EVALUATION OF EMPLOYEE PERFORMANCE TO ENHANCE ORGANIZATIONAL CAPACITY

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The article analyzes the theoretical aspects and basic methods of modern approaches to performance appraisal of an organization's personnel. It is determined that performance appraisal is a process that collects and analyzes information on task performance, as well as behavior and other factors that affect an employee's work. The relevance of artificial intelligence tools for assessing the effectiveness of staff performance is substantiated. The article discusses a comprehensive staff evaluation system based on professional, business, and personal skills. Inspired by leading national companies, the system categorizes employees by work experience and education, applying a scoring system for various criteria. Evaluation, conducted by direct managers, incorporates scores for professional and business skills, performance, and introduces an innovation score. The results guide decisions of the certification commission, emphasizing labor potential, career development, and feedback. The system aims to holistically assess employees, considering their abilities, competence, and innovation in fulfilling obligations and achieving corporate standards.

ОЦІНКА РЕЗУЛЬТАТІВ ПРАЦІ ПЕРСОНАЛУ З МЕТОЮ ПІДВИЩЕННЯ КАДРОВОГО ПОТЕНЦІАЛУ ОРГАНІЗАЦІЇ

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У статті проаналізовано теоретичні аспекти та основні методики сучасних підходів до оцінки результатів праці персоналу організації. Визначено, що оцінка результатів праці є процесом, що забезпечує збір і аналіз інформації про виконання завдань, а також поведінку та інші фактори, що впливають на роботу працівника. Обґрунтовано актуальність інструментів штучного інтелекту для оцінки ефективності діяльності персоналу. У статті розглядається комплексна система оцінки персоналу, яка базується на професійних, бізнес- та особистісних навичках. Інспірована досвідом провідних національних компаній, система категоризує працівників за робочим стажем та освітою, застосовуючи систему оцінки для різних критеріїв. Оцінка, проводжена безпосередньо керівниками, включає бали за професійні та бізнес-навички, ефективність і вводить бал інновацій. Результати визначають рішення атестаційної комісії, наголошуючи на потенціалі працівника, розвитку кар'єри та зворотному зв'язку. Система спрямована на комплексну оцінку працівників, враховуючи їхні здібності, компетентність та інноваційність виконання обов'язків та досягнення корпоративних стандартів.

Statement of the problem

Human resources management, both external and internal, is one of the most important aspects of strategic management of a modern enterprise, as the innovative economy and modernisation of production are increasing the role of staff and increasing attention to the level of their competencies, skills, knowledge and personal qualities. The focus on identifying hidden opportunities of employees, investing in human capital, efficient use of potential abilities and creating conditions for the implementation and development of human resources increases the competitiveness of the enterprise in the market of relevant goods and services. Currently, evaluating the staff stands as a key benchmark for effective performance. This evaluation process guarantees the acquisition of comprehensive and precise information about each employee. It facilitates the gathering of all necessary details concerning individual employees, allowing for an assessment of how well each employee aligns with office requirements. Additionally, it contributes to enhancing the efficacy of staff management and development while fostering an improved psychological climate within the collective. The staff evaluation empowers executives and human resources management services to conduct more effective human resources management. It aids in the enhancement of workforce dynamics by engaging new employees, thereby replacing those who may not fulfill their duties adequately and, consequently, promoting overall efficiency.

Analysis of the latest research and publications

In K. Methode, O. Osunsan [4] study mentioned that in the current global knowledge economy, organizations in advanced countries worldwide heavily rely on their workforce for survival. In the contemporary era, achieving enhanced staff performance remains a crucial objective for organizations striving to maintain business success. G. Rusu [5] considers that consequently, companies endeavor to optimize the performance of each employee, considering the factors that contribute to organizational performance. A. Eliyana [6] reckons that with advancements in information flow and technology, increased global civic engagement necessitates organizational change, making it imperative for management attention to ensure continuous progress in performance. However, three factors – business support, skills, managerial effectiveness, and workforce productivity – have been identified as influencing organizational performance.

Objectives of the article

The article is aimed at analysing the existing approaches to assessment of personnel efficiency and developing a model for calculating efficiency with a view to improving the methods of personnel management and organisational development.

The main research material of the research

The link between the growth of an enterprise's human resources potential and the assessment of staff performance reflects an important interaction between two key aspects of an organisation's resource management. First and foremost, staff training and development helps to improve their skills and knowledge. This, in turn, leads to an increase in staff efficiency and the ability to achieve better results. The assessment of staff performance becomes a tool for determining how well goals are being achieved and for identifying areas where performance can be improved. Thus, an organisation that invests in the development of its workforce and improves its performance appraisal process is better positioned to achieve greater success by fostering the growth of its human capital and improving the performance of its workforce.

The growth of the company's human resources potential can be achieved by providing employees with access to education, training and professional skills development, which in turn increases their expertise and affects the quality of work performed. Performance appraisals identify issues and shortcomings that require immediate attention and help management make informed decisions about the next steps to improve work processes and motivate staff. The coordinated use of performance appraisal and human resource development creates a harmonious cycle where the acquired knowledge and skills of employees are supported and reinforced by the appraisal system, resulting in a sustainable increase in the company's productivity and competitiveness.

Performance appraisal is a process that collects and analyses information about task performance, behaviour and other factors that affect an employee's work. Performance appraisal is critical to the success of any organisation. It helps to identify areas where employees are performing at their best and those that need improvement. Performance appraisals also help to identify training needs, development opportunities and areas for promotion. It is an important tool for managing employee performance and ensuring that employees are aligned with the organisation's goals and objectives.

The methods of employee appraisal are constantly evolving, and the following is a look at the most popular methods of appraisal today. There are several methods of performance appraisal, including goal-based appraisal, 360-degree appraisal, and objective-based appraisal.

Depending on the internal organisation of the company, the methods of staff performance appraisal may vary. However, some common methods include:

1. Achievement appraisal: this method of appraisal is to determine the employee's achievements in the workplace, including their success in completing tasks and improving the quality of work. Various tools can be used for this purpose, such as diaries, regular reports, discussions with management, customer evaluations, etc.

2. 360-degree evaluation: this method means that an employee is evaluated not only by his or her direct supervisor, but also by colleagues, subordinates, clients and other stakeholders. This gives a complete picture of the employee's work and allows you to assess their contribution to the team and the company as a whole.

Features of the 360˚ assessment:

– allows the organisation to realise the importance of alignment between managerial behaviour, employee behaviour, unit performance and customer expectations;

– recognises the complexity of management and the value of information coming from different sources, while assessing not only the professional but also the leadership qualities of the employee;

– allows to develop an employee development plan for his/her professional, managerial and leadership competences, his/her maximum integration into the organisation, which undoubtedly affects both employee satisfaction and company performance.

Key Performance Indicators (KPIs): This assessment method is used to measure an employee's performance based on specific metrics that are defined based on the company's business strategy. KPIs may vary from position to position within the company and may include, for example, sales, costs, quality of work, customer service, etc.

3. Developmental assessment method: this assessment method focuses on the potential development of an employee and identifies opportunities for further training and skill development.

4. Assessment centre, which is based on a comprehensive assessment of the employee's abilities and professional qualities. The assessment centre may use a variety of tools, such as group discussions, interviews, testing and other methods, to get a complete picture of the candidate or employee.

5. Benchmarking method: the employee is compared to other employees performing similar work and ranked by the number of points. Benchmarking method: an employee is compared to other employees performing similar work and ranked by the number of points.

6. Self-assessment method: the employee independently assesses his/her work, identifies the strengths and weaknesses of his/her performance, and makes plans for the future. Peer comparison method: the employee is compared with other employees performing similar work and ranked by the number of points.

7. Assessment methods using artificial intelligence. The emergence of artificial intelligence (AI) has revolutionised business and especially HR. The use of AI in HR has transformed its approaches, making them more automated and efficient. Recruitment and selection processes are more accurate, decisions are made faster, and costs are reduced.

Artificial intelligence can be successfully used to evaluate employee performance in many ways. Here are some ways it can be applied:

• Analysing productivity data: AI can analyse large amounts of employee productivity data, including time frames, tasks, and completed projects. It can highlight key performance indicators and provide a more objective assessment of performance.

• Automated skills assessment: AI can analyse the skills and abilities of employees based on data from CVs, internal assessments and other sources. It helps determine how well employees meet the needs of specific positions.

• Evaluation according to key performance indicators (KPIs): AI can monitor KPIs and help determine which employees are achieving goals and to what level. It can also provide recommendations on further steps to improve results.

• Feedback and employee satisfaction assessment: AI can analyse data from employee satisfaction questionnaires, comments, and feedback to identify trends and issues that affect productivity and team satisfaction.

• Predicting employee outflow: AI can analyse data to predict which employees are likely to leave the company and provide recommendations on measures to retain them.

• Personal development of employees: AI can provide individual development plans for employees based on their current skills and goals.

The use of AI in these areas can significantly improve the assessment of staff performance, making it more objective, accurate and contributing to more efficient staff management.

8. Using integral coefficients. In the context of heads and managers, the assessment involves qualitative aspects that indirectly impact the anticipated outcomes. Rather than being quantified by numbers, these aspects characterize employees based on criteria aligned with an idealized perception of how official duties and functions should be executed, integral components of the office framework. Therefore, when appraising employees, it is prudent to consider quantitative metrics [2].

Presently, managers are expected to meet three criteria: professional, business, and personal skills. Drawing on fundamental requirements for managers and drawing from the experiences of leading national companies, a staff evaluation system has been established for the company. Consequently, the evaluation of staff is based on their business and professional skills.

In the study of K. Ahaverdiieva [2] the selection of evaluation criteria is grounded in references specific to the distinctive features of corporate business. Concerning work experience, employees are categorized into different levels: less than 3 years is deemed a low level, 3–5 years is an average level, 5–10 years is above average, and above 10 years is considered a high level.

Educational attainment is assessed as follows: a high level corresponds to employees with an academic degree, above-average for those with higher education, average for those with advanced education, and low for those with secondary education. For all other criteria, evaluation is conducted by the direct manager. Each aspect of professional and business skills, as well as performance, is assigned its own level and scored as follows:

– low – 0.5, average – 1;
– above average – 1.5;
– high – 2 scores.

Each feature will be assigned a score ranging from 0.5 to 2, based on specific values, for the employee. In this context, the professional level ratio of the employee will be determined using the formula:

$$Rpr = \sum L \times SVc,$$

where L represents the relevant level, and SVc denotes the specific value of the relevant criterion. The employee is expected to adhere to the requirements set for them concerning official duties, context and work nature, as well as corporate requirements and culture.

The evaluation encompasses not only the potential abilities, professional level, and competence of the employees but also the realization of these capabilities in fulfilling assumed obligations and achieving corporate performance standards.

Thus, evaluation of performance for the stated period shall be determined as the amount of evaluation of feature levels in terms of specific values. It shall mean the difficulty of work. The comprehensive evaluation of the employees shall be calculated using the formula:

$$CE = Sh \times Ss + Sh \times P + Sh \times Q,$$

where, Sh – share of relevant skills per total evaluation, %;
Ss – scores of professional and business skills of the employee;
P – scores for performance;
Q – scores of innovation.

The innovation score can be determined, for example, based on the number and quality of ideas that an employee has contributed to work processes, the implementation of innovative solutions, or participation in projects aimed at developing new products or improving existing processes. This indicator will take into account the level of innovation that the employee brings to their work, helping to improve the assessment of their performance.

The evaluation results are the basis for further decision of the certification commission and they are also focused on the evaluation of labor potential, career development, feedback and etc.

Conclusion

There are several benefits to conducting a staff performance appraisal. Firstly, it allows management to identify high performers who can be rewarded for their work and promoted to a higher salary position. Secondly, performance appraisals can identify low-performing employees who may need additional training and skill development. In addition, it can be useful in identifying those employees who may be dismissed due to low productivity.

The choice of an employee assessment method depends on many factors, such as the type of business, job characteristics, number of employees and other factors. Personnel assessment is a complex process that requires a careful approach and professional training

Personnel performance appraisal is an important part of the organisation's resource management process. It allows management to identify high-performing and low-performing employees, identify problem areas and opportunities to improve business performance. Performance appraisals can also assist in career planning for employees and in identifying skill development and training needs. In addition, it can be useful for determining salary increases and rewards.

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