Establishment of state bodies’s performance assessment system

Gulimzhan Suleimenova, Margarita Kadyrova, Aliya Kenzhebaeva

Academy of Public Administration
under the President of the Republic of Kazakhstan,
Abaya str., Astana, Republic of Kazakhstan

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Abstract. Formation of the modern system of public administration in independent Kazakhstan since the early 1990s has been accompanied by the development and implementation of new institutions. One such institution is an institution of annual evaluation of state bodies performance as a mechanism to increase manageability and effectiveness of their activities.

The article is produced on the basis of results of a section within the research work under the topic: «Institutionalization of the assessment system for government agencies’ performance in the Republic of Kazakhstan: current status and development prospects» implemented within the framework of the grant project under the Ministry of Education and Science of the Republic of Kazakhstan.

The article is devoted to the formation of the assessing system for government agencies’ performance, the specifics of its implementation in Kazakhstan.

Key words: performance, state bodies, assessment, criteria, target indicators

Raktiniai žodžiai: veikla, valstybės institucijos, vertinimas, kriterijai, tiksliniai rodikliai.

Introduction

The analysis of the administrative reform implementation in Kazakhstan has shown that the activities of state bodies have acquired new qualities adequate to modern tasks and requirements. At the same time, many of the transformations that have
taken place in compliance with the directions of the administrative reform have not always correlated with the expected results. In this regard, there was a need for the development and implementation of mechanisms that enhance the manageability and effectiveness of government agencies.

One such mechanism is performance assessment which allows you to correctly and clearly formulate goals and objectives, identify target indicators, effectively monitor the achievement of goals.

The purpose of this article is to analyze the advantages and disadvantages of the current system for assessing the government agencies’ performance. This analysis was carried out within the research carried out on the topic: “Institutionalization of the assessment system for government agencies’ performance in the Republic of Kazakhstan: current status and development prospects”, commissioned by the Ministry of Education and Science of the Republic of Kazakhstan.

**Theoretical and methodological aspects of performance assessment**

Within this research theoretical and methodological aspects of the considered issue have been analyzed. Evaluation of the effectiveness of government bodies is one of the main issues in public administration (Leoveanu A., 2016; Tomaževič N., M. Tekavčič and D. Peljhan, 2017). Review of literary sources shows that this subject is devoted to a large number of scientific papers and analytical works (Helden and Uddin S., 2016; Walker R.M. and Boyne G.A., 2009). Obviously, a large number of scientific papers and analytical works were devoted to the state agencies’ performance assessment. Moreover, it should be noted that the categorical apparatus of the concept of “performance”, models of the performance of an organization are represented in a wide variety (Bartuševičienė I., Šakalytė E., 2013; Chakravarthy B.S., 1986).

With the advent of the concept of “performance”, such direction as performance assessment has developed. The scientific literature of non-CIS countries uses the term «performance measurement», where the basic category is «performance».

To date, the world practice distinguishes several levels of performance evaluation. They include the effectiveness of the public administration in general, the effectiveness of the government, the effectiveness of the state body, the effectiveness of the structural unit, the effectiveness of the employee. In the opinion of Salem H., the performance assessment should be considered as a part of the overall performance management system and be presented as a process for quantifying the effectiveness and efficiency of actions (Salem, 2003).

A performance assessment system can be defined as a set of metrics used to quantify the effectiveness and efficiency of actions (Bourn, Neely, Mills, Platts, 2003). With regard to public administration, when evaluating performance, the basic concepts are the Three «E» and IOO models. The model of the Three «E» is focused on the economy, efficiency and effectiveness of public services (Hansen, 2017). The
IOO model suggests that public authorities can be measured in the sequence «inputs - outputs - outcomes».

Comprehensive introduction of New Public Management from the beginning of the 1980s, formed in OECD-countries a strong tradition on the one hand, the broad autonomy of government agencies, and on the other hand - the overall control of their performance and their use of budget funds. This principle is called «Value for money» (OECD, 2015a).

OECD experts identify three levels of Performance Evaluation of Government Agencies: performance evaluation (resource management); evaluation of program implementation (achievement of results); evaluation of the effectiveness of public policy (achievement of outcomes) (OECD, 2014).

The first type, that is, performance evaluation includes aspects such as: strategic direction and goals; organizational capacity; resource management; values, ethics and organizational culture. Our point of view the most successful examples of international performance evaluation are: «State management accountability framework» and «Strategic human resources management system» in Canada; «Independent evaluation of the capacity of government agencies» in New Zealand and the United Kingdom; «Quality management system in government agencies», «The survey of civil servants» in Australia; «Overall evaluation of the European Union» (McCormack, 2007; Mackie, 2008).

The second type, that is, evaluation of programs implementation includes aspects such as quality of service; outputs of programs; efficiency. The most successful international examples of evaluation of the effectiveness of the programs are: «Polls among citizens and businessmen»; «Polls among consumers of public services». Both surveys have been conducted in Canada and New Zealand (Butler, 2007).

The third type, i.e. evaluation of the effectiveness of public policy includes aspects such as: the impact of programs and measures; the achievement of government objectives. The most successful international examples of evaluation of public policy effectiveness are: «Evaluation of state programs» in Canada and the United States; «Annual reports on the implementation of the objectives of social and economic development» in Canada (CEE, 2017; U.S. Department of State, 2015; Ruegg, 2003).

Baccart and Balk established 13 «diseases» inherent to the assessment system. In their opinion, they come as a result of incorrect assumptions underlying the assessment, errors and problems concerning the content, position and number of indicators (Bouckaert, Balk, 1991).

At the same time, some scientists speak of the existence of a weak correlation between the performance indicators and the activity itself (Mackay, 2012). The reason is that over time indicators cannot fully assess the activity as it transforms. Eventually, the connection between actual activity and the activity reported is reduced.

Various studies have shown that the quality of formal institutions provide explanations for most of the variations in the level of development. At the same time, different countries are turning to different institutions to ensure the effectiveness of
public administration. This also applies to tools and methodologies for assessing performance. The assessment systems used in Australia, the United Kingdom, Canada, Mexico, the Russian Federation, the USA, Chile differ from each other. Consequently, different techniques give different results.

The analysis shows that in all the approaches considered there is a problem with distinguishing the concepts of «evaluation» and «efficiency». This factor was taken into account when analyzing the current system for assessing the performance of government agencies in Kazakhstan, the results of which are described below.

Reform of the assessment system: the historical aspect

Formation of tools for assessing the performance of government bodies in Kazakhstan was launched in 2010 on signing of the Decree of the President of the Republic of Kazakhstan «On the system of the annual assessment of the performance of the central government and local executive bodies of the regions, cities of national importance, the capital», which became the fundamental document of the assessment. The prerequisites for the introduction of the assessment system for the government agencies performance during the period, in our view, are:

- completion of the state planning system, focused on the result. By that time, government agencies had already learned how to develop strategic plans focused on the priority objectives and indicators of their achievement;
- the global financial crisis, which required from government agencies high efficiency of the policy and its unconditional implementation in the light of the transition of the economy to manual management;
- the worldwide tendency to focus on improving the efficiency of public administration;
- the policy of accelerated industrialization of the economy of Kazakhstan increased the need for effective management methods in state bodies;
- the need to improve the quality of public services in the implementation of administrative reform;
- lack of real stimulating tools to increase, measure and prevent a decrease in efficiency in the system of public administration.

At present, the assessment of the effectiveness of government agencies has been institutionally founded in five areas:

1) «Achievement of strategic goals and objectives». In this area, the quality of planning and achievement of the goals set by strategic plans of central state bodies and development programs of the regional akimats is assessed.

2) «Management of budgetary funds». In this area, the evaluation is aimed at determining the effectiveness of state budget funds allocation. The assessment provides for the correlation of strategic objectives to be met by state bodies and the efficient allocation of funds.
3) «Provision of public services». In this area, the evaluation is conducted to determine the effectiveness of measures to provide citizens with affordable and high-quality public services, including those in electronic format.

4) «Human resource management». In this area, the assessment is aimed at determining the effectiveness of actions implemented by government agencies to build and develop human resources in the public service system.

5) «Application of information technology». In this direction, the assessment provides for determining the effectiveness of information systems and the degree of optimization of business processes by state bodies.

For each area of assessment authorized by the state bodies appropriate methods are developed and approved that directly reflect criteria and indicators.

In particular, such an area of performance assessment as «Human resource management», in our opinion, has one of the progressive methods for identifying the main problems in this area that are regularly faced with in government bodies.

The analysis of the methodological base in this area shows that the assessment indicators are changed to adapt to the results of the annual assessment of state bodies. Despite the changes in the formulation of the criteria, no actual changes are made. So, the main assessment criteria for this direction are:

1) the effectiveness of human resources involvement;
2) training of civil servants;
3) the effectiveness of the work on the prevention of corruption;
4) level of satisfaction by civil servants.

Initially, the main assessment criteria were aimed at reducing the negative effect of imperfections in the existing normative legal acts in the sphere of public service.

In 2013, the assessment method was focused on determining the effectiveness of the human resources involvement (a weight value of 38%). In our opinion, the assessment had a weak causal correlation to the results obtained, i.e. the assessment did not allow to identify the main causes of the results (positive or negative), it gave only a general picture of the effectiveness in a particular government body. In turn, this situation does not allow undertaking those measures that can significantly affect the performance of the state body.

At the same time, the adopted criteria and assessment indicators suffer from high dependence on the results of one criterion on the other. For example, poor performance results within the criteria of «Actual duration of working hours in a government body», «Corruption level of state bodies» and «Level of satisfaction by civil servants» can directly affect the negative results in assessment by such criterion as «Staff turnover rate» which, in turn, affects the criterion «Staffing of the state body». As a result, the level of general efficiency of the state body is distorted according to the specified criteria.

In 2014-2015, despite the fact that the criteria remained unchanged, the methodology for assessing the effectiveness of personnel management has been substantially refined.
Thus, according to the criterion of «Efficiency of human resources involvement», the indicator «Staffing of the state body» was excluded (Table 1). At the same time, the indicators «Timeliness of vacation» and «Qualitative staff composition» were supplemented.

In our opinion, the indicators of the criterion «Effectiveness of human resources involvement» and their annual change does not reveal the sense of the criterion formulation.

A generalized analysis of existing approaches to the ways the effectiveness of human resources involvement is interpreted:

- First, the economic approach determines efficiency through the prism of determining the ratio of the obtained effect to costs, where the main object of analysis is economic activity;
- Secondly, the social approach provides for the achievement of any social result, regardless of the resources spent on it;
- Third, the institutional approach is more common compared to the other approach because it considers the conformity of the conduct of officials or citizens to legal norms while implementing both social actions and economic activities;
- Fourthly, in the public sector, none of these approaches is applied in its pure form, since it is assumed that the result obtained from someone else’s actions should be consistent with the principles of economy, service to society and legality.

| Table 1. Changes of indicators for the assessment under the criterion “Effectiveness of human resources involvement” |
|---|---|---|---|---|---|---|---|
| N | Criterion “Effectiveness of human resources involvement” | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|
| 1 | Turnover rate | 14 + | 14 + | 14 + |
| 2 | Staffing of the state body | 10 + | 0 - | 0 - |
| 3 | Promotion of employees of the state bodies | 8 + | 6 + | 6 + |
| 4 | Factual duration of working hours in the state body | 6 + | 6 + | 6 + |
| 5 | Timely provision of vacations | 0 + | 6 + | 6 + |
According to the above indicators, the assessment measures “how effectively human resources are used in accordance with the norms of labor legislation” - the timely provision of vacation and the actual length of working hours in the state body, “how much human resources are used, taking into account the working conditions” - the level of staff turnover and staffing of the state body, “what human resources are used “- the qualitative composition of the staff.

At the same time, if we assume that the state body receives high scores for all the above indicators, does this mean that human resources are used effectively?

According to the logic the indicators of the criterion “Effectiveness of human resources involvement” is drawn up by, if a state body with working conditions “everything is good” (on the considered indicators) then the employees of the state body work with the maximum effect for their organization.

A lot of research is devoted to prove relevancy of the hypothesis “how much the correct strategy of human resource management affects the efficiency and quality of work of the organization’s employees”. Their main results of the above studies show that the most powerful impact on the effectiveness of employees and the quality of their work is: (1) acquisition and development of skills; (2) use of formal commands; (3) integrated values; (4) employee commitment to work; (5) evaluation of employees and activities; (6) financial compensation; (7) employee motivation and organizational structure (Armstrong, 2012). Of course, one cannot but admit that the indicator “promotion of employees of the state body” is a powerful motivational mechanism for the effective work of employees.

In our opinion, the indicator “qualitative composition of personnel” in relation to the criterion “Effectiveness of human resources involvement” is applied incorrectly when assessing state bodies. Recall that, according to the methodology for assessing the effectiveness of personnel management, the above indicator is calculated by determining the proportion of employees with a master’s degree and a scientific degree to the total number of employees. However, the assessment does not take into account the profile of training in the area of the immediate activities of the employee. For example, working in the legal field, an employee has a scientific degree of a candidate of historical sciences. In this connection, the question arises: “How can this employee apply his knowledge in one area while have background in another?” So, it can be stated that

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<tr>
<th>6</th>
<th>Qualitative composition</th>
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<td></td>
<td>Total amount of points on the criterion “effectiveness of human resources involvement”</td>
<td>38 (out of 100)</td>
<td>32 (out of 100)</td>
<td>38 (out of 100)</td>
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Note: the table was composed on the basis of sources: Analytical Report of the Agency of the Republic of Kazakhstan for Civil Service Affairs on the performance of personnel management for 2012-2013.
the indicators of the criterion “the effectiveness of human resources involvement” do not fully disclose the essence of effectiveness, which is the basis of the annual assessment system.

We believe that the indicators of the criterion “Effectiveness of human resources involvement” are formed on the basis of “clusters of problematic issues” faced with in state bodies, which is perceived as an attempt to improve the quality of work organization in state bodies by conducting an assessment rather than measuring its effectiveness.

Thus, the analysis made it possible to identify some features of the process of forming a system for assessing the effectiveness of government agencies in Kazakhstan.

At the initial stage of implementation, the evaluation was mainly focused on the work processes. This motivated state bodies to optimize work processes. Further, the key trend was the measurement of the final results of public administration. Therefore, process indicators, according to which state bodies received maximum scores, were gradually excluded from the methodology. At the same time, it should be noted that the results of the evaluation system made it possible to conclude that the initial goal of building internal processes as an object of evaluation in state bodies was practically achieved.

Some aspects of the current stage of reforms

The next stage in the development of the assessment system was the transition from the assessment of processes to the evaluation of results. The emphasis on performance indicators becomes the basis for the new assessment model. This approach not only meets the requirements of modernizing public administration, but also has an important socio-political effect. The ultimate goal of the assessment is not only to improve the mechanisms of public administration, but also to ensure the accountability of state bodies to society, to increase the level of public confidence in public authorities.

The new architecture for assessing the effectiveness of government agencies, which was introduced in 2017, will radically differ from the current structure. It involves three areas:

1. “Achievement of strategic goals and indicators of budget programs”. Within the framework of this direction, the quality of planning and achieving the goals of the strategic plans of the central state bodies and development programs of the regional akimat’s will be assessed in conjunction with key performance indicators and achievement of budget program indicators.

2. „Interaction of state bodies with citizens“. In this area, the evaluation is aimed at enhancing transparency and accountability of state bodies through improving the quality of public services, introducing the tools of the „Open Government“ and working with citizens’ appeals.

3. „Organizational development“, where the evaluation is aimed at determining the effectiveness of measures for personnel management and application of information technology.
The objective need to include the evaluation direction “Achieving strategic goals and indicators of budget programs” lies in the fact that, in spite of the accomplished results, there are still problems in the field of strategic planning. Thus, key performance indicators are not always linked to the needs of the population, the quality of the interrelationship between strategic and budgetary planning raise concerns, as well as a full out-of-the-office assessment of strategic and policy documents.

In addition, the modern society is facing new global challenges that have a significant impact on the economic, social and political life of our state. In this context, the urgency of developing competent strategic plans for state bodies responsible for the development of industries and spheres is increasing manifold. Therefore, the new methodology is focused on assessing the completeness and correctness of selected goals and objectives (target indicators and indicators), the effectiveness of their achievement.

In this connection, an objective need has arisen to assess the extent to which state bodies fulfill their obligations to citizens. Therefore, starting in 2017, a new direction of assessment will be introduced: „Interaction between state bodies and citizens“. 

In addition, in the methodology of assessment by the criterion of „personnel management“, it is planned to shift the emphasis to results instead of processes. This is due to the fact that the effectiveness of activities is at the center of the public service. Along with this, it is planned to use the assessment as a tool for evaluating reforms. Therefore, the new methodology focuses on two types of indicators:

- Results of the employee (including motivation and involvement of staff, satisfaction with working conditions);
- Results of administrative reform measures (including the procedure for assessing the effectiveness of civil servants pay based on work results).

The objectives facing the new valuation model require a significant revision and a system of indicators.

One of the technological innovations will be the automation of procedures for interviewing civil servants. Earlier, within of the criterion „personnel management“, a survey of civil servants was conducted. The process of collecting and processing the questionnaires required high time and efforts. To date, there is a need to improve the format and methods of interviewing civil servants. The demand for such a mechanism of feedback increases in the context of large-scale transformations of the public service system.
Conclusion

The analysis of the results of government agencies’ performance assessment in Kazakhstan revealed the strengths and weaknesses of this system.

1. Strengths of assessing the effectiveness of government agencies are the following: political support from the leadership of the country; presence of legislative base; evolutionary approach; availability of pilot experience; professionalism of appraisers; the application of evaluation at both the central and local levels of government; comprehensive explanatory work in state bodies, in the mass media, etc.

2. Weaknesses in assessing the effectiveness of government agencies include the following: a weak focus on results; presence of a conflict of interest; insufficient institutionalization; inadequate efficiency of assessment procedures; insufficiently effective dialogue between an assessor and an assessed state body; weak involvement of non-governmental organizations; lack of publication of assessment results in the media.

3. To achieve the goals of modernizing results-based management, it is necessary to ensure, within the framework of the state planning system, the following:
   - establishment and implementation of an integrated system of departmental and inter-agency planning and project management for the purposes and results of activities;
   - competitive distribution of resources between state bodies and control over achievement of the results of their activities;
   - development of key measurable indicators of efficiency and effectiveness of the activities of subjects of state planning in accordance with the strategic objectives of the state;
   - the introduction of technologies and goal-setting procedures that ensure the binding of goals to specific performers;
   - development of indicators that allow to adequately assess the degree of achievement of the set goals and actions of performers, undertaken to achieve these goals.

4. The methodological aspect of government planning requires significant modernization and revision of its regulations with a focus on the quality of planning. This issue has a direct impact on the objectiveness of the implementation of the performance evaluation of government agencies, as the introduction of incorrect reference data for evaluation leads to a distortion of evaluation results. Thus, today, the development and implementation of strategic and budget planning are developing apart from each other. In this case, the relevant issues are the quality control of the development of strategic planning and the consolidation of the necessary resources in it.
5. We would recommend to evaluate not the processes performed by a state body, but the actual end result of its activities when implementing and achieving strategic goals and objectives.

Thus, the effectiveness of the activities of state bodies should be determined not only by the magnitude of the economic effect, but primarily by the socio-political results of the activities of state bodies.

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Gulimzhan Suleimenova, Margarita Kadyrova, Aliya Kenzhebaeva

Anotacija

Šiuolaikinės viešojo administravimo sistemos sukūrimą nepriklausomame Kazachstane nuo dešimtojo dešimtmečio pradžios lydęjo naujų institucijų kūrimas ir įgyvendinimas. Viena iš tokų institucijų yra valstybės institucijų metinės veiklos vertinimo institucija, kaip priemonė, siekiant padidinti jų veiklos efektyvumą.


Straipsnis skirtas vyriausybės institucijų veiklos vertinimo sistemos sukūrimui ir jos įgyvendinimo ypatumams Kazachstane.

Gulimzhan Suleimenova - Associate Professor, Ph.D. in Economics, director of the Institute for Civil Servants Executive Education, Academy of Public Administration under the President of the Republic of Kazakhstan.
E-mail: Gulimzhan.Suleimenova@apa.kz

Margarita Kadyrova – Associate Professor, Ph.D. in Economics, Deputy director of the Institute for Civil Servants Executive Education, Academy of Public Administration under the President of the Republic of Kazakhstan.
E-mail: Margarita.Kadyrova@apa.kz

Aliya Kenzhebaeva – Associate Professor, Ph.D. in Economics, Academy of Public Administration under the President of the Republic of Kazakhstan.
E-mail: Aliya.Kenzhebaeva@apa.kz

Gulimzhan Suleimenova – Viešojo administravimo akademijos, pavaldžios Kazachstano Respublikos Prezidentui, Valstybės tarnautojų vykdomojo švietimo instituto direktorė, docentė, ekonomikos daktarė.
El. paštas: Gulimzhan.Suleimenova@apa.kz

Margarita Kadyrova – Viešojo administravimo akademijos, pavaldžios Kazachstano Respublikos Prezidentui, Valstybės tarnautojų vykdomojo švietimo instituto direktoriaus pavaduotoja, docentė, ekonomikos daktarė.
El. paštas: Margarita.Kadyrova@apa.kz

Aliya Kenzhebaeva – Viešojo administravimo akademijos, pavaldžios Kazachstano Respublikos Prezidentui, Valstybės tarnautojų vykdomojo švietimo instituto docentė, ekonomikos daktarė.
El. paštas: Aliya.Kenzhebaeva@apa.kz