

## STRATEGIC ADAPTATIONS: RESHAPING HR PERFORMANCE MANAGEMENT IN CHINA

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### Article Info

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### Abstract

The "Civil Service Law of the People's Republic of China," enacted on January 1st, 2006, introduced a comprehensive assessment framework for evaluating public service professionals based on virtues, competencies, attendance, performance, and integrity, particularly emphasizing the scrutiny of actual performance. Subsequently, on January 4th, 2007, the Organization Department of the Communist Party of China Central Committee and the Ministry of Human Resources and Social Security issued the "Examination Requirement of Public Service—Trial Implementation," which outlined fundamental principles, content, criteria, processes, and the application of results within the Civil Examination. Since then, governments at all levels have been continuously refining the civil examination mechanism. However, both theoretical inquiries and practical implementations still grapple with several unresolved issues in the performance management of Chinese civil servants.

### 1. Introduction

"Civil Service Law of the People's Republic of China", that the act proposed to appraise the public services' ability including virtue, capability, attendance, performance and integrity thoroughly by different levels of management authority, especially to evaluate actual performance, came into force and definite the evaluation very clearly on January 1<sup>st</sup>. 2006. "Examination Requirement of Public Service—— Trial implementation", published by Organization Department of the Communist Party of China Central Committee and Ministry of Human Resources and Social Security on January 4<sup>th</sup>. 2007, ruled the basic principles, contents, criteria, processes, results' application and other relevant of the Civil Examination. From then on, governments at all level refining the mechanism of civil examination continuously. But there are still several issues on the processes of Chinese civil servants' performance management both in theoretical investigation and concrete practice.

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### 1.1 Present Situation & Issues

There is some consensus of Chinese scholar to the development of human resource performance management of Chinese government department, the scholars thought that there are several issues had hampered the development of governments' human resource performance management.

The objective of performance assessment is obscure and was not been classified.

The content of performance assessment is lack of quantitative criteria.

The executive of performance assessment is incomplete.

The supervised mechanism of performance assessment is imperfect.

The executors' professional quality of performance assessment is insufficient.

### 1.2 Analysis of Causes to the Dilemma & Obstruction

To all the issues above about the human resource performance management of Chinese government, there is some common views that Chinese scholars thought the following factors lead to the troubles above mentioned.

The idea of performance management deviated.

The classification of civil servants posts is imperfect.

The work of position analysis is not effectively implemented.

The results of performance assessment are not a valid application.

### 1.3 Countermeasures for Improvement

There is some solution under the empirical analysis and theoretical research to the issues which had blocked the development of human resource performance management of Chinese government.

To establish the appropriate concepts of performance assessment

To reasonably classify the government human resource and make accurate position description.

To refine evaluation index scientifically.

Sound evaluation feedback and oversight mechanisms.

Strengthening the practical application of evaluation results

### 1.4 Evaluation of the Research State

In summary, there is a relatively uniform cognition in each segments and aspects of assessment, and in the issues, causes and countermeasures of civil servants' performance assessment.

In specific studies, deficiencies that caused by some objective limitations are existing in the research of model which the studies are research both theory and practice to Chinese civil servants' performance assessment under the way of comparative study and document study. The typical representatives are listed following.

The situation that to copy foreign experiences indiscriminately is universal and the analysis is uncorrelated to Chinese conditions. There are more university researchers without relevant practical experience than government officials who have abundant practice and experience to participate the research process.

There are more countermeasures of principle aiming to improve performance assessment than operational recommendations in the aspects of specific practice and exploration. The perspective of research is relatively rigid in theoretical investigation, and the innovation of study's approach is necessary.

In present research of Chinese civil servants' performance assessment, there is merely scholar set foot in domain of specific practical investigation. Under the cramped situation of surpass present institution and innovation, academia should contribute to breaking the natural thinking and innovate the theory to reform the embarrassing situation that practice over theory in an important period of deepening reform.

## **2.Current Situation and Analysis**

Based on the investigation to current human resource performance management of Chinese government and the arrangement of materials, classify the present model and analyze each issues of these models to find the key to improve the development of human resource performance management of our government.

### **2.1Analysis of Classification of Current Human Resource Performance Management Model of Chinese Government**

Since in the 1990, academia began to introduce the experience of foreign government human resource performance management heavily. Some of Chinese local governments had started to draw lessons from the Western countries' theory and associated with local actual situations, in the purpose to discover the pattern and to reform the model. In the effort, some government human resource performance management model with different features had emerged, such as Qingdao's model, Shenzhen's model, Gansu's model and so on. In summary, there are some categories of current Chinese government human resource performance management model.

#### **2.1.1 Top-Down Model of Behavioral Objectives within Government**

This model is based on the valuation of top-down processing human resource performance, thus can promote the inter government to manage their human resource according to the superior Key Performance Indicators, government performance management targets and performance outcomes. It can be classified to four concrete patterns.

First is the general government human resource performance management. Second is the human resource performance management of industry. Third is special human resource performance management. Fourth is human resource performance management that based on the institution of civil servants' evaluation.

#### **2.1.2 Bottom-Up Model of Public Participation in Organized**

This model, which includes public discussion institution, organizers within government and professional climate appraisal, is the government human resource performance management model with the feature of public participation guide. The essence of this model can bring democratic participation of the public rights into full play, thus can help to put the governmental performance and the performance management of organizers within government under public scrutiny.

#### **2.1.3 Independent Third Party Model on a Particular Significance**

This model requires external independent academic institution to intervene and to evaluate the work results of individual and department with government to some extent, as a result to overcome the limitations that government human resource performance management is apt to be affected by the administrative objective and performance goal.

### **2.2 Analysis of Current Model's Issues**

In the special period of government transformation that the governments change from the traditional all-rounder and executive government to the modern finite type and decision-making government, there is some Chinese local government draw lessons from the advanced international theory of government human resource performance management.

The governments explored the practice of management thoroughly and deeply according to their own actual situation, thus can provide a positive role to promote the reformation of human resource performance management of service-oriented government. However, the current models of government human resource performance management, has been influenced by the objective conditions that the traditional political culture and administration system grew out of Chinese long-term history, still have many troubles.

### 2.2.1 The Design of Objectives are Unreasonable and it is Difficult to Quantitative

In a sense, there are two aspects contained in the objective of government human resource performance management, to attain the goal of government human resource performance is the first, and to promote and realize the value of individual within government is the second. But the fact that the government concentrated and based on the goals of government organizational performance too much to ignore the function that government human resource can exploit the inherent potential and realize individual value objectively in organizing is the fundamental defects of current government human resource performance management. Therefore, it is apt to arouse two aspects of dilemma. On one hand, the realistic predicament of individual's value promotion and realize of government human resource, on the other hand the operational difficulties of the design and practice of the indicator system of government human resource performance evaluation.

### 2.2.2 The Government Emphasize Too Much about External Management to Ignore the Organically Management

Currently, the government human resource performance management model emphasize the production of government administrative action and the goal attainment of government action too much, it just focuses on the consistency between the achievement of the results of government administrative action and the government administrative goal, thus neglect the organically management of government human resource, lead to the under exploitation of the inherent potential of human resources and the lack of activity and creativity, thereby the matter above hamper the sustainable exploitation of human resource and the efficient operation of government fundamentally.

There are two principal aspects: on one hand, present government human resource performance management regardless the inherent potentials of development and the possibility of high appreciation in human resource by emphasize the origination of cost idea and material idea, it view human resource as the element of cost and technology that similar to material resource, take human resource as a kind of non-capital essential productive factor to put into government performance management, the management has not recognized human resource can be a kind of resource, with high return and profitability, sustainably developed and used in term of human resource theory.

On the other hand, current government human resource performance management model belongs to executive management which emphasize the management to the servants of government, work centered and setting position by employee, the model ignores servants' internal needs and individual development, lack of due respects and performance communication to the servants, thus it is difficult to make anticipatory programming and strategic decision for the long-term development of government and human resource development, moreover this model is apt to cause the waste of human resource, such as separation of staff and affairs, idle talent, blocking of human exploitation and so on.

### 2.2.3 The System of Performance Assessment, Which Have Some Trouble, Need to be Perfect

The assessment doesn't equal to the management of government human resource performance, and it is different with government performance assessment on the objective, the function and the criteria of assessment. Several local governments of China have practiced the research positively in the reformation of government human resource performance management model and have promoted various performance assessment efforts with continuous deepening of the reformation of Chinese administrative management mechanism, thus have significant meaning to improve the system of government human resource performance assessment.

But the performance assessment has still in the initial exploratory phase and the local governments' development has out of sync, since the origin of Chinese government human performance resource is late. Thus made

our current system of performance assessment, which had several problems in the whole government human resource performance evaluation, needs urgent perfection.

- (1) The subject of assessment is single and the multi-assessment system that the external assessment should be the subject has not been established.
- (2) The content of assessment is too rigid to product an assessment index system for multi-dimensional with scientific and rational.
- (3) The defection of assessment methods and techniques lead to high costs.
- (4) The insufficiency utilization of assessment result made the promotion of government human resource performance circulation blocked.

#### 2.2.4 The Poor Business Processes Running and the Blocked Performance Resource Assignment

While a series of practice on the business process reengineering have been running, such as the restructure central government offices, the province governing county and the rural finance county canal of the system of financial administration, but there are still several issues on the performance resource assignment within the current Chinese government human resource performance management.

- (1) The irrationality of government human resource assignment effected the promotion of administrative action and benefit.
- (2) The unreasonableness of business process setup made the business process running poorly.
- (3) The performance resource assignment has not combined with the value activity of governmental administrative action and business process.

#### 2.3 Analysis of the Origin of Current Model's Issues

The issues of current government human resource performance management model are the result from the comprehensive effects of several factors including internal determinants and external influences.

On one hand, a series of issues of performance management are caused by the inadequacy of government human resource performance management mechanisms which lead to the performance management processes that consist of performance program, execution, assessment and feedback blocked.

On the other hand, a certain system consist of policy, economy and cultural environment has the influence to the work quality of government apartment servants and to the goal value of whole organization, especially to the long-term performance value in the background the our government human resource performance management is under the reformation. We suggest that the social environment is relative stability during a specified time, whereas the course of practice of government performance management is developing. It is significant to promote the reformation of government human resource performance management model by sum up and analyze the major cause of current issues from the internal factors of government human resource performance management. In short, there are four causes to the issues government human resource performance management model currently.

##### 2.3.1 It Is Difficult to Define the Value Indicator without the Value Driver

To make sure the potential value that driver by establish the logical relation of business, then to select the core value driver with sustainability correctly, and to transform the driver to the value indicator by sequencing. It is the important basis for the government human resource performance managers to show their subordinate basal sector the way that strategic objective can create value and then to make them identify it. Because of the government departments at all levels is lack of the scientific cognition and the accurate assurance to the value driver of government human resource performance management, thus lead the performance management objective is obscure and the performance indicator design is indistinct, as a consequence the human resource

performance managers cannot make the objective assessment and the efficient management to the performance of their subordinate sector. The issues express in two aspects.

- (1) The unclear recognition to the value driver of government human resource performance management lead to the inadequacy of value driver, then make it difficult to realize the objective assessment mechanism of value orientation.
- (2) The obscured distinction to the short-term performance influencing factors and the long-term performance influencing factors of human resource performance management of government sectors at all levels lead value orientation fuzzy, and make it difficult to assure value indicators.

### 2.3.2 Mistakes Existed in Performance Management Ignore the Working Carriers

There is some mistakes existed in Chinese government human resource performance management for a long time, thus ignore the working carriers that it includes the people management and the value management of practice. There are two mistakes at human resource performance management.

- (1) A high degree of unity on process and result is too expressed to care the internal promotion of individuals' working ability of government sector.
- (2) It cares too much about the internal controls of government job to realize the individuals' value of government sector.

### 2.3.3 The Inconformity of Assessment Criteria Leads Assessment System Inefficient

At the moment, the government human resource performance assessment system is being perfected while the gradually attention and the practice of Chinese local government pay attention to and practice on the government human resource assessment management. Whereas, it is difficult to make quantitative analysis to the practice of non-implementation, such as decision, consultation and the government human resource performance assessment criteria are inconsistent and the strong subjectivity.

Meanwhile, the performance objective is multiple and uncertain since both the government performance objective and the output of administrative actions are complicated, and it is difficult to define the output of administrative actions to the level of completion of performance objective, thus lead the assessment criteria inconsistent, thereby the system is inefficient and the assessment becomes formalistic.

The key point is to define the assessment criteria to the government human resource performance management. First, the structure of assessment criteria system is decided by the criteria. Second, the clarity of criteria can influence the level of difficulty of assessment. Last but not least, the objective and quantifiable of criteria can decide the science of the assessment result and the effectiveness of assessment behavior.

### 2.3.4 The Feedback will Influence the Whole Business Process Reengineering of Human Resource Management

The business process reengineering of human resource management is the basis to the promotion of the level and effect of human resource management. But the key to manage business process reengineering is to improve the performance program with the effective use of the results of performance assessment under feedback. And then to realize the rational distribution of performance resource of human resource management and the reconfiguration of business processes management through the improvement of performance program.

On one hand, from government human resource performance managers' view, most of the managers take the management process as the execution of performance program to the achievement of performance objective, they pay too much attention to the static documentation but ignore the actual operation of the management process and the influence of servants' practice of the internal structure of organization to the whole business process, they also regardless the conditioning of external environmental factors to the business process of organization. Most of the managers cannot feedback the effective information resource to the authority at next higher level in time,



thus the performance management cannot update and provisioning promptly, lead the human resource cannot be focused effectively to execute performance management.

On the other hand, from the view of government servants, the working carrier of government human resource performance management, to realize individuals' performance respectively through the way that the tasks organization assigned are achieved under individuals' endeavor is the government servants' responsibility. Whereas, as a part of the whole performance management process, the servants should not only be the instrument of performance objective attainment of performance management of organization, but also be the main force to propel the development of performance management process continuously. The government servants should assess their performance objectively according to the demands of performance program and the performance assessment standards. And they should feedback the new situations and new problems, it from the inadequacy in their work checking in time, in the process of practice to the government human resource performance managers or superior departments in charge proactively.

The servants should also realize the uniformity between the objective of organization operation and the changed environment throughout with the suggestions and methods that can help to achieve the business process reengineering of organization effectively to the performance managers. However, because the misconception existed in current performance management ideas and the unsound mechanism of assessment, the government human resource performance managers have not established a set of effective mechanism of information feedback under the ideas of scientific performance management, thus made great influence to the information communication and the resource configuration of business processes of government departments. Meanwhile, with the lower competency of the whole government servants, the servants ignored the positive role of self-feedback mechanism to individuals' performance realization and organization structure operation.

The two factors above made the feedback mechanism of government human resource performance management imperfect, and the weak feedback has blocked the whole business process reengineering.

### **3.Trend Forecast**

The great transformation, Chinese government has change from Traditional control-oriented government of rule-type, all-rounder and plan-type to Modern service-oriented government of governance, finite-type, markets-type and rule by law, happened at the internal and external administrative environment of government. Thereby, the mechanism of human resource management of modern service-oriented government, as the propulsion of government human resource, has been in a significant reformation.

However, as an important part of government human resource management, the government human resource performance management which is the core in the system of government human resource management is the significant instrument of competitiveness promotion of organization to help the servants to advance their ability and individual value. Currently, according to international advanced theories of human resource management and combine their status of government human resource management, government around the world has established their own model of government human resource performance management with unique features. To guarantee the performance promotion and the value realization of government human resource, governments persist in the open reform-oriented.

With the improvement and perfection to Chinese Servant Mechanism, there are several issues have to be settled urgently for the human resource management mechanism of modern service-oriented government at the period that the serviceoriented government human resource management mechanism have introduced the notion of human resource performance management of modern enterprise in itself, such as the way to promote servants' ability by arouse their enthusiasm and initiative, the way to make sure the adequate realization of individual value

by developing servants' inherent potential, and the way to suit to the demands of government human resource performance management and further development by improve and perfect government human resource exploitation mechanism and management mechanism. Therefore, it is significant to accelerate the reformation of human resource performance management model of Chinese modern service-oriented government and assure the trend of development.

### 3.1 Transform the View of Performance Management and Establish the Dynamic Development View of Human Resource Performance Management

Only by transform the traditional notion of human resource performance management, emphasize the growth and development of human resource of serviceoriented government, and establish the dynamic development notion of human resource performance management can help to build up a team of human resource of service-oriented government including professional and technical class, executive class and external personnel. Depend on the improvement of individual capacity and quality of the three class team member can realize the core of human resource performance management of service-oriented government which aimed to improve the effectiveness and efficiency of government administration.

To transform the potential to capacity continuously by discover the development area of human resource, to combine the performance of serviceoriented government with the human resource performance management of serviceoriented government harmoniously by putting the available human resource performance management before team building, management and development, thus are the tasks the human resource managers of service-oriented government should undertake.

To transform the role of human resource managers, improve the capacity of human resource performance management, make the human resource individual and group to obtain the assistance and guidance from their superior, and then realize mutual cooperation between superior and subordinate, discovery and analyze the issues together, as a result the human resource individual and group can solve problems and complete tasks with resource well-timed, thus can make the reformation come true.

### 3.2 Transform Single Dimension and Set Up Multi-Dimension Mind of Human Resource Performance Management

The traditional human resource performance management practice only from the view of manager and the single view of result assessment. As the service-oriented government developed, multi-dimension oriented mind of human resource performance management should established by government human resource performance management.

- (1) The transformation from simplex objective-oriented to process management;
- (2) The transformation from result-oriented to development-oriented;
- (3) The transformation from single assessment to system assessment.

### 3.3 Transform the Single Subject and Clarify the Diversity of Human Resource Performance Management Subject

At present, there is several mistaken, the traditional view suggests that government human resource performance management is the duty of the department of human resource management, to the subject of government human resource performance management. There are two reasons for the mistake above.

First, government human resource performance management is the important component of human resource management, thus the management ought to belong the job of the department of human resource management. Second, from the view of department member of human resource management, they thought that it is their duty to manage the human resource.



Meanwhile, the enormousness and complexity of government organization and the complexity of each departments themselves demand the subject of government human resource performance management to be diversification, thus the inevitable trend to the reformation of human resource performance management model of service-oriented government is to restore the truthfulness of the subject of human resource performance management and to realize the diversification of the subject of management. We suggest that the subject of human resource performance management under the reformation of human resource performance management model of service-oriented government is the diversified management subject that the organizer is the department of human resource management and the manager is each functional department.

In other words, government human resource performance management is participation by the department of human resource management and each functional departments, its management obligation is undertook by performance management professionals and the department heads, the department of human resource management and other functional departments realize the practice of human resource performance management together by interaction and support each other. In specific, there are four main obligations for the department of human resource management in government human resource performance management.

- (1) Providing technical support for the functional department to develop human resource performance management by establish the platform of human resource performance management.
- (2) Holding the orientation of human resource performance management by design the program of human resource performance management.
- (3) Make sure that the management mechanism of selection and appointment operates effectively by formulate the basic policy of human resource performance management reasonably.
- (4) Supervising the executive process of performance management and receiving the performance feedback of functional department, improve performance under the results of performance assessment. As the manager of government human resource performance management, the departments are the executor and the practitioner of the development of human resource performance management.

In short, only by combine the macro-control of the department of human resource management with micro-control of other departments to human resource performance management, can make sure the progress of practice of human resource management develop smoothly, and then to prompt the model of human resource performance management of service-oriented government operating effectively.

### 3.4 Improvement the Content of Management and Realize the Scientific of the Content of Human Resource Performance Management

Distinguish from traditional control-oriented government, the content of human resource performance management of service-oriented government becoming scientific more and more. The scientific of content is that the new recognition of the nature of human resource performance management of service-oriented government is the basis, to hold on the demand-driver and value management, and establish the content system of human resource performance management scientifically and reasonably.

The new recognition to the nature of government human resource performance management is a process that it should be recognized that human resource performance management of service-oriented government is not only the process to calculate and analyze the situation of government member perform the administrative functions and fulfill the objective simply, but also the process of value management that the government member create worth by the stimulation of performance management and fully realized individual value in essence. And the main responsibility of human resource performance managers is to improve the core capacity of government member continuously and fully realized individual value.

Otherwise, as the final provider of government public service, the servants persist on which value notion and whether they can perform their administrative function and complete the objective influence the interest of the publics. Thus in the process of selection, training and development and assessment, the orientation should persist on values, the demands of individual development, public demands and social satisfaction respectively. First, persist on value-oriented, control and assess the whole recruitment with the value of service-oriented government under the scientific recruit plan and the rigorous procedure in the selection process of service-oriented government members. Second, it is necessary to keep the demand-oriented of government individual in the process of training and development of human resource.

Last but not least, the orientation of public demands and social satisfaction should be insisted in the assessment of human resource performance of service oriented government.

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