

Performance appraisal involves planning, encouraging, and evaluating employees' contributions to the public sector's performance. It is a crucial tool for improving staff performance, identifying skills and performance gaps and motivating public servants. It is also a key component to install a performance-oriented administrative culture in public sector institutions.

The performance appraisal subsystem within IDB's methodology includes three critical points, which assess the following factors: definition of guidelines and standards of expected performance; monitoring of personnel performance throughout the management cycle; and completion of staff appraisals compared to standards of expected performance.

Although the average score for this subsystem rose from 25 to 31 points out of 100) between 2004 and 2012/2015, it remains the most underdeveloped area within the HRM agenda in Latin America. While most countries of the 16 countries assessed improved their performance since 2004, the majority of them started from a very low baseline.

Countries with relatively high performance such as Chile, Costa Rica and Brazil, apply complementary instruments that make full use of staff appraisal and help to decrease its costs. These instruments include: institutional or working group evaluation as a complement to individual evaluations, which tend to be less subject to distortionary practices; evaluation of senior executives, which are conducted on a small but strategic segment and based on performance agreements (mainly in Chile, but also in Peru); and a consolidated performance management framework, with policies and guidelines that provide greater systemic coherence and help consolidate the transition from a concentrated, bureaucratic, and low-value system to a more integrated and agile one.

In most of the remaining countries, performance appraisals that are conducted annually in accordance with the rules tend to have a formal or ritualistic character and fail to add any value. This fact makes them an inefficient instrument for decision making. According to the evidence of the assessment there are three common factors that negatively affect the effectiveness of performance appraisal in Latin American governments:

First, because the legal framework tends to establish the automatic dismissal of civil servants for poor performance and, in some cases, the loss of monetary bonuses for failing to reach targets, it provides incentives for benevolent bias by evaluators, as they tend to prioritise a good working environment – and a better relationship with the unions – over the generation of outputs.

Second, there are usually inconsistencies, deliberate or not, in establishing objectives, goals, and indicators at the individual level.

Third, due to the high transaction costs involved and because of the emphasis placed on other HR policies (for example, competitive hiring), performance appraisal is not always a priority for public sector managers.

Several countries such as Peru, Ecuador, Dominican Republic and Paraguay have started to strengthen performance appraisal gradually, by reviewing technical instruments, training HR units in line ministries and/or piloting experiences.

Methodology and definitions

In 2003, the governments in the region signed the ICPS, which defines the basis of a professional and efficient civil service and provides a generic framework of guiding principles, policies, and management mechanisms needed to build it. After defining this common framework, the countries – with the support of the IDB – established a baseline to measure the extent to which their own civil service systems were aligned with these principles and practices, using a methodology with critical points linked to the civil service subsystems of the ICPS. Data for a second measurement were collected through individual country diagnostics between 2012 and 2015. Further details about the construction of the composite indicators can be found in Annex A.

Further reading

Iacoviello, M. and L. Strazza (2014), "Diagnostic of the Civil Service in Latin America", in J.C. Cortázar, M. Lafuente and M. Sanginés (eds), *Serving Citizens: A Decade of Civil Service Reforms in Latin America (2004-13)*, Inter-American Development Bank, Washington, DC., <http://publications.iadb.org/handle/11319/6636>.

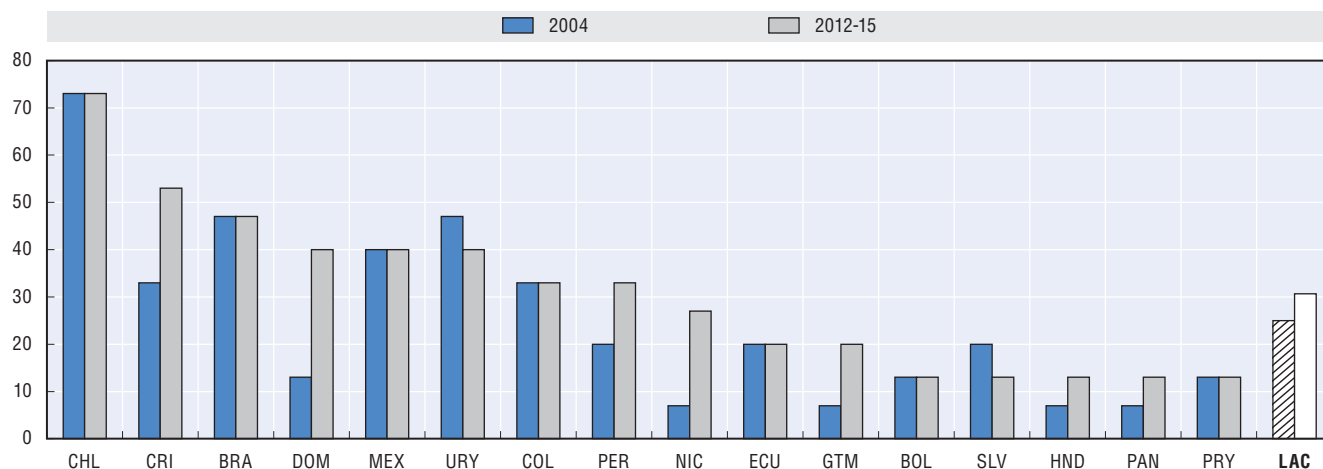
IDB (2016), database available at: <https://mydata.iadb.org/Reform-Modernization-of-the-State/Civil-Service-Development-Index/ddw5-db4y/about>.

Figure notes

6.5 and 6.6: Timing of the second assessment per country was the following: Ecuador and Peru (2015); Bolivia, Brazil, Chile, Colombia, Paraguay and Uruguay (2013); Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama (2012).

6.5. performance appraisals (2004, 2012-15)

Scale 0 to 100, with 100 being the best possible score



Source: Inter-American Development Bank (IDB) (2014).

StatLink <http://dx.doi.org/10.1787/888933431323>

6.6. Performance appraisal: Scores per Factor over 2012-15

Scale 0 to 5, with 5 being the best practice

	Definition of guidelines and standards of expected performance	Monitoring of personnel performance throughout the management cycle	Completion of staff appraisals compared to standards of expected performance
Bolivia	1	0	1
Brazil	2	3	2
Chile	4	3	4
Colombia	2	1	2
Costa Rica	3	3	2
Dominican Rep	2	2	2
Ecuador	1	1	1
El Salvador	1	0	1
Guatemala	1	1	1
Honduras	1	0	1
Mexico	2	2	2
Nicaragua	2	1	1
Panama	1	0	1
Paraguay	1	0	1
Peru	2	1	2
Uruguay	2	2	2

Key:

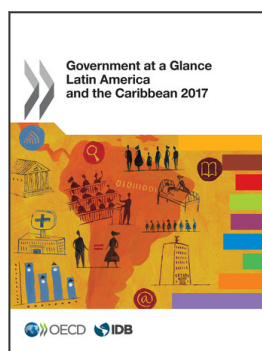
0-1 Low

2-3 Medium

4-5 High

Source: Inter-American Development Bank (IDB) (2014).

StatLink <http://dx.doi.org/10.1787/888933431749>



From:

Government at a Glance: Latin America and the Caribbean 2017

Access the complete publication at:

<https://doi.org/10.1787/9789264265554-en>

Please cite this chapter as:

OECD (2016), "Performance appraisal", in *Government at a Glance: Latin America and the Caribbean 2017*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264265554-32-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.