

# ADAPTING THE OLD SYSTEM TO A NEW WAY OF ASSESSING PERFORMANCE AND TRAINING NEEDS – MOLDAVIAN CASE

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## SUMAR

*Din 1 ianuarie 2009 activitatea funcționarilor publici din Republica Moldova este reglementată de un nou cadru legislativ, care include și Legea cu privire la funcția publică și statutul funcționarului public (nr 158-XVI din 4 iulie 2008).*

*Pentru a asigura punerea în aplicare a prevederilor noului cadru legislativ, urmează a fi ajustate/elaborate și implementate mai multe proceduri de personal, printre care și procedura de evaluare a performanțelor profesionale individuale. Necesitatea evaluării performanțelor profesionale rezidă în crearea unui cadru de management eficient al performanței, care ar permite obținerea progresului și performanței la nivel individual, de grup și organizație.*

*În articolul respectiv sunt expuse idei privind procedura de evaluare a performanțelor individuale, corelarea acestei proceduri cu evaluarea performanței pe verticală în organizație, legătura dintre rezultatele evaluării performanțelor profesionale cu alte proceduri de personal, precum și propuneri referitor la unele acțiuni necesare a fi întreprinse în viitor pentru asigurarea succesului în implementarea procedurii de evaluare a performanțelor profesionale individuale.*

## I. Introduction

The Republic of Moldova is now undergoing political, economic and social changes. These changes carry the need for new mechanisms to lay the foundation of an ascending and sustainable development of the whole society. One cannot think of a sustainable development and society modernization without having an advanced public administration, which provides efficient and quality public services to population. The human factor, including the civil servants, plays a significant part in the reformation of the public administration.

## II. Public Administration

According to the Constitution of the Republic of Moldova, the state central specialized bodies are the ministries, that translate into life, observing the law, the Government policy, and decisions, manage the fields entrusted to them and are accountable for their activity.

The legislation provides for the creation of other administrative authorities, for the purpose of managing, coordinating and exercising control in the field of economy organization and other fields which are not directly in the competence of ministries.

Thus, the country has now **16 ministries** and **13 central administrative authorities**, which have under their subordination other public institutions and deconcentrated services. There are about **14 000 civil servants** working in the central public administration authorities.

According to the administrative organization, the Republic of Moldova is divided into villages, towns, rayons and the territorial autonomous unit Gagauzia. When meeting all the legal requirements, certain towns can become municipalities.

Therefore, there are **917 town halls** functioning on the territory of the country (authorities of local public administration of first level) and **35 authorities** of local public administration of second level (**32 rayons, 2 municipalities, 1 territorial autonomous unit**). About **8 000 civil servants** work in these entities.

### III. Central Public Administration Reform

An essential part in revising the role of human resources in the activity of public administration is played by **Central Public Administration Reform Strategy**, launched in 2006 on the initiative of the President of the Republic of Moldova.

The aim of the reform is to create a modern and efficient system of central public administration, according to the principles of good governance from the European Union and Council of Europe member states. This means to achieve in central public administration with less expenses such performances which would allow taking into account the interests and rights of citizens. The central public administration must be innovative, flexible and efficient; the operations across it must be public and transparent, while the accountability mechanism must allow achieving a positive image of it.

In order to achieve the above mentioned purpose and considering the results of the functional review of central public administration, the reform aims at achieving the following objectives:

- to develop the institutional and functional capacities of central public administration;

- to optimize the decision making process by reshaping the informational flow, to synchronize the interaction of public authorities, to improve the quality of the decisions adopted, to evaluate their impact;

- to improve the HR management in civil service and to create a professional, accountable and motivated corps of civil servants;

- to ensure interaction between the sector policy development process and budgetary process;

- to consolidate and improve the legal framework on public administration.

The subjects aimed at by the central public administration reform are ministries, other central administrative authorities, including the autonomous administrative institutions and entities, as well as their deconcentrated public services.

### IV. Human Resources Management: objectives and achievements

One of the key objectives of the central public administration reform is the improvement of HR management in civil service.

To fulfill this major task, a number of objectives were set:

- optimization of the management of the civil service positions and civil servants;

- improvement of civil servants' motivation system;

- creation of a professional corps of civil servants;

- improvement of personnel procedures.

*Optimization of the management of*

### *civil service positions and civil servants*

For the purpose of improving the management of human resources in central public administration, a modern normative framework on civil service was developed. The Parliament enacted the **Law No.158-XVT of 4 July 2008 on the public function (position) and status of civil servant**, which entered into force on January 1, 2009. This law aims at achieving a stable, professional, impartial, transparent and efficient civil service operating in the interests of the society and state.

The Government capacity for human resource management was built by creating the **Personnel Policy Division** in the Government Office (*Government Decision No.514 of April 16, 2008*).

The mission of the **Personnel Policy Division** is to contribute to the modernization of public administration by developing and promoting efficient state policies related to the civil service staff.

To fulfill this mission, a number of key tasks were set:

- to develop the state policy and legislation in this field;
- to monitor the activities linked with the public position and civil servants, performed by authorities;
- to control enforcement of the legislation in this field by public administration authorities;
- to provide methodological assistance;
- to coordinate the professional development of civil servants;
- to keep record of public positions and civil servants;
- to represent the Government Office in its relations with the domestic and foreign organizations in its field of competence.

When implementing the central public administration reform, the **Personnel Policy**

Division strengthened the training system designed for civil servants, contributing essentially, among other things, to the development of the capacities of HR services from ministries and other central administrative authorities. For this purpose, training courses, round tables, study tours, workshops etc. are held. Consequently, the staff members of HR services from the public authorities are regularly familiarized with the local and international experience and good practices in the field of HR management.

The Republic of Moldova does not have yet a single informational system for HR management in civil service, which could provide quality information needed for adequate managerial decisions. A solution to this problem was the drafting of the Concept of the informational electronic system „Registry of public positions and civil servants” with the key requirements to the implementation of new informational technologies in the activity of HR services from public administration authorities.

The use of the informational electronic system „Registry of public positions and civil servants” will allow to optimize the processes linked with the implementation of the personnel policy in civil service.

### *Improvement of civil servants' motivation system*

The existent remuneration system in civil service mostly lacks flexibility, setting tough conditions and restrictions determined by the position held; lacks transparency, while the myriad of supplements, bonuses reduces significantly their stimulating essence; does not consider the individual professional performances; the differentiation of salary between positions with different responsibilities is not essential; does not favor attraction of young specialists with modern approach into the civil service.

Considering this, a decision was made to develop a new remuneration system, which would be in line with the principle „equal pay for equal work”.

For this purpose the Concept on the job classification and remuneration in civil service was drafted, along with the job descriptions for civil service positions (according to a template structure); the job classification system was drafted and piloted; the drafting of job grading system was completed. When the job classification system is approved, it will be implemented in public authorities and the law on the remuneration in civil service will be drafted.

#### *Creation of a professional corps of civil servants*

An important problem in training the civil servants is the arbitrary approach to training, without identifying the real training needs of the civil servants. To solve this problem, in the autumn of 2008, the Personnel Policy Division organized workshops to train the staff members of HR services how to identify and analyze the training needs, how to plan internal and external training etc.

Thus, according to the provisions of the normative framework, the HR services from public authorities identify the training needs of the civil servants, draft plans for internal training (*according to the template structure developed by the PPD*) and provide proposals for external training (*complementing subsequently the training plan with the accepted external training courses*). The internal training of civil servants is conducted in the public authority, while the external one is conducted by the Academy of Public Administration under the President of the Republic of Moldova (APA), other domestic, as well as foreign, institutions. In or-

der to meet the training needs of the civil servants, each year the Government approves two state orders – regarding the training of civil servants at professional development courses and regarding the postgraduate studies for Master’s degree.

As a result of the methodological assistance provided by the Personnel Policy Division to the public administration authorities, the **Government Decision on the professional development of staff in public administration in 2009 financed by state (No.42 of 26 January 2009)** was drafted, adopting a new approach, and approved. It focuses on the practical aspect of the professional development courses rather than on the theoretical one, which contributes to the improvement of performances of civil servants who received training and, respectively, of the public authority. This decision says that APA, in common with the ministries and other central administrative authorities, will develop and implement training curricula strictly observing the provisions of the Regulation on professional development of civil servants (*Government Decision No.845 of 26 July 2004*), saying that „the training activities are carried out in different ways: lectures, case studies, discussions, business games, role-plays, presentations, etc.”, that „when selecting the training method one should consider the specific features of the training for adults” and that „the training curricula must be applicative (1/4 of the planned hours at most to be theoretical), it also must be applied by using modern methods of training adults”. However, there is a lot to be improved in this field in order to bring the professional development activities in line with the set requirements.

After improving the planning of the training, it is for the first time that the profes-

sional development plans include key topics of training courses and the public authorities that will be involved in the development and implementation of training programs. Therefore, the drafting of training curricula is based, primarily, on the topics included in the plan, which allows focusing on the task of meeting the training needs identified by the central and local public administration authorities. The involvement of specialists from public authorities in the development of training curricula for state financed courses will make the training innovative and practical.

Courses for individuals newly employed in civil service were also planned for the first time. Therefore, in 2009 initial training courses are planned for 200 junior civil servants, employed for the first time in public administration authorities. To ensure their training during the probation period, such courses are scheduled each three months.

To meet the training needs of civil servants, additionally to the state financed training, a contract for provision of training services was signed with the APA. Consequently, 69 professional development courses were conducted during 2007-2009 and attended by 1442 civil servants.

The efforts made to implement the training curricula resulted in a substantive de-

velopment of civil servants' skills. Therefore, of all the civil servants from the central offices of specialized central bodies of the Executive about 70% received training in 2007, 78% in 2008 and 74% in 2009. In this period, about half of the civil servants from the central offices of central public administration authorities received at least 40 hours or 5 days of training (*according to the requirements set in the normative framework*).

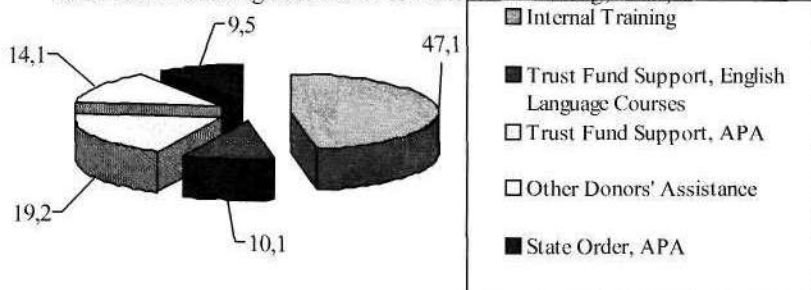
Efforts were also made to organize English language courses for the civil servants from the Government Office and central specialized bodies with the support of the Trust Fund for CPA reform. The English language courses had two stages (*120 hours each*). The curricula of English language courses were adjusted to different levels: beginner, intermediary and advanced.

Consequently, 364 civil servants from ministries and other central administrative authorities attended the first cycle of the English language courses and 550 the second one.

Chart 1 shows the percentage of civil servants from the central offices of central public administration authorities trained in 2008, classified by financing sources.

### Improvement of Personnel Procedures

Chart no.1. Financing sources for civil servants' training, 2008, %



Since January 1, 2009 the activity of civil servants has been regulated by a new legislative framework, which includes the Law on the Civil Servant's Code of Conduct (No.25-XVI of 22 February 2008) and Law on the Public Function and Status of Civil Servant (No. 158-XVI of 4 July 2008). These laws aim at bringing professionalism, competence, impartiality, transparency and efficiency in the work of civil servants.

To ensure enforcement of the provisions of the new legislative framework, a number of personnel procedures should be adjusted/developed and implemented. Some of them are:

- Record keeping of civil servants:
  - employment in civil service;
  - integration of new employees/ organization of probation period;
  - motivation (financial and non-financial);
  - promotion;
  - ongoing professional development;
  - assessment of individual professional performances.

The regulation on the competition based employment in civil service and the regulation on the probation period of the junior civil servant have already been drafted and approved by now (*Government Decision No.201 of 11 March 2009*). The Personnel Policy Division provided the necessary assistance to the public authorities to ensure application of these procedures: the decision makers have been acquainted with these provisions and the actors involved in these processes, particularly staff of HR services, have received training.

The procedure of ongoing professional development is going to be revised only, as there are already provisions (*Government Decision No.845 of 26 July 2004*)

very close to the ones present in the legislative framework.

The rest of the procedures are under development; a special attention will be paid to the assessment of professional performances of the civil servant.

Considering that the performance appraisal is a new procedure and quite complicated, it was discussed at the quarterly meetings of staff members from HR services and it will keep being discussed in the future. This procedure was also the focus of a workshop „Performance Appraisal and Performance Related Pay in Civil Service”, organized on 2 April 2009 in Chisinau with the support of the OECD and EU SIGMA Program. The participants in the workshop were acquainted with the experience of European countries in performance appraisal and performance related pay in civil service.

#### **V. Individual Professional Performances Appraisal**

Till 2009, the civil servants were undergoing a quite formal attestation process, not based on clear and transparent criteria correlated with the job description and objectives of the authority. As the attestation took place once in 3 years, there was no quick identification of weaknesses and strengths and, obviously, no timely corrective and, respectively, stimulating measures were taken. The attestation was not correlated with the individual performance of the civil servant and other personnel procedures, which was a de-motivating factor for civil servants.

To overcome the above mentioned difficulties, the legislative framework provides for a new procedure – professional performance assessment.

***Why do we need performance appraisal?***

The need for the performance appraisal resides in the creation of an efficient performance management framework, which would allow achieving progress and performances at individual, group and organizational levels.

The reformation of the management system in place in public authorities implies the shift from the process-oriented management towards a result-oriented one. As the performance of each civil servant impacts directly the performance of the sub-unit he/she works for, and, respectively, of the public authority, the performance assessment at individual, structural sub-unit and institutional levels is a key condition for the timely interventions and, consequently, for the successful achievement of the objectives of the public authorities.

That is why the result-oriented management requires that a new performance appraisal system be introduced vertically:

- **organizational Performance** relates to the achievement of the strategic objectives of the public authorities stipulated in the Strategic (Institutional) Development Plan and Annual Activity Plan (it is worth mentioning that the central public administration authorities produced for the first time in 2009 institutional development plans);

- **group Performance** relates to the achievement of operational objectives of the sub-unit stipulated in the Annual Activity Plan;

- **individual Performance** relates to the achievement of individual/specific objectives deriving from the Job Description (produced by all public authorities).

The law on the public function and status of civil servant makes the annual performance appraisal a compulsory procedure, consisting in the evaluation of the results achieved by the civil servant as

against the expected results (based on the objectives set annually).

#### Performance Appraisal Procedure

For us, the performance appraisal procedure will have the following stages:

- **setting performance standards** in relation with the job-related requirements, which shape both individual objectives (expected results) and key performance criteria (knowledge, skills and abilities, behaviors/attitudes);

- **discussing performance standards** with each civil servant;

- **measuring the annual performance** by the Evaluation Commission/direct manager of the evaluated civil servant (by filling in the evaluation form);

- **comparing the annual performances with the performance standards** and setting the evaluation qualifier;

- **conducting the evaluation interview**, providing feedback and identifying the development needs;

- **making decisions** based on the results of the evaluation.

#### Who is evaluated and who evaluates?

According to the legal provisions, the top level management civil servants (for ex. Deputy Ministers, Head of the Government Office etc.) are evaluated by an Evaluation Commission, the members of which are appointed by the Prime Minister, while the management civil servants (for ex. head of division, section etc.) and execution civil servants (for ex. consultant, specialist etc.) are evaluated by their direct manager.

#### Evaluation results

The individual professional performances are evaluated at the end of each year.

The civil servant's professional performances can be evaluated as „very good”,

„good”, „satisfactory”, and „unsatisfactory”.

According to the Law on the public function and status of civil servant, the results of the performance appraisal will be taken into account when making decisions regarding:

- **promotion, maintenance or retrograding on remuneration steps** – the new remuneration system in civil service will be correlated, on one hand, with the value of the position (determined by the new job classification and grading system) and, on the other hand, with the performance of the holder of the position (based on the evaluation qualifier);

- **conferring of a higher qualification grade** – the qualification grades will be conferred based on the results of the performance appraisal only;

- **promotion into a higher public position** – the results of the evaluation will give each civil servant the possibility to be promoted into a higher position (*if the performances are evaluated as „good” – 3 consecutive years or „very good” – 2 consecutive years*). At the same time, in case a higher position is announced vacant, the civil servant can participate in the open competition for this vacancy;

- **Dismissal :**

- dismissal of the junior civil servant in case his/her performances are evaluated as „unsatisfactory” at the end of the probation period, and

- dismissal of the civil servant in case his/her performances are evaluated as „unsatisfactory” 2 consecutive years.

The performance assessment methodology will regulate the procedure of special/repeated evaluation in case the performances are evaluated as „unsatisfac-

tory”, as well as the creation of a special evaluation commission in such cases to avoid the conflict of interests or other disputable situations.

- **identification of training needs** – based on the performance appraisal, the training needs of the civil servants will be identified and correlated with the job requirements and objectives set for the next period.

### **Impediments and difficulties**

A number of impediments and difficulties were identified in the promotion and implementation of performance assessment procedure:

- management orientation mainly to process, rather than results;

- insufficient capacities for planning, monitoring and evaluation of performances at the level of public authority and sub-unit;

- underdeveloped culture of objective evaluation of performances;

- lack of skills and experience of setting individual objectives in correlation with the job description, objectives of the sub-unit and public authority;

- resistance to changes on the part of both managers, and employees;

- skeptical attitude of civil servants to the need of this procedure;

- limited time for the development and promotion of the performance appraisal procedure.

### **Lessons learned**

Having experience of promoting and implementing new personnel procedures, we can mention a couple of lessons learned and namely:

- the perception of performance appraisal at individual level can only foster inter-group conflicts and difficulties in collaboration and mutual help needed to



achieve the common objectives of the sub-unit and public authority;

- the lack of a performance appraisal methodology, a detailed description of the procedure makes the civil servants distrustful;

- the integration of the performance appraisal process into the performance management system at authority level is absolutely necessary;

- it is important that all the regulations, methodical recommendations on the application of personnel procedures to be, first of all, piloted and then completed and applied;

- the need for the managers to undergo managerial development, as they are key factors in the change changing process;

- it is necessary to gain the trust and commitment of a „critical mass” of civil servants to achieve success in bringing about changes;

- changes require time!

#### Future actions

To overcome the impediments and difficulties identified in the implementation of

the performance appraisal procedure, taking into account the lessons learned, we plan to take a number of actions:

- to study the experience of other countries and adopt the good practices in this field;

- to draft the performance appraisal methodology and a guidebook on its application (*which would describe a clear, unsophisticated procedure, understandable/accessible for addressees*) and its piloting;

- to train/inform the actors engaged in the application of this procedure;

- to monitor the application of this procedure in different authorities;

- to apply an integral approach to the performance appraisal at different levels when revising the 2010-2012 Strategic (Institutional) Development Plans of the public authorities;

- to promote the new procedure by training/informing activities; to develop/publish and distribute informative materials on this issue etc.

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