tension between the society and the public sector, as well as in the public sector itself.

Lobanova (2008, p. 59) emphasizes such aspects as the increase of clarity of assessment criteria, possibility to introduce the competence assessment system, specification of the conclusion of annual performance assessment, individualization of assessment conclusions, improvement of the assessment procedure (form), increase of the clarity of assessment criteria and consolidation of consequences of inaccurate and incorrect assessment (the possibility to appeal). Aspiridis (2012, p. 144) emphasized that assessment criteria must be clear and adapted for the assessed organisation, also they must form the new organisational culture, and the model must be flexible. The clarity, standardization and relation with the organisational culture was highlighted by Savlovschi and Robu (2011, p.720). Vanagas and Tumènas (2008, p. 65) claim that when increasing the assessment efficiency, it is expedient to include more participants

---

in the assessment process, first of all other employees from the division of the assessed employee, as well as create the performance management system, where specific tasks carried out by employees would be recorded and assessed, and division managers would be obligated to achieve system effectiveness norms established for them. However, “more” does not mean “better” when assessing the context of the climate in the assessed organisation, especially if the system is not stable, and the culture is not developed. This principle of organisation of the assessment can create tension between individuals participating in the process and officials who are being assessed. If organisational culture is unbalanced, and the climate is poor, the assessment process may impair the climate even more, create tensions among employees and encourage the origination of conflicts. Quite many scientists of developing countries relate the assessment activity with climate. Influence of the assessment system on climate was emphasized by Savlovschi and Robu (2011, p. 71910), the same was highlighted by Župerkienė and Župerka (2010, p. 18511) referring to theories of many authors. Ahmed et al. (2010, p. 6512), who analysed the situation in Pakistan in relation to the problems of other developing countries, emphasized not only the links of assessment to climate, but also the influence on the satisfaction with work in the organisation. Climate in the organisation is the result of interrelation of members of the organisation including managers and the sum of reactions to those relations. The important criteria are safety/explicitness, relations with managers and control (Vveinhardt, 2009, p. 29413). Climate in the organisation significantly depends on the management culture (Žukauskas, Vveinhardt, 2010, p. 30714), which includes relations with subordinates, knowledge in management science and ability to employ management techniques in a flexible and creative manner in the practice of organisation management and when implementing assessment procedures as well.

General system of competence assessment criteria allows carrying out the monitoring of changes in competences (by employing the competence assessment methodology both during the selection process and when implementing the procedure of annual assessment) (Lobanova, Chlivickas, 2009, p. 7015). In spite of attempts to reform the public sector, the problem of impartial criteria and partiality of evaluators, as well as Weber’s bureaucracy culture problem remains, similar to other developing countries. Aspridis, who analysed public sector assessment systems of South and

---

14 Žukauskas, P. – Vveinhardt, J. (2010): The model of managerial intervention decisions of mobbing as discrimination in employees’ relations in seeking to improve organisation climate, p. 307
Eastern Europe (2012, p. 145\textsuperscript{16}), has emphasized that strong Weberian bureaucracy is characteristic to the public sector of former socialist countries.

Thus, summarizing the theoretical analysis of works carried out, it is possible to state that when human resource assessment systems are not optimal enough, it is impossible to expect very beneficial state of the climate in organisations of this sector.

Both under-assessed employees and those, who see how their colleagues carrying out their work inappropriately are overvalued, will always feel discontent with the existing situation. This has negative impact on employee interrelation, creates unnecessary tensions and conflicts, and impairs the psychological well-being and general climate of the organisation. Therefore, it is possible to claim that the impartial assessment procedure should not have negative impact on the organisational climate by itself. Informal assessment of employees by analysing and discussing their performance results and improvement possibilities, as well as providing support of the organisation may have positive impact on the organisational climate, i.e. improve it, decrease negative emotions and distrust in employees, and ensure the clarity and stability. And those are the constituent climate factors.

2 Human resource assessment algorithm optimizing the organisational climate

Human resource assessment algorithm optimizing the organisational climate was constructed by assessing the theoretical analysis and managerial practice of authors both in public and in private sectors. The description of the suggested instrument and the structurogram are provided below.

The process is implemented step-by-step; when carried out consistently, it drags on in time, but the procedures are inevitable in order to maintain the climate of the organisation positive or improve it, depending on the present situation.

During the human resource assessment process discussion (1), it is attempted to find out if the assessment was carried out previously in the organisation and the state of the climate is diagnosed. If the state of the climate is poor, the reasons, which are analysed during the discussion, are established, and the formulated conclusions supplement the assessment methodology and accompany all stages of the assessment process as documentation. The documentation is necessary in several aspects: as a methodical tool for assessor(s); for the control of assessment process and appeal. Business representatives could object to this (and they do) appealing to bureaucracy and unnecessary consumption of time and energy. However, in the assessment process, during which the psycho-emotional state of employees and safety guarantees are considered, it is necessary to ensure and communicate the actions, which induce process transparency and impartiality, and employees themselves are provided with the opportunity to influence the process of assessment. The assessment is always stressful, and this has negative impact on the emotional well-being of employees and general climate, as well as creates, in consideration of individual personal characteristics, fears and restraints disturbing not only the mechanical assessment of results, but also the individual potential, which did not manifest itself or manifested itself insufficiently due to various reasons. This would enable retaining valuable employees during the decision

\textsuperscript{16} Aspiridis, G. M. (2012): The Evaluation of Human Resources in Modern Public Management in the Countries of South East Europe, p. 145.
process, foreseeing the development and creative use of their positive characteristics. This stage of the process is necessary for organisations developing the intellectual capital, although the problems of development of this potential are the topic for a separate study.

If the assessment was carried out and the climate was assessed, the human resource assessment documentation is analysed, and during this process, it is established if it corresponds to current assessment results. If requirements correspond to the current situation, the description of human resource assessment process is prepared. If requirements are unsatisfactory, it is established if the assessment methodology corresponding to current requirements is prepared. If the assessment methodology is not prepared, basically, the assessment process can be carried out, but the risk both of partial assessment and of climate impairment exists. If the assessment methodology is prepared, the planned assessment objectives, creation of assessment system, selection of the assessment method and definition of data sources are reflected.

In the assessment methodologies affected by Weberian philosophy, insufficient attention is usually focused on the climate of organisation, division or group. Two ways are possible: to follow formulated rules and norms or implement other managerial actions as well, following regulations, when carrying out the assessment procedures. This is carried out in order for psycho-emotional state of employees not to impair, but only improve.

During the next stage, the organisation of assessment must be discussed. It is analysed how the organisation of assessment was prepared; the model is created on how separate assessment procedures could be carried out, what obstacles and interferences are likely, and what decisions are made in order to eliminate them. During the human resource assessment organisation discussion (2), the collection of assessment information, assessment interview and assessment environment, which is a significant factor helping to obtain accurate results (by ensuring the cooperation of the assessed individual, as well as expediency and validity of assessment results) are planned. If the assessment organisation discussion is not carried out, the assessment process creates a risk that the climate of the organisation (well-being of employees, feedback, assessment and informal communication) may be negatively affected.

During the human resource assessment discussion (3), employee assessors are appointed and sources of information are chosen. If this stage is omitted or carried out in a formal way, it also influences psycho-emotional state of assessed individuals mechanically, the climate of the organisation is misbalanced during the assessment, and the results obtained during the assessment are questionable, they can be incomprehensive and inaccurate. First, the assessed individual, due to personal characteristics, may be unable to provide data in a comprehensive and accurate way or may try to “improve” it and affect assessors in another way. Trust and safety are the essential criteria of the assessment process.

Selection of employee assessment and information sources (4) consolidates the impeccable human resource assessment process. It is very important to discuss the selection of employee assessors and information sources. Competent employee assessors and reliable data determine the smooth assessment process. If this stage is ignored, the assessment goes on, but the climate of the organisation is negatively affected, and obtained data may be incomprehensive.
During the last stage (5) the description of human resource assessment process is prepared and human resource assessment documents are drawn up. This determines the efficient assessment of human resources, when problematic fields of the process are discussed and recommendations for the improvement of those fields are planned, which positively determines the possibilities of development of the positive organisational climate.

Thus, the algorithm is composed of three discussion stages: discussion of human resource assessment process; discussion of the organisation of assessment; and assessment discussion. The remaining stages determine the selection of employee assessors and information sources, as well as the preparation of description of human resource assessment process, while forming the set of human resource assessment documents. This supplements the information database of human resources of the organisation and becomes not only the proof in case of the dispute with regard to assessment results and the base for employee promotion, but also the analytical material for strategic changes in the development of human resources in the organisation and individual self-development.

The algorithm of human resource assessment carried out in order to optimize the organisational climate is presented in Figure 1.

The assessment can be carried out in a formal way, as it usually happens in public sector organisations, or in a consistent way. The concept of consistency involves the assessment of organisational climate both when beginning the assessment procedures and finishing them, as well as preparing for the next assessment.

However, this means that the assessment process becomes longer, and the danger of formalization appears when hurrying to carry out the procedures as fast as possible, therefore, the appropriate culture of the organisation and developed control and self-control mechanisms are necessary.
Fig. 1: Algorithm of human resource assessment for organisational climate optimization

3 What makes national experience valuable in the international context?

Most models suggested by international management science are at first sight effective and should contribute to organization’s success; however, in practice it is necessary to estimate the following aspects: national tradition, culture and organization’s maturity. D. G. Dimitrakopoulos and A. G. Passas (2003, p. 440) point out that international organizations, while inducing the reforms of internal administration systems in national countries, also stimulate the assimilation of administrative systems. This process is influenced by the following factors: compulsion, imitation and normative acts. However, it is necessary to separate external and internal identity. Identified problems are not always adequately assessed by the bureaucratic apparatus both of the European Union and national countries. From the declarations the imitated (copied) systemic elements (in order to become lively) have to cover a long and complicated way for the formation of values, which the organization will declare in its culture.

Public administration is the activity characteristic to all countries and management forms; however, the structure and processes of public administration are different in various countries as they are influenced by diverse social, economical factors, specific political forces, interests and so on. (Raipa, 2002, p. 14). Till the end of the ninth decade of the last century Lithuania as other states of Central and Eastern bloc were separated from the latest science knowledge from the countries beyond ‘iron curtain’; however, in the context transformations initiated by democratic processes new models of management applied in organizations not always were a success. Especially it occurs in public sector where the gap between internationalized models and culture of organizations’ management remains distinct enough. This is influenced by management traditions formed on historical and national-cultural basis, value combinations, nepotism, protectionism, corruption or, for example, the so-called ‘telephone right’, which is characteristic for post-Soviet countries and which denies objective principles of organizations’ management (Vveinhardt, Petrauskaitė, 2013).

As V. Domarkas and R. Masionytė (2005, p. 16) state, the experience of different countries shows that globalization influences not all countries equally. Negative outcomes of the globalization most frequently become evident in the countries, in which there is not enough experience of state management, and the administrative reforms, which would contribute the expansion of the state’s possibilities to use the advantages provided by the globalization, are not performed. Thus the success of any organizations’ management models depends on how the people responsible for management processes and employees understand the model, i.e. how they are ready to transform their culture – otherwise the system being created will be non-functional.

---

lifeless and unable to develop. For example, in Lithuania a lot of discussions emerge on the possibility to implement the Scandinavian model in the system of the child’s rights protection, on cultural and society social competence peculiarities. Similarly mechanically implemented law on violence in the immediate surroundings, which was ‘borrowed’ from abroad, turned against the violence victims as the systemic approach was missing while integrating the model into the general legal system of the country. These are only few examples disclosing that the national-practice implementation of the models that succeeded in other countries requires assessing the aspects of both state law and culture and social tradition. Successful participation of countries in global processes depends on national, political, economical, social and cultural conditions the model of administrative system and administrative potential (V. Domarkas and R. Masionytė, 2005, p. 17). Thus, even though the system of employees’ assessment being implemented in the national practice has been developed highly enough, the attention and time should be paid to the processes both of adaptation and preparation to make decisions, which do not guarantee fast results.

CONCLUSIONS AND DISCUSSION

Transparency and impartiality of the process of assessment of human resources in the public sector, which have become the constituent elements of systematic culture, have positive impact on the climate of the organisation, division, groups and psycho-emotional well-being of individual employees, which influences the quality of rendered public services. Although this process is not the only factor of the beneficial climate, it is possible to claim literally that it influences the psychological health of the society and general investment climate of the country.

The following attitude, which is not always correct, has entrenched itself in the consciousness of transforming societies: freedom of management in the public sector poses the absolute threat of corruption, favouritism or protectionism, and strict and overly detailed procedures, on the contrary, protect from the partiality. This is more of a problem of the public sector as a system, and of the development of culture and management culture of separate organisations, as well as gaps of purposeful development.

Human resource assessment process is cyclical, consisting of the following steps: discussion of human resource assessment process, discussion of the organisation of assessment, assessment discussion, selection of employee assessors and information sources, and preparation of the description of human resource assessment process and human resource assessment documents. The last stage is significant when preparing for the assessment, which will be carried out in the future; it allows assessing mistakes and correcting strategies.

Frequent fluctuation of political leaders after the routine municipality and parliament elections, as well as rotation of chief executive officers of institutions upon the end of their tenure or after other management changes must be taken into consideration. Collected comprehensive database on the available human resources in general and individual employees as well protects from the possible dishonest manipulation when interpersonal conflicts arise, as well as from presentation of incorrect, malevolently distorted information to the new head of the organisation or division.
Smooth and impartial assessment of human resources in the organisation is the active prevention of poor organisational climate, possible focuses of psycho-emotional tensions and conflicts. This is the inseparable constituent part of the human resource intellectual capital development system. Systematic distrust encompassing both structures of the public sector and external environment interferes with the smooth development of human resources, and implemented sector reforms do not become efficient enough, formal and non-implicated in the culture of public services.

When carrying out the human resource assessment procedure according to the presented algorithm, it is recommended not to omit a single stage. Otherwise, the negative impact on the climate of the organisation will manifest itself after the human resource assessment was carried out. At the beginning of the algorithm, when the human resource assessment discussion takes place, it was assumed that the head of the organisation has assessed the results of previous human resource assessment and its impact on the climate of the organisation positively, which provides condition to follow the former documentation prepared during the human resource assessment. In general, the competence of the chief executive officer determines the decision with regard to the course of assessment process, whether to use the former methodology or the suggested one.

Each chief executive officer, as the coordinator of activity of the organisation, reserves the right to interpret assessment process results and their impact on the climate of the organisation in accordance with his/her understanding and competence. The assessment cannot be carried out formally, it is necessary to work with people by finding out and explaining reasons and assessment results, as well as discussing how it would be possible to improve those results, for example, by using the coaching methodology.

In authors’ opinion, the algorithm of assessment of human resources in the organisation is universal and can be applied both in public and in private sectors. When creating the algorithm, regulations were avoided, which are variable, depending on the reforms taking place in the public sector or internal company requirements, as well as various national traditions.

REFERENCES:

CONTACT
Jolita Vveinhardt, PhD
Lithuanian Sports University
Sporto Str. 6
44221 Kaunas
Lithuania
E-mail: jolitaw@gmail.com, j.vveinhardt@lkka.lt

Palmira Papšienė
Lithuanian Sports University
Sporto Str. 6
44221 Kaunas
Lithuania
E-mail: palmira.papsiene@gmail.com