

In Rīga, July 10, 2012

Regulation No. 494
(Protocol No. 39, §24)

**Regulations on the Evaluation of Work Performance of Employees in Direct
Administration State Institutions**

*Issued in accordance with
Paragraph 6, Section 63 of the "Labour Law"
and Paragraphs 2, 3 of Section 35
of the "State Civil Service Law"*

I. General Provisions

1. The regulations stipulate procedure for evaluation of work performance of employees (civil servant, employee, official) (hereinafter – Employee) in state institutions of direct administration (hereinafter – Authority).

2. The performance evaluation has the following objectives:

2.1 to set goal-oriented individual objectives and tasks for an employee in line with the objectives and tasks of the structural unit and Authority;

2.2 to evaluate performance of an employee according to evaluation criteria;

2.3 to identify employee's development and training needs;

2.4 to identify employee's professional development opportunities;

2.5 to identify the necessary changes to the job description;

2.6 to offer directions for the interview between an employee and his or her line manager (hereinafter – Head) on work performance, and to provide regular feedback;

3. The process of evaluation of work performance consists of the following stages:

3.1 the planning of work performance;

3.1.1 the identification of objectives and tasks;

3.1.2 the agreement on requirements for discharge of official duties;

3.1.3 the preferred course of action in line with competence;

3.1.4 the defining of professional qualification requirements;

3.2 the updating of work performance, at least once a year by reviewing work performance in accordance with the requirements set for position, objectives and tasks, and determining the status of performance.

3.3 the evaluation of work performance through performance analysis and assessment in accordance with the criteria set forth in Paragraph 29 of these regulations;

3.4 the performance appraisal interviews (hereinafter – Interviews) between a Head and an Employee to analyse the results of work performance evaluation and agree on the content of the work performance evaluation protocol.

4. The work performance shall be evaluated:

4.1 annually for an Employee, or once every two years – for a Head of the Authority;

4.2 repeatedly;

4.3 before the probationary period expires;

4.4 after prolonged justified absence (for example, maternity leave, training, sickness) – within six months after return;

4.5 in other cases to determine the qualification degree (for example, if there is no probationary period).

5. The Employee work performance shall be evaluated by his/her Head.

6. The planning and evaluation of work performance shall be carried out in the state information system "Information System of the Electronic Evaluation Form) (hereinafter – NEVIS system), managed by the State Chancellery. In NEVIS system, the work performance evaluation form (hereinafter – Form) (Annex 1) shall be filled out and, if necessary, the work performance evaluation protocol (hereinafter – Protocol) shall be printed (Annex 2). If it is not possible to evaluate work performance in NEVIS system, the Protocol shall be filled out and printed.

II. Performance Planning for the Next Period

7. Starting the annual work performance planning in the Authority, the Head of the Authority shall set time-limits for implementation.

8. Individual objectives and tasks for next evaluation period shall be set for Employees, except performers of physical and qualified work. The Head and Employee together shall set objectives and tasks.

9. If work performance has to be evaluated in cases mentioned in Paragraphs 4.3, 4.4 or 4.5 of these regulations, the objectives and tasks of an Employee shall be set for specific evaluation period, the competences and training and development needs, if any, upon the commencement of employment and legal relations of service, continuing employment or service or returning to work after prolonged justified absence.

10. Not more than 10 achievable objectives and tasks corresponding to the position, which meet the employee's skills and experience, shall be set for the evaluation period. The percentage of relative importance (weight) is assigned to each objective or task in relation to the total sum of individual objectives and tasks, i.e. 100 %. The proportion for one objective or task shall not be less than 10 %.

11. The objectives and tasks shall be regularly revised, specified and updated at least once a year by mutual agreement between the Head and the Employee, while the Authority may also determine more frequent updating of objectives and tasks.

12. In the stage of updating the objectives and tasks, it is possible to correct previously set objectives and tasks and set new objectives and tasks, while reviewing the percentage of their relative importance (weight). During this period, the Employee shall have the right to make specifications in NEVIS system.

13. According to performance of an objective or task, the Employee shall have the right to determine the following status of work performance in NEVIS system:

13.1 "unstarted" – activity has not been started yet;

13.2 "started" – activity is initiated and accomplished at the 30% level;

13.3 "partially accomplished" – activity is initiated, the objective or task is partially accomplished (about 70 %);

13.4 "accomplished" – the objective or task is fully (100 %) accomplished;

13.5 "exceed" – accomplishment of the objective or task exceeds 100 %;

13.6 "transferred to the next period" – objective or task has been transferred to the next period;

13.7 "not urgent" – the objective or task has lost its topicality.

III. The Process of Evaluation of Employee Work Performance

14. When starting the annual evaluation of work performance, the Head shall develop a plan for work appraisal interviews in his or her structural unit, providing time for the Employee to prepare for the interview and time for interviews with Employees.

15. The work performance evaluation in the Authority shall be started by creating a new form in NEVIS system while determining the competences to be evaluated, or by filling out the column "Title" in section "Competence Evaluation".

16. Before the interview, the Employee shall fill out the form in NEVIS system, except the fields "Grading" and "Comment by Head", and shall send it to the Head.

17. The Head shall examine the form or Protocol provided by the Employee and perform evaluation by filling out section "Grading" and adding a comment in fields "Comment by Head" if the grading is "unsatisfactory", "needs to be improved", "very good" or "excellent".

18. The completed forms or Protocols shall be used in interviews. During the interviews, the following shall be analysed - the attainment of objectives and fulfilment of tasks set in the previous period, the discharge of official duties, the Employee conduct according the competence action indicators and the professional qualification by mutually expressing arguments that justify the evaluation. The efficiency of training and development activities in the previous period shall be analysed, the training and development needs for the Employee shall be determined for the next period, as well as possible professional growth, changes needed to the job description, and objectives and tasks for the next evaluation period shall be set, if possible.

19. Following or during the interview, the Head and Employee shall, if necessary, supplement or specify the content of the form or Protocol and fill out the fields "Final Comment by Employee" and "Final Comment by Head". If NEVIS system is not used, the Head shall approve the Employee's form. If the Employee and Head agree on additional competences to be evaluated or set additional professional qualification requirements for next evaluation period, they shall be indicated in the field "Final Comment by Employee" or "Final Comment by Head".

20. Also other persons, who may present opinion on Employee's work performance may be involved in the process of work performance evaluation by organizing extended (180-degree) competence evaluation (hereinafter – Extended Evaluation) (Annex 3), that is taken into account in determining the final competence evaluation. The Head of the Authority or a person authorized by him or her shall determine positions for which the Extended Evaluation shall be performed. The Extended Evaluation may be performed by colleagues of the Employee, other Heads, cooperation partners, customers, as well as representatives of non-governmental organizations. Self-assessment of the Employee and immediate supervisor is mandatory in Extended Evaluation.

21. The Employee and the Head may agree that the Protocol is stored in electronic form in NEVIS system or in the personnel record-keeping and shall be printed at Employee's request. If the work performance evaluation Protocol is printed, it shall be signed by the Employee and the Head, as well as approved by the Head or a person authorized by him.

IV. Process of Evaluation of Work Performance of the Head of the Author

22. The performance of the Head of the Authority shall be evaluated at least once every two years (at the end of probation period and in the annual evaluation) by the Evaluation Commission (hereinafter – Commission). The Commission shall be set up by respective member of the Cabinet of Ministers.

23. The Commission shall be composed of at least five members from the list of individuals, that, according of Paragraph 1, Clause 1 of Section 9 of the State Civil Service Law has been approved by the Cabinet of Ministers. In order to evaluate work performance of the Head of the Corruption Prevention and Combating Bureau, a Commission shall be established in composition of five members. 24. To evaluate the Head of Authority, in addition the Extended Evaluation (360-degree) may be performed (Annex 3). The form of Extended Evaluation is the annex to the form or Protocol.

25. The respective member of the Cabinet of Ministers shall approve the list of individuals who participate in Extended Evaluation.

26. The Extended Evaluation may be performed by subordinates of the Head of the Authority, other senior level managers, cooperation partners, customers, as well as representatives of non-governmental organizations. The Extended Evaluation shall require compulsory self-assessment by the Head of the Authority and Commission's evaluation.

27. The extended evaluation shall be performed prior to annual work performance evaluation, and members of the Commission shall take into account its results in determining the final grading of competences.

28. The Head of the Authority and the Commission may agree that the Protocol is stored in electronic form in NEVIS system or in the personnel record keeping of the Authority, and it shall be printed at the request of the Head of the Authority. If the Protocol of work performance evaluation is printed, it shall be signed by the Head of the Authority and approved by respective member of the Cabinet of Ministers.

V. Evaluation of Work Performance in the Annual (Previous) Period

29. The work performance of the Employee for the previous period shall be evaluated by analyzing and evaluating the following:

29.1 result-oriented criteria:

29.1.1 attainment of objectives and performance of tasks;

29.1.2. discharge of official duties in compliance with requirements;

29.2 contribution criteria:

29.2.1. competence development level;

29.2.2 conformity of professional qualification.

30. Analysing the Employee's result-oriented criteria, the following shall be analysed:

30.1 fulfilment of individual objectives and tasks arising out of objectives and tasks of the Authority and respective structural unit, and including part of responsibility of what the Authority has to achieve;

30.2 compliance of performance of official duties to be individually performed with requirements and standards set forth in job description;

31. Assessing the Employee's contribution criteria, which ensure attainment of objectives and fulfilment of tasks, the following shall be analyzed:

31.1 employee conduct according job competences and their action indicators;

31.2 professional qualification of the employee, taking into account compliance of education, professional experience, professional and general knowledge and skills to requirements set forth in job description.

32. If the professional qualification criteria have not changed, the professional qualification may not be evaluated upon mutual agreement between the Employee and the Head, and the last evaluation of professional qualification may be used.

33. The positions of Employees of direct state administration are grouped in the following groups according to their principal function:

33.1 the policy planners;

33.2 the policy implementers;

33.3 the performers of support functions;

33.4 the performers of physical and qualified work;

33.5 the managers:

33.5.1 the lower level managers who manage lower- level structural unit;

33.5.2 the medium-level managers who manage the highest level structural unit;

33.5.3 the highest level managers – Head of Authority and his/her deputies.

34. The subdivision of positions in groups and competences to be compulsory evaluated for groups of positions shall be determined by the Head of the Authority or a person delegated by him or her. The competence "Ethics" shall be compulsory evaluated for groups of positions.

35. The competences shall be evaluated in accordance with the action indicators defined (Annex 4), taking into account the following conditions:

35.1 At least three of the following competences shall be evaluated for policy planners:

- 35.1.1 analytical thinking;
- 35.1.2 work in team;
- 35.1.3 initiative;
- 35.1.4 communication;
- 35.1.5 conceptual thinking;
- 35.1.6 focus on development;
- 35.1.7 planning and organizing;
- 35.1.8 creative thinking and innovation;
- 35.1.9 flexible thinking;
- 35.1.10 self-dependence;

35.2 At least three of the following competences shall be evaluated for policy implementers:

- 35.2.1 analytical thinking;
- 35.2.2 work in team;
- 35.2.3 initiative;
- 35.2.4 communication;
- 35.2.5 focus on development;
- 35.2.6 focus on customer;
- 35.2.7 focus on results;
- 35.2.8 planning and organizing;
- 35.2.9 flexible thinking;
- 35.2.10 self-dependence;

35.3 At least three of the following competences shall be evaluated for performers of support functions:

- 35.3.1 work in team;
- 35.3.2 initiative;
- 35.3.3 communication;
- 35.3.4 focus on customer;
- 35.3.5 planning and organizing;
- 35.3.6 care for order, accuracy and quality;
- 35.3.7 responsiveness;

35.4 At least two of the following competences shall be evaluated for performers of physical and qualified work:

- 35.4.1 work in team;
- 35.4.2 initiative;
- 35.4.3 communication;
- 35.4.4 focus on customer;
- 35.4.5 planning and organizing;
- 35.4.6 care for order, accuracy and quality;

35.5 At least three of the following competences shall be evaluated for lower-level managers:

- 35.5.1 employee motivation and development;
- 35.5.2 initiative;
- 35.5.3 conceptual thinking;
- 35.5.4 team management;
- 35.5.5 focus on development;
- 35.5.6. planning and organizing;
- 35.5.7 focus on results;
- 35.5.8 ability to make decisions and take responsibility;

35.6 At least four of the following competences shall be evaluated for medium-level managers:

- 35.6.1 building and maintaining relationships;
 - 35.6.2 employee motivation and development;
 - 35.6.3 team management;
 - 35.6.4 conceptual thinking;
 - 35.6.5 focus on development;
 - 35.6.6 focus on results;
 - 35.6.7 change management;
 - 35.6.8 planning and organizing;
- 35.6 ability to make decisions and take responsibility;

35.7 At least five of the following competences shall be evaluated for senior-level managers:

- 35.7.1 building and maintaining relationships;
- 35.7.2 employee motivation and development;
- 35.7.3 team management;
- 35.7.4 awareness of organizational values;
- 35.7.5 focus on development;

- 35.7.6 focus on results;
- 35.7.7 change management;
- 35.7.8 ability to make decisions and take responsibility;
- 35.7.9 strategic vision.

36. The Employee and the Head may agree on additional competences to be evaluated. The Head in the specialized state civil service may define other additional competences to be evaluated, which are not mentioned in Paragraph 35 of these regulations.

37. According to the Job Catalogue of State and Local Government Institutions, equal competences shall be determined for equally classified positions within the framework of one structural unit, except for managerial competences that may differ for positions of different level professionals or deputy directors.

VI. Determining the Grade for Employee Work Performance

38. The work performance of the Employee shall be evaluated as follows:

38.1 excellent – exceeds requirements – work performance exceeds requirements throughout the evaluation period;

38.2 very good – partially exceeds requirements – work performance exceeds requirements in some stages of the evaluation period or certain aspects of the work performance criterion;

38.3 good– meets the requirements – work performance fully meets requirements throughout the evaluation period;

38.4 should be improved – partially meets the requirements – work performance does not meet a part of requirements throughout the evaluation period;

38.5 unsatisfactory – does not meet requirements – work performance does not meet most of the requirements throughout the evaluation period.

39. The Employee and the Head may present justification for any grade. If the grade for work performance is "excellent", "very good", "should be improved" or "unsatisfactory", the Employee and the Head shall provide a detailed, accurate and evidence-based reasoning in the Protocol. The grade shall also be justified if the Employee and the Head fail to reach an agreement on the grading.

40. The grade for attainment of objectives and accomplishment of tasks is obtained by multiplying the grade for each objective or task (excellent= 5, very good = 4, good = 3, should be improved = 2, unsatisfactory = 1) with a coefficient of the objective or task (relative significance of the objective of tasks set forth in Paragraph 10 of these regulations). The sum of coefficients adds up to 1.

41. One of the grades forms the evaluation of performance of official duties (excellent= 5, very good = 4, good = 3, should be improved = 2, unsatisfactory = 1).

42. The calculated competence assessment is obtained by adding up the grade for each competence (excellent= 5, very good = 4, good = 3, should be improved = 2, unsatisfactory = 1) and dividing the sum with the number of grades.

43. The final grade for competences that is indicated in the form or the Protocol may differ from the total evaluation of competences, taking into account the results of Extended Evaluation.

44. The grade for professional qualification is obtained by adding up the grades for sub-criteria of professional qualification (excellent= 5, very good = 4, good = 3, should be improved = 2, unsatisfactory = 1) and dividing the sum with the number of grades.

45. The total grade for work performance is "excellent", if 4.6–5 points are obtained, "very good" for 3.6–4.5 points, "good" for 2.6–3.5 points, "should be improved" for 1.6–2.5 points obtained, "unsatisfactory", if points are below 1.5.

46. The total work performance evaluation shall be obtained by adding up the grades for work performance criteria that is multiplied by indicators of proportion specified for each group of position: fulfilment of the result-oriented criteria – 60 %, fulfilment of the contribution criteria – 40 % (Annex 5).

VII. Procedure for Disputing the Results of Evaluation

47. If the Employee disagrees with the content of the form or Protocol, it shall be justified with a substantiated comment in section "Employee's Final Comment" and, if necessary, shall be printed and signed with objections.

48. The evaluation results may be contested within five working days (except for case mentioned in Paragraph 4.3 of these regulations) by submitting a written request to the Head of the Authority. The assessment of the Head of the Authority is indisputable.

49. If the evaluation is contested, the human resource professional or an official authorized by the Head of the Authority or invited additional evaluators shall assess the opinion of the Head and the Employee within 15 working days, note the argument of the parties and shall produce an opinion. Based on the opinion, the Head of the Authority shall make a decision on changing the evaluation result, leaving it unchanged or on re-evaluation by inviting additional evaluators.

50. After the re-evaluation with invited additional evaluators, the final decision shall be made on the evaluation of work performance that may not be contested.

VIII. Use of Employee Work Performance Appraisal

51. If in the annual evaluation the Employee's grading is "unsatisfactory", the re-evaluation shall be performed after three months. In case of "unsatisfactory" grading in re-evaluation, a decision shall be made on noncompliance of the Employee with the position.

52. During the probationary period, the work performance shall be evaluated not later than a week before the end of the probationary period. The grading "unsatisfactory" is the grounds for dismissal of the Employee.

53. When a decision has to be made on appointing or transferring the Employee to other position, promoting or determining additional duties for the Employee, the work performance evaluation shall be considered.

54. If the work performance grade is "excellent", the Head shall consider the possibility of revising or extending the Employee's duties, responsibility and work complexity.

55. In order to improve the fulfilment of objectives and quality of discharge of duties, taking into account the training and development needs identified during the evaluation, the Employee shall develop the necessary skills, knowledge and competences, and the Head of the Authority shall contribute to their development.

IX. Closing Provisions

56. As of April 1, 2013, the Instruction of the Cabinet of Ministers No.2 "Procedure for Evaluation of Civil Servant's Performance and its Results" of February 13, 2001 shall be declared null and void (*Latvijas Vēstnesis*, 2001, No.27; 2004, No. 94; 2009, No.72, 203).

57. The work performance evaluation for the year 2012 shall be performed in compliance with the Instruction of the Cabinet of Ministers No.2 "Procedure for Evaluation of Civil Servant's Performance and its Results" of February 13, 2001. The planning of work performance for 2013 and the work performance evaluation for 2013 shall be performed in compliance with these regulations in NEVIS system or by filling out respective section in the Protocol.

58. The work performance evaluation and defining of objectives and tasks for employees who commence labour or service legal relations, continue service legal relations or return from prolonged justified absence, and for whom the work performance evaluation shall be performed after April 1, 2013, shall be carried out in compliance with these regulations in NEVIS system or by filling out the Protocol.

59. In the first-time evaluation, only the competences requiring compulsory evaluation shall be evaluated, and the Head and the Employee may agree on additional competences to be valued in the next period.

60. The regulations shall take effect on November 1, 2012.

Prime Minister

V.Dombrovskis

Acting Minister for Finance

I.Viņķele

Minister for Welfare