



Zdenko Stacho
PhD (Economics), Lecturer,
School of Economics and Management in
Public Administration in Bratislava, Slovakia
16 Furdekova Str., Bratislava 5, 851 04, Slovak Republic
zdenko.stacho@vsemvs.sk

UDC 331.108.2:005.95/.96



Renata Stasiak-Betlejewska
PhD (Economics), Lecturer,
Czestochowa University of Technology, Poland
19 B Armii Krajowej Str., 42-200, Czestochowa, Poland
renatastasiak@wp.pl

APPROACH OF ORGANISATIONS OPERATING IN SLOVAKIA TO EMPLOYEE'S PERFORMANCE EVALUATION*

Abstract. On the grounds of the objective and complex employee's performance evaluation system existence importance, the efforts of organisations to maintain, and respectively increase their workforce productive potential are relevant. That is why we focused on finding out the actual condition of employee evaluation systems in organisations operating in Slovakia. The submitted contribution is deals with the evaluation of questionnaire research conducted over 2010, 2011 and 2012 at School of Economics and Management in Public Administration in Bratislava, in which we complexly analysed the way, process, as well as results of employee's performance evaluation in organisations operating in Slovakia. In reliance on the results of the given research, we offer recommendations aimed at increasing effectiveness in usage a complex employee evaluation system, while the results can be used for the benefit of human resources development, and thus the overall working potential of organisations.

Keywords: human resources management; employee's performance evaluation; motivation of employees; remuneration of employees; education of employees; organisations operating in Slovakia.

JEL Classification: E24, J24, O15

Зденко Стахо

PhD (екон.), викладач, Вища школа економіки та державного управління у Братиславі, Словаччина

Рената Стасяк-Бетлевська

PhD (Economics), викладач, Ченстоховський політехнічний університет, Польща

ПІДХОДИ СЛОВАЦЬКИХ ОРГАНІЗАЦІЙ ДО ОЦІНКИ РОБОТИ СПІВРОБІТНИКІВ

Анотація. Нині оцінка роботи працівників у Словаччині є об'єктивно складною системою, для підтримки якої потрібні значні зусилля з боку організацій. У цьому зв'язку ми сфокусували увагу на з'ясуванні фактичного стану системи оцінки в організаціях, що працюють у Словаччині. Представлене дослідження базується на результатах проведеного у 2010-му, 2011-му і 2012 роках Вищою школою економіки та державного управління у Братиславі (Словаччина) анкетного опитування. Ми проаналізували процес і підсумкові матеріали оцінки роботи службовця в організаціях, що працюють у Словаччині. На основі отриманих результатів дослідження ми пропонуємо рекомендації, націлені на підвищення ефективності цієї комплексної системи з метою одержання вигоди від розвитку людських ресурсів, що дозволить максимально повно використовувати трудовий потенціал організацій.

Ключові слова: управління людськими ресурсами, оцінка роботи співробітників, мотивація, винагорода, освіта, організації, що працюють у Словаччині.

Зденко Стахо

PhD (екон.), преподаватель, Высшая школа экономики и государственного управления в Братиславе, Словакия

Рената Стасяк-Бетлевська

PhD (екон.), преподаватель, Ченстоховский политехнический университет, Польша

ПОДХОДЫ СЛОВАЦКИХ ОРГАНИЗАЦИЙ К ОЦЕНКЕ РАБОТЫ СОТРУДНИКОВ

Аннотация. В настоящее время оценка работы персонала в Словакии является объективно сложной системой, для поддержания которой требуются значительные усилия организаций. В этой связи мы сфокусировали внимание на выяснении фактического состояния системы оценки в организациях, работающих в Словакии. Представленное исследование базируется на результатах проводимого в 2010-м, 2011-м и 2012 годах Высшей школой экономики и государственного управления в Братиславе (Словакия) анкетного опроса. Мы проанализировали процесс и итоговые материалы оценки работы сотрудников в организациях, работающих в Словакии. На основе полученных результатов данного исследования мы предлагаем рекомендации, нацеленные на повышение эффективности этой комплексной системы в целях получения выгоды от развития человеческих ресурсов, что позволит максимально полно использовать трудовой потенциал организаций.

Ключевые слова: управление человеческими ресурсами, оценка работы сотрудников, мотивация, вознаграждение, образование служащих, организации, работающие в Словакии.

Introduction. The key objective of employee evaluation is to ensure maximum usage of abilities, knowledge and interests of each employee (Arthur, 2010). It is very important in this relation to evaluate employee's performance complexly as a result of the connection and proportion between efforts, abilities and perceived role, while the effort reflects motivation and relates to

the amount of energy (physical or mental) expended by an employee upon the fulfilment of tasks. It is a quite variable value. Efforts fluctuate not only in relation to a state in which an employee is at the moment (e.g. an illness, mood, etc.) but also in relation to the nature of tasks. Moreover, performance does not have to be proportional to made effort, particularly if there

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are no abilities, or if an employee does not understand their role, their task. Abilities are personal characteristics of an employee used upon the execution of work, necessary for successful execution of such work. They generally do not change over time and their development is usually not dynamic. There has to be a certain minimum level of abilities, predominantly knowledge and skills, in order to execute each particular work successfully or acceptably. It is especially the level of knowledge and abilities of a particular employee which creates the upper limit of their performance. The understanding of roles or tasks relates to directions employees believe they should orientate their working effort on. It is thus the extent of understanding of a role or tasks. The presence of all three components in a suitable proportion is necessary for successful performance (Koubek, 2006).

Evaluation of employee's performance can be perceived as the basis for streamlining human resources usage in an organisation. Several authors agree on the fact that performance evaluation serves to obtain information and define the present state of the level of employees, and particularly to realistically define objectives for future human resources management; while a suitably elaborated employee evaluation system not only increases justness, transparency and effectiveness of employee remuneration but it is at the same time reflected in the correct stipulation of an employee education procedure, which subsequently results in increased performance, and last but not least, enhanced motivation to the quality of executed work (Sujanova et al., 2012; Linhartova & Urbancova, 2012; Kovac, 2013; Vetrakova, Potkany & Hitka, 2013).

Evaluation of employee's performance has a significant impact on organisational culture upon strengthening desirable organisational culture as well as a tool of an organisational culture change. This significance results from the nature and objective of the performance evaluation function itself. It aims at employees knowing what is right, and at subsequent evaluation of the extent to which their behaviour and action correspond to a required result, respectively diverge from it. It results in the fact that employees are encouraged to behave in accordance with labour as well as value requirements of their company in order for evaluation output to be positive. Such behaviour, at the first sight controlled and evaluated, has a positive impact on fixing and identifying with procedures and ways of employee behaviour in the long term (Stachova, 2013).

Purpose of this article is describing the analysis of present state of focus of organisations on employee's performance evaluation.

Results. Researches were conducted over 2010, 2011 and 2012 in organisations operating in Slovakia. Questionnaire was distributed to organisations with more than 50 employees. Overall size structure is shown in Table 1. Mathematical and statistical methods were used upon processing, analysis and comparison of information, and qualitative methods were used upon their subsequent identification and evaluation. Upon analysing the evaluation function, we were also complexly analysing the way, course as well as consequences of employee's performance evaluation in the interviewed organisations.

We were primarily finding out whether organisations had established a formal system of employee's performance evaluation. 68-85 percents of organisations declared that they dealt with a formal system of employee's performance evaluation. Positive trend in its implementation was recorded upon year-over-year comparison (Table 2).

Tab. 1: Size structure of analysed organisations

Number of employees in an organisation	50-249	250-1,000	1,001-5,000	more than 5,000
Share of organisations in % in 2010	60	27	12	1
Share of organisations in % in 2011	68	23	7	2
Share of organisations in % in 2012	69	23	6	2

Source: Own research

Tab. 2: Existence of employee's performance formal evaluation

Have you established a formal system of employee's performance evaluation?	Share of organisations in %		
	2010	2011	2012
Yes	68	82	85
No	32	18	15

Source: Own research

Tab. 3: Formal system of employee's performance evaluation according to employee categories

Have you established a formal system of employee's performance evaluation for the following employee categories?	Share of organisations in %		
	2010	2011	2012
Management	65	75	81
Specialists and technicians	68	82	84
Administrative employees	64	74	80
Manual workers	51	76	76

Source: Own research

Regarding organisations with an established formal system of employee's performance evaluation, we were interested in whether they had established it complexly for all employee categories or only for some of them. The research showed that managerial, technical and expert positions were evaluated more frequently (Table 3).

With regard to the fact that evaluator is the key person upon evaluation, we were interested in who was preferred by organisations and for which employee category in this relation. Organisations declared direct superior as the most frequent evaluator for all positions. So called self-evaluation and evaluation by a senior superior were used in significantly lower frequencies (Table 4).

With regard to the fact that there are several methods focused on employee's performance evaluation, while the appropriateness of their usage is most extensively determined by the evaluated position, competencies of the evaluated employee and last but not least, financial burden of the given method, we were finding out which employee's performance evaluation method and for which employee categories the interviewed organisations preferred. The research showed that methods most frequently used by the organisations for all positions include evaluation based on the fulfilment of standards, evaluation based on the fulfilment of objectives and rating scales (Tables 5-8).

An interview should be held between the evaluated employee and their direct superior, respectively evaluator at the end of each employee's performance evaluation so that the employee had a possibility to comment on evaluation results, and so that

Tab. 4: Obtaining information on employee's performance evaluation

Whose opinion is required upon obtaining information on performance evaluation? Share of organisations in %	management			specialists and technicians			administrative employees			manual workers		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Direct superior	91	66	81	89	82	85	85	78	84	78	76	86
Senior superior	31	31	26	37	25	28	33	21	28	23	18	21
Employees themselves	49	23	23	40	26	24	39	23	26	23	16	16
Subordinates	20	7	5	7	5	5	4	3	3	4	3	0
Colleagues	21	10	6	14	12	8	13	10	6	8	8	2
Customers	21	10	10	14	13	8	8	5	4	10	12	6

Source: Own research

Tab. 5: Methods of performance evaluation used upon evaluating management

Which of the performance evaluation methods do you use upon evaluating management?	Share of organisations in %		
	2010	2011	2012
Evaluation based on performance (the fulfilment of objectives)	34	52	54
Rating scales	27	25	25
Evaluation reports	24	18	19
Evaluation based on the fulfilment of standards	30	21	19
Evaluation of key events	19	17	11
Evaluation questionnaire	22	16	19
Comparison-based evaluation	11	6	3
Evaluation interview	24	30	35
Self-evaluation	28	19	22
Management audit	20	10	9
Assessment centre	0	5	5

Source: Own research

Tab. 6: Methods of performance evaluation used upon evaluating specialists and technicians

Which of the performance evaluation methods do you use upon evaluating specialists and technicians?	Share of organisations in %		
	2010	2011	2012
Evaluation based on performance (the fulfilment of objectives)	34	51	52
Rating scales	29	29	28
Evaluation reports	21	24	17
Evaluation based on the fulfilment of standards	33	26	20
Evaluation of key events	18	17	7
Evaluation questionnaire	21	19	22
Comparison-based evaluation	13	12	7
Evaluation interview	26	35	42
Self-evaluation	22	20	22
Management audit	8	3	5
Assessment centre	0	3	3

Source: Own research

Tab. 7: Methods of performance evaluation used upon evaluating administrative employees

Which of the performance evaluation methods do you use upon evaluating administrative employees?	Share of organisations in %		
	2010	2011	2012
Evaluation based on performance (the fulfilment of objectives)	25	40	42
Rating scales	26	27	29
Evaluation reports	18	16	15
Evaluation based on the fulfilment of standards	27	20	19
Evaluation of key events	10	10	6
Evaluation questionnaire	19	18	19
Comparison-based evaluation	12	10	9
Evaluation interview	26	29	35
Self-evaluation	22	15	16
Management audit	6	3	3
Assessment centre	0	1	0

Source: Own research

future objectives based on the obtained information could be specified (Blaskova, 2009). We were therefore finding out whether this course of evaluation is observed in the organisations. The research showed that only less than 50% of evaluated employees are provided room for commenting on performance evaluation results (Table 9).

Tab. 8: Methods of performance evaluation used upon evaluating manual workers

Which of the performance evaluation methods do you use upon evaluating manual workers?	Share of organisations in %		
	2010	2011	2012
Evaluation based on performance (the fulfilment of objectives)	36	32	36
Rating scales	21	28	26
Evaluation reports	12	13	12
Evaluation based on the fulfilment of standards	36	41	42
Evaluation of key events	14	6	4
Evaluation questionnaire	13	15	19
Comparison-based evaluation	11	12	8
Evaluation interview	23	21	27
Self-evaluation	12	10	8
Management audit	4	1	2
Assessment centre	0	2	1

Source: Own research

With regard to the fact that evaluation has two key roles, firstly, to remunerate employees retrospectively on the grounds of obtained information for well executed work and secondly, to ensure future progress, which should result in their increased performance, we focused on finding out whether information obtained in employee's performance evaluation in the interviewed organisations is used for both functions. The analysis showed that while 73-84% of organisations use results obtained from evaluation to remunerate employees, only 41-47% of organisations use these results in relation to the career growth of employees. Even in a smaller extent are these results used upon education and development of employees and personnel planning (Table 10).

Conclusion. With regard to the fact that employee evaluation reveals an actual state of company labour potential as well as possibilities of its further usage, it is apparent on the grounds of the analysis of the present state of employee's performance evaluation that organisations operating in Slovakia necessarily need to change their approach in order to be able to increase the labour potential of their employees and use it better. Because only if an effective evaluation system acceptable for all participants exists in a company, progress of employees positively evaluated from the organisational culture viewpoint can be supported. It is first of all necessary to persuade management that it is essential to implement a formal evaluation process. It is subsequently necessary to choose suitable criteria and methods of evaluation, which can later become a tool of line manager for shaping behaviour and actions of employees. However, the research showed that only 68-85% of the interviewed organisations had established a formal evaluation system over the analysed years. Even though positive trend can be declared in this relation within the analysed years on the grounds of the aforementioned, we do not consider this state to be ideal with regard to the importance of evaluation function.

A significant negative feature resulted from the found approach of organisations to informing employees about the results of employee's performance evaluation and providing room and possibilities to employees themselves to comment on evaluation results. Only less than 50% of evaluated employees are provided room to comment on the results. The remaining evaluated employees can be divided into two categories – those who are informed about evaluation results, however do not have possibilities to comment on them, and those who are not informed about evaluation results at all. The given finding implies that these organisations do not carry out the evaluation process effectively, and are not able to draw complex and relevant conclusions from such obtained results on the one hand, and on the other hand, employees have neither room nor possibility to obtain suggestive information for their career and personal development from the evaluation, which negates the key objective of evaluation – to ensure maximum usage of abilities, knowledge and interests of each employee.

With regard to the fact that human resources are the decisive factor of prosperity and functioning of any organisation and of the effectiveness of human labour activities as such, and will be even more extensively so in the future, we believe that

Tab. 9: Possibility of employees to comment on performance evaluation results

Do employees have a possibility to comment on performance evaluation results?	Share of organisations in %		
	2010	2011	2012
Yes	49	41	46
No	13	18	5
Employees are only informed about performance evaluation results	10	24	13

Source: Own research

Tab. 10: Spheres of using information obtained by means of employee's performance evaluation

Is information obtained by means of employee evaluation used in the following spheres?	Share of organisations in %		
	2010	2011	2012
Remuneration	83	73	84
Education and development	38	33	49
Career growth	44	41	47
Personnel planning	33	26	31

Source: Own research

it is necessary to change the view and approach of organisations operating in Slovakia to employee's performance evaluation, as it is the predictor of maintaining and developing competent employees, who should be regarded as the priority of each organisation.

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Maya Doronina

D.Sc. (in Economics), Professor, Head of Department, Simon Kuznets Kharkiv National University of Economics, Ukraine
9 Lenin Ave, Kharkiv, 61166, Ukraine
doroninams@mail.ru

UDC 005.35:65.016



Hanna Bilokonko

Lecturer, Simon Kuznets Kharkiv National University of Economics, Ukraine
9 Lenin Ave, Kharkiv, 61166, Ukraine
anna.belokonko@gmail.com

PROBLEMS AND PROSPECTS IN DIAGNOSING OF INDUSTRIAL ORGANISATION'S SOCIO-ECONOMIC POTENTIAL DEVELOPMENT

Abstract. *Introduction.* System-specific dynamics of external and internal environment of industrial organization requires updating of ontological and epistemological basics of its development research. Considering insufficient research of contemporary problems in socio-economic potential (SEP) of industrial organization diagnosing, scientific-methodical support of their solving should be not addition to existing paradigm or its new version creation, but ideas for its further development.

Purpose of the paper is analysis and rationale of prerequisites for creating holistic paradigm of SEP.

Results. This paper develops elements of future research methodology. The main idea of paradigm is an organic compound of economic and social components occurring in SEP in which new nature occurs requiring creation of paradigmatic basis. Our preliminary results in research rationale prerequisites of future paradigm of SEP, performed in the following sequence: (1) Formulating of the basic idea of paradigm proposed by the authors through contradictions and hypotheses concretization. (2) Refinement of a form for the results combining of various scientific disciplines, which is necessary due to complex and hierarchic nature of SEP. (3) Reasoning for technology of qualitative and quantitative evaluation. Because of impossibility of using traditional tools, usage of new instruments for this task was ground, such as VRIO-analysis. (4) Findings of research of SEP have shown that all of structural elements are at different stages of the lifecycle of their own («basic elements», «points of development», «points of destruction») which can create problems of their coordination. System-synergetic approach and evolutionary-synergetic approach complemented by the co-evolutionary paradigm are primary methodological basis for identification opportunities of individual components of SEP compatibility ensuring with proper consideration of their life cycles; for management the structural elements of SEP, located at different stages of their life cycle development, and providing for each of them unique way of management response. Regardless of level of SEP functional complexity, its power and maturity, the main source for providing life-sustaining activity of SEP is to create and support spiral «capitalization of sociality– socialization of capital». (5) Terminological system represented in article is one of the most important components of future paradigm.

Conclusions. Science-based scheme of SEP diagnostics offered by the authors is open for now. Future research should focus on disclosing the essence of the concepts included in proposed terminological system, on creating particular technologies for SEP development diagnostics.

Keywords: socio-economic potential development; paradigm; hypothesis; interdisciplinary; terminology system.

JEL Classification: L20, O10, B41