THE CONCEPTUAL ASPECTS OF HUMAN RESOURCE EVALUATION

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Based on a review of the literature, this paper draws the concepts, theoretical and applied problems surrounding human resource evaluation in organization. This paper deals with the scientific position of human resource evaluation and the ways in which it helps the organization meet its goals. The purpose of the paper is to develop the methodical approach of human resources evaluation. To achieve this aim the method of experts’ evaluations is used. The research considers existing approaches of human resource evaluation; summarizes conceptual position of human resources evaluation; illustrates the relationship between organizational purpose and systematic measures of human resources formation and development; identifies human resources indicators (qualification, professionalism, physical state, labor discipline, work results, personal development, creative activity, morality, involvement in organizational culture, adaptive factors, work thoroughness, synergistic factors, professional mobility, stimulating factor).

Keywords: human resources evaluation, human resources indicators, experts’ evaluations, components of human resources evaluation.

JEL Codes: M50, M54.

1. Introduction

The competitiveness of the organization depends on many factors, but the main is human resource. The paper modifies understanding with regard to the importance of human capital in creating a competitive advantage.

The modern evaluation system contributes human resources development and helps effectively use the potential of staff. Human resources evaluation is the basis of every type of business organization. Human resources evaluation is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. Human resources evaluation is also a strategic and comprehensive approach to managing people and the workplace culture and environment.

At present scientific rationale of human resources evaluation is insufficient. The current assessments methods do not allow fully identify professional quality of staff. The human resources evaluation fragmentary accounts the economic and social aspects of staff activity. The object of the study is the processes of human resource evaluation in organization.
The aim of the research is development of practical recommendations for human resource evaluation.

In order to address the aim of the research the following specific tasks should be fulfilled while conducting this research: identify basic existing approaches of human resources evaluation, consider conceptual foundations of human resource evaluation, and develop a methodical approach of human resource evaluation.

**Methodology of the research.** This research is conducted involving the following methodology: the comparison method to determining the existing approaches of human resources evaluation; the abstract method to summarize theoretical principles, conceptual position of human resources evaluation and draw conclusions; the method of system analysis to identify human resources indicators; the method of experts’ evaluation are used to develop an approach for human resources evaluation.

2. Results

1. **Analysis of reviewed scientific literature**

It is necessary to distinguish Ukrainian and Foreign (Western) approaches of human resources evaluation. Differences exist between purpose, methods and results of evaluation. The Ukrainian approach is more formal and focused mainly on the study of personnel decisions. The Foreign staff evaluation system is usually considered within objective management. The main differences between Ukrainian and Foreign (Western) approaches are reflected in Table 1.

<table>
<thead>
<tr>
<th>Object</th>
<th>Ukrainian approach</th>
<th>Western approach</th>
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<tbody>
<tr>
<td>Subject</td>
<td>Attestation commission</td>
<td>Supervisors</td>
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</table>

The Ukrainian approach is flimsy, so international experience deserves attention, especially Russian, which takes into account foreign and own experience.


V. V. Travin (2002) argued that assessment of staff performance should used to study different work functions of the organization. Simultaneously, the author emphasizes that staff performance should also used to determine the work complexity.

G. A. Dmitrenko (2002) examined staff evaluation as motivational factor that reveals how diligently the employee performs his duties. The assessment parameters
should determined depending on the objectives of human resource management, which allows to solve issue of effective management.

Some Russian scientists including E. Maslov (1999), T. Y. Bazarov (2002), V. R. Vesnin (2003) assume that staff analysis and evaluation is the process of gathering information about the performance of assigned work and to determine the effectiveness of their work as a whole and for each of them separately. However, the authors in their studies do not suggest ways to analyze the results of assessments.

O. A. Grishnova (2005) considered that staff assessment should based on a strategy of the organization. It is necessary to evaluate the results of the current period and form business strategy.

According V. I. Shkatula (2008) human resources evaluation should correspond with the following requirements: continuity, dispersion, validity, hierarchy, simplicity, quantitative, complexity.

In order to estimate the staff is necessary to develop a complex system of accounting, data collection, applied research, also form a communication and information systems of human resource management (Dejneka, 2013).

X. Wang (2007) studied the competency-based evaluation system of human resources according to which evaluation results of human resources competency could be used as potential resources and emphasized on the motivation and development of staff.

From the past few years, human resources evaluation system been rapid development and discussed.

G. Dessler (2008) considered that strategic management is relationship between management and strategic goals that develop organizational cultures, encourage innovation and flexibility. The human resources evaluation is one of the main components of strategic management.

Z. Senuycel provides recommendations of effective human resource management in the 21st century. The author tried to reach the features relating to human resources evaluation.


However, the authors in their studies do not suggest methods of human resources evaluation.

In contrast them P. Liu and X. Wu (2012) proposed a competency evaluation method of human resources managers based on multi-granularity linguistic variables and VIKOR method.
2. The conceptual position of human resources evaluation

This figure illustrates the relationship between organizational purpose and systematic measures of human resources formation and development. The figure 1 also shows place of human resources evaluation in this system.

![Diagram showing the relationship between organizational purpose and systematic measures of human resources formation and development.]

Figure 1. Relationship between organizational purpose and systematic measures of human resources formation and development

It is necessary to systematically examine the process of human resources evaluation. The current system of human resources evaluation should include three main components: technology, organization and information support of the process.

The technology means methods, tools or evaluation techniques. The organization means form and structure of human resources evaluation. The information support means data collection and processing and results summarizing. The components of human resources evaluation are reflected in Table 2.

<table>
<thead>
<tr>
<th>Components</th>
<th>Processes</th>
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<tbody>
<tr>
<td>Technology</td>
<td>Goal setting, determination of target indicators.</td>
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<tr>
<td></td>
<td>Methodology of human resources evaluation and work formation.</td>
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<td></td>
<td>Measures of human resource development.</td>
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<td></td>
<td>Motivation system to achieve goals.</td>
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<td>Organization</td>
<td>Objects setting.</td>
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<td></td>
<td>Forms and rules of human resources evaluation.</td>
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<td></td>
<td>Structure of work formation and human resource development.</td>
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<td>Functions and responsibilities division between different departments.</td>
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<td>Workflow schedule as a model of human resources evaluation.</td>
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<td></td>
<td>The system of organizational and administrative documents.</td>
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<tr>
<td>Information support</td>
<td>Requirements for computer maintenance of human resources evaluation.</td>
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<td></td>
<td>Requirements for forms preparation and input of initial information.</td>
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Table 2. Components of human resources evaluation
The human resources evaluation provides economic, social, educational, motivational, informational and administrative elements of management.

The economic element based on correlation between individual results and value of their remuneration, which allows optimizing labor costs.

The social element based on individual formation and development in required direction for the organization. In this case, the employee self-esteem is a major factor in subsequent behavior and installation of each employee to perform more complicated tasks.

The educational element based on worker's corporate culture formation and encouragement to continuous development and use of their training. It is a basis for the validity and objectivity of human movement.

The motivational element based on employee’s development for duties performance.

The informational element based on accounting results, comparing them with the standards, target results distribution, monitoring of employee’s professionalism and ranking.

The administrative elements based on the analysis of the assessment results. Manager make decision about encourage, promotion, imposition of disciplinary sanctions, demotion and termination of the employment relationship.

In the modern sense human resources evaluation is not a disciplinary tool or way to identify weaknesses of employee, it focused on the future of employee’s development.

3. Methodical approach

The technique of expert evaluation involves the selection of human resources indicators: qualification, professionalism, physical state, labor discipline, work results, personal development, creative activity, morality, involvement in organizational culture, adaptive factors, work thoroughness, synergistic factors, professional mobility, stimulating factor.

The next stage is experts’ selection for human resources evaluation and justification of the group size (average of 10–20 experts). The experts should have experience in the areas corresponding to the staff activities. The human resources evaluation can be external or internal, depending on the organizational purpose and feature. The external audit provides independent expert of consulting companies. The internal experts of human resources evaluation are direct and top managers. In the internal experts selection we should consider the “self-interest”, which can be a significant barrier of getting the objective results.

The experts should aware the goals, objectives, indicators and questionnaires of human resources evaluation. The evaluation is based on experts’ opinions about human resources indicators. The experts’ opinions calculate by statistical indicator:

\[ Y = \frac{1}{m} \sum_{j=1}^{m} Y_j \]

where \( Y \) – average estimates, which describes a generalized expert opinion; \( m \) – number of experts; \( Y_j \) – evaluation of \( j \) human resources indicator.
The human resources evaluation identifies strengths and weaknesses of employees for performance optimizing.

3. Conclusions

1. Human resources evaluation helps in creating better rapport between the management and the subordinates. It helps subordinates to realize individual and organizational goals. Human resources evaluation contributes the appropriate management decisions to improve the organizations effectiveness. So, the understanding of conceptual aspects surrounding human resource evaluation in organization play a decisive role in whether is effective among human resources management.

2. The research considers existing approaches of human resource evaluation. Majority of domestic and foreign authors in their studies do not suggest methods of human resources evaluation.

3. The relationship between organizational purpose and systematic measures of human resources formation and development shows a significant place of human resources evaluation in this system.

4. The current system of human resources evaluation should include technology, organization, information support of the process and provides economic, social, educational, motivational, informational and administrative elements of management.

5. For the characteristics of human resources’ competency, this paper raised evaluation of human resources based on expert method. This method used the fourteen human resources indicators and it’s easy to operate, easy to promote the use. Based on results, the author concludes that the proposed method of experts’ evaluations can be applied to any organization.

References


PERSONALO POTENCIAŁO VERTINIMO ASPEKTAI

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Santrauka

Siekiant įgyvendinti organizacijos tikslus, didelę įtaką turi žmogiškųjų gebėjimų ugdymas.


Raktiniai žodžiai: žmogiškieji ištekliai, pajėgumų vertinimas, personalo potencialas, ekspertų vertinimai.

JEL kodai: M50, M54.