

CONCEPTUAL APPROACHES REGARDING PERFORMANCE AND EVALUATION OF HUMAN RESOURCES WITHIN THE EU

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Abstract: *The potential of any organization depends, firstly, on its human potential. Human resource, especially through managerial activity, augments the material and financial potential of any organization. On the other hand, the public administration in Romania as an EU member state and elsewhere has been and still is subject to numerous criticisms concerning the functioning and quality of its provided services. The conducted research is characterized by a sequential approach. It begins by establishing the research goals, after that continues with establishing the research methodology, conducting effective research, presentation of the results representing the final stage of the paper. The overall objective of the conducted research is substantiating the importance of evaluation of human resources in public administration. Fulfilling this objective is done by pursuing and achieving the following general objectives: approaches to human resource management in public administration; highlighting the main aspects specific to the new public management (NPM); the new public management reform areas; corruption in public administration; conceptual approach in terms of performance and evaluation of human resources; performance measurement in public administration in Romania; basically a study showing the importance of evaluating human resources. Developments in the realms of economics in general and administrative sciences, in particular, raise the issue of performance measurement of the public administration in Romania from the EU perspective. There is a significant difference between the level of public services expected by citizens and the existing resources in public administration. Given this low level, an increase in the quality of these services would mean a performance increase recorded in the public sector. This paper will pursue the issue by conducting a synthesis of literature investigation. In this analysis, the paper took into account the definition of performance, based on a review of the literature and the relevant legal regulations. It took also into account an analysis on the performance measurement of the public administration in our country, as well as within the EU.*

Keywords: Human resource, managerial activity, new public management (NPM), organization, corruption, quality, services.

JEL classification: M12, M50.

Developments in the realms of economics in general and administrative sciences, in particular, raises the issue of performance measurement and public administration in Romania. There is a significant difference between the level of public services expected by citizens and the existing resources in public administration. Given this, an increase in the quality of these services would mean a performance recorded in the public sector. In this section will pursue the issue by conducting a synthesis of literature investigation and an analysis of an accounting regulations

In this section, we took into account the definition of performance, based on a review of the literature and the relevant legal regulations. It took into account an analysis on performance measurement in public administration in our country.

1. Performance considerations in public administration

Definition of performance is not an easy undertake, given the ambiguous nature of approaches found in literature. To best capture specific aspects of performance in public administration, Stefanescu et al. (2010, pp. 114-120) identifies 11 specific dimensions of its "connotations results, the quality and number of services offered to the public, the number of users who have used the services entity, professional quality of human resources available in the entity, the entity credibility, public funds allocated to the entity's use in terms of efficiency, effectiveness and economy of financial resources allocated to services to the public, attracting entity financial resources complementary to the public in order to achieve the objectives, the results that the public record due to services provided by the entity, existing market competitiveness and services offered by private sector entities".

Based on these dimensions, an approach to the concept of performance is made, the overall size, the economic dimension (including accounts).

2. Approaches regarding performance

Performance in its general sense, is characterized by a broader coverage, targeting "results (particularly good) obtained by someone in a sporting event", or "special achievement in a particular field" (dictionary of the Romanian Language). We presented this definition of the benchmark DEX role in trying to propose a significance snap picture performance in public administration.

In terms of economic approach, performance is defined by comparing the results with the effort (at the organizational level, consumption of factors of production) or by comparing these results with those planned results. A similar approach defines performance through overall productivity. A definition of overall productivity is "efficiency aggregate utilization of all factors of production to the level of an economic entity" (Angelescu et al., 2001, p. 350). A similar approach is met by Didier (1994, p. 182) who considers that the overall productivity expresses "overall performance or the overall effectiveness of the factors of production." Performance in the general sense, is defined as "the achievement of entity objectives, regardless of their nature and variety" (Bourguignon, 2000, pp. 931-941). Later, we encounter a different approach Djellal and Faiz (2007, p. 31), which considers the performance as "a social construction, a convention inciting adversarial proceedings". In defining performance, the two were the concepts of efficiency, effectiveness, economy and productivity, which it considers as forms of performance. A recent approach to performance in an economic sense is based on a three-dimensional logic: the efficiency, effectiveness, and the budgeting.

The literature on the concept of performance highlights two approaches from an economic perspective: by comparing forecasts with defined performance achievements or performance by defining global production. Defining performance in government agencies is an important first approach landmark. Since the government sector provides products not public in nature, addressing performance through global production is not required.

We believe that the approach in terms of managerial performance is a variant of performance seen in economic terms. Keywords underlying this approach are: economy, efficiency and effectiveness. These elements are fundamental to performance-based public management. The approach by comparing forecast performance achievements based on practical effectiveness. But the definition of performance in the public sector must take into account the efficiency.

In accounting, the performance has been defined from different approaches in the past twenty years. In the early 2000s, the performance was considered "a relative concept, because it involves comparing the results with those that would have been feasible" (Murray and Frenk, 2000, p. 1). Instead, performance is defined differently by Bertin (2007,

p. 273), who turn to social and societal performance. If social performance refers to the personnel policy effectiveness (identifying social problems, forecasting and determining their development and opportunity cost solution partner), societal performance refers to the effectiveness of the entity on its environment policy. A more complex approach has Colasse (2008, p. 53), which considers performance directly linked to notions of the growth, profitability, productivity, efficiency and competitiveness.

Criteria for assessing the performance has evolved over time (Glăvan, 2009, p. 10). If past performance assessment models were based on a single criterion, at present they are based on several criteria, expectations from various stakeholders: shareholders / associates, employees, customers, suppliers, public authorities, etc.

Starting from the specific approaches of the new public management and accounting regulations in the Netherlands, Bogt (2008, p. 236) considers that the performance of associated activities, output and outcomes, not inputs, is more important.

We must bear in mind that it is not sufficient that the performance factor has to be defined, it must also be measured. For example, Smith (1983, p. 155) believes that measuring performance in public administration can be successfully achieved if you clearly understand what needs to be measured, which translates to the fact that public sector organizations have clearly defined objectives. Smith believes that performance should be measured through indicators, so as to capture the areas where performance can be recorded unusual.

Another perspective on performance measurement is to use a set of indicators (Likierman, 1993, pp. 15-22) and (Smith, 1990, pp. 53-72). Indicators for measuring performance in the public sector by using their appropriate management tools must be very useful. Thus, through these indicators it can be seen if resources were effectively handed or wasted, ie if business management is appropriate. A research for a period of three years has focused on the work study of more than 500 mid-level managers or leading public sector organizations using performance indicators, Likierman considering four categories for the results of his research: concepts, preparation, implementation and use. Based on research, the author has in mind what each category to do and where performance indicators are implemented with the role of management tools. Such activities help the organization to use performance indicators for better effects, on the one hand, and on the other hand, a system of such indicators help to assess the managerial activity.

In 1996 Kaplan and Norton (1996, p. 322) suggest that performance is assessed on the basis of a monitoring system called balanced scorecard. Such a monitoring system helps the organization to adjust its strategies with concrete actions in the short term. Performance under the balanced scorecard, measure given the interdependent four directions: 1) objectives formulated by transposing vision of the organization; 2) communication strategy at all levels of the organization; 3) planning activity; 4) feedback and learning.

There have been attempts to implement performance evaluation system "balanced scorecard" in organizations of various public sectors. For example, the Institute for Clinical Evaluation in the Field of Natural Sciences (ICES) in Canada presented a report on the evaluation of the model performative balanced scorecard (Weir et al., 2009, p. 3). The four specific dimensions of the model are shown in Table. 2:

Table. 2: „balanced scorecard” model proposed by ICES for Clinical Evaluation in the Field of Natural Sciences

The determinant place and the factors existing in the health field	Community engagement
Resources and services existing in the health field	Integration and reaction capacity

Source: adapted after Weir et al., 2009, p. 3

Another example of using the balanced scorecard model was offered by Charlotte in North Carolina, US, who wanted the public services provided to be evaluated by obtaining answers to the following questions: Are the city services expected by citizens? Cost of services rendered is acceptable? Service may be provided in a better way? Technologies and skills used allow continuous improvement of the services provided? Another approach to public sector performance is that of Iribarne and Verdoux (2008, p. 47), proposing benchmarking to measure it. Thus, public organization aims positioning performance in relation to the environment.

To best capture the complexity of performance evaluation in public sector Bartoli (2009, p. 139) proposes to consider two aspects: evaluation of public policies at the macroeconomic level (measuring inputs) the effects on society of the actions taken following policies on the one hand, and on the other hand, evaluation of public policies at the microeconomic level by the impact of specific public service (as outputs) and the continued pursuit of functioning of public sector organizations.

Turning to public sector performance from an accounting perspective, retain its approach on an actual basis (Robert and Colibert, 2008, pp. 15-16, respectively Lande, 2008, p. 4). Actual accounting is considered as a measure of performance in the public sector because it will balance the costs incurred with the corresponding revenues. It is estimated, however, that the introduction of accounting on an actual basis requires a reform of public management primarily culturally, on the one hand, and on the other hand, considering the utility of managerial accounting information.

3. Defining and measuring performance in public administration organizations in Romania

The existence of a cash accounting scheme until a few years in the public sector organizations in Romania made it difficult to analyze the concept of performance in Romanian literature or specific national regulations.

Following the new public management and specific trend in Romania it passed actual accounting in the public sector since 2005 (regulated by the Minister of Public Finance no. 1917/2005).

Thus, analyzing the concept of performance becomes interesting in the context of the transition to basis actual accounting. Analyzing the Minister of Finance from 2005 to regulated accounting on an actual basis, it should be noted that the purpose of her own performance is addressed only twice. The first time it appears on the presentation of the object of public accounting "accounts (...) shall provide chronological and systematic registration, processing, publish and maintain information about the financial position, financial performance and cash flows for both internal requirements thereof, and for external users. " In this background it should be noted that performance measurement is addressed only in financial terms. This measurement is detailed in the second chapter of this legislation, "patrimonial result is an economic result that expresses the financial performance of a public institution or patrimonial surplus or deficit. This result is determined by source of funding in hand, and the total difference between income and expenditure in the current financial year". It may be noted that at the legislative level in public sector performance is addressed only in financial terms, as defined by patrimonial result (surplus / deficit). As we mentioned, the performance in the public sector is characterized not only by certain financial results.

Given that performance is limited to the financial spectrum, one should note that we need proposing a new dimension of performance measurement in public sector organizations: the performance by coercion (Stefanescu et al., 2009, pp. 193-196). The authors define this dimension as "restricting the degree to which the value of a type of X leads to budgetary revenue / income categories increase of extra budgetary or restricting the institution". Shortages in terms of budgetary resources to finance various public services, this approach seems one that should attract interest.

4. Performance in public entities addressed at international level

International accounting referential is a landmark both for public sector organizations, as providers of accounting information and for the general public, taxpayers and other partners, given their capacity of informed users. Thus, disclosures about financial and non-financial performance by public sector organizations is encouraged by the International Accounting Standards for Public Sector (IPSAS).

A landmark for public administration entities, as producers accounting information and citizens, taxpayers and other external partners, as users, is the international accounting referential. Thus, the International Accounting Standards for Public Sector (IPSAS) encourages entities to disclose information on financial and nonfinancial performance. In Table. 3 presents the link between the type of performance (financial or non-financial) and how to measure.

If the financial statements have a form and a standardized format in the national accounting rules, under International Accounting Standards for Public Sector, we find, on the basis of deregulation, only minimal information regarding the components of these financial statements, components that can have different names.

Table 3: Performance in public sector organizations

Performance typology	Financial performance	Nonfinancial performance
Measurement indicators	Net surplus at the reference period	Inputs
	Treasury score	Outputs
	Global score	Results
		Programs
		Processes or activities
		Organizational structure
		A mix of previous indicators

5. Redefining performance in local administration

There are several factors that make it difficult to define the concept of performance. Of these some deserve to be detained following: typology of public sector organizations, different perceptions regarding the concept of performance, variety of public services; users of performance information characterized by information asymmetry; the growing number of users of public services; the difference between the number of beneficiaries of public services and the number of those contributing to the establishment of public resources; lack of interest of managers of public sector organizations to finding additional sources of funding; non-existent correlation between financial and non-financial performance.

Given the particularities of public sector organizations, the performance can be defined by the extent to which the organization meet the expectations of public services. It must take into account the correlation between quality of public services expected of beneficiaries and financial, material and human resources of the organization. Measuring the performance of public sector entities should be made taking into account the following aspects:

- ✓ performance in economic terms: it is envisaged that public sector organization to meet the expectations of public service users with a cost as low as possible;
- ✓ Efficiency is to achieve the same results with less or better results with the same resources
- ✓ Effectiveness by comparing results obtained with the proposed objectives / outcomes to be achieved

- ✓ To obtain specific information, such as unit cost of services, value outputs (indicator nonfinancial) etc.
- ✓ Determination balanced scorecard model specific indicators, indicators for public sector organizations: the relevant factors in health; community engagement in the provision of public services; existing resources and services;
- ✓ Calculation and interpretation of indicators of social performance: it is envisaged policy on personal effectiveness
- ✓ Calculation and interpretation of indicators of social performance: organization involves measuring the effectiveness of public policy on the environment in which it operates
- ✓ Provide relevant information according to accrual accounting: requires disclosure exercise expenses closely with assigned revenue
- ✓ Determination that was done to obtain a performance by coercion: the extent to which the decrease of budgetary revenues lead to the identification / category of income growth or restricting extra-budgetary organization.

6. Measuring performance in public administration in Romania

As in any organization, the human resource from the public sector plays a very important role in achieving the targets and, consequently, the public service user satisfaction. Therefore, we consider that the organization's performance is directly influenced by human resource training and performance. If one takes into account financial performance, we have a complex picture of the organization's performance in the public sector.

6.1. Measuring performance in public administration organizations

In Romania, the specific components of financial statements that provide information on the financial performance of organizations in the public sector are: balance sheet, income statement, cash flow statement, statement of changes in the structure of assets / capital budget execution account (Table no. 4).

Table 4: Measuring public administration organizations performance through financial situations

Financial situations components	Financial indicator performance
Balance sheet	Patrimonial outcome
Results account	Patrimonial result
Treasury flux situation	Treasury result
Situation regarding the assets/capital structure	Global result
Budgetary execution account	Budgetary execution account

Source: Ștefănescu, A., Dobrin, C., Calu, D. A., Țurlea, E., Controverse privind măsurarea performanței entităților publice din România, *Revista Transilvană de Științe Administrative*, 1(25)/2010, pg. 238

Assets, liabilities and equity of the balance sheet are elements that provide information about the financial position of the organization. Balance sheet information based on the result highlights the patrimonial results is included in equity

To obtain detailed financial performance income statement should be analyzed based on the result patrimonial (surplus / deficit). This result is calculated as the difference between revenues and expenses in accordance with accrual accounting principles

Information on cash movements relating to the pursuit of operational, financial investment or emerge from the cash flow statement. For operational activity cash flows are determined cash inflows and current activity. Cash flows from investment activity is determined based on cash inflows and outflows related to sales and purchases of fixed assets. With regard to financing activities, cash flows are determined based on cash inflows and outflows related to loans received, received and repaid or other sources of funding

Information on the equity structure (funds, year result, retained earnings, revaluation reserves, influences change the calculation and recording of depreciation) can be obtained on the basis of the changes in the structure of assets / capital. On the other hand, are very important details of the ups and downs of each component of equity

In national accounting regulations it is not explicitly mentioned the role of the cash flow statement and statement of changes in the structure of assets / capital in the coverage performance of public sector organizations. However, the two elements mentioned above are useful in measuring the performance of public sector organizations. We said this because the cash flow statement highlights the cash flows of information that are of interest both for the organization and for recipients of public services, information on which can assess the degree of liquidity of the organization. On the other hand, the image of the organization's financial performance is complemented by the statement of changes in the structure of assets / capital by presenting comprehensive income. This includes revenues and expenses that are included in the patrimonial result and, consequently, in equity, but also elements that are found directly in equity.

The result is reflected in the budgetary account regarding the budget execution, which should be compared with the approved budget. The budgetary account includes all income received and payments made under the approved budget structure. Budgetary account contains information relating to: revenues (provided in the initial budget, definitive revenue, established entitlements, revenue realized) charges (credits provided in the initial budget, final appropriations, commitments set out in the initial budget, final commitments, payments, commitments statutory paid actual expenses).

As noted above, performing an analysis of financial statements can only measure financial performance. While in Romania, in terms of legal regulations, non-financial performance is ignored, internationally things are different, the importance given to non-financial performance is the same as that given to financial performance. In support of the claim made mention a study by IFAC Accountants Professional Staff Committee (2008) together with the Chartered Institute of Public Finance and Accountancy in the UK. The study was conducted on a sample of 250 public sector organizations at all levels in 41 countries (IFAC 2008). According to the study, 93.1% of organizations have set financial performance targets, while 91.6% have established non-financial performance targets.

Not everything in the financial statements at their fair value are used for assessing financial performance. Conservatism and financial arrears specific public sector organizations are to be used primarily budgetary account (integration possible on budget) and, consequently, the result of execution.

All these regulations used at national level have an impact on the movement of labor. Citizens who feel that the presence of hard regulations in the field of work affects their lives, usually they will move to find new jobs in the region. Changing a job, for some Romanians means changing the country of origin. According to Timofte 2011, "These fragmentations of the rights of citizens along the national borders and the European policy have created a new understanding of citizenship, which challenges the modern concept of it".

Conclusions

So to snap a picture as faithful performance of public sector organizations, we reiterate the idea that financial statements should include information on non-financial performance. To quantify the performance of non-financial believe it is useful to consider: the consequences that the services provided by the organization in the public sector have on quality of life, measures taken by the public authority for environmental protection, the intensity of support for people with disabilities attempts social inclusion of persons unsuitable rigors of civic and legal, initiating programs for disease prevention and environmental protection.

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