Regional peculiarities of personnel evaluation in the Russian economy

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Abstract. The article reveals main aspects of arrangement of the procedure of personnel evaluation, development of the contemporary forms and motivation of personnel to obtaining new knowledge and skills; considers the problems of regulation of the self-rating of employees, influence of external and internal factors on objective personnel evaluation, improvement of the objectivity of the employed personnel evaluation procedure. A close attention is paid in the article to the development of non-traditional methods of personnel evaluation in the current environment, improvement of training and education of specialists in the personnel evaluation sphere.


Keywords: professional competences, evaluation and rotation of personnel, key indicators of efficiency, benchmarking, staffing, self-rating and stress resistance, integrated human resource division, objectivity of personnel evaluation.

The issues of efficient management of organizations have become very important during the recent years for many countries. The factors of management efficiency influence on the efficiency of organizations’ performance. Efficiency of management determines such factors as competitiveness and investment prospects of organizations. In its turn, performance efficiency also depends on macroeconomic factors, such as efficiency of government control over economy and entrepreneurship [1].

In order to form an efficient management system, it seems necessary to form an adequate system of personnel evaluation. Currently, the issues of improvement of the very procedure of evaluation are found very important. At formation of efficient procedure, the following aspects should be in the focus: it is better to carry out personnel evaluation on an appropriate management level, on which the final decision will be taken upon the results of the evaluation. In order to improve the evaluation procedure efficiency, the evaluation needs to meet the following requirements:

- the applied criteria must be expressed in comprehensible style, which the tested employee can understand;
- the information, which is widely distributed for evaluation of the employees' labor performance, must be provided in a form attractive and understandable for the organization's employees;
- the results of labor evaluation must be associated with stimulation of the labor activity;
- the system of evaluation must take into account the particular financial and economic situation existing in the enterprise or organization, as well as the impact of external and internal factors on its neutrality.

Since recently, application of such new forms as benchmarking and staffing becomes more and more popular in procedures and systems of personnel evaluation [2, 3]. At that, where benchmarking is primarily oriented to the current evaluation of the already employed personnel based on binding a battery of variables, which do not influence on each other, into a single aggregated index by building rating scales and expert evaluation of certain particular factors, staffing is often used at personnel selection and employment. Its idea resides in an overall analysis of various characteristic of applicants for a certain job, an analysis of the work space, nature and condition of labor, which determines the compatibility of potential abilities of an employee and the supposed job. At the same time, the potential of professional and business development of employees as well as the possibility of their dynamic career development and professional advancement, self-development, etc. is revealed. At that, evaluation of the set of competences of a future employee is be important as a model of his working behavior, possession of necessary knowledge and skills for solution of the main professional tasks with high quality.

One of the most important tasks of the personnel evaluation procedure is the formation of the employees' strong inducement to training, i.e. an employee must be interested in participation in the procedure of personnel evaluation as an opportunity for him to further improve his qualification through the system of training, and, if necessary, of conversion training. At that, it is necessary to keep in mind that the level of motivation to obtaining new
knowledge is influenced by such factors as the demand for such knowledge and skills in the real labor process, the interest of the attendant of a training program in the studied topic, the teacher's professionalism, and the training environment.

Special attention at personnel evaluation is to be paid to the stress resistance of employees and the level of their self-rating. It is necessary to take into account that the most important psychological cause of professional stress occurrence is the factor of the person's self-rating. Individuals who have low self-rating and high personal anxiety are less resistant to stresses than others. It also needs to be accounted for how an employee feels in an arisen extraordinary situation: as a victim or as a creative employee able to actively counteract the arisen problem. The people who feel they can influence on their life and are self-confident and rely upon themselves only are more resistant to stresses. And the people who consider themselves victims are more affected by stress. An actively acting individual suffers lesser stress than a passive one does.

According to the research of American scientists, people who believe themselves industrious and successful and rely on their own abilities can better manage the difficulties they are facing at work. They are more persistent, less anxious, perceive new information more easily, are less prone to drug and alcohol addiction, and are generally happier. People with low self-rating perceive situations of choice, uncertainty, or risk as stressful and threatening. Specialists with high self-rating are more successful at handling unexpected and risky situations, where it is necessary [4].

At that, presence of other people, observers, or just colleagues is found increasing the feeling of stress to some extent. People with higher self-efficiency (i.e. with belief in their own abilities) are more successful at work when other people are watching rather than individuals with a lower self-efficiency (i.e. those who do not rely on their own abilities). This factor is important for evaluation of a manager, as it is him who often has to work in presence of other employees or under their supervision.

Employees with high self-rating better control themselves, less often behave anxiously, worried, excited, or melancholic, better deal with their colleagues, more efficiently work in a team, and stand organizational changes easier. When finding themselves in a difficult situation or facing difficulties, individuals with high self-rating make every effort to solve the arisen problems, and the individuals with low self-rating usually give up to the difficulties.

In this view, the task of improvement of the employees' self-rating and, if necessary, development of their leader qualities and stress resistance becomes a topical task, and it must be dealt with by the enterprise's HR department.

To understand the importance of the progressive technology of personnel evaluation and appraisal in the system of corporate management in the current conditions, it is necessary to pay special attention to the increase of the role of the HR department of an organization. Lately, the functioning of the systems of human resource management in economically developed countries has been intensively being restructured aiming to create integrated HR divisions with broad authority and increased range of functions, to increase the status of the personnel department in the organizational structure of company management and its role in the process of making administrative company-wide decisions. Such divisions are currently typical of companies with a high level of diversification of production and a strong competitive position.

For example, distribution of the working time fund in integrated HR divisions of the majority of US companies shows that regulation of labor relations requires approximately 17% of the total working time fund of an integrated HR division, accounting and paperwork – 10%, personnel management events – 24%, arrangement of wages and salaries pay-offs and labor stimulation – 10%, programs of personnel training and educating – 9%, secrecy and restricted access arrangements – 5%, regulation of ethnic relations within an organization to ensure equal employment conditions – 8% [5]. Regardless the specificity of the economic activity, the particular balance of working time of the HR division employees can significantly vary [6]. But a significantly more important circumstance is that there is a certain battery of functions that are related to the sphere of competence of an integrated HR department within the framework of each line of managerial activity. By implementing these functions, an HR division fulfills its main task – comprehensive human resource management as investments in the human capital with relevant reinforcement of their influence on the financial and economic performance of the entire company. The main task is to ensure the full cycle of human capital reproduction in an organization: starting with search, employment, and development of the personnel (through participation of the HR division in the improvement of organizational management structures, in the innovative activity, etc.) and ending with retirement or resigning of employees, which is often combined with programs of assistance to

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former employees in finding new jobs. At that, according to our calculations, depending on the type and size of an enterprise, evaluation of personnel takes between 5 and 10% of the time assigned for HR management, which we find not sufficient.

Over the last years, solution of the procedural decision subjectivism problem, which arises in every system of evaluation of the workforce capacity of a work group or an individual employee, becomes more important. All efforts to minimize the subjectivism of evaluation of an employee's labor contribution do not usually yield the required result. And, as a consequence, serious conflicts, gossips, tensile interindividual relations are possible. In this situation, the moral and psychological climate in a team, the ensuring of understanding by each employee of the main indexes and criteria of evaluation of his activity as well as the stimulation of participation of an employee in the procedure of evaluation with the prospective expectation of his further career development and improvement of his personal financial position become of great importance.

There can be circumstances in any activity that directly influence on the final results of work, but are beyond the control and influence of the evaluated employee. Such factors external for the employee must be essentially paid attention to and taken into account at periodical personnel evaluation and improvement of the evaluation procedure. Such circumstances are mainly beyond of control of anybody. In the majority of cases, these are internal problems of a company, which can and must be solved, and which periodical personnel evaluation is able to reveal. Such problems include changes of the company development vector, working relations within divisions, and poor cooperation with other departments. The external factors for an enterprise, which influence on the personnel performance, include changes in the socio-economic or regional environment, currency exchange rate fluctuation, situation in the industry, or activity of competitors.

One can try to forecast and take into account some of these factors beforehand at determination of certain goals, where others are hard to reveal in advance, and their revelation is possible only by comprehensive evaluation of the personnel. External and internal factors can not only hinder fulfillment of the assigned goals, but also assist in their achievement. Therefore, unbiased accounting of the influence of these factors on the performance of personnel an important task of human resources management, even if the finite goals have been achieved.

Thus, the procedure of personnel evaluation is important not only for formation of a high quality team of employees. It also considerably influences on regulation of the whole comprehensive system of human resource management and finally on the financial and economic performance of the entire organization.

Currently in the Russian Federation, the method of management by goals [7, 8] developed in the last century by the Hungarian economist Peter Drucker becomes used more often for personnel evaluation. The idea of this method resides in closer and more carefully psychologically approached cooperation of the leading managers of the company with the professional work force consisting of specialists and skilled workers for elaboration of practical decisions required for successful performance of the company. At the same time, within the framework of this cooperation, subordinates feel more responsible for assigned tasks, their feeling of self-control increases, and they get the opportunity to try out their organizational and professional leadership qualities.

The so-called method of balanced indexes developed in the USA is of great demand at companies, primarily for evaluation of the employees' performance in non-standard innovative situations. The idea of this method resides in artificial creation of difficult, non-standard, and often contradictory situations for the tested persons, which require quick response rate and promptness at taking the most effective decisions. Those who successfully pass these tests confirm their high professional and personal qualities and gain reputation and support among their colleagues. This method of personnel evaluation is often mentioned in classic textbooks on human resource management as a "method of critical incident" or "method of personnel evaluation through a decisive situation".

Over the last years, foreign companies have started actively using procedural solutions related to development and distribution amid employees of multiple feedback forms as well as questionnaires and tests for evaluation of certain business and personal qualities of the employees. Particularly, evaluation of communicative, organizational, and intellectual abilities of employees, the level of their emotional aggression, individually psychological and temper qualities, proneness to conflict behavior, measurement of the nervous system characteristics, suitability for managerial work and possession of leader's qualities, revelation of neuropsychic intolerance, proneness to risk, study of the scenario of the life story in part of studying the genetic hereditary proneness of employees and so on cause certain interest.

The said methods of employees' personal qualities evaluation are widely distributed and
accessible for Russian HR divisions. The matter is that their application assumes that the evaluators have certain tact and proficiency in proper usage of certain information with account of the interests of both the enterprise and the evaluated employee. At the same time, it is necessary to take into account the fact that personnel evaluation at lower status levels is easier formalized and requires less responsibility.

Over the last years, application of modern technology and methods of personnel evaluation has become possible due to intensive development of information technology as well as wide practical usage of computers and automation of source information gathering and processing at personnel evaluation. At that, it is important to ensure flexible settings of system criteria and indexes with account for the peculiarities of operation of certain organization, prompt change of various weight and grade coefficients depending on the situation [9].

Unfortunately, Russia suffers considerable deficiency of advanced personnel evaluation system software. The widely used "1C-Kadry" and "Boss-Kadrovik" software products are more oriented to accounting and legal support, where the software in the sphere of managerial decisions and personnel evaluation is of much greater demand. The "Otsenka Personala" (Personnel Evaluation) software system developed by the Russian "Tor-Consultant" company has not become very popular yet, though this system successfully combined the functionality of modeling various scenarios of employees' behavior, analyzing a wide range of various evaluation report forms, ultimate simplicity in application, etc. The system simultaneously offers the opportunity to use the advanced methods of personnel evaluation based on the developed theory of observation over the working behavior of employees in various situations. Broad usage of the mentioned system at Russian enterprises will considerably improve the applied set of personnel evaluation tools [10].

Qualification of the employees who perform personnel evaluation is of great significance for improvement of the efficiency and objectivity of the personnel evaluation procedures. These specialists are assumed to have strong professional and moral reputation, be intelligent in financial, economic, engineering, and technical terms, have basic knowledge of social and psychological and communicative devices and methods of positive influence on personality, and respect their caliber and the right for self-actualization.

In this view, the problem of special training of specialists and experts engaged in personnel evaluation becomes very important. Their training must ensure:

• obtaining knowledge in the sphere of operation of the modern macro- and microeconomics, practical application of the basic concepts of economic theory and scientific basis of business;
• training in technology of production and operation management combined with enhanced study of finance and expense management, methods of development and implementation of a competitive business strategy;
• obtaining practical knowledge and skills in the sphere of restructuring enterprises and companies, crisis management, application of modern skills of improvement of competitiveness of enterprises and firms on a long-term basis;
• proficiency in development and implementation of a company development strategy based on understanding of the regularities of the modern market economics operation;
• mastering the tooling of engineering and reengineering of company management systems, methods of management of the process of enterprises and companies adaptation to the changes of economic situation and market environment, efficient restructuring and diversification for quick and effective usage of new opportunities and prospects arising in the business;
• obtaining knowledge and training skills in taking decisions in the sphere of finances, marketing, human resource management, allowing to comprehensively approach formation of marketing-oriented production with account of the world level;
• mastering the methodology of systemic approach to revealing and analyzing the problems of growth of restructuring and diversification of business, organizational development and upgrade of a company;
• mastering modern technology of management in the sphere of mobilization of company resources (financial, labor, physical, informational, etc.) for effective solution of its strategic tasks;
• mastering the modern methods of effective performance of a manager.

At the same time, Russia has yet a small range of educational institutions, which implement the programs of "evaluators" training within the systems of additional education or other forms of refresher and transition courses. In this view, we can mention special programs in the Master of Business Administration degree at the Academy of National Economy and State Service affiliated to the Government of the Russian Federation, the Plekhanov Economic University, the State University – the Higher School of Economics, MSU, SUM, etc. Further, it is necessary to create a wide network of educational institutions where representatives of HR
divisions of enterprises and organizations would be able to study the principles and methods of qualitative and unbiased personnel evaluation based on the modern business and IT technology.

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