Evaluating Human Capital in Romanian Public Institutions: Current Challenges and the Case for Digital Transformation

ABSTRACT

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| In Romania, over the last two decades, significant efforts have been made to professionalise public administration, and performance assessment has been recognised as a key in this process. Human capital performance management represents a crucial component of modern public administration, directly and significantly influencing the effectiveness, efficiency, and credibility of state institutions. This article analyses the current systems for evaluating human capital performance in Romanian public institutions, a crucial aspect of modern public management. The research investigates the legislative frameworks and methodologies applicable to both civil servants and contract staff, highlighting the differences and similarities. The methods adopted included a systematic review (adapted PRISMA) of relevant legislation and specialised literature, with a qualitative content analysis of performance objectives and criteria. The results show that, although there is a well-defined formal framework for civil servants based on SMART objectives and competency criteria (e.g., resource management, initiative, quality, teamwork, integrity), the evaluation of contract staff is more decentralised, being regulated by internal acts. Discussions reveal significant challenges, including non-assessable aspects (e.g., *intentions*, *uncontrollable external factors*, *private life*, *untapped potential*) and the persistence of subjectivity. Prospects and proposals focus on simplifying methodologies, developing evaluators' skills, integrating 360-degree feedback, and using technology. The implementation of all these recommendations requires not only a firm commitment from decision-makers at the governmental and institutional level but also significant investments in human resources and, above all, a clear vision of the role of digitalisation as the main driver of the transformation and modernisation of Romanian public administration. In conclusion, although the Romanian system is evolving, a transformation of organisational culture and closer alignment of evaluation with professional development (via digitalisation) are needed to increase the effectiveness and quality of public services. |

*Keywords: human capital, public institutions, performance evaluation, competency criteria, Romania*

1. INTRODUCTION

In the current context of the knowledge-based economy, human capital performance management represents a crucial component of modern public administration, directly and significantly influencing the effectiveness, efficiency, and credibility of state institutions (Stoican, 2012; Sfetcu, 2025). Human capital is the stock of skills that the labour force possesses. The flow of these skills is forthcoming when the return on investment exceeds the cost (both direct and indirect). Returns to these skills are private in the sense that an individual’s productive capacity increases with more of them. But there are often externalities that increase the productive capacity of others when human capital is increased (Goldin, 2019). In a European and global context marked by increasing demands for transparent, accountable, and citizen-oriented governance, the assessment of professional performance in the Romanian public sector is becoming a central pillar of administrative reform (Zelenschi, 2023). This approach does not aim to simply observe past results, but constitutes a strategic tool for developing individual and organisational skills, motivating staff, and aligning individual objectives with major institutional ones. Digital transformation of public administration creates opportunities for transparency, accountability, efficiency, and better tax collection. Benefits are even more critical considering the coronavirus crisis, when millions of people worldwide engage in online solutions (Fratila et al., 2023; Profiroiu & Negoiță., 2022).

In Romania, over the last two decades, significant efforts have been made to professionalise public administration (Androniceanu, 2020), and performance assessment has been recognised as a key in this process. Since the introduction of the civil servant statute, performance appraisal mechanisms have been continuously implemented and adjusted to transcend purely bureaucratic approaches and migrate to the field of business administration, towards a results-based performance management (Moroșan-Dănilă, 2014). However, the particularities of the public sector/characteristics of the public services market (Barbu, 2002) - from the specificity of the mission and objectives, to the complexity of the processes and the regulatory framework - bring unique challenges in the application of efficient evaluation systems and are perceived as fair in the long term.

This article aims to provide an in-depth analysis of the current options and methodologies for evaluating the performance of human capital in public institutions in Romania. At the same time, it explores in detail the legislative frameworks and practical tools applicable to both civil servants and contractual staff, whose evaluations are regulated by labour legislation and other categories of internal regulations. By approaching a systemic perspective, it will dissect and analyse, step by step, the evaluation criteria used, as well as the processes involved and the inherent challenges, including aspects that, by their nature, should not be subject to performance evaluation. Finally, it will offer concrete perspectives and recommendations aimed at contributing to the continuous improvement of this vital process, facilitating a more efficient public administration and more responsive to the needs of society.

2. LITERATURE REVIEW

The current scientific literature synthesises existing research on human capital performance assessment in the Romanian public sector (at local and regional levels), identifies the prevailing challenges, and highlights the growing need and real benefits of digitalisation in this area of current interest. In the public sector, where digitalisation has a significant impact on the workforce, effective management and assessment of human capital are crucial for ensuring the adequate delivery of public services and the achievement of government objectives (Gurău, 2021; Alexandrescu, 2022). However, performance assessment in public institutions differs significantly from the private sector (Preko, 2022), due to the absence of clear profit motives, the multifaceted nature of public services, and political influences.

Moreover, traditional (classical) performance appraisal systems in the Romanian public sector are often criticised for being excessively bureaucratic, lacking objectivity, focusing on input rather than output, and failing to truly motivate employees (Moroșan-Dănilă, 2015). At the same time, there is a growing consensus that effective performance appraisal should be intimately linked to organisational strategy, promote continuous development, and foster a performance-oriented culture.

Research on human capital in Romania indicates a complex landscape. Studies often emphasise the need for increased human capital competitiveness within public institutions, recognising that this is intrinsically linked to both individual and organisational performance. As such, it is considered that the quality of human resource management (HRM) activities, including performance appraisal, directly and significantly influences the performance and motivation of civil servants. However, significant challenges persist in the current evaluation options in public institutions in Romania:

* ***Bureaucracy and formalism*** - several sources indicate evaluation processes that are often perceived as formalistic, time-consuming, and lacking in real impact on professional development. There is evidence that civil servants' results are often overestimated and generally receive maximum marks, suggesting a lack of rigorous differentiation of performance.
* ***Lack of link with organisational development and efficiency*** - a major weakness identified is the disconnect between the impact of professional training and organisational efficiency. Training is often focused on the individual, with a weak link to broader organisational goals.
* ***Managerial biases and resistance to feedback*** - managers can make common evaluation errors and often avoid providing negative feedback, leading to arbitrary and superficial evaluations.
* High staff turnover and labour shortage - Romania faces challenges related to a decreasing labour supply and a skills shortage, exacerbated by emigration, which puts additional pressure on public institutions to effectively manage human capital.
* ***Limited digital skills and IT specialists*** - despite some progress, Romania ranks consistently at the bottom of the Digital Economy and Society Index in the human capital category, especially in basic digital skills. This indicates a general deficiency of digital skills among the population and a shortage of IT specialists, which directly affects the ability to implement sophisticated digital assessment systems.

The scientific literature strongly advocates for the digitalisation of human resources processes, including performance appraisal, within public institutions. Digitalisation is recognised as a transformative process that can increase efficiency, effectiveness, transparency, and accountability. Benefits of digitalisation in performance appraisal:

* ***Increased efficiency and reduced red tape*** - digital platforms can automate administrative tasks associated with performance appraisal, freeing up time for more meaningful interactions and feedback.
* ***Improved objectivity and data-driven insights*** - digital systems can facilitate the collection of structured data, enable the use of analytics to identify trends, and reduce the potential for subjective bias in appraisals. Learning analytics and HR data analytics, for example, can provide a clearer picture of employee performance and development needs.
* ***Improved transparency and accountability*** - digital platforms can create a transparent record of performance discussions, goals, and feedback, fostering greater accountability for both employees and managers.
* ***Personalised development and continuous feedback*** - digital tools enable continuous feedback mechanisms, real-time performance tracking, and the development of personalised training and development plans based on identified skill gaps and career aspirations.
* ***Accessibility and flexibility*** - online platforms allow for performance reviews to be conducted remotely, providing flexibility and accessibility, particularly relevant in the context of teleworking, which has become more widespread.
* ***Strategic alignment*** - digitalisation can contribute to integrating performance assessment into a broader strategic framework of human capital management, aligning individual performance with organisational objectives, and facilitating strategic human resource planning.

Despite the clear benefits, the digitalisation of public institutions in Romania faces its obstacles:

* ***Low digital skills*** - Romania is significantly lagging in terms of digital skills, which could hinder the adoption and effective use of digital performance evaluation systems by both employees and managers.
* ***Interoperability and legacy systems*** - public IT systems are often not interoperable, and the existence of older and fragmented legacy systems can complicate the implementation of new integrated digital solutions.
* ***Resistance to change*** - public administration in post-socialist countries often exhibits institutional inertia and resistance to change, deeply rooted in bureaucratic traditions. This cultural aspect can be a significant barrier to digital transformation.
* ***Insufficient IT specialists*** - there is a notable shortage of ICT specialists in the public sector, which affects the capacity for digital transformation (Preko, 2022) and maintenance of digital systems.

International good practices in human capital management in the public sector emphasise a holistic approach, leveraging digital transformation and data-driven HR. Key areas include workforce talent and agility, work design and experience, and strategic alignment. Developing a competency framework and improving performance assessment models is a step in the right direction, highlighting the intention to operationalise these reforms, including the digitalisation of selected HR processes. Current options for assessing human capital performance in public institutions in Romania are marked by systemic challenges, rooted in traditional bureaucratic practices and a deficient digital infrastructure. While awareness of the importance of human capital and its assessment exists, current methods often fail to provide authentic development, motivation, and strategic alignment.

The literature unanimously indicates the urgent need for a comprehensive digitalisation of these processes. This transformation promises increased efficiency, objectivity, transparency, and the ability to foster a truly performance-oriented culture. However, successful digitalisation requires not only technological investments but also a concerted effort to improve digital skills across the entire workforce, overcome resistance to change, and ensure system interoperability in the Romanian public administration context. Future research should focus on empirical studies that assess the impact of specific digitalised performance evaluation systems in Romanian public institutions (Ciobanu & Androniceanu, 2015), identifying effective implementation strategies, and addressing unique cultural and structural barriers.

3. Materials and Methods

In order to conduct a comprehensive analysis of the options for evaluating human capital performance in Romanian public institutions, we adopted a rigorous methodology based on a systematic review of the relevant literature and regulatory framework. The process of collecting and analysing information was structured to ensure the completeness and relevance of the data, to provide a scientifically sound and practically applicable perspective.

The research was based on the analysis of two main categories of materials, namely primary and secondary normative acts in Romania:

* The Administrative Code (Emergency Ordinance No. 57/2019), with all subsequent amendments and additions, represented the fundamental legislative pillar, establishing the general framework for the status of civil servants and, implicitly, for the evaluation of their performance.
* Government Decisions and Orders of the President of the National Agency for Civil Servants, which detail the specific methodology for evaluating the individual professional performance of civil servants. A key example is the Methodology of July 3, 2019 (or the normative acts that succeed or supplement it), which provides concrete instructions on the process, criteria, and ratings.
* Labour legislation (Law No. 53/2003 – Labour Code), republished, with subsequent amendments and additions, was examined to understand the general regulations applicable to contract staff in the public sector.
* Applicable Collective Labour Agreements (CCM) and Internal Organisation and Functioning Regulations of public institutions. Although these were not analysed individually for each institution, they were taken into account as sources of secondary regulation, influencing the specifics of the evaluation of contract staff.
* Guidelines and public materials issued by NACS or other relevant institutions in the field of human resources management in the Romanian public sector.

And relevant publications in national and international specialist literature, including scientific articles, studies, research reports, and books relevant to the fields of human resource management (HRM) in the public sector, performance evaluation, and public administration reform through human capital development (Șandro & Tripon, 2008).

The searches were conducted in recognized academic databases, such as Google Scholar and ResearchGate, using a combination of strategic keywords in both Romanian and English: *public sector performance evaluation Romania*, *civil servant evaluation*, *performance management in public administration*, *human capital performance*, *HR evaluation in the public sector in Romania* and *public administration reform in Romania*. These searches aimed to identify empirical studies, theoretical analyses, and best practices in the field. The analysis process was guided by principles similar to those of a PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) systematic review, adapted to the specific nature of qualitative and legislative research. The stages included:

* ***Identification and selection of potentially relevant documents*** - legislative documents were selected based on their direct relevance to the subject, and scientific articles were filtered to include only studies relevant to the Romanian context or those offering applicable theoretical perspectives;
* ***Extracting reference data*** - relevant information was systematically extracted from each selected document and categorised into the following levels:
	+ associated legal and procedural framework - stages of the evaluation process, responsibilities involved (evaluator, evaluated, committees), legal deadlines, and possible outcomes (grades, development plans);
	+ performance criteria - detailing the specific criteria applicable to both civil servants (individual objectives, general competencies) and contract staff (tasks, quality, efficiency, behaviour);
	+ appeal and feedback mechanisms - by clarifying the provisions that give civil servants the possibility to directly appeal the evaluation and the role of feedback in the process;
	+ limitations and challenges - aspects identified in legislation or in the literature that cannot or should not be directly evaluated regarding performance (e.g., *external factors*, *intentions*).
* ***Qualitative analysis of indexed content*** - a mixed approach was used in summarising and interpreting the extracted information, which allowed for the identification of recurring themes, significant differences between staff categories, and common challenges.
* ***Comparison of reference content*** - evaluation approaches for civil servants and contract staff were compared, highlighting the particularities of each system.
* ***Synthesis and conclusions*** - based on the content analysis, the main results were synthesised, critical discussions on the effectiveness and challenges of the evaluation systems were formulated, and a set of practical and strategic recommendations was proposed.

This rigorous methodology, which we had in mind from the outset, enabled and facilitated the obtaining of a clear and well-founded picture of the current options for evaluating human capital performance in Romanian public institutions. Equally, the methodology provided a solid basis for further discussions and for formulating recommendations for good practice in support of the need for digitisation.

4. results and discussion

A systematic analysis of the regulatory framework and specialised literature revealed the existence of two distinct but interconnected approaches to assessing human capital performance in Romanian public institutions. These are mainly differentiated by the legal status of the personnel: civil servants and contract staff. Although both systems aim to improve organisational performance, they operate under specific regulations and, implicitly, have particularities in terms of implementation and results.

**4.1 Civil servant evaluation - a rigorous framework, but with numerous challenges for proper implementation**

The main regulatory framework, the Administrative Code (OUG no. 57/2019), together with the detailed methodology issued by the ANFP, establishes an annual, mandatory, and structured evaluation process, designed to ensure objectivity and uniformity at the national level. The main stages and characteristics identified are:

* ***Setting individual objectives*** - this step is the cornerstone of results-based evaluation. Objectives must be SMART (Specific, Measurable, Achievable, Relevant, Time-bound) and logically derived from the job description, departmental objectives, and institutional strategy. However, discussions in the literature emphasise that, in practice, setting objectives can be a formalistic process, lacking specificity or real correlation with institutional needs, sometimes turning it into a mere administrative checkbox.
* ***Monitoring and interim feedback*** - the methodology provides for continuous monitoring and feedback. However, studies and reports often indicate a lack of regular feedback, turning the annual evaluation into an isolated event rather than a continuous development process. This shortcoming limits opportunities for correction and development throughout the year.
* ***Completion of the evaluation form and awarding of ratings*** - each year, civil servants receive one of the following ratings: *very good*, *good*, *satisfactory*, or *unsatisfactory*. The implications of these ratings are direct: from advancement in salary grades and professional ranks to participation in training programs or, in the case of an *unsatisfactory* rating, the possibility of dismissal. There is a general tendency, observed in many public administrations, to give high ratings (*very good* or *good*) to avoid potential conflicts or disputes, which dilutes performance differentiation and reduces the usefulness of evaluation as a management tool.
* ***Identification of training needs*** - a positive and well-intentioned aspect of the process is the identification of training requirements. The implementation of these needs often depends on institutional budgets and course offerings, and the exact correlation between identified needs and actual training programs may be lacking.
* ***Appeal process*** - the possibility of appealing the evaluation result provides a safety valve and a control mechanism, contributing to the transparency of the process. However, a large number of appeals may indicate deficiencies in the initial phase of the evaluation or a perception of unfairness.

The criteria listed above (resource management, initiative, quality, meeting deadlines, teamwork, decision-making, integrity) are essential for a functional public administration. However, discussions in this area highlight the difficulty of quantifying them objectively. For example, *initiative* or *moral integrity* are complex qualities, whose assessment is often based on perceptions or discrete events rather than on consistently measured indicators. The lack of detailed assessment grids and calibration sessions for assessors can lead to different interpretations and inconsistent application of these criteria.

**4.2 Contract staff evaluation - a dynamic framework, but with flexibility and a high degree of inconsistency**

Unlike civil servants, whose evaluation is strictly regulated by the Administrative Code and national methodologies, the evaluation of contract staff in Romanian public institutions operates in a much more dynamic framework and, implicitly, with a greater degree of flexibility and increased potential for inconsistency. This situation stems from the different legal nature of the employment relationship, which is governed by the Labour Code (Law no. 53/2003) and applicable collective labour agreements, rather than by a special administrative law status.

Since there is no single, centralised law detailing the evaluation process for contract staff as thoroughly as for civil servants, each public institution develops its own rules. This is generally achieved through:

* ***Internal organisation and functioning regulations*** - establish the general procedures, responsibilities, and deadlines for performance evaluation.
* ***Applicable collective labour agreements*** - at the branch or unit level, it may include specific provisions on evaluation criteria, frequency, or even how to handle appeals.
* ***Job descriptions*** - although not normative evaluation documents per se, job descriptions are essential because they define individual tasks, responsibilities, and objectives, serving as the basis for performance evaluation.

This decentralisation gives institutions the freedom to adapt their evaluation processes to the specifics of their work and organisational culture. For example, a public hospital may have evaluation criteria for nurses that differ significantly from those of a contract employee in a cultural institution or government agency. The objectives of evaluating contract staff are similar to those of civil servants: assessing performance, identifying development needs, motivating staff, and ensuring alignment with the institution's objectives. Although evaluation criteria may vary, they often fall into similar categories, focusing on quantifiable and observable aspects:

* ***Fulfilment of job description tasks and objectives*** - this is the fundamental criterion, assessing the extent to which the employee has fulfilled the specific duties of the job and the individual objectives set. Associated indicators include meeting deadlines, volume of work performed (quantity), degree of project completion, and achievement of performance indicators (KPIs) relevant to the position.
* ***Quality of work performed*** - from this perspective, the accuracy, precision, completeness, and professionalism of the work results are assessed. Its main indicators are the following elements: number of errors or complaints, compliance with internal or external standards, clarity and consistency of the documents produced, and positive feedback from internal/external beneficiaries.
* ***Efficiency and productivity*** - the ability to make optimal use of allocated resources (time, materials, equipment) to achieve results is closely monitored. Indicators include the ratio between results achieved and resources consumed, the ability to manage a large volume of work, and the rapid and efficient resolution of problems.
* ***Professional behaviour and attitude*** - refers to how the employee behaves at work, respect for colleagues and superiors, professional ethics, and discipline. From the perspective of indicators, we discuss punctuality, seriousness, responsibility, compliance with internal regulations, constructive conflict management, and a proactive attitude.
* ***Communication and teamwork skills*** - this boils down to the ability to interact effectively with others, to convey and receive clear information, and to contribute to the common goals of the team or department. The indicators we have this time are active participation in discussions/work meetings, collaboration on projects, willingness to offer support, and amicable resolution of differences.
* ***Initiative and adaptability to change*** - refers to the ability to propose new solutions, adapt to unforeseen situations, changes in tasks or technologies, and learn quickly. The main indicators targeted are the number of improvement proposals and the speed with which the employee assimilates new knowledge or adapts to new procedures, but also the ability to work in conditions of uncertainty.

Although dynamism and flexibility can be advantages, they also generate significant challenges in the current context, namely:

* ***Lack of uniformity and standardisation*** - it has been highlighted that there are still large variations between institutions in terms of criteria, methods, and frequency of evaluation, which can lead to inconsistency at the national level. A contract employee in one institution may be evaluated according to completely different principles from those in another similar institution.
* ***Increased risk of subjectivity*** - in the absence of detailed national methodologies and calibration sessions for evaluators, the evaluation of contract staff may be more susceptible to personal biases and subjective interpretations.
* ***Reduced correlation with human resources policies*** - evaluation can often remain just an isolated event, without real integration with other specific human resources processes (e.g., strategic planning, career development, or performance-based reward systems).
* ***Lack of transparency and trust*** - if the evaluation process is not perceived as fair and transparent, then employees may become demotivated and lose confidence in the usefulness of the evaluation.
* ***Challenges in training and development*** - identification of training needs may be less systematic, and access to development programs may be unequal, depending on the policies and budgets of each institution.

Consequently, up to the present moment (2025), the analysis carried out certifies that the evaluation of contractual staff in Romanian public institutions represents a framework with significant potential for adaptation to the specifics of each workplace. However, in order to transform this flexibility into a real advantage, increased attention is needed to develop robust internal methodologies, to constant training of evaluators, and to the coherent integration of the evaluation process into the overall human resources management strategy of each institution. This approach could reduce the degree of inconsistency and increase the added value of performance evaluation for contractual staff.

**4.3 Non-evaluable or less relevant aspects about performance**

The analysis conducted reconfirmed the existence of clear limits to what can be objectively assessed about professional performance. These aspects, although sometimes relevant in the general context of an employee, should not influence the outcome of the performance assessment:

* ***Internal intentions and motivations*** - it is impossible to directly measure the internal state of an individual; therefore, what directly matters are the observable behaviours and concrete results, not the psychological reasons behind them. Including intentions would make the assessment itself deeply subjective and invasive.
* ***External uncontrollable factors*** - performance can be severely affected by factors that the employee cannot control (e.g., lack of resources, abrupt legislative changes, superior strategic decisions, force majeure events). The assessment of individual performance must dissociate the employee's contribution from the impact of these external variables in order to be truly fair.
* ***Strictly personal or private aspects*** - any element of the employee's private life (e.g., orientation, beliefs, marital status, hobbies) is irrelevant for the assessment of professional performance, as long as it does not generate unethical or unprofessional behaviour at work. Including them would violate, from the outset, the right to privacy and would introduce an unacceptable level of discrimination.
* ***Undeveloped or unused potential*** - performance evaluation appreciates what the employee has done and achieved, not what he or she could have done. Potential is a relevant element for career planning and personal development, but not for the assessment of current performance, which is based on action and result.
* ***Absence of opportunities to demonstrate specific criteria*** - if an employee did not have duties or projects that allowed him or her to demonstrate certain skills or meet certain objectives during the evaluated period, these criteria should not be penalising. The evaluation should only target the activities carried out.
* ***Emotional subjectivity of the evaluator*** - although it is known that evaluation systems are designed to minimise it through objective criteria, the influence of interpersonal relationships, stereotypes, or cognitive biases of the evaluator remains a major challenge. The lack of evaluator calibration sessions and clear standards for interpreting the criteria amplifies this problem, ultimately leading to inconsistent results and perceptions of inequity.

In general, it is noted that although Romania has made progress in establishing a legal framework for performance evaluation in the public sector, the real challenge lies in its effective implementation and in transforming evaluation from a formal administrative exercise into a strategic managerial tool. To achieve this objective, an approach that goes beyond simple bureaucratic compliance and focuses on the added value of the process for the employee, manager, and citizen is essential.

5. PERSPECTIVES AND PROPOSALS

The current performance evaluation system in public institutions in Romania, although it has made important steps towards professionalisation, especially through the legislative framework for civil servants, is at a stage where improvements are not only desired but necessary. The transformation from a process often perceived as a bureaucratic formality into a strategic human resources management tool is essential for increasing the efficiency and quality of public services. Here are some concrete perspectives and proposals for the future:

**5.1 Simplification and complete digitalisation of the process**

The complexity and volume of documents associated with evaluation consume significant resources and can discourage both evaluators and evaluations. As a result, manual processes increase the risk of errors and delays. The proposal in this case boils down to the development and implementation of an integrated national digital platform for performance management across the public sector. This should allow for online goal setting, continuous feedback recording, completion of evaluation forms, tracking of training needs, and automatic report generation. Secure and differentiated access by levels would ensure confidentiality, but also data integrity. Expected benefits include: reducing bureaucracy, increasing transparency, streamlining data collection and analysis, and facilitating real-time performance monitoring.

**5.2 Developing evaluator skills and implementing a culture of continuous feedback**

The quality of the evaluation depends largely on the evaluator's ability to set relevant objectives, provide constructive feedback, and interpret performance correctly. Managers are often not sufficiently prepared for this complex role. In addition, feedback is reduced to an annual, formal event.

The proposal in this case is reflected in the introduction of mandatory and recurring training programs for all managers with an evaluation role, focused on setting SMART objectives (e.g., *how to translate institutional strategies into concrete and measurable individual objectives*), constructive feedback techniques (e.g., *how to provide regular, specific, balanced and development-oriented feedback*), managing difficult situations (e.g., *non-conflictual approach to performance below expectations*), combating bias (by recognizing and minimizing subjectivity). This time's proposal aims to promote an organisational culture of continuous feedback. The annual evaluation should be just a synthesis of the discussions held during the year, transforming managers into mentors. The expected benefits include the following: significantly improving the quality of assessments, increasing employee confidence in the process, developing leadership skills at the managerial level, and creating a more dynamic work environment.

**5.3 Closer correlation with professional development and career planning**

Often, evaluation is perceived as an end in itself, and the results are not used to their full potential for individual development or strategic human resources planning. A proposal in this regard boils down to integrating the results of performance evaluation with individual development plans and career development strategies at the institutional level. Each evaluation should generate, in addition to a rating, a set of concrete development actions (courses, coaching, mentoring, job rotation) correlated with the identified needs. Also, another proposal can be materialised by using aggregated data from evaluations to identify skills gaps at the institutional level and to adjust centralised training programs. The expected benefits can be equated by ensuring relevant professional development, increasing the attractiveness of a career in public administration, and an alignment between the skills available and those needed by the institution.

**5.4 Making criteria more flexible and recognising exceptional performance**

The rigidity of the criteria or the tendency to award maximum ratings en masse undermines the system's ability to truly differentiate performance and stimulate excellence. In this context, a periodic and flexible review of performance criteria, adapted to the specifics of different fields of activity and hierarchical levels in the administration, may be a promising proposal. At the same time, we can also discuss, as a proposal, the development of clear mechanisms for recognising and rewarding exceptional performance, beyond simple automatic advancement. These could include public recognition programs, accelerated development opportunities, or performance bonuses, within the limits of the legislation. The expected benefits can be summarised in stimulating top performance, creating a meritocratic environment, and increasing employee morale by recognising their efforts.

**5.5 Exploring multi-source feedback mechanisms**

The exclusive evaluation by the hierarchical boss, although fundamental and necessary, can be limited by his unique perspective and relational dynamics. The proposal this time could be represented by the gradual and optional introduction, within the pilot institutions, of multi-source feedback elements (360 degrees), where the employee also receives feedback from colleagues, subordinates (if applicable), and external partners (if relevant). These would be used strictly for development purposes, not for salary or disciplinary decisions. Among the expected benefits are a more holistic and balanced picture of performance, the identification of strengths or areas for development unnoticed by a single person, and the increase in the employee's self-knowledge.

All these proposals, materializable with little effort, represent a strategic vision for the transformation of performance evaluation in the Romanian public administration. They require a firm commitment from institutional leadership, investment in human and technological resources, and, above all, a change in mentality, from a conformist approach to a proactive one oriented towards continuous development.

6. CONCLUSIONS AND RECOMMENDATIONS

The Romanian system for evaluating the performance of human capital in public institutions is an essential pillar of the efforts to modernise the administration, reflecting the commitment to efficient and accountable governance. The in-depth analysis of the normative frameworks and current practices has highlighted significant progress in structuring the evaluation process, especially for civil servants, by establishing clear objectives and defined performance criteria. This is crucial to ensure a certain objectivity and predictability in the appreciation of the work done, aligning with the European principles of good governance and performance management. However, it is clear that the system still faces substantial challenges in the implementation phase and in the perception of staff. Risks of subjectivity, excessive bureaucracy, and insufficient correlation with real career development remain significant barriers to achieving the full potential of evaluation. Also, regulatory differences between civil servants and contractual staff, although partially justified by the distinct legal status, can generate discrepancies and inconsistencies at the institutional and national levels, affecting the uniformity and fairness of processes.

Despite all of these issues, the potential of performance appraisal to transform public administration remains considerable. By rigorously identifying strengths and weaknesses, the system can contribute to:

* ***Increasing individual responsibility*** - employees become more aware of their contribution to institutional objectives, stimulating proactive behaviour.
* ***Identifying development needs*** - the appraisal itself thus becomes a diagnostic tool, not just a simple judgment, allowing targeted interventions through training and skills development programs.
* ***Optimising human resources*** - can be felt through a better allocation of roles and responsibilities, directly based on performance, significantly contributing to operational efficiency.
* ***Improving organisational culture*** - promoting meritocracy, transparency, and a work environment based on constructive feedback and recognition.

Transforming the evaluation process from a simple administrative formality into a strategic tool for human capital development is essential for building a more efficient, adaptable, and citizen-oriented Romanian public administration. This requires a holistic approach, combining legislative rigour with implementation flexibility and a continuous investment in people development. To fully exploit the potential of the evaluation system and overcome current limitations, the following strategic recommendations are formulated, with a strong emphasis on the need for and prioritisation of digitalisation:

1. Complete and integrated digitalisation of the evaluation process

The current system, marked by physical forms, bureaucracy, and manual processes, is inefficient, time-consuming, and error-prone. This reduces the attractiveness of the process and prevents large-scale data analysis. In this regard, the development and implementation of a single and integrated national digital platform for performance management across the entire public sector would be a welcome proposal.

This platform should allow:

* ***online setting and monitoring of SMART objectives*** (with the possibility of making the necessary adjustments throughout the year);
* ***recording of continuous feedback*** - allowing managers to provide notes and assessments in real time;
* ***electronic completion of evaluation forms*** - significantly reducing the volume of papers and administrative time;
* ***electronic management of appeals*** - significantly simplifying the entire process and ensuring transparency;
* ***automatic generation of reports and analyses*** - for easier identification of trends, but also of training needs at the individual and organisational level;
* ***secure and differentiated access*** - according to roles and responsibilities within the institution (evaluator, evaluated, HR, management).

The expected impact as a result of full digitalisation could materialise by exponentially increasing administrative efficiency, drastically reducing errors, facilitating a predictive analysis of human resource needs, ensuring transparency and objectivity through digital standardisation, and transforming evaluation into a modern and dynamic managerial tool. Digitalization is not just an option, but a pressing necessity to overcome the technological gap and ensure a competitive public administration.

1. Digital support in developing assessors' skills

Even with a digital system, the quality of the assessment depends on the skills of the assessor. Lack of adequate training undermines the value of the entire process. The proposal in this case can be equated with mandatory and recurring training programs for all managers with an evaluation role. These should use e-learning modules integrated into the digital evaluation platform, providing flexible access to courses on: setting SMART goals, constructive feedback techniques, managing difficult situations, and recognising/minimising biases. The expected impact can be realised mainly through a significant improvement in the quality of evaluations, increased employee confidence in the process, and, implicitly, the development of leadership skills at the managerial level.

1. Strategic correlation with professional development and career planning, facilitated from a technological perspective

Assessment is often an end in itself, with its results being insufficiently used for the professional development of employees. In this regard, the proposal can be summarised as integrating assessment results with individual development plans (IDPs), also managed through the digital platform. The platform should automatically suggest relevant training courses or development opportunities based on identified skill gaps. In addition, aggregated data from the assessment system should inform career development strategies at the institutional and centralised level (e.g., *ANFP training programs*). The expected impact can be seen in ensuring relevant and personalised professional development, increasing the attractiveness of a career in public administration, and better alignment between the skills available and those needed by the institution.

1. Promoting an organisational culture of performance and continuous feedback, supported by appropriate digital tools

A rigid and non-transparent organisational culture undermines any evaluation system, no matter how well-designed it may be. As such, implementing continuous feedback features in the digital platform, allowing managers and employees to provide and request feedback at any time, may be an appropriate proposal. This would facilitate informal discussions and transform the annual evaluation into a synthesis of ongoing dialogue. The expected impact can manifest itself as a transformation of the evaluation from a formality into a continuous dialogue, stimulating constant improvement and building a healthier and more productive work environment based on recognition and open communication.

1. Flexibility of criteria and recognition of exceptional performance, achievable and supported by digital analytics

The current rigidity of criteria does not always allow for an accurate assessment of role diversity, and the lack of clear reward mechanisms demotivates top employees. As a result, a digital platform should allow for controlled flexibility in criteria, tailored to the specifics of departments and positions, without losing overall standardisation. At the same time, aggregated data could automatically identify exceptional performance, facilitating recognition and rewards (e.g., *through accelerated development opportunities* and/or *mentoring programs*). The expected impact can be sustained by stimulating top performance, creating a meritocratic environment, and boosting employee morale by recognising their efforts.

The implementation of all these recommendations requires not only a firm commitment from decision-makers at the governmental and institutional level but also significant investments in human resources and, above all, a clear vision of the role of digitalisation as the main driver of the transformation and modernisation of Romanian public administration. Only through an integrated and technology-centric approach can we build a more efficient, adaptable, and citizen-oriented public administration.

Disclaimer (Artificial intelligence)

Option 1:

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, manuscript.

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Details of the AI usage are given below:

1.

2.

3.

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