

CONTEMPORARY APPROACHES TO PERSONNEL PERFORMANCE EVALUATION

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In the context of rapid economic changes, increased competition, and growing uncertainty, effective personnel performance evaluation plays a crucial role in ensuring sustainable enterprise development. Modern organizations increasingly recognize human capital as a strategic resource, which requires the application of objective, flexible, and development-oriented evaluation systems. Traditional assessment methods, focused mainly on control and standardization, are gradually being supplemented or replaced by integrated approaches that combine quantitative performance indicators with qualitative behavioral assessment.

The purpose of these theses is to analyze modern methods of personnel performance evaluation, identify their key advantages and limitations, and substantiate the effectiveness of combining quantitative tools, such as Key Performance Indicators (KPI), with qualitative methods, particularly 360° Feedback, in contemporary human resource management practice.

To better illustrate the characteristics, advantages, and limitations of these approaches, table 1 presents a comparative analysis of traditional and modern personnel evaluation methods. This comparison allows for a clear understanding of how each method functions in practice, highlighting the evolution from control-oriented systems toward development-focused, integrated approaches.

Table 1. Characteristics of traditional and modern methods of evaluating staff performance

Method	Essence of the method	Example of application	Main advantages	Main disadvantages
Forced Ranking	Employees are ranked according to performance (20-70-10 %) with subsequent HR decisions	General Electric, Microsoft	Clear differentiation of performance, stimulation of competition	Demotivation of the majority of employees, conflicts
Graphic Rating Scale	Employee evaluation using fixed scales based on selected criteria	Widely used in organizations of various industries	Simplicity, speed, standardization	Subjectivity, limited development orientation
Essay Appraisal	Written descriptive evaluation of employee performance and behavior	Public institutions, large corporations	In-depth analysis, consideration of behavioral factors	Time-consuming, difficult to compare employees
Key Performance Indicators (KPI)	Measurement of performance based on key indicators aligned with strategic goals	Amazon	Transparency, strong link to motivation and rewards	Risk of formalism

Balanced Scorecard (BSC)	Integrated evaluation system combining financial and non-financial indicators	IBM, Siemens, Coca-Cola	Strategic focus, system approach	Complexity of implementation
360° Feedback	Multi-source evaluation based on feedback from managers, peers, subordinates and self	Google, GE, Nestlé	Higher objectivity, development of soft skills	Esquires a culture of trust
Management by Objectives (MBO)	Joint goal setting and performance evaluation between employee and manager	Microsoft, HP, P&G	Alignment of individual and organizational goals	Dependence on quality of goal setting

Developed by authors based on [1; 2; 3;4; 5; 6]

The comparative analysis presented in Table 1 demonstrates the evolution of personnel performance evaluation from control-oriented and standardized methods to more flexible and development-focused approaches. Traditional evaluation methods, such as Forced Ranking, Graphic Rating Scale, and Essay Appraisal, are primarily aimed at measuring results and ensuring managerial control, but often lack a developmental perspective.

In contrast, modern methods, including Key Performance Indicators (KPI), Balanced Scorecard (BSC), 360° Feedback, and Management by Objectives (MBO), provide a comprehensive assessment by integrating quantitative performance indicators with qualitative behavioral and motivational components. These approaches support strategic alignment, enhance employee motivation, and contribute to sustainable organizational development.

The analysis confirms that the most effective personnel performance evaluation systems are based on a balanced combination of quantitative metrics and qualitative feedback tools, which increases objectivity and supports continuous professional development [7; 8].

In modern human resource management, the Key Performance Indicators (KPI) system is one of the most widely used tools for personnel performance evaluation. This approach is based on the definition of measurable indicators that reflect the achievement of strategic and operational objectives at both individual and organizational levels. By translating strategic goals into concrete performance metrics, KPI ensures alignment between employee contributions and overall enterprise performance.

KPI indicators typically assess aspects such as productivity, quality, efficiency, costs, and customer satisfaction and are developed in accordance with the SMART principles, which ensure clarity and objectivity of evaluation. The application of KPI enables continuous performance monitoring, structured feedback, and informed managerial decision-making regarding motivation and rewards.

At the same time, the KPI system has certain limitations, including the risk of excessive focus on quantitative indicators, reduced flexibility, and the need for regular revision to maintain relevance in a dynamic business environment [5].

Complementing KPI, the 360° Feedback method provides a broader and more qualitative perspective on employee performance. This approach collects feedback from multiple sources—managers, peers, subordinates, and the employee themselves – to evaluate professional behavior, competencies, and interpersonal skills, as shown in figure 1.

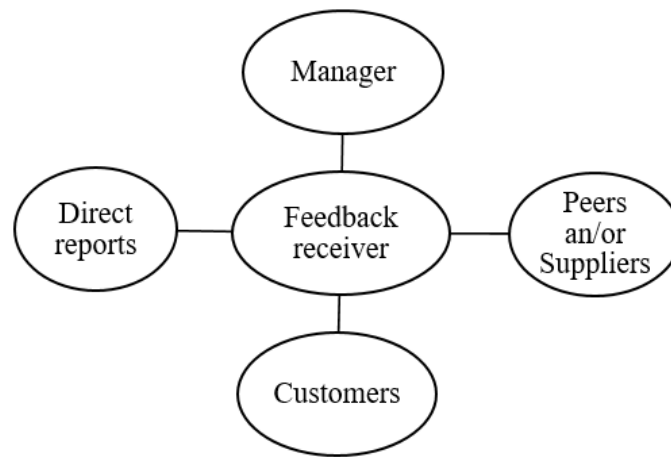


Fig. 1. 360° Feedback panel illustrating the multiple sources of evaluation [3]

The 360° Feedback method complements quantitative performance evaluation by providing a multidimensional assessment of employee behavior and competencies. It is based on collecting feedback from multiple sources, including managers, peers, subordinates, and self-assessment, which increases objectivity and reduces individual bias. This method is particularly effective for evaluating leadership potential, communication skills, teamwork, adaptability, and other soft skills that are difficult to measure using quantitative indicators.

The integration of KPI and 360° Feedback ensures a balanced approach to personnel performance evaluation. While KPI focuses on measuring the achievement of objectives and tangible results, 360° Feedback assesses the behavioral and interpersonal aspects of performance. Such a combination allows organizations to evaluate not only what results are achieved, but also how they are achieved.

In practice, the combined use of KPI and 360° Feedback enhances the transparency of performance management, supports employee development, and provides a sound basis for managerial decisions related to motivation, training, and career development. This integrated approach contributes to improved employee engagement and sustainable organizational performance in a dynamic business environment.

In the current environment of high competition and rapid market changes, the combined approach to personnel evaluation – using KPIs to measure concrete results and 360° Feedback to assess behavioral competencies, motivation, and teamwork – is the most effective. This integration ensures a balance of quantitative and qualitative indicators, increases evaluation objectivity, stimulates professional development, and supports the achievement of the enterprise's strategic goals. In modern conditions, this approach enables organizations to adapt quickly, maintain productivity, and foster a culture of open feedback [9].

Conclusions. Employee performance evaluation has evolved from isolated quantitative measurements to integrated systems that combine economic, behavioral, and motivational components. Modern enterprises are increasingly using development-oriented appraisal methods to improve both individual and organizational performance. The use of key performance indicators (KPIs) provides an objective measurement of results and alignment between individual performance and organizational strategy, while the 360° feedback method provides a comprehensive assessment of behavioral competencies, teamwork, and leadership potential.

The integration of KPIs and 360° feedback allows for a balanced assessment of both performance results and the methods used to achieve them, increasing objectivity and supporting continuous professional development. In today's highly competitive and rapidly changing environment, such integrated assessment systems contribute to informed management decisions, increased employee engagement, and sustainable business development.

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