

Adjustment of employee evaluation in wood processing company Zvolen Corp.

Prilagodba sustava za ocjenu zaposlenika u tvrtki za preradu drva Zvolen Corp.

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ABSTRACT • This paper deals with the modification of a new system for the assessment of employees in the wood processing company Zvolen, Corp. Assessment criteria are suggested and described on the basis of previous system analysis. At the end of this paper, benefits enjoyed by the company after a successful implementation of the new system of assessment are presented.

Key words: assessment criteria, system of assessment, employee assessment, company management.

SAŽETAK • U radu se analizira prilagodba sustava za ocjenu zaposlenika u tvrtki za preradu drva Zvolen, Corp. Na temelju prije izrađenih sustava i provedenih analiza predlažu se kriteriji ocjenjivanja i daje se njihov opis. U radu su prezentirane i prednosti koje tvrtka postiže uspješnom primjenom novog sustava za ocjenu zaposlenika.

Ključne riječi: kriteriji ocjenjivanja, sustav ocjenjivanja, ocjena zaposlenika, upravljanje poduzećem

1 INTRODUCTION

1. UVOD

Human resources management is a part of the company management focused on personnel problems in the work process and importance of labour force for the company. The company is primarily interested in achieving the set goals. As human resources are the key driving force, which starts other machines and determines their use in the company, then human resources management is the essential part of the company management. Also any other sphere of the company management (e.g. finance, investment, production, sale) is only

seemingly aimed at the main object after which it is named. Actually even here we can speak about management of people in order to ensure a sphere of operation or contribute to achieving its plans. First of all, a company that wants to be successful, must be aware of the value and importance of its human resources, understand that human resources are the most important asset of the company and that it is up to the human resources management to decide whether a company will or will not be successful (Koubek et al, 1996).

One of the basic tasks of human resources management is employee assessment. It must be done regularly so that each employee knows that his/her supervisor re-

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cognises his/her work and his/her success (Mesáro and Sudzina, 2005). It is also important for the company to have a proper system of assessment, which ensures its current employees promotion within a management structure, appropriate pay, or possibly further qualification training. Such system of assessment must make an inseparable part of inter-plant controlling (Potkány, 2004). A well developed employee assessment system will result in higher performance, better employee motivation towards quality, higher fairness and effectiveness of remuneration and many other aspects leading to the increase of the company profit. The higher the position of an employee who is being assessed, the more complicated his/her assessment is. Attention is paid to their attitudes, behaviour, communication and many values that are difficult to measure and assess. The process of assessment should give a real picture of human resources available in a company. Each employer needs to know what type of workers he/she employs, how they work and in which way they support the company's economic results and image. On the other hand, an employee also has the right to know how he/she is perceived by the employer, whether he/she is satisfied with the work done. (Lejsková, 2006).

2 MATERIAL AND METHODS

2. MATERIJAL I METODEDE

Since each company deals especially with people, there are a lot of different tasks that must be solved within any company that wishes to survive. The role of human resources management is to support, directly or indirectly, the achievement of plant and company goals, and also to ensure the implementation of its philosophy. So it is important to understand that human resources are the basis of the company development and hence it can be said that human resources management is a key factor for companies to become successful (Galajdová, 2004).

2.1 Term and importance of assessment

2.1. Definicija i važnost ocjenjivanja

When taking a job, every employee wants to know the essential criteria according which he/she is going to be assessed. A manager is supposed to provide him/her exact goals and tasks he/she has to reach. A manager is able to coach and direct his/her performance in a very sensitive and intelligent way. If a manager wants to lead people to their performance and become a real manager or supervisor, he/she has to rate the work results of his/her employees regularly, and discuss with them their common problems, needs and achievements. An employee should feel that a manager appreciates his/her work and be aware that both the employer and employee look for a way to improve their job performance (Vetráková, 1996). Work assessment is an important part of personnel tasks, where several qualities, attitudes, opinions, manners and work results are assessed with respect to a particular situation. Employee assessment should give a complete picture of a current

state, development and prospects of assessed employees and at the same time draw attention to their negative sides and potentials and give them confidence and support. It is also a basis for the development of mutual relations between supervisors and their subordinates.

2.2 System of assessment

2.2. Sustav ocjenjivanja

Assessment is a natural need of each employee and it is related to a higher human social need – the need of social affiliation (response). When an employee is assessed, he/she also gets feedback concerning his/her performance and behaviour, and it leads to maintenance or correction of his/her actual activities. Based on information from managers and colleagues and on their own opinion (self-assessment), their performance is regulated so as to meet their current and future requirements and goals. From the managerial point of view, assessment or feedback provision is one of the basic procedural elements of their working position (Myšková, 2003). In companies assessment may be implemented in a formal and informal way and is used as a tool of employees' development. Although from the social and psychological point of view, it deals with the same processes if applied in an organization, some differences should be pointed out. A formal assessment is a standardized process where a standard procedure is applied to evaluate and appraise an employee's work based on determined criteria. Results of several reviewers should be reciprocally comparable and a subjective mistake should be brought to minimum. Informal assessment (feedback) is a wider term. It is an inseparable part of human communication and perception. Mostly it is provided in an informal way and it is not based on standard procedures. An informal assessment results from daily contact of a manager with his/her employees (Vetráková, 1996). Since its course is not so binding in terms of its results, managers use it more often in their assessment activities. Each assessment as a process has its own subject and object. The subject of assessment is usually a person or people who provide and submit assessment, e.g. a direct supervisor, subordinate, colleagues and other people concerned (customers), psychologist, and a team of evaluators. The term object of assessment means a person that is being assessed, e.g. an employee or a working group.

2.3 Criteria of assessment

2.3. Kriteriji ocjenjivanja

In order to ensure a positive impact of assessment, it is necessary to work out and determine assessment criteria because then they may be used to predict employee's success or failure. Criteria for employees assessment are differentiated based on professional work groups, functional positions, assessment purpose, etc. The same criteria cannot be used for all employees. Different kinds of criteria are used for assessing a newly hired employee and for assessing regularly experienced employees, and different criteria are applied for the assessment of managers. Number of criteria depends on the kind of assessment and work posi-

tion. Several requirements should be met when choosing assessment criteria:

- number of criteria – it should not be too high because it could make the whole system of assessment more complicated,
- criteria objectivity – different evaluators should come to almost the same results when assessing a particular employee,
- independence – one criteria should not result from the other, e.g. precision and reliability. An employee comes to work on time, his/her subordinates say he/she is precise and also reliable,
- relevance – e.g. communication skills are assessed differently for a marketer and a programmer (Galajdov and Hitka, 1998).

3 RESULTS

3. REZULTATI

We investigated employee assessment in a wood processing company Zvolen, Corp. The company does not have its own complex system of employee evaluation. Up till now it was replaced by a motivational system or incentive payment plan, used for employees remuneration based on assessment coefficients. Employees working in technical and economic departments were assessed by their direct supervisors. The employees were evaluated only once a year and in this process the following methods of assessment were used:

1. Employees assessment by their supervisor by an evaluation form – an evaluator performs employee assessment through an evaluation form without the presence of people being assessed. he/she applies a 5-level scale and assigns points to individual criteria. Point values of individual criteria are summed and the evaluator gets the total number of points allocated to an individual employee. This method is an analytical one and uses work comparison and verbal description. Its advantage is that evaluators are forced to consider several factors that help them in avoiding too simple judgements. This could happen if they used non-analytic complex methods.
2. Employees assessment through evaluation interview – assessment through an evaluation interview is another possibility. It is only successful if its results are discussed with all persons concerned. A direct supervisor usually leads such a discussion aimed at finding the ways to improve employees' performance or behaviour and consider the consequences of proposed measures. The aim and reason of this interview must be clear to both parties. The evaluation form will be used as the basis for discussion between the evaluator and employees and as a written document of their mutual agreement concerning future tasks and employees' development. The aim of the interview is to assess employees' performance and behaviour and establish the improvement since the previous assessment. A very important part of this process is to determine the tasks leading to the performance improvement and to identify

possible problems at the workplace. Decision may also be made concerning expert knowledge, and employees' development, and improvement of communication between an employee and his/her supervisor can be clarified and discussed. This discussion helps an individual employee to adopt his/her attitude, understand his/her strengths and weaknesses, and provides to the employer the grounds for encouraging, motivating, promoting or dismissing employees.

3.1 Criteria of assessment

3.1. Kriteriji ocenjivanja

Criteria are the quality required for performing a particular job. So when we try to evaluate our employees we concentrate on assessment of the above mentioned qualities. When criteria are established, we sometimes have the feeling that the more criteria are used, the more accurate the assessment will be. But this is not true. The higher the number of criteria, the higher the probability is of their mutual duplicity. So it is more complicated for an evaluator to find small and delicate assessment differentiations. In our case we suggest three main areas of assessment criteria:

1. professional knowledge
2. work behaviour
3. social behaviour

Each of the above mentioned areas is internally divided into several other subcriteria. Individual criteria are characterized through five levels, which are used for the assessment of an employee. The selected five-level scale of evaluation is used in the following way:

Excellent level (5) – means that the level of administrative and managing performance of an employee who is being assessed is high; he/she steadily meets the requirements of his/her position,

Good level (4) – is equal to an average level of fulfilling the requirements of his/her position,

Acceptable level (3) – is equal to an average level of fulfilling the requirements of his/her position,

Satisfactory level (2) – evaluated occasionally, does not meet the requirements of his/her position,

Unsatisfactory level (1) – an evaluated person is not able to meet the requirements of his/her position.

Then, the three main categories are divided into partial criteria and their description in five-level scale of evaluation. The order of levels in a scale is from the highest level to the lowest one, the rate of the highest level is 5 and the rate of the lowest level is 1.

3.1.1 Professional knowledge and qualification for work

3.1.1. Stručna znanja i kvalifikacije za rad

Professional knowledge and qualification for work are one of the most important criteria applied when assessing people in managerial positions. They should have strong working knowledge of the area they manage, they should be able to take right and fair decisions, direct and coach subordinates, create and build a work group, have the ability to lead a department and of

course they should have managerial and organizational skills. Besides formal authority delegated by an organization, managers should also have natural informal authority and prestige, based on quality of their knowledge and abilities.

The above mentioned criteria can be divided into the following sub-criteria:

- a) expert knowledge,
- b) ability to make decisions,
- c) managerial and organizational abilities,
- d) authority and prestige
- e) ability to lead a team, department,
- f) education and training of subordinates and creation and building of a team, work group,
- g) interest in further development.

a) Expert knowledge

a) *Stručna znanja*

Expert knowledge means competence and ability to understand specific problems of a supervisor's work area. This criterion is characterised through five levels:

- 5 Has strong and excellent knowledge in his/her area, including abilities he/she uses in performing his/her tasks.
- 4 Has good knowledge and abilities in his/her area and uses them properly in performing his/her tasks.
- 3 His/her knowledge, abilities and experience in his/her area are average, and adequate to perform only common tasks concerning a particular position.
- 2 His/her knowledge, abilities and experience in his/her area are fractional. It is necessary to update and advance some of them.
- 1 His/her expert knowledge is poor. His/her experience is not demonstrated at all within a particular area or in performing his/her tasks.

b) Ability to make decisions

b) *Sposobnost odlučivanja*

Ability to make decisions is an innate characteristic. This ability can be partially influenced by education, environment and upbringing. It is not clear right away whether our decision is right, but based on experience, intuition and expert knowledge, a certain number of wrong decisions can be brought to minimum. The selected five-level scale of evaluation is as follows:

- 5 Can make decisions quickly and correctly and does not change them. Respects facts and if it is necessary willing to change his/her decision. Able to put his/her decisions into practice, to defend and justify them in front of both his/her supervisors and subordinates.
- 4 Decides properly even in a complicated situation, and almost always able to find a proper solution.
- 3 Decides properly in common situations, sometimes needs assistance and more time.
- 2 Makes decisions quite slowly but if an extraordinary or unusual situation arises, hesitates and is never sure whether his/her decision is right or not; not able to see the risks.
- 1 Makes decisions very slowly and it takes him/her too much time, without his/her own opinion and

conviction; it is very easy to make him/her change his/her decision; fails to see relevant facts and information.

c) Managerial and organizational abilities

c) *Menadžerske i organizacijske sposobnosti*

For a manager, his/her managerial abilities are a way to present and develop himself/herself. This criterion is rated in five levels of evaluation as follows:

- 5 Able to organize the work and motivate his/her team; his/her authority is strong and informal.
- 4 Able to manage effectively; organizes work very well and always motivates his/her people in a proper way.
- 3 Has a good formal authority, can delegate it, and able to motivate a team.
- 2 When solving operational tasks, tends to perform the work himself/herself; in critical situations able to motivate his/her team correctly.
- 1 Has problems with managing a team and not able to establish his/her own authority.

d) Authority and prestige

d) *Autoritet i ugled*

Manager's authority is a characteristic showing how his/her subordinates or peers respect his/her orders and recommendations. Manager's prestige is a characteristic showing the opinion of his/her subordinates or peers on his/her power, knowledge and skills. This criterion is characterised through five levels:

- 5 Has a strong authority and prestige, which is reflected in the respect of all subordinates; makes efforts to improve performance.
- 4 Subordinates perform tasks allocated to them by their supervisor and fulfil all obligations on time.
- 3 Most subordinates respect supervisor's orders.
- 2 Sometimes the supervisor's orders are not respected by his/her subordinates.
- 1 Subordinates do not respect their supervisor and fail to meet their tasks.

e) Ability to lead a group, department

e) *Sposobnost vođenja grupe, odjela*

A manager should be able to lead and manage a business unit and create a pleasant working atmosphere. He/she should know how to allocate tasks to his/her subordinates properly and how to control them. The selected five-level scale of evaluation is:

- 5 Directs excellently the unit he/she is responsible for; able to create a pleasant working atmosphere. Knows how to allocate tasks to his/her subordinates, taking into consideration their expert knowledge, personal traits, interpersonal relations, and able to inspire his/her colleagues not only to meet their duties but to do even more; also performs monitoring and controlling activities.
- 4 Directs the unit he/she is responsible for without any problems; allocates tasks fairly and properly, respects wishes of his/her team, gets on well with both his/her supervisors and subordinates.

- 3 Directs the unit he/she is responsible for without serious problems; controls the work regularly.
 - 2 Makes considerable mistakes in allocating tasks; rarely respects expert knowledge of his/her peers, so they are often dissatisfied, which results in strained relations.
 - 1 Makes big mistakes in leading a team; his/her team does not respect him/her; does not know how to allocate work and how to control it.
- e) Education and training of subordinates, creation and building of a team or work group
- e) *Podučavanje podređenih, izgradnja tima, radne grupe*

Each manager has an accurate attitude towards his/her subordinates and educates, trains, coaches and leads them. Consequently he/she is able to create or build a working group or team and predict correctly the abilities and nature of his/her employees. The selected five-level scale of evaluation is:

- 5 Educates and trains excellently his/her subordinates, and tries hard to provide additional training for the key team employees; totally committed to his/her company.
- 4 Directs successfully his/her fellow employees; good at organizing; able to allocate tasks well; can judge abilities and capabilities of his/her colleagues and direct them.
- 3 Able to coordinate the work of his/her subordinates; sometimes has problems with it.
- 2 Knows what should be done to improve activities of a group of his/her fellow employees, but not able to choose suitable people.
- 1 Cannot recognize people's traits or decide what they should know; not able to value the requirements concerning their qualification; prefers doing things alone; not successful at all.

- f) Interest in further development
- f) *Zanimanje za napredovanje*

Each manager should be interested in his/her own development. This aim can be reached through different types of self-education, courses and trainings. This criterion is characterised through five levels as follows:

- 5 Exceeds requirements concerning his/her expert knowledge; interested in his/her personal development; uses his/her free time for personal growth.
- 4 Not interested in trainings within the framework of offered plant activities; regularly attends trainings.
- 3 Occasionally attends trainings; not interested in service training very much.
- 2 Not interested in expert trainings, but sometimes shows interest in self-growth.
- 1 Not interested in personal growth and development and does not seek such activities.

3.1.2 Behaviour at work

3.1.2. Ponašanje na poslu

This criterion is closely connected with the character of an individual person and it is often influenced

by motivating factors. Managers should be steady and their work efficiency and quality should be sufficient when performing tasks assigned.

The above mentioned criteria can be divided into the following sub-criteria:

- a) task performance,
- b) efficiency and work quality,
- c) ability to finish unfinished task,
- d) obeying supervisors' orders
- e) work initiative

- a) Tasks performance
- a) *Obavljanje zaduženja*

Tasks performance should be automatic or obvious for every manager and not only in his/her relation towards his/her subordinates but towards himself/herself as well. Managers should present an ideal for their subordinates in terms of work initiative and consistency. This criterion is characterised through five levels as follows:

- 5 Performs the management function intensively and works over time; extremely persistent; his/her effort to meet the tasks exceeds his/her scope of duties.
- 4 Performs managerial tasks persistently and precisely.
- 3 Performs his/her managerial tasks with an average concentration and using his/her potential.
- 2 In performing his/her managerial tasks, often slows down; not able to work persistently.
- 1 Develops minimum effort to meet the plans, targets or goals; not able to work intensively and persistently.

- b) Efficiency and quality of work
- b) *Učinkovitost i kvaliteta rada*

The criteria of efficiency and quality of work is closely connected with the criteria concerning the relationship towards the company. Any employee, who feels that he/she is an inseparable part of the company he/she works for, tries hard to improve the quality of his/her work. Within his/her abilities he/she will be more and more efficient. The selected five-level scale of evaluation is:

- 5 His/her performance is stable and high; respects all rules and requirements concerning quality.
- 4 His/her performance is good, without big deviations concerning quality of work.
- 3 His/her performance is average; the quality of his/her work is at an average level.
- 2 His/her performance is sometimes insufficient; the quality of his/her work varies.
- 1 His/her performance is not sufficient; the quality of his/her work does not meet company's requirements.

- c) Ability to finish an unfinished task
- c) *Sposobnost završavanja nezavršenih poslova*

Ability to finish an unfinished task is an ability that every employee should possess. It is not enough to be enthusiastic about the task but to start to work on it.

It is also important to finish it. The selected five-level scale of evaluation is:

- 5 Always able to finish allocated tasks in the shortest possible time and at the highest quality.
- 4 Almost always able to finish tasks in time and at the required quality.
- 3 Almost always able to finish tasks, but sometimes fails to meet the deadline.
- 2 Finishes his/her tasks only with the help of somebody else and based on warnings.
- 1 Not able to finish tasks allocated to him/her.

d) Obeying supervisors' orders

d) *Poslušnost*

To obey supervisors' orders is very important in terms of finishing the tasks. In the event of doubts, managers should discuss their opinions with their supervisor. This criterion is characterised through five levels:

- 5 Shows initiative and total independence in performing his/her tasks and fully respects and obeys supervisor's orders.
- 4 Acts in accordance with supervisor's orders when performing his/her tasks.
- 3 Mostly respects and follows supervisor's orders.
- 2 Many times fails to follow supervisor's orders when performing his/her tasks.
- 1 Does not respect and does not follow supervisor's orders, which results in many conflict situations.

e) Work initiative

e) *Poduzetnost*

In our work experience we often meet a lot of problems that must be solved very quickly. So a very important task of any manager is his/her ability to make decisions promptly, precisely and correctly. This criterion is characterised through five levels:

- 5 Shows initiative and brings new and original ideas.
- 4 Independently and successfully solves unpredictable situations and brings a lot of new ideas.
- 3 Gives orders to other people, but needs to be told what to do.
- 2 Less reliable and requires permanent control.
- 1 Shows no initiative or interest in implementing new ideas.

3.1.3 Personality features

3.1.3. Značajke osobe

Another important characteristic of a manager are his/her personality features. They are innate characteristics. However, many abilities may be improved in the process of training and may be learned. They include especially abilities to communicate, cooperate, creativity and initiative, reliability, loyalty towards the company, open-mindedness, work discipline.

a) Ability to communicate

a) *Sposobnost komuniciranja*

Manager's ability to communicate with people is closely connected with his/her character traits. Even the best expert or entrepreneur – when he/she is not able to

communicate with people – is not able to develop a team of excellent employees and to bring and create values for the company. Managers are supposed to accept criticism as well. The selected five-level scale of evaluation is:

- 5 Behaves righteously and self-confidently; his/her attitude generates trust of other people; able to accept criticism; able to attract people for cooperation.
- 4 His/her behaviour is correct; tries to show confidence during negotiations; able to adapt to a team; his/her reactions against criticism are reasonable.
- 3 Can be self-confident; careful in his/her statements; sensible to criticism on his/her account.
- 2 Not self-confident; usually makes no statements of his/her own.
- 1 Does not behave adequately to a situation; not sensible to other people and hates criticism.

b) Ability to co-operate

b) *Spremnost na suradnju*

Ability to cooperate is closely related to the ability to communicate with people. If a manager is incommunicative and does not cooperate with people, both his/her supervisors and subordinates, he/she will find it very difficult to solve working problems and other tasks. The selected five-level scale of evaluation is:

- 5 Excellently cooperates with the whole team; does not make any concession concerning his/her rules and requirements, and in spite of this he/she is favourite; ready to sacrifice his/her own comfort to meet a common goal.
- 4 Works in accordance with a group of his/her fellow employees; an easy going person.
- 3 A neutral type; gets on quite well with his/her fellow employees; his/her attitude and behaviour are strict.
- 2 A less friendly and conflict-prone person; often included in unreasonable conflicts.
- 1 Makes no concession; always wants to be right; his/her team does not like him/her, his/her relation with the members of the team is often unfriendly.

c) Creativity and initiative

c) *Kreativnost i poduzetnost*

A manager should apply creative thinking and look for an original solution of his/her tasks. When solving his/her tasks he/she must always show initiative. This criterion is characterised through five levels:

- 5 Creative thinking; shows initiative; permanently looks for original and optimal solutions of allocated tasks; shows initiative in solving problems concerning his/her activities.
- 4 Creative thinking; shows initiative only in performing the tasks allocated to him/her.
- 3 Mostly creative thinking; sometimes shows initiative in creating ideas.
- 2 Very rarely comes with a good idea; needs to be encouraged to show initiative.
- 1 Poor creative abilities; shows no initiative and rejects work exceeding his/her duties.

d) Reliability

d) *Pouzdanost*

A manager must be disciplined and reliable, he/she must always meet all deadlines, and he/she should be able to perform his/her duties without any supervision, independently. This criterion is characterised through five levels of evaluation.

- 5 Well-disciplined, reliable and self-sacrificing; meets all deadlines; needs no supervision.
- 4 Strict and reliable; very rarely fails to meet some deadlines and sometimes asks for their extension.
- 3 Usually meets the set deadlines; sometimes needs supervision
- 2 Less reliable; requires permanent supervision.
- 1 Unreliable.

e) Relation to the company

e) *Odnos prema poduzeću*

A manager should defend interests of the company he/she works for; when some problems and tasks are being solved he/she should be available beyond the scope of his/her duties. This criterion is characterised through five levels of evaluation.

- 5 Really interested in company's problems; willing to deal with them and bring solutions; defends company's priorities.
- 4 Has a good relation to the company; if required, willing to help and exceed his/her scope of duties.
- 3 Meets his/her duties as necessary.
- 2 Respects company's priorities and interests; does not show initiative to help in critical situations.
- 1 Works without any interest and not willing to help in critical situations.

f) Fair-mindedness

f) *Pravednost*

To be a good and fair boss is an important ability, that any manager should have. This criterion is characterised through five levels:

- 5 Knows and performs his/her work perfectly well; able to assess the work objectively based on achieved results; and permanently able to motivate employees so as to improve their performance.
- 4 Not personally involved in execution of his/her managerial function; all employees are assessed according to the same criteria.
- 3 Tries to be objective; assessment of workers is not influenced by his/her personal feelings; and he/she concentrates on working results.

- 2 Sometimes partiality can be observed in his/her behaviour towards his/her subordinates.

- 1 Evaluates the results of his/her subordinates' work subjectively, based on sympathy towards individuals.

g) Empathy

g) *Razumijevanje*

In our work experience we often meet employees whose life stories are different. They go through different stages of their life, which makes a strong impact on their working life. It is crucial for a manager to be familiar to some extent with his/her employees' private lives and be able to sympathize with them. This criterion is characterised through five levels:

- 5 Always meets the requirements of his/her subordinates; respects their needs and wants.
- 4 As long as it is possible – meets the needs of his/her subordinates.
- 3 Usually meets the requirements of his/her subordinates and tries to understand them.
- 2 Rarely meets and respects the requirements of his/her subordinates.
- 1 Does not meet and does not respect the requirements of his/her subordinates.

3.2 Employee's assessment

3.2. Ocjena radnika

Based on the above point ranking of an employee, we suggest the following assessment of his/her abilities, competencies or qualifications (Table 1):

- Point interval from 100 to 90 points – excellent assessment – an employee performs his/her work excellently. This employee may be immediately assigned to a more demanding position.
- Point interval from 79 to 65 points – very good assessment – this assessment presents a high quality employee with good promotion prospects.
- Point interval from 64 to 50 points – good assessment – this assessment presents an employee perfectly suitable for the position he/she holds.
- Point interval from 49 to 25 points – satisfactory assessment – an employee performs his/her work quite well, sometimes it is necessary to encourage and motivate him/her.
- Point interval from 24 to 0 points – unsatisfactory assessment – we recommend that employees in this range be transferred to a position requiring lower qualification. If their re-assessment is unsatisfactory

Table 1 Complex assessment of employee's abilities

Tablica 1. Ukupna ocjena zaposlenika

Range of assessed employees <i>Područje ocjenjivanih zaposlenika</i>	Total points <i>Ukupni broj bodova</i>	Complex assessment of employee's abilities <i>Ukupna ocjena zaposlenika</i>
Middle management <i>Srednji menadžment</i>	100- 90	Excellent – <i>izvrstan</i>
	79- 65	Very good – <i>vrlo dobar</i>
	64-50	Good – <i>dobar</i>
	49-25	Satisfactory – <i>zadovoljavajući</i>
	24-0	Unsatisfactory – <i>nezadovoljavajući</i>

again they should not be kept in a managerial position.

At the bottom of the evaluation form there is a section for employee's comments. Employees are allowed to express their opinion on the process and results of the assessment interview. Based on the assessment results, the evaluator may suggest promotion, keep the evaluated employees in their position, or in case of poor results ask the employees to eliminate the problems or remind them of the possibility to take a less demanding position.

4 DISCUSSION AND CONCLUSION 4. DISKUSIJA I ZAKLJUČAK

In the area of human resources management – employee assessment plays a key role. Together with motivation and remuneration, it has a relevant impact on the level of business human potential development. Based on our knowledge, we can say that in the wood processing company Zvolen Corp. the process of employees assessment is at an extremely low level. This is the reason why we recommend to the company's management to deal with its adjustment as suggested above.

After the assessment system is introduced or launched we can speak about its benefits –organizational restructuring, more reasonable allocation of wages and salaries, (bonuses), determination of better use of employees, requirements for further employees' training and education (Mihok and Engel, 2004). The improvement of employees' motivation aimed at achieving better performance, development of better relationship between supervisors and their subordinates and raising the qualification level are also important. After applying the system of employee assessment, we can find employees who can be promoted to a higher position but also people who should be moved – transferred to a lower-responsibility position. (Hitka, 2002). In this way, an organizational restructuring may be implemented in the company so that each employee is placed in the position corresponding to his/her knowledge, abilities and qualifications. When all principles of a proper employee assessment are met, improvements in all areas of human resources management may be considered. A

direct economic gain for the business makes an inseparable part of the assessment but it is, however, quite difficult to specify it precisely.

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