

LOW THRESHOLD FOR EXCELLENCE

*Performance Appraisal in
the State Administration*



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Low Threshold for Excellence: Performance Appraisal in the State Administration

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Summary

This analysis focuses on procedures for performance appraisal of civil servants within the Montenegrin state administration system, given the importance of this mechanism in establishing a merit-based advancement system, and as a wider instrument of civil service reform. Performance appraisal should not only serve to reward or sanction employees, but rather to guide their performance towards achievement of key institutional objectives. However, as of mid-May 2025, when this analysis was finalised, only three ministries had published their annual work programmes, which illustrates how the absence of strategic objectives at the organisational level impedes monitoring of individual employee performance.

The appraisal system for civil servants and state employees has seen an increase in the number of employees appraised. The total number of appraisals rose from 3,522 in 2020 to 4,592 in 2024. Despite the said increase, a significant percentage of employees remain unevaluated – during the observed period, between 55% and 70% of civil servants and state employees were not included in the appraisal process.

The quantitative increase in appraisal coverage has not necessarily been accompanied by a qualitative improvement of the appraisal process. An analysis of the rating structure reveals a marked and continuous increase in the proportion of employees rated with the highest mark, “Excellent”: from nearly 80% of all appraised employees in 2020 to over 90% in 2024. The rating “Unsatisfactory” was recorded in a negligible number of cases, with no more than six instances recorded in a single year (2022). Furthermore, heads of authorities are almost entirely excluded from evaluation, with zero recorded appraisals in 2024. For senior management, reliable data on appraisal procedures are lacking, despite the fact that such individuals, along with the heads of authorities, should be subject to biannual performance evaluations.

As a result, performance appraisal has become irrelevant, as the prevalence of the highest ratings renders pointless any analysis of variance in employee performance. Additionally, appraisal decisions that were reviewed under this analysis reveal the use of generic input and poor justification for the grading, which do not provide sufficient guidance for professional development of employees or improvement of their overall performance.

Assignment of employees within a public institution should be conditioned upon performance appraisal; however, in practice, it is difficult to establish a link between appraisal and rewards. Illustrative examples from practice show that employees who did not receive top ratings nonetheless received variable pay – a type of



performance bonus – while those repeatedly rated with top marks did not receive similar recognition. Finally, existing regulations governing appraisals do not require prior definition of performance outcomes, nor does it prescribe a discussion of appraisal ratings.

The lack of transparency in public institutions is concerning. Most refused or ignored our requests for free access to information. Out of 25 ministries, only the Ministry of Energy submitted the requested appraisal decisions for its civil servants and state employees. The legal framework permits partial disclosure of such decisions, if necessary to protect personal data, thereby eliminating any justification for the near-complete opacity of institutions on this matter.

The dominance of top ratings is a clear indication that the appraisal process does not function in practice. Taken at face value, these results would suggest that the average public administration employee delivers above-average performance. For example, over 4,200 civil servants received the rating “Excellent” in 2024. These inconsistencies point to the need for a thorough re-examination of the appraisal system, through a process that would include direct involvement of both managers and employees familiar with the current procedures. Legislative amendments should mandate clear communication of performance expectations to employees subject to appraisal, as well as provision of feedback during performance monitoring. Improved reporting on appraisals of senior management is also needed, which would facilitate assessing the justification for frequent evaluation of employees in these positions – up to twice per year.

Introduction

Appraisal of civil servants and state employees is crucial for improving the overall functioning of the public administration and ensuring efficiency and accountability in the civil service. In line with SIGMA principles of public administration - a joint initiative of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD) that provides expert support to countries in the process of public administration reform and EU accession, professional development of civil servants is essential, and should include fair appraisal of performance, regular training, as well as mobility and advancement based on objective and transparent criteria. To assess how this mechanism, as regulated by the Law on Civil Servants and State Employees (LCSSE), is applied in practice, we analysed the relevant legal framework (LCSSE and associated bylaws), the SIGMA framework, the national public administration reform report, the annual reports of competent institutions in this area, as well as information obtained through requests for free access to information. Out of a total of 25 ministries, only the Ministry of Energy submitted 17 performance appraisal decisions for its civil servants and state employees. Due to the overall lack of available information, we supplemented our findings with interviews conducted with representatives of the Human Resources Administration and the Government Appeals Commission.

The ministries' refusal to submit performance appraisal decisions for their civil servants and state employees, referring to protection of personal data as justification, represents a significant blockage, and highlights a lack of consistency in interpretation of legal provisions among institutions. While most referred to legal obstacles stipulating that data from the Central Human Resources Registry (CHRR) and the internal labour market database may only be made available to third parties with the consent of the civil servant or state employee concerned, the Ministry of Energy submitted the requested information without any issues. Such inconsistent practice impedes research efforts and is not reasonable, particularly given that the aim of our research is to understand wider systemic processes, rather than individual cases or the identities of those involved in the appraisal process.

This analysis is divided into two chapters. The first chapter provides an overview of the principal laws and bylaws governing performance appraisal of civil servants and any related processes. The second chapter presents new data regarding practical application of the appraisal system, which is intended to contribute to the establishment of a merit-based system in our state administration. In the concluding remarks, we provide recommendations for improved implementation of performance appraisal and for establishing a functional merit-based system in the public administration.



What does the law say?

The procedure for appraisal of civil servants and state employees – the criteria, rating scale, and appraisal process for employees at all levels, including senior management and heads of authorities – is defined by the Law on Civil Servants and State Employees (LCSSE), along with the relevant bylaws.

“Fulfilment of work tasks, the quality and quantity of work results, the scope and timeliness in performance of duties, and other abilities and skills demonstrated in performance of duties” are defined as the appraisal criteria under Article 81 of the LCSSE. These criteria are further elaborated in the Decree on the Appraisal of Civil Servants and State Employees, which outlines all aspects that should be considered when assessing fulfilment of the criteria. The standards for appraisal are detailed across several criteria, which vary in complexity depending on the level of the position held by the employee. Senior management must satisfy the most demanding and complex set of criteria, while lower-level positions are subject to less complex assessment criteria.

Some criteria have clearly defined measurable standards – for instance, the scope and timeliness in execution of duties can be assessed quantitatively by the time taken to complete tasks, or whether these were completed within the prescribed deadline. Conversely, certain standards in the Decree are descriptive and imprecise – for example, “the ability to plan and execute duties” in the case of civil servants – which allows room for subjective interpretation, as it is not clearly defined how this ability is to be measured.

The appraisal of a civil servant or state employee is put into effect by a *decision* of the head of the organisational unit, i.e. a senior manager, on the basis of a proposal submitted by the employee’s line

Official reports and tables submitted to us by the Central Human Resources Registry do not contain information as to whether appraisals for heads of authorities and senior management, including secretaries and general directors in ministries, are conducted biannually, as stipulated by law.

The range of rating/grades established by the legal framework and their explanations are as follows:

Excellent – above-average results, exceeding the expectations for the given position;
Satisfactory – average results, acceptable quality standards with negligible errors;
Unsatisfactory – failure to fulfil job responsibilities, with deficiencies and irregularities.

manager.¹ The line manager is obliged to monitor the work and conduct of the civil servant or state employee continuously throughout the calendar year and to carry out the appraisal accordingly.² Employees of the Secretariat of the Parliament of Montenegro, the diplomatic service, and the security and defence sectors – including the police and the Institute for Execution of Criminal Sanctions – are exempt from the application of criteria and standards defined under the LCSSE.³ However, regardless of procedural variances, appraisal results for all civil servants, including those in the aforementioned sectors, should be recorded in the Central Human Resources Registry.

Ratings or grades fall under one of three categories: “Excellent”, “Satisfactory”, and “Unsatisfactory”. The rating “Excellent” is awarded if the employee “has achieved above average results and fulfilled their work tasks with performance exceeding expectations for their position.” The rating “Satisfactory” is given if the employee “has achieved average results and fulfilled their tasks in a manner that ensures acceptable standards of work quality, with negligible errors.” Finally, the rating “Unsatisfactory” is assigned if the employee “has not fulfilled the work tasks as required by the position, with remarks from the line manager concerning errors and irregularities.”⁴ This system was introduced with the currently applicable law, adopted in 2017. The previous Law on Civil Servants and State Employees from 2011 had provided a wider set of rating options, which included four categories: “Excellent”, “Good”, “Satisfactory”, and “Unsatisfactory”, while the rating scale for senior management comprised only two options – “Satisfactory” and “Unsatisfactory”.⁵

The performance appraisal process for most civil servants should be conducted once per year, no later than 31 January of the current year for the previous calendar year.⁶ The appraisal of senior management and heads of authorities should be conducted twice per year: for the period from 1 January to 1 July, the appraisal must be completed no later than 31 July of the current year; for the period from 1 July to 31 December, the appraisal must be carried out no later than 31 January of the following year.⁷ Although performance appraisal of senior management and heads of authorities is prescribed by law and, as such, should be conducted

1 Law on Civil Servants and State Employees, Article 83.

2 Decree on Appraisal of Civil Servants and State Employees, Articles 6–7.

3 Law on Civil Servants and State Employees, Articles 81, 83.

4 Law on Civil Servants and State Employees, Article 82.

5 Law on Civil Servants and State Employees, Articles 109, 111, available at: <https://media.cgo-cce.org/2013/06/20-Zakon-o-drzavnim-sluzbenicima-i-namjestenicima.pdf>

6 Ibid.

7 Manual for Appraisal of Civil Servants and State Employees (2021), available at: <https://www.gov.me/dokumenta/02e965be-92cb-4db8-8dce-57514c6a1a7a>



regularly, annual reports of the Human Resources Administration for 2022, 2023, and 2024⁸ do not contain data on whether employees in these categories were appraised twice per year. An earlier monitoring report on the implementation of the LCSSE from 2021 indicated that the appraisal process for heads of authorities was implemented to an insufficient degree, and that the number of senior officials appraised had decreased slightly.⁹ However, the report did not specify whether appraisals were conducted biannually, nor did it assess whether the system is excessively burdensome for authorities that are required to apply it.

Appraisal of civil servants and state employees is based on a three-tier evaluation process. A senior manager from the organisational unit appraises the civil servant or state employee on the basis of a proposal submitted by the employee's line manager. Senior managers are appraised by the head of authority, and heads of authorities are appraised by the relevant minister.¹⁰

Performance appraisal grades for civil servants and state employees are issued by senior managers, at the proposal of line managers. The civil servant or employee must be informed of the proposed appraisal; the line manager is required to draft an official note indicating the date of notification and any objections from the employee regarding the proposed grade, along with a rationale for such objections.¹¹ The appraisal grade is entered into the Central Human Resources Registry. If a civil servant receives an "Unsatisfactory" grade twice consecutively, their employment is terminated on the date the decision becomes final.¹²

8 Human Resources Administration Work Report for 2024:
<https://wapi.gov.me/download-preview/6931f46d-3aec-4c71-af05-309f0154e6d1?version=1.0>

Human Resources Administration Work Report for 2023:

<https://www.gov.me/dokumenta/1d45990f-3ea5-4d2a-a59e-5af3a0352470>

Human Resources Administration Work Report for 2022:

<https://www.gov.me/dokumenta/a03fb023-3a8f-40be-97f9-e3e8b58f4aa3>

9 Monitoring Report on the Functioning of the Civil Service System at Central and Local Level, Ministry of Public Administration, Digital Society and Media, September 2021, available at:
<https://wapi.gov.me/download-preview/29784ce7-8569-4e54-9b9d-1d95ec3ab8d0?version=1.0>

10 Law on Civil Servants and State Employees, Articles 83–85.

11 Decree on Appraisal of Civil Servants and State Employees, Article 10.

12 Pursuant to Article 144 of the Law on Administrative Procedure, a first-instance decision becomes enforceable upon expiry of the complaint deadline, if no complaint has been filed. Based on the appraisal decisions provided by the Ministry of Energy, it is evident that complaints to the Appeals Commission must be submitted within eight days of receipt of the decision, which means that the decision becomes enforceable on the eighth day unless appealed in the meantime.

- **NO OBLIGATION TO PRE-DEFINE OBJECTIVES; CONTINUOUS PERFORMANCE MONITORING REQUIRED**

In line with the Manual for Appraisal, Performance Monitoring, and Professional Development of Civil Servants and State Employees, the appraisal process comprises four stages: planning and agreement of work objectives, monitoring of performance, a performance discussion and clarification of the rating, and professional training and development.¹³ This Manual goes beyond the legal framework and introduces important elements into the appraisal process, but it is not legally binding. According to the Manual, the line manager and the employee should agree on annual work objectives at the start of the appraisal period, ideally during the appraisal discussion for the previous year.¹⁴ The objective planning form includes both planned and unplanned objectives, and these are further broken down into specific tasks.¹⁵ During the monitoring phase, the line manager should periodically assess work performance and efficiency by providing feedback on the employee's progress towards the set objectives. The employee then comments on the feedback received.¹⁶ The process entails continuous performance monitoring throughout the year, with the final appraisal being a technical and conclusive element of that process.¹⁷

The Manual is largely aligned with good practices in performance appraisal. However, for the appraisal process and objective setting to be effective for each civil servant, objectives must be clearly defined at the level of the entire ministry or authority. In other words, there should be a vertically integrated performance management system, linking individual employees to the mission and strategy of the organisation. An absence of a clear institutional mission and vision, misalignment between job descriptions and work objectives, and vaguely defined tasks are major barriers to establishing an effective system for individual performance appraisal.¹⁸ Although such a system is difficult to fully implement even in more developed and structured administrations, it represents a standard to which we should aspire.

13 Manual for Appraisal, Performance Monitoring and Professional Development of Civil Servants and State Employees (2025). Provided pursuant to decision by the Human Resources Administration dated 25/04/2025, in response to a freedom of information request submitted by Institute Alternative, no. UPI-08-037/25-31/1 dated 14/03/2025.

14 Ibid.

15 Ibid.

16 Ibid.

17 Interview with Đuro Nikač, Assistant Director of the Human Resources Management Sector, and Ana Zečević, Head of the Department for Human Resource Network Development and Promotion, held on 10/04/2025 at the Human Resources Administration.

18 Milena Muk, Vlasta Perla, Jan-Hinrik Meyer-Sahling, Towards Effective Performance Appraisal in the Western Balkans: How to Develop Performance?, ReSPA, available at: <https://www.respaweb.eu/download/doc/Towards+Effective+Performance+Apparaisal+in+the+WBs.pdf/7b629959a17409fff11bdf2ad049345c.pdf>

Viewed as an ideal toward which we gradually progress, this approach can serve as both a normative and practical guide for improving appraisal practices and strengthening the overall professionalisation of the public administration. Our public administration system only sporadically prepares annual work programmes. For the current year (2025), only three ministries' work programmes can be found through an online search.¹⁹

Although neither the Law nor the Decree, which elaborates the details of the appraisal system, require clearly defined objectives and outcomes at the start of the appraisal cycle, they introduce the obligation to conduct performance monitoring. The line manager is required to monitor the performance and conduct of civil servants and state employees throughout the calendar year, to encourage effective fulfilment of official duties, appropriate professional conduct, and to highlight deficiencies and irregularities in their performance.²⁰ Nevertheless, this obligation is not further elaborated in terms of a possible requirement to prepare official notes or records.

Beyond performance monitoring of civil servants and state employees, appraisals should also play a central role in decision-making on employees' professional development.²¹ Additionally, it should serve as a key mechanism for aligning employees' performance with the wider mission of the organisation, and as a crucial source of information for other human resource management decisions, and for developing the desired organisational culture. Ultimately, improved accountability and enhanced public service delivery can be achieved if performance appraisal is conducted in an effective and consistent manner. Through such an approach, employees can be held accountable for their performance, while the quality of public services is improved in line with the strategic objectives of public administration reform.²² However, under the current Law on Civil Servants and State Employees, the domain of performance appraisal is not sufficiently regulated. The Law offers a precise definition of negative consequences — if an employee is rated "Unsatisfactory" twice consecutively, their employment is terminated on the date the appraisal decision becomes enforceable.²³ This provision clearly demonstrates how negative evaluations yield tangible consequences.

19 Ministry of Labour, Employment and Social Dialogue, Ministry of Defence, and Ministry of Education, Science and Innovation.

20 Decree on Appraisal of Civil Servants and State Employees, Article 6.

21 Law on Civil Servants and State Employees, Article 81.

22 Milena Muk, Vlasta Perla, Jan-Hinrik Meyer-Sahling, *Towards Effective Performance Appraisal in the Western Balkans: How to Develop Performance?*, ReSPA, available at:

<https://www.respaweb.eu/download/doc/Towards+Effective+Performance+Appraisal+in+the+WBs.pdf/7b629959a17409fff11bdf2ad049345c.pdf>

23 Law on Civil Servants and State Employees, Article 83.

On the other hand, we are faced with the question of what happens to employees who are repeatedly awarded the highest rating? Advancement or promotion, as one possible form of reward, is difficult to link to appraisal results, as it also depends on a range of other objective factors — including the availability of financial resources, the internal organisation of the institution, and other systemic circumstances. However, at present, the system does not even offer a link between appraisal results and short-term recognition or reward mechanisms, such as the payment of variable salary components. According to the Law on Wages of Civil Servants and State Employees, the salary of public sector employees consists of a base salary, a specific salary component, an increment on the base salary, and a variable component.²⁴ The variable component, depending on available resources, is awarded to employees with exceptional results and high-quality performance.²⁵ The conditions and method for exercising the right to receive the variable salary component for state sector employees, personnel of the Armed Forces of Montenegro, and police officers are determined by the Government upon the proposal of the relevant Ministry.²⁶

While conducting a review of a specific case, the Government Appeals Commission, identified an inconsistency indicating a lack of alignment between the performance appraisal system and the allocation of variable salary components, as well as a breach of the Law on Wages of Civil Servants and State Employees. Specifically, one civil servant received two variable salary payments for exceptional work performance in a single year, while their line manager graded their performance as “Satisfactory”. In contrast, another civil servant had been receiving the highest appraisal rating, “Excellent”, for ten consecutive years, but was not granted any variable payment, nor was there any recorded evidence to support their allegedly exceptional performance.²⁷ According to the law, the variable component of the salary—subject to availability of funds—must be awarded to employees who demonstrate exceptional results and quality of performance.²⁸ This situation clearly illustrates the absence of a functional link between performance appraisal and remuneration, although such a link, according to the purpose of the variable payment system, is precisely intended to ensure that employees delivering extraordinary results are rewarded for their work.

²⁴ Law on Salaries of Public Sector Employees, Article 15.

²⁵ Law on Salaries of Public Sector Employees, Article 21.

²⁶ Ibid.

²⁷ Interview with Đuro Nikač, Assistant Director of the Human Resources Management Sector, and Ana Zečević, Head of the Department for Human Resource Network Development and Promotion, held on 10/04/2025 at the Human Resources Administration.

²⁸ Law on Wages of Civil Servants and State Employees, Article 21.



Performance appraisal in practice: (Almost) everyone is above average

A statistical overview of employee appraisals for the period 2020 – 2024 illustrates clear trends in the appraisal system for civil servants and state employees.

Table 1. Overview of civil servants' and state employees' appraisals for the period 2020–2024, according to data submitted by the Central Human Resources Registry upon request from Institute Alternative.

Y.	GRADE	CATEGORY							TOTAL
		SENIOR MGMT	SMS	EMS	ES	ExS	STATE EMPLOYEES	UNCATEG.	
2020.	Excellent	9	62	350	1089	980	52	262	2804
	Satisfactory	0	0	7	136	545	19	7	714
	Unsatisfactory	0	0	0	1	3	0	0	4
	TOTAL	9	62	357	1226	1528	71	269	3522
2021.	Excellent	6	49	367	1188	1042	54	255	2961
	Satisfactory	0	5	9	103	342	19	5	483
	Unsatisfactory	0	0	0	0	0	0	0	0
	TOTAL	6	54	376	1291	1384	73	260	3444
2022.	Excellent	6	63	425	1436	1270	67	152	3419
	Satisfactory	0	8	11	107	320	18	7	471
	Unsatisfactory	0	0	0	1	5	0	0	6
	TOTAL	6	71	436	1544	1595	85	159	3896
2023.	Excellent	4	62	505	1616	1446	164	304	4101
	Satisfactory	0	3	6	152	310	21	7	499
	Unsatisfactory	0	0	0	2	0	0	1	3
	TOTAL	4	65	511	1770	1756	185	312	4603
2024.	Excellent	0	68	548	1860	1478	109	140	4203
	Satisfactory	0	11	22	140	197	11	4	385
	Unsatisfactory	0	0	0	2	2	0	0	4
	TOTAL	0	79	570	2002	1677	120	144	4592

The tabular overview presents the structure of appraisal ratings received over the past five years by heads of authorities, senior managerial staff (SMS), expert managerial staff (EMS), expert staff (ES), executive staff (ExS), and state employees. These categories of civil servants and state employees are appraised

in accordance with the Law on Civil Servants and State Employees. The category “Uncategorised” includes civil servants and state employees whose positions are not regulated by this law, but by special regulations (e.g. the Law on Foreign Affairs, the Law on the State Prosecutor’s Office, etc.), which function as *lex specialis*.

From 2020 to 2024, the number of appraised civil servants and state employees increased. The total number of appraised individuals, including those listed in records as “Uncategorised,” rose from 3,522 in 2020 to 4,592 in 2024. Despite this trend, a significant percentage of employees remained unappraised—between 55% and 70% of civil servants and state employees were not included in the appraisal process during the observed period.²⁹

Performance appraisal for heads of authorities is remarkably poor. In 2024, not a single head of authority was appraised. Therefore, the ambitious aim of having their performance evaluated twice annually has not been met, not even at a minimum level. On the other hand, senior managerial staff are appraised to a slightly greater extent, with 79 employees appraised in 2024, although there is no data available on biannual appraisal ratings.

Analysis of the rating structure shows a marked and consistent increase in the share of employees who received the highest rating, “Excellent.” In 2020, 2,804 individuals received this rating (79.6% of all appraised), while in 2024 this number rose to 4,203, representing 91.5% of all appraised. Concurrently, there was a decline in the “Satisfactory” rating from 714 (20.3%) in 2020 to just 385 (8.4%) in 2024. The rating “Unsatisfactory” remained negligible throughout, with no more than six instances in a single year (2022).

This distribution reveals a concerning trend of excessively frequent awarding of the highest ratings, thereby rendering them less useful in clearly identifying performance variances among employees—an essential condition for effective human resources development in public administration. Particularly concerning is the near-complete absence of the “Unsatisfactory” rating, which further undermines the functionality of the appraisal system as a performance management tool.

To improve the functionality of the appraisal system, the Government developed a module called eAppraisal (eOcjenjivanje). The module allows line managers to electronically propose ratings for all criteria and performance indicators, and to generate a final rating proposal for the civil servant or employee whose work they

²⁹ According to data from the Central Human Resources Registry, the number of employees entered into the registry was: 13,869 in 2020 / 14,384 in 2021 / 14,275 in 2022 / 14,438 in 2023 / 14,441 in 2024.



supervise.³⁰ This system applies exclusively to civil servants and state employees; employees who do not fall into this category, such as military personnel or members of the diplomatic corps (e.g. ambassadors), are not included. However, employees in the diplomatic-consular network who hold civil servant status, such as those working in secretariats, are included in this system.³¹

The eAppraisal platform replaces the traditional verbal and paper-based systems with a modern digital platform that enables complete communication between employees and supervisors, including access to the proposed rating, scheduling of performance discussions, automatic calculation of ratings, and generation of official notes. It is currently in the pilot phase, and has already been deployed in four public authorities.³²

- **LACK OF TRANSPARENCY – MINISTRIES MOSTLY UNRESPONSIVE**

Out of 25 ministries, 23 refused to provide access to appraisal ratings, citing the Law on Personal Data Protection.³³ Two ministries³⁴ did not respond at all to our requests, even after submitting complaints. The Ministry of Mining, Oil and Gas initially accepted the request but never submitted the data, despite several follow-up queries.³⁵ Of all the ministries, only the Ministry of Energy submitted the requested appraisal ratings for its civil servants and state employees.

30 Manual for Appraisal, Performance Monitoring and Professional Development of Civil Servants and State Employees (2025). Provided pursuant to decision by the Human Resources Administration dated 25/04/2025, in response to a freedom of information request submitted by Institute Alternative, no. UPI-08-037/25-31/1 dated 14/03/2025.

31 Interview with Đuro Nikač, Assistant Director of the Human Resources Management Sector, and Ana Zečević, Head of the Department for Human Resource Network Development and Promotion, held on 10/04/2025 at the Human Resources Administration.

32 Ibid.

33 Article 153 (paragraphs 1 and 2) of the LCSSE regulates the process of data entry into the Central Human Resources Registry, who processes personal data, and who may access it. Data from the Registry and the internal labour market database may only be shared with third parties with the consent of the civil servant or state employee concerned. They argue that the requested decisions contain personal data as defined by the Law on Personal Data Protection—namely, information relating to an identified or identifiable (when source data is combined with other data) natural person.

34 Ministry of Health and Ministry of the Interior.

35 The Ministry of Mining, Oil and Gas, in its decision UPI 11-037/25-15, approved Institute Alternative's request for access to appraisal decisions for its civil servants and state employees for 2024. The decision notes that the Government of Montenegro adopted the Decree on Amendments to the Decree on the Organisation and Operation of State Administration at its session on 23 July 2024, thereby establishing this ministry ("Official Gazette of Montenegro", no. 71/24). As of 31 December 2024, fewer than six months had passed since the ministry's establishment, and the process of issuing appraisal decisions had not been completed. Despite follow-up queries, no information was subsequently provided.

In public bodies where civil servant appraisal is conducted within the framework of special laws, monitoring the structure and method of appraisal is further complicated by the fact that the work reports of these institutions provide very limited information on the implementation of appraisals. In the Ministry of Interior, the Department for Analytics and Improvement of Police Performance prepares monthly and quarterly reports on the work and results of the Police Administration, with comments and ratings from the Department. However, no conclusions can be drawn regarding the structure or number of ratings per department from those reports. The Internal Audit Department of the Ministry of Interior performs periodic self-assessment.³⁶ This was carried out during the previous two years (it is not specified whether this occurred in both years consecutively), but this department has not undergone external evaluation in the last five years.³⁷ The Ministry of Defence's annual report contains no appraisal data, except for a section on inspection oversight stating that 35 inspections and one internal review³⁸ were conducted in 2023 in relation to service members' rights, including appraisal.³⁹ The Ministry of Justice's annual report⁴⁰ contains no data on the number of civil servants and state employees appraised.⁴¹

Of the 32 employees in the Ministry of Energy⁴² at the time the data were submitted, appraisal ratings for 2024 were received for 17 employees. Among those appraised, most were senior advisers (10), followed by three heads of directorates, three heads of services, and one clerk. Of the Ministry's six directorates,⁴³ five were covered by the appraisal process. Appraisal was conducted for employees in three out of four services.⁴⁴

36 Report on the Work and Situation in Administrative Areas Under the Jurisdiction of the Ministry of the Interior 2023, p. 109:

<https://wapi.gov.me/download-preview/ba5cfc47-7d95-4d84-a7a1-0ae0a9a512e2?version=1.0>

37 Ibid.

38 Report on the Work and Situation in Administrative Areas Under the Jurisdiction of the Ministry of Defence 2023, available at:

<https://wapi.gov.me/download-preview/5e7420f0-5b1b-4b45-b01b-8f0cf41920c8?version=1.0>

39 Four inspections were planned and carried out (Air Force, Infantry Battalion, HR Directorate, and General Staff).

40 Report on the Work and Situation in Administrative Areas Under the Jurisdiction of the Ministry of Justice 2024, available at:

<https://www.gov.me/dokumenta/44b56bcf-443d-4f4d-b83d-326504e7229a>

41 On 29 May 2024, the Government of Montenegro adopted amendments to the Law on the Judicial Council and Judges, and the Law on the State Prosecutor's Office, to align with international standards and recommendations of the Venice Commission and European Commission. These amendments improved provisions on the appraisal of judges and prosecutors, including criteria, procedures, and responsibilities within ethical and disciplinary frameworks.

42 Employee Headcount Overview, 30/01/2025, available at:

<https://www.gov.me/dokumenta/2e959a0b-7a92-485a-affd-5f5065ed4401>

43 Rulebook on the Internal Organisation of the Ministry of Energy, November 2024:

<https://wapi.gov.me/download-preview/02f58afe-e5d1-45c7-856a-9e597e82612f?version=1.0>

44 Ibid.



Of the 17 appraised civil servants and state employees, only one received the rating “Satisfactory”, while all others were rated as “Excellent”. Based on the appraisal decisions provided by the Ministry of Energy, it is not possible to determine why one civil servant was rated differently from the others, as all ratings are identical in structure and content. They only cite Article 6 of the Decree on Appraisal, which obliges supervisors to monitor employee performance, along with certain provisions of the Law on Civil Servants and State Employees and a general outline of the rating scale. However, they lack specific explanations clarifying the basis for each individual employee’s rating, making it impossible to understand the criteria used to assign these ratings.

The Human Resources Administration has also identified “generic production” of appraisal decisions as a problem. This authority considers that the ratings should be more substantive and that more attention should be paid to establishing whether, according to legally prescribed criteria, the employee fulfilled their performance tasks in the previous year, adhered to deadlines, and achieved the expected outcomes. The goal is for each appraisal decision to clearly indicate the basis for the rating, offering insight into how it differs from other ratings—without the need for additional comparison with the appraisal template.⁴⁵

- **HIGH PERCENTAGE OF ACCEPTED COMPLAINTS AGAINST APPRAISAL DECISIONS CONFIRMS POOR IMPLEMENTATION**

The Head of the Government Appeals Commission noted that appraisal ratings are often extremely vague, and that one of the main reasons for annulling these ratings and returning them for reappraisal is precisely the lack of reasoning in the actual rating.

The share of complaints related to performance appraisals in relation to the total number of complaints resolved by the Appeals Commission between 2020 and 2024 ranged from 4% to over 10% (see Table 2). However, as was explained to us in an interview, complaints are most frequently upheld due to shortcomings in the ratings. Since April 2022, when the Commission started to operate with a new structure,⁴⁶ only two appraisal ratings were upheld, while all others were returned for reappraisal.⁴⁷

45 Interview with Đuro Nikač, Assistant Director of the Human Resources Management Sector, and Ana Zečević, Head of the Department for Human Resource Network Development and Promotion, held on 10/04/2025 at the Human Resources Administration.

46 Appeals Commission Annual Report 2024, p. 2:
<https://wapi.gov.me/download-preview/206723e9-b39c-4740-8b59-b82f9b627c4c?version=1.0>

47 Interview with Dejana Zeković, President of the Appeals Commission, held on 25/04/2025.

Appraisal ratings are most often annulled because they are overly brief and lack a valid rationale.⁴⁸ For instance, a rating of "Unsatisfactory" for teamwork must be supported by specific examples, such as the employee's refusal to participate in working groups. Moreover, supervisors often do not monitor employee performance throughout the year—they fail to assign concrete tasks, do not alert employees to performance deficiencies, and exclude them from team activities, thereby calling into question the basis for their appraisal. In practice, it sometimes occurs that an employee is not assigned a single task, raising the question of how they could be appraised at all. Line managers frequently perceive appraisals as their discretionary right, and avoid providing detailed explanations for ratings. In addition, the obligation to draft an official note confirming the employee's awareness of the proposed rating and the discussion preceding the final rating is often not observed. In many cases, employees only see the proposed rating once they receive the final decision, which constitutes a procedural violation. Another issue is when the same individual serves both as the proposer of the appraisal rating, and the issuer of the decision, which contravenes the law and is grounds for annulment of such a decision.⁴⁹

Between 2020 and 2024, the Appeals Commission received over 200 appeals concerning performance appraisal decisions.⁵⁰ This figure indicates that, despite the high prevalence of top ratings and the relatively low percentage of employees appraised, existing practice has is driving significant dissatisfaction.

Table 2: Overview of complaints concerning appraisals for the period 2020–2024
(Source: Appeals Commission Annual Reports)

Year	Total no. of complaints	No. of complaints re: appraisal ratings	Complaints re: appraisals as percentage of total no. of complaints
2020.	556	36	6,47%
2021.	594	40	6,73%
2022.	422	43	10,19%
2023.	824	34	4,12%
2024.	1.252	56	4,47%
Total	3.648	209	5,73%

48 When an employee receives a rating of 1 for teamwork, the justification must be clear—for example, refusal to participate in a working group. Line managers often fail to assign tasks or track performance, and issue appraisals without a factual basis. Ratings are treated as discretionary, and written justifications are avoided, viewed merely as an administrative burden.

49 Interview with Dejana Zeković, President of the Appeals Commission, held on 25/04/2025.

50 Appeals Commission Reports (2020–2024):

https://www.gov.me/pretraga?page=1&sort=published_at&q=izvjestaj%20o%20radu%20komisije%20za%20zalbe



In the practice of the Protector of Human Rights and Freedoms, who receives complaints from citizens, one case was recorded involving a performance appraisal process for an employee of the Ministry of the Interior that lasted more than eight years. Specifically, a police officer challenged a performance appraisal from 2014 before the competent institutions – the Appeals Commission and the Administrative Court. Despite multiple rulings by the Administrative Court and decisions by the Appeals Commission, the process remained unresolved in 2023, partly because the responsible line manager was no longer employed, and the new one believed they lacked the authority to conduct the appraisal. The Ministry offered the internal control unit as an alternative channel for resolving the issue, but without a final resolution. In an opinion issued in October 2023, the Protector of Human Rights found a violation of the right to trial within a reasonable time, noting that the case involved three levels of decision-making and as many as 20 different decisions issued during the process, none of which led to finalisation of the process.⁵¹ This case, along with the high percentage of upheld appeals regarding performance appraisals, underlines the scale of practical challenges in this area.

Conclusion

This analysis of the performance appraisal system for civil servants and state employees in Montenegro reveals a number of structural deficiencies that seriously compromise its functionality, credibility, and purpose. Firstly, the dominance of the “Excellent” performance rating, which amounted to 91.5% of all appraisals in 2024, indicates an overproduction of positive ratings without genuine grounding in performance outcomes, thereby undermining the very purpose of the appraisal process. The very explanation of the “Excellent” rating—which is intended to reflect above-average performance—contradicts its widespread use in the Montenegrin public administration. In other words, the situation evolved into a paradox, **whereby being above average has become the average.**

Another major issue is the inconsistent application of legal provisions across institutions, particularly regarding the sharing of data on the implementation of performance appraisals. The fact that only one ministry (Ministry of Energy) submitted decisions on appraisal ratings, while others cited protection of personal data as grounds for refusal to share data, highlights a lack of unified guidance and clarity in legal interpretation. Such practices hinder research and oversight efforts and limit the possibility of systematically assessing the performance of the state administration. Finally, even in cases where appraisals are formally conducted, such

⁵¹ Opinion of the Protector of Human Rights and Freedoms, No. 01-178/23, Podgorica, 23 October 2023.

as in the Ministry of Energy, decisions are often generic, lacking individualised justifications to support specific ratings, even when there are notable qualitative differences (between “Excellent” and “Good”).

The high proportion of upheld complaints against appraisal decisions is an indicator that the system is still not effective. Although the system is not consistently applied across civil servants and state employees, more than 200 appeals before the Appeals Commission also serve as a clear indicator of employee dissatisfaction with the system.

Official reports and the tables submitted by the Central Human Resources Registry do not contain information on whether heads of public authorities and senior management, including secretaries and general directors in ministries—are appraised biannually as required by law. That performance appraisal for these highest-ranking officials in the civil service has not been implemented as intended is illustrated by the fact that in 2024, zero heads of authorities were appraised. Moreover, apart from the now-outdated monitoring report on the implementation of the LCSSE from 2021, there are no detailed reports on challenges faced in implementing performance appraisals, especially with respect to leadership positions, which ought to be more frequently subject to performance evaluations.

Performance appraisal should not serve merely to reward or sanction employees, but to direct their efforts towards achieving a public institution’s core objectives. However, as of mid-May 2025, when this analysis was finalised, only three ministries had published annual work programmes—sufficient evidence of how the absence of strategic objectives at the organisational level hinders the monitoring of individual employee performance.

Recommendations

01

The law should prescribe a clear obligation for prior definition of objectives and performance outcomes as the basis for appraising employees and monitoring their performance;

02

The method for continuous performance monitoring must be more precisely regulated, including the obligation to periodically draft official notes and enter them in the personnel file of each employee within the Central Human Resources Registry;

03

Legislative amendments should include a revision of appraisal criteria and indicators, in order to clarify how they are to be monitored and justified by line managers, senior management, heads of institutions, and ministers;

04

The existing Manual on Appraisal, Performance Monitoring and Professional Development of Civil Servants and State Employees, which provides more advanced guidance than the current legal framework, should serve as the basis for considering necessary legislative amendments in this area;

05

The Government of Montenegro, the Ministry of Public Administration, and the Human Resources Administration should conduct a new, comprehensive monitoring exercise of the implementation of the LCSSE and appraisal procedures. This exercise should clearly identify key practical obstacles, particularly in relation to each job category, and align the process with the anticipated introduction of a competence framework for all levels of the civil service;

06

Considering the current level of implementation of standards in this area, there is no justification for requiring biannual appraisals for heads of authorities and senior management. It is therefore advisable to reconsider this arrangement and focus on ensuring reliability of annual appraisals for employees in these job categories;

07

The Government of Montenegro and all ministries should promote an organisational culture that includes clear strategic planning and operationalisation of goals at all levels of the civil service, primarily through consistent implementation of existing obligations concerning medium-term and annual work planning.



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About Institute Alternative

Institute Alternative was founded in 2007 in Podgorica with the mission of strengthening democratic processes and good governance in Montenegro, through research and analysis of public policy options, as well as monitoring the work of public administration.

We function as a research centre (think tank) and work on good governance, transparency and accountability through three main program strands: I) public administration reform; II) accountable public finances; III) rule of law.

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