

## HR Performance Assessment to Boost Social climat of the company.

Case study: MIDI Dyeing Sarl/Zeralda , Algeria :During (2020-2021).

تقييم أداء الموارد البشرية لتعزيز المناخ الاجتماعي للمؤسسة

دراسة حالة: مؤسسة ميدي للصبغة ذات المسؤولية المحدودة /زرالدة ،الجزائر .2020-2021

<sup>1</sup>Frioua Nardjes

<sup>1</sup> University of Ali Lounici Blida 2, Algeria

Received: 12/06/2023; Accepted: 19/07/2023

**Abstract:** The purpose of this paper is to foster the understanding of a human resource performance assessment system, which has gradually become a systematic step and a noteworthy stage in the management of human resources. In addition, this system plays an important role in the company's social climate. The role of evaluation in human resources processes is no longer limited to recruitment, training, remuneration, productivity, but it's operationally affecting new dimensions that are impacting the motivation of human resources in the organization. In our case study in the MIDI dyeing company Sarl/Zeralda, In a case study that we found that there is a statistically significant effect relationship between the human resource performance appraisal system and human resource management at the  $p < \alpha (0.05)$ .

**Key words:** assessment, evaluation; performance; social climate ; human resources .

ملخص :

الهدف من هذه الدراسة هو تعزيز فهم نظام تقييم أداء الموارد البشرية و الذي هو جزء من العلاقات التعاقدية التي تجمع الرئيس و المرؤوس في العمل والذي أصبح بالتدريج خطوة منهجية و مرحلة جديدة بالذكر في تسيير الموارد البشرية . كذلك هذا النظام له دور هام في المناخ الاجتماعي للمؤسسة. أيضا مكانة نظام تقييم أداء الموارد البشرية لم يعد يقتصر علي وظائف التوظيف، التدريب، التأجير والإنتاجية، بل يتجه نحو أبعاد جديدة و التي تؤثر على تحفيز المورد البشري في المؤسسة . في دراسة الحالة التي أجريتها

في شركة MIDI للصباغة Sarl/Zeralda تم التوصل الى وجود علاقة تأثير ذات دلالة إحصائية بين نظام تقييم أداء الموارد البشرية و تسيير الموارد البشرية عند مستوى الدلالة  $0.05 \leq \alpha$ .

الكلمات المفتاحية: تقييم أداء، مناخ اجتماعي، تحفيز، موارد بشرية.

Résumé : L'objectif de cet article est de favoriser la compréhension d'un système d'évaluation des performances des ressources humaines, qui est progressivement devenu une démarche systématique et une étape notable dans la gestion des ressources humaines. En outre, ce système joue un rôle important dans le climat social de l'entreprise. Le rôle de l'évaluation dans les processus des ressources humaines ne se limite plus au recrutement, à la formation, à la rémunération, à la productivité, mais il touche opérationnellement de nouvelles dimensions qui ont un impact sur la motivation des ressources humaines dans l'organisation. Dans notre étude de cas dans la société de teinture MIDI Sarl/Zeralda, Dans une étude de cas que nous avons trouvé qu'il y a une relation d'effet statistiquement significative entre le système d'évaluation des performances des ressources humaines et la gestion des ressources humaines à la  $p < \alpha (0,05)$ .

Mots clés : évaluation ; performance ; climat social ; ressources humaines

## I- Introduction:

Assessment (Evaluation) is part of a company's operations and one of the most important bridges in human resource management. It provides an update on the capabilities and performance of the workforce in the enterprise. On the other hand, informal evaluation is a part of the manager's mission, and it is often accomplished by a formal assessment. Using established methods and techniques, the aim is to make a judgment about an individual's work, over a given period of time, or his performance, skills or his potentiality.

The same as in job analysis and evaluation, the evaluation involves searching for objectivity in the evaluation process. The latter is far from being purely instrumental : the individual and organizational challenges are important and sensitive, and the reactions of certain syndicate unions in the organizations that set it up can be a witness to this.

Evaluations also have other implications in terms of development, and staff retention and targeting setting. Thus, within the broad framework of skills management, moreover, performance evaluation also consists of several aspects.

Since evaluation is often a key factor in terms of employee motivation and productivity rates, it makes sense to look at the impact this process can have on the working relationships between the different social actors in the company.

The deterioration of the social climate entails significant costs linked to employee dissatisfaction, which manifests itself in individual behaviors such as lower productivity in the exercise of work, high rates of absenteeism and turnover, or in collective actions and social conflicts which can result in strikes and long-term social crises which disrupt the pace of work and entail high costs linked to the management of these crisis situations.( Landier , 2008,p31)

**A- The problem of the study:** In this article, we will focus on the impact of the assessment (Evaluation) system on the motivation of human resources and the it impact on Social climat of the company also.

What is the impact of the assessment (Evaluation) system on the motivation of the company's human resources?

### **B- Study hypotheses:**

**H1:** Human resources that are satisfied with their assessment (evaluation) system have the same degree of motivation as human resources who are not completely satisfied.

**H2:** A fair assessment (evaluation) system has a direct impact on the social climate of the company.

**H3:** A system for assessing HR performance cannot be an important part of the company's strategy.

### **1-1 Informal and formal evaluation system:**

#### **1-1-1 informal evaluation:**

It is an assessment, which the company carries out at any moment, during which the employee carries out his work, and this without any officially established program, criteria or evaluation techniques. Because of its nature, it is the most common form of evaluation. It doesn't ask for specific decision-making powers, because that's the responsibility of anyone who has subordinates under them.

Several SMEs carry out an informal evaluation, because their owners consider that the establishment of a formal evaluation program is difficult to

justify, due to the costs and administrative problems that this program may cause. (Armstrong Michael, 2006, p 45).

Informal evaluation thus encourages the evaluator not to inform the evaluator of the judgements made against him. Such a valuator would feel uncomfortable recommending a significant distinction between salaries and appraisals, based on informal appraisals.

### **1-1-2 formal evaluation:**

Formal evaluation is manifested in a performance evaluation program formally established by the company. It is the result of a process in which the employer has become aware of what is required for the evaluation of employees, such as the categories of employees to be evaluated, the basic criteria for the evaluation, etc. After the employer has established a formal evaluation program, it is necessary to decide who will assume responsibility for its management in the enterprise. The training section of the HR department of the organizational unit may well be responsible, or any other section, of the HR department of the same unit or that of the head office, etc. What is important is that the section that will take charge of the evaluation program, manages it so that the performance evaluation is based on the employee's ability to achieve the objectives set in the course of his work.

This moment can stimulate, regenerate trust, motivation, and create a mutual contract for what is going to be achieved.

It is a dialog that requires dexterity on the part of the evaluator, because this situation is very delicate for both partners and which also requires a specific or precise dosage since excess or lack can destroy everything. This is a balance that must be maintained to carry out maintenance.

### **2- Goals of HR Performance assessment:**

It allows the employee to get feedback on what they're doing. It is used to motivate and guide employees in their personal development of know-how and skills.

It allows the company to justify decisions and actions in the field of human resources (promotions, transfers, training ...). Some (like Deming, the quality guru) resent the evaluations pitting workers against each other in the race for compensation and reward. (W. Walker James, 2000, p68)

### **2-1 Dual role:**

It is difficult for managers to meet all objectives in a simple evaluation. On the one hand, they need objective assessments of past industrial performance, and on the other hand, employees need tools to enable managers to help individuals improve their performance, plan their future work, develop skills and career development opportunities and enhance the quality of their relationship, as managers and employees.<sup>1</sup>

### **2-2 Effective performance evaluation:**

The requirements of the evaluation vary according to the desired objectives, which in turn reflect the human resource issues addressed. This includes:

- provide feedback to the employee: constructive feedback resulting in improved performance.
- change performance forecasts: mutual acceptance of new performance targets or action plans. (Barbache Jack, 2000,p32 )
- developing performance skills: mutual acceptance of development action plans.
- support human resources actions: valid evaluations to support decisions on pay, promotion, employment.

All of these objectives should not fit into a single system, but into multiple, linked, and detailed systems. Performance evaluation is all the more effective if it is objective, uses appropriate techniques, involves employees, is well understood and is a responsibility accepted by management.

#### **2-2-1 Objectivity:**

Studies have shown that even with the use of formal systems, assessments are highly subjective.

They should be fair, impartial, fair, sincere, dispassionate and impersonal.

They are more objective when they are, prudently, based on performance expectations, on work-related requirements that should cover the why and how of work performance and include:

- the basic activities or roles required in the work,
- the particular activities required in particular cases,
- measurable or identifiable outputs resulting from performance.

In many respects, performance can be measured by direct observations. Normally, appraisals are conducted by a manager for each of his or her subordinates. Increasingly, however, many assessment processes involve multiple managers, co-workers, peers, and even clients.

### **3- team evaluation and development:**

In teams where development is very rapid, it is the elements unable to seize the opportunities of progress that leave.

This reversal of the situation may have external reasons; change in economic conditions, sudden decline in the industry.

However, it may also have internal causes such as poor management of human resources, structures, which may exclude efficient elements or do not reward them accordingly, for lack of sufficient plasticity of the management system.

There is a spiral of failure and a spiral of success. A valuation method can help companies avoid this kind of reversal. (Barney Jay B and Wright Patrick M, 1998, p76).

The purpose of evaluation is to make strategically relevant to individuals what is operationally desirable for the business.

There are structural necessities that push companies to organize the evaluation, but other cyclical conditions, such as the crisis, encourage its non-organization.

## **4- The Link Between Performance assessment and HR Motivation:**

### **4-1 Performance assessment can be used as a motivational tool:**

It is important to understand that performance evaluation gives its coherence and intelligence to a professional sanction: treatment of variable shares, bonuses and other advantages; career development and training, etc. It therefore has an immediate relationship to the motivation of the people. In this way, it is an act of

human resources management, and not only an operation of optimizing profitability.( Cattel J. Mck, 2012, p98).

The performance evaluation system should be able to measure the contribution of each individual, to encourage an increase in that contribution and to ensure a link with remuneration. Any implementation of a rational performance appraisal system should aim at objectives such as:

- Improve the management of human potential.
- Improve communication between staff.
- Mobilize management attention.
- Make staff decisions such as transfer and promotion more rational.
- To situate current and future capabilities and capabilities and to assess the potential of the performance curve.
- Analyze the situation in the position, taking into account effectiveness, recognition, working methods and personality.

According to Igalens J, Roger Alain 2007, p68). There are three broad categories of performance evaluation that have been developed and co-exist in succession: performance evaluation, assessment of achievement of objectives and measurement of potential for performance improvement.

Evaluation is no longer the sole responsibility of the organization seeking information to support its decisions on the basis of human resources motivation. However, evaluation is largely the business of the evaluators, hence the management of their careers, the restitution of the results of the evaluation, as a necessity to plan their own development. It should be noted, however, that the forms and methods for evaluating performance may differ according to the categories of professional staff and their working environment. (David A. Decenzo, 2011, p99).

#### **4-2 the relationship between HR retention and performance assessment:**

Louart 1991, defines loyalty as the "policy aimed at keeping certain employees in the organization". In other words, loyalty would be the "set of measures to reduce the voluntary departure of employees".

In fact, all these actions designed to make the individual “captive” could be described as detention practices. Indeed, it would appear that they are likely to develop more of a retention-type attachment link (based on the calculated interest in maintaining the relationship) rather than a loyalty-type attachment link (which is, admittedly, based on personal interest but also on identification with company values).

For Bruneteaux, (2005), loyalty means encouraging the mutual attachment and retention of certain highly skilled employees.

Loyalty would therefore be attracting and retaining highly qualified staff on a long-term basis and encouraging them to work, in accordance with the organization's values and interests, in order to make an employee attached to his business.

#### **4-2-1 Human Resources Loyalty Issues:**

The departure of efficient, competitive and competent employees creates high costs for any organization. HR loyalty therefore pursues a classic goal of retention of employees. Not all employees who feel the desire to leave their company manage to do so, resulting in a feeling of resignation and the search for compensation, in various forms, such as dysfunctional social behavior.

#### **4-2-2 Organizational Value Development:**

Assessing the human factor, in terms of resources, is the result of a movement by which it is allowed to reinvest a central position in the economic process of the enterprise. HR is much more than just an adjustment variable.

**Porter** (1986, p 95), in its value chain model, classifies human resources in the group of support activities, considering the cross-cutting nature of the function. The employee is involved in all stages of the value creation process.

Efficiency at work is the first level of involvement of Human Resources in the development of organizational value. This efficiency is expressed by the degree of participation in the act of production itself. In this way, employees can work within or beyond the prescribed framework by seeking clean solutions to ensure the continuity of production processes.

HR's contribution to organizational value is also at a second level. The one explained by voluntary withdrawal behaviors. For GUPTA and JENKINS (1986), these behaviors correspond to “voluntary responses to employment conditions

considered harmful, intended to increase the physical and/or psychological distance between the employee and the organization.”

The role of human resources management practices is essential here. They contribute to the creation of organizational value, by stimulating employees to develop effective behaviors at work while ensuring the maintenance of the organizational climate, with a view to ensuring their professional well-being.

#### **4-2-3 HR retention and learning organization:**

The learning organization is “the one whose members can constantly develop their capacities to achieve the results they seek, where new ways of thinking are developed, where collective aspirations are not curtailed, where people are constantly learning how to learn together.” This definition of the learning organization, formulated by Peter Senge, highlights the importance of developing knowledge in the enterprise. (Lepsinger Richard and D. Lucia Jossey Bass Antoinette, 2009, p54).

According to Yeung, Ulrich, and Stephen, the shift from a traditional to a learning organization is based on seven key components. (YEUNG Arthur K., ULRICH David, NASON Stephen 1999, p104).

The structure and coordination mechanism: The aim is to promote, create multifunctional teams and ensure the free dissemination of information, outside hierarchical channels.

Working methods and processes: The aim is to improve working conditions and promote the sharing and smooth flow of information.

Leadership: It involves training leaders in coaching and people who can help their teams succeed and achieve their goals.

Corporate culture: The aim is to create a corporate culture based on the importance of learning, the individual performance of individuals and thus their teams.

Competencies: The learning organization promotes staff rotation between positions and continuously monitors the development of their competencies.

Performance management: in the performance evaluation, learning capacity should be included as a measurement criterion, based on multiple stakeholders (peers, customers, suppliers, etc.).

Human resources: The human person therefore appears to be an important resource, which partly explains the shift from the term 'personnel management' to 'human resources management'.

## **II– Methods and Materials :**

**Study Community and Sample:** The study population is represented by the total number of managers from MIDI Dyeing Sarl/Zeralda, which number 120 workers During (2020-2021).

non-random sample was selected because of the unavailability of the sample frame from the workers of the institution carrying the study, 48% of the workers were 34.28% of the MIDI dyeing company Sarl/Zeralda, 30 % retrieved 40 workers at a rate of 28.57% of the community.

## **III- Results and discussion :**

The summary of the results obtained with the Duplicates and percentages.

concerns the evaluation system of the company MIDI Dyeing Sarl/Zeralda. These results allowed us to decide on the validity of our assumptions. We'll try to interpret them.

To collect the data from our study, we opted for the survey questionnaire technique.

**Hypothesis (H1):** Human ressources who are satisfied with their assessment (evaluation) system have the same degree of motivation as human ressources who are not completely satisfied.

**Question 1:** Can a poorly designed, misdirected and poorly applied assessment be the cause of your demotivation at work?

We note in this question (**table 1**) that the highest number of managers (65) see that the quality of the appraisal system can have a direct impact on their motivations. an overwhelming majority, or even an average of  $\frac{3}{4}$  of the middle managers' sample, consider that a flawed evaluation system has a negative impact on motivation to work.

This collective demotivation is linked to the apprehension of the impact of a non-objective assessment on the pay system (bonus) and career management.

The less clear demotivation of MIDI dyeing company Sarl/Zeralda managers is due to the fact that it concerns a working group, which is relatively old, does not expect any career prospects and is blasé by the inconsistencies of the evaluation system practiced. As a result, managers incentives to work may diminish because of their dissatisfaction with the performance appraisal system proposed by management. Executives believe that if they were assessed correctly, they would be much more motivated because the results of the assessment would be taken into account. This may mean that executives of our research companies are aware that evaluations can have significant career implications.

Therefore hypothesis (H1) is rejected.

**Question 2:** what are the actions you can demonstrate when you are demotivating in your work?

we can note in the **table (2)** the negative actions that employees can take in the face of a poor performance evaluation system.

Clearly, the refusal to apply a faulty evaluation system can result in passive resistance practices. Indeed, half and more of the middle managers of the MIDI dyeing Sarl/Zeralda company could see this inequity in the evaluation through absenteeism or a boycott of the assessment decisions, forms of rejection very detrimental to the production system. Disagreement with the line manager as a result of poor harmonization of the evaluation system is equally harmful, as it can lead to inconsistencies in the way human resources are managed and even to conflicts.

so, **hypothesis (H2):** A fair assessment (evaluation) system has a direct impact on the social climate of the company is accepted.

**Question 3:** Can a poorly designed, misdirected and poorly applied assessment be the cause of your demotivation at work?

Again, an overwhelming majority, or even an average of  $\frac{3}{4}$  of the middle managers' sample, (**table 3**) perceive a flawed evaluation system as having a negative impact on motivation to work.

This collective demotivation is linked to the apprehension of the impact of a non-objective assessment on the pay system (bonus) and career management.

The less clear demotivation of MIDI dyeing company Sarl/Zeralda managers is due to the fact that it concerns a working group, which is relatively old, does not expect any career prospects and is blasé by the inconsistencies of the evaluation system practiced.

**Question (4):** Can an unfair performance appraisal system eventually lead to the departure of your company, to integrate another competing company with a better appraisal system?

it can be seen (**table 4**) that a very large majority on average more than two thirds of managers in the sample who are discouraged by the evaluation system applied, are ready to leave their company to join a competing institution adopting a better evaluation system. This means that this company, in a favorable economic situation, may be penalized by a high turnover rate of middle managers, relegating to loss the investments made in their training, and above all, being able to pass on their experience, or even professional expertise, to the failing companies.

**hypothesis (H3):** a system for assessing HR performance cannot be an important part of the company's strategy is rejected.

#### **IV- Conclusion:**

Based on our practical research, we can say that the evaluation by line managers is not used to determine or know the performance bonus or bonus to which executives may eventually be entitled. This goes well beyond this quantitative objective, in that the act of evaluation involves an exchange between the evaluator and the evaluated. The evaluation should provide the evaluator with an opportunity to have a more objective and clear view of his or her individual skills and performance record. Above all, it must provide a clear vision as part of a strategic approach to human resources management. A balanced, integrated/accepted and efficient evaluation system can be an asset, even a competitive advantage, in the face of the fierce competition from companies in a globalized market.

However, to achieve this objective, the company must adopt a participatory approach in the implementation of the evaluation system (listening to the opinions of the evaluated before, during and after the evaluation), while working to convince employees of the validity of this management method.

Through the management responses, we noted that an unfair assessment can cause some negative effects that affect the social climate, such as: absenteeism, boycott and poor labor relations.

The assessment of individual performance presupposes the active participation of management and management in the planning of the objectives, contributions and expectations of the institution and of individuals. For this reason, the identification of objectives and the evaluation of results are carried out jointly by the manager and the subordinate level manager.

Indeed, for the evaluation of HR performance to be successful, there must be a climate of trust for the assessment to be carried out under good conditions. This trust must exist between managers and their employees. This will make it easier for subordinates to accept judgment from their superiors. There must also be trust between the subordinates and the company, because the appraisal/evaluation will reveal the strengths and weaknesses of the appraisals, which will make it possible to undertake actions targeted at them, in terms of training, promotion, remuneration...

Train staff and supervisors in the performance evaluation process. Performance assessment is not intuitive. Evaluators and staff should be trained on how to fill out forms, communicate with each other and define objectives.

Evaluations should be carried out on the basis of the achievement of objectives, which will facilitate the task of the assessor and make the assessment much more objective.

Include in the evaluation sheet the criteria of competence, performance, professionalism, achievement of objectives.

HRD with the Directorate-General should work for better communication and awareness of the evaluation system and its impact on employees and the company. The fact is that many people are unaware of the ins and outs (usefulness, criteria, objectives) of their own evaluation system.

## **V- Appendices:**

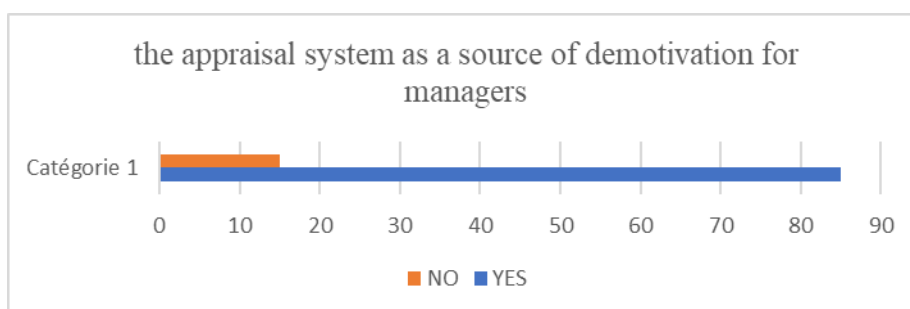
Question 1: Can a poorly designed, misdirected and poorly applied assessment be the cause of your demotivation at work?

Table

1: the	answers	yes	NO
	MIDI Dyeing Sarl/Zeralda	65%	35%

appraisal system as a source of demotivation for managers

Source: Prepared by the author on the basis of the survey results

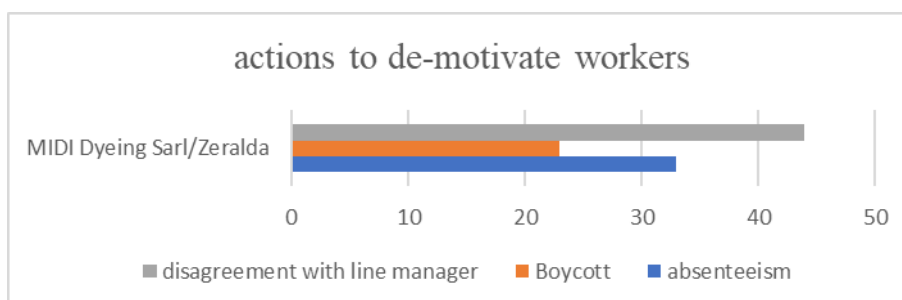


Source: Prepared by the author on the basis of the survey results

**Question 2:** what are the actions you can demonstrate when you are demotivating in your work?

answers	absent eeism	Bo ycott	disagreement with line manager
MIDI Dyeing SarI/Zeralda	33 %	23 %	44 %

Source: Prepared by the author on the basis of the survey results

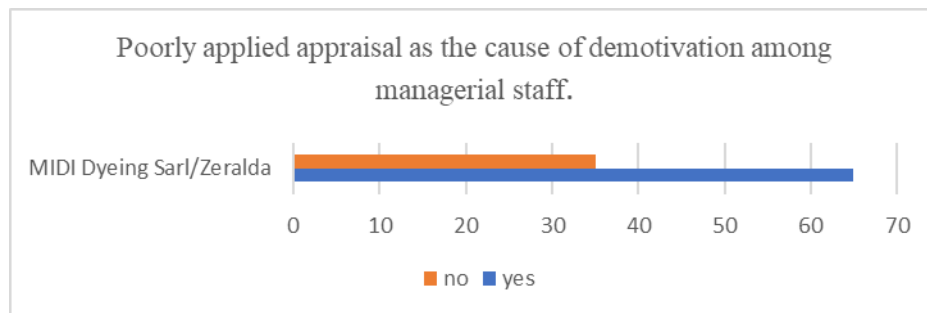


Source: Prepared by the author on the basis of the survey results

**Question 3:** Can a poorly designed, misdirected and poorly applied assessment be the cause of your demotivation at work?

answers	yes	No
MIDI Dyeing Sarl/Zeralda	65 %	35 %

Source: Prepared by the author on the basis of the survey results



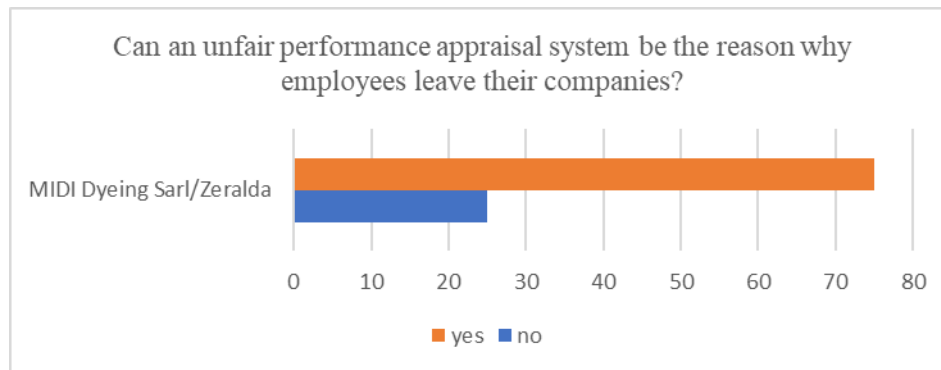
Source: Prepared by the author on the basis of the survey results

**Question (4):** Can an unfair performance appraisal system eventually lead to the departure of your company, to integrate another competing company with a better appraisal system?

**Table 4:** unfair performance appraisal system eventually lead to the departure of your company, to integrate another competing company with a better appraisal system

answers	No	yes
MIDI Dyeing Sarl/Zeralda	25 %	75 %

Source: Prepared by the author on the basis of the survey results



#### **VI- Referrals and references:**

- 1-LANDIER Hubert (2008): Evaluate your company's social climate, Eyrols edition, Paris.
- 2-ARMSTRONG Michael, (2006): performance management Key strategies and practical guidleness, 3rd edition Kogan, Dubai.
- 3-Alain Roger ,Jacques Igalens(2007): Master's degree in human resources,Eska edition,Paris
- 4-GUPTA and JENKINS (1986): Are Financial Incentives Related to Performance? A Meta-Analytic Review of Empirical Research , Journal of Applied Psychology  
Published by American Psychological Association, 83(5).
- 5-BARBACHE Jack, (2000): Theories and Concepts in Comparative Industrial Relation, Univ of South Carolina Press, Paris
- 6-BARNY jay B and Wright .Patrick M., (1998): On becoming a strategic partner: The role of human resources in gaining competitive advantage, Dubai.
- 7-CATTEL J. MCK. ,Mental Tests and Measurements ,by University of Illinois Press, Dubai.
- 8-DAVID A .DECENZO, (2011): human resource management, international student version, Dubai.
- 9-FALCONE Paul and WINSTON TAN AMACON, (May 2014): the performance appraisal tool kit, Dubai. .
- 10-JAMES.N, BARON David and M.KREPS,(2012) : strategic human resources: frameworks for general manager, Dubai.
- 11-Louart (1991): Human resources management in supplier-partner companies: the impact of the purchasing policy of a major client group, Revue internationale P.M.E, Volume 11, numéro 2-3, Presses de university du Québec.

