

# The Impact of Performance Appraisal and Training in Improving, Developing and Advancing Professional Staff

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**Abstract:** *Today managers in order to maximize results in organizations develop a variety forms to manage most successful the human resources in organizations. One of the roles of human resources is their action as a factor of change and advance, which considerate as the decisive factor in the establishment and development of the company for a much longer period of time. The purpose of this article is to analyze the impact of the performance evaluation and the impact of factors such as training in the professional development and advancement of personnel in the organization's success. This paper analyzes the human resource in public and private organizations which have been among the most successful in the market of the Republic of Kosovo during the research. Topics of research may be for the most part important for managers who aspiration to construct, to change or to analysis the impact of performance assessment, continue education in the development of the individuals and the organizations.*

**Keywords:** Influence, performance evaluation, training and development of staff, promotion of human potential, public and private organizations.

## 1. Introduction

The public and private enterprises in Kosovo today faced with challenges economic and non-economic nature, they have been and are the focus of much internal and external researchers. These researches for a long period of time have been limited both in public and private organizations. Our country has gone through a period of transition that can probably be called as the state to which the transition has been the longest compared to other Eastern European countries.

In this paper are presented the results of the research in public operator GSM Vala which is 100% public and private commercial bank TEB Bank, which also is 100% private. Definition of these two research establishments has been since these establishments are considered the most successful in the Kosovo market.

In 2005, TEB A.Ş. (Turk Banks Economics), has entered into a joint venture with BNP Paribas and is one of the five most powerful banks in the world and the largest bank in the euro zone, it is present in all major financial markets: New York, London, Hong Kong and Paris. BNP Paribas has one of the largest international networks operating in more than 85 countries, employing more than 200,000 professionals worldwide bankers, the increasing trend in assets continued and was accompanied by steadily increasing profit (annual report, 2011).

Total assets amounted to 212.6 million euro's, up 42.8

million or 25.2%, while total loan portfolio increased to 179.8 million euro's. Net increase loan portfolio was 61.5 million or 52% compared to 2010 (Annual Report, 2011). Public operator Vala GSM mobile phone is one of the most successful public enterprises in the southwestern Balkans. Only licensed public mobile operator telephony in Kosovo Vala (ex-Vala 900) operating in Kosovo since 2000 (PTK, 2012). In the years 2011 this enterprise was closed with a coverage of 98% communication network and geographical coverage of 84%, it has roaming with 350 networks around the world, and in over 130 countries (Yearbook 2011).

According to published data the global economic crisis had not affected the Vala enterprise, number of employees during 2007 was 2547, and during the year 2008 were 2556 workers (Yearbook, 2008). On the basis of data published during 2009 the number of employees were 3205, in 2010 the number of employees was 3384 (Yearbook, 2011). Also during 2010 the public operator Vala had realized income in the amount of 126,915,000 euro's, revenues growing behind undertaking had succeeded in 2011 in the amount of 138,230,000 million euro (audit report, 2011).

## 2. Literature Review

### 2.1 Understanding and influence the performance evaluation and motivation in human resources

Managers through performance evaluation steadily

observe development of human resource and identify the advantages and disadvantages of human resources, both in terms of personal development and advancement through continuous education and in promoting and achieving the success of enterprise.

According to Kume (et. al, 2012), the development of human resources knowledge is done through effective training interconnecting and motivated teams as we create an environment that promotes the exchange of knowledge through organization.

However, Koli and Laqi (2005), the human resources, management and development of the present as a long process, until it has reached the status and function that has gained or has today. According to Armstrong (2006), the human resource presented as a key source in the organization and therefore organizational performance in a large measure dependent and falls in human resources. But according to Robbins and Judge (2007), the employee must be evaluated for their contribution and be considered as a valuable asset in the organization. While Tealdi and Bruni (2005), present motivation as a key element of keeping the evaluation of performance. Motivation has nothing to do with the obligation of the people, but it has to do with creating the environment where employees will be motivated to work (Nicholson, 2003). However, employees will be motivated to increase their efforts only when they expect improved performance to turn him in compensation, (Holmstrom and Milgrom, 1991). According to a study done by Topper (2009), claimed that financial rewards can reduce the motivation of employees, while non-monetary rewards may increase the motivation of employees in the organization as they have long-term motivational character. According to the survey conducted by Singh (et. al, 2011), performance plays a major role in an organizational system, it helps in the assessment of skills and human resource contribution to the organization and helps in determining the training needs of employees.

### 3. Purpose of the Study

In this study, it's doing research in the field of human resource management in the application the system of performance evaluation the human resources, the effect of performance and martial and non-material motivation in development staff and enterprises.

The purpose of this paper is:

- a. To analyze the effects of impact respectively in ongoing training to increase employee performance,
- b. The increase of employee's performance increases the incomes in the enterprise
- c. Impact assessment of performance improvement and professional advancement of staff and how it affects performance assessments in employee motivation,
- d. To analyze which factors are considered as the most important motivator for employee's

- e. motivation in public operator Vala and private bank TEB Bank,
- e. As well as affect material factors as salary and additional income as bonus or other monetary compensations in relation to non material factors as the support in raising awareness professional / different specializations, even with respect and faith shown by managers.
- f. Topics addressed in this research may be of particular importance for staff who wish to make changes or to assessment the impact analysis of performance and motivation in the development of staff and the enterprise in our market.

### 4. Methodology

For the preparation of this publication has been used literature in the field of human resource management and performance evaluation of human resources, emphasis on using research in this area, as well as the use of materialistic gathered from documents, as well as the results of the respondents who are involved in this research.

The relying on specifications of this research it's used the combined methods like quantitative research and qualitative research, which has helped to collect surveys conducted in public operator GSM Vala and the private commercial bank TEB Bank.

Sample selection is based on the following criteria:

- a) To be a public organization,
- b) To be a private organization,
- c) The enterprise to be officially registered businesses.
- d) To have more than 100 employees in the organization / business.

For the preparation of the questionnaire is also used early research experience and the consultation with specialists in the field of research. Data, reports and surveys of participants were analyzed in detail, in order to create a picture as clearly related to research.

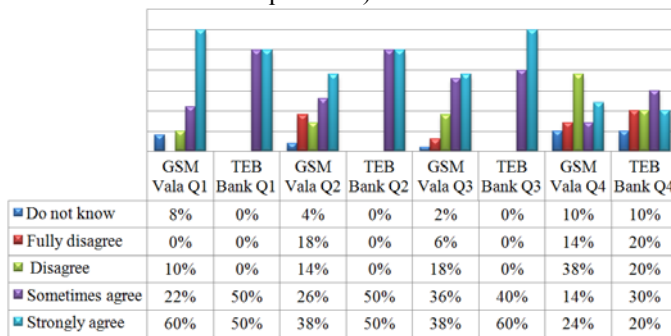
### 5. Results of the research in GSM Vala and TEB Bank

This research presents the results of the survey on public operator GSM Vala, and the results of research in commercial bank TEB Bank. This research in the public and private enterprises is done in order to analyze how they consider continuously training and how affect them in enhancing employee performance. Then, research the impact of performance evaluation in improving and advancing professional staff, as well as analysis of the impact of performance assessment in motivating employees.

Also, are analyzed the results of research the impact of material and non material factors in motivating employees. In this research is incorporated the personal income (salary), bonus, and the impact of financial support in the continuous education of employees, as well

as the impact fair and equitable treatment as a factor in employee motivation in public enterprise Vala and private bank TEB bank.

**Graph 1:** Analysis of the results of research in the GSM Vala and the TEB Bank (while Q1 represents the questions)



In the chart is presented to analyze the survey results:

- How much affect continuously training to increase employee performance,
- How much impact assessment of performance improvement and professional advance of the staff,
- As well as performance assessments affecting the setting of motivation employees in the company GSM Wave and TEB Bank, and
- The increase of employee’s performance increases the incomes in the enterprise.

The first question that has addressed the respondents in the public operator Vala has been: that affect staff performance increase in ongoing training, the response was that 60% strongly agree, 22% sometimes agree, 10% disagree, 0% fully disagree and 8% would not know.

The first question that was addressed in the bank respondents in commercial TEB Bank has been: how to increase performance in ongoing training affect workers, the answer was that 50% strongly agree, 50% sometimes agree, 0% disagree, 0% Fully disagree and 0% will not know.

The second question that was addressed surveyed public operator GSM Vala was: performance assessments helps in improving and advancing professional staff, the answer was that 38% strongly agree, 26% sometimes agree, 14% disagree, 18% Fully disagree and 4% would not know.

The second question that was addressed respondents in the TEB Bank has been: performance assessments helps in improving and advancing professional staff, the answer was that 50% strongly agree, 50% sometimes agree, 0% disagree, 0% Fully disagree and 0% will not know.

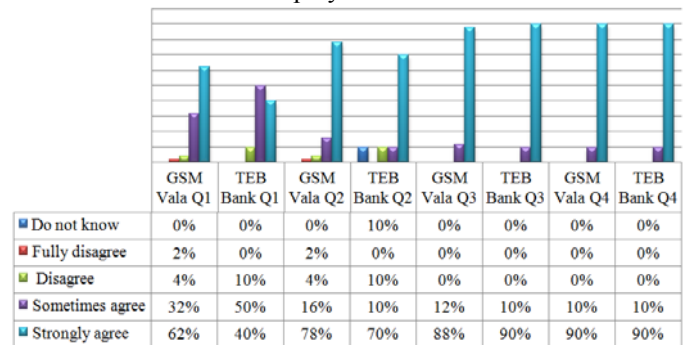
In the third question that has addressed the surveyed public operator GSM Vala was: performance assessments affect the setting of motivation in the organization, the

answer was that 38% strongly agree, 36% sometimes agree, 18% disagree, 6% fully disagree and 2% would not know.

The third question was addressed the respondents in the private commercial bank TEB Bank has been: performance assessments affect the setting of motivation in the organization, the answer was that 60% strongly agree, 40% sometimes agree, 0% disagree, 0% Fully disagree and 0% will not know.

In the fourth question which has addressed the respondents in public operator Vala has been: the increase of my performance increase the incomes in the enterprise, the answer was that 24% strongly, 14% sometimes agree, 38% disagree, 14% fully disagree and 10% will not know. In the fourth question which has been surveyed in the private commercial bank TEB Bank has been: the increase of my performance increase the incomes in the enterprise, the answer was that 20% strongly, 30% sometimes agree, 20% disagree, 20% fully disagree and 10% would not know.

**Graph 2:** Analysis of survey results and the impact of material and not material factors for their importance to employees.



In this graph is presented the impact or influencing material and not material factors to employees in public operator Vala GSM and private TEB Bank. In this graph presented the effect of revenues in motivation of employee’s , then the impact of additional income as bonus or monetary compensation as a factor in employee motivation, that financial support in professional development as a motivation factor, and the impact of fair and equal treatment we work as motivating factors.

The first question (Q1) that has addressed surveyed public operator GSM Vala was: That base incomes (payment) are important motivating factor, the response was that 62% strongly agree, 32% sometimes agree, 4% disagree, 2% fully disagree and 0% will not know. As for the question of the same (Q1) in TEB Bank that basic income are important motivating factor, the response was that 50% strongly agree, 40% sometimes agree, 10% disagree, 0% Fully disagree and 0% will not know.

In the second question (Q2) that has addressed the respondents in the public operator GSM Vala has been: That additional income as bonus / monetary compensation

consider as a significant factor in the motivation of employees, the answer was that 78% strongly agree, 16% sometimes agree, 4% disagree, 2% Fully disagree and 0% will not know. On the question of the same (Q2) in the private bank TEB Bank, that additional income as bonus / monetary compensation consider as a significant factor in the motivation of employees, the answer was that 70% strongly agree, 10% sometimes agree, 10% disagree, 0% Fully disagree and 10% would not know.

The third question (Q3) has addressed the surveyed public operator Vala GSM has been: that financial support in professional development as a motivation factor, the answer was that 88% strongly agree, 12% sometimes agree, 0% disagree, 0% fully disagree and 0% will not know. On the question of the same (Q3) in private bank TEB Bank, that financial support in professional development as a motivation factor, the answer was that 90% strongly agree, 10% sometimes agree, 0% disagree, 0% Fully disagree and 0% will not know.

In the fourth question (Q4) has addressed the respondents in the public GSM operator Vala has been: the impact of fair and equal treatment at work the employees consider the motivation factors, the answer was that 90% strongly agree, 10% sometimes agree, 0% disagree, 0% Fully disagree and 0% will not know.

On the question of the same (Q4) in private bank TEB Bank, the impact of fair and equal treatment at work the employees consider the motivation factors, the answer was that 90% strongly agree, 10% sometimes agree, 0% disagree, 0% Fully disagree and 0% will not know.

## 6. Conclusions and Recommendations

Assessment of performance in formal way in Kosovo began to be implemented after the 1999, so the study of this nature is very rare in our country. Through this research is done to appear impact evaluation of the performance and impact of motivational factors in public and private organizations presented in this paper. This study has provided some useful insights into the case study and impact of the performance assessment and motivation of employees in the public operator Vala as well as employees in the private commercial bank TEB Bank.

In this research, one of the questions asked was directed surveyed public operator Vala has been, that affect staff performance increase in ongoing training, the answer of response was that the 60% strongly agree, 22% sometimes agree, 10% disagree, 0 % fully disagree and 8% would not know, since the respondents in the TEB Bank for the same questions the answer responses was that the 50% strongly agree, 50% sometimes agree, and had no other thoughts. From the perspective of the analysis of the results the response in Vala and TEB Bank seen that the employees are more prepared and more aware of the impact of ongoing training to employees.

About that how performance assessments helps in improving and advancing professional staff, respondents in public operator Vala the answer of response in this case study was 38% strongly agree, 26% sometimes agree, 14% disagree, 18% fully disagree and 4% will not know, however, respondents in the TEB Bank in connection with this question, they answered that: 50% strongly agree, 50% sometimes agree, and had no thoughts or other discrepancies, which means that employees in TEB Bank were informed or prepared in that it helps performance assessments in advancing professional employees.

In relation to the question of how performance assessments affect the establishment of employee motivation in the organization, the answer was that 38% strongly agree, 36% sometimes agree, 18% disagree, 6% Fully disagree and 2% would not know. While employees in TEB Bank for the same question had clearer thoughts, they were answered that 60% strongly agree, 40% sometimes agree, and no other definitions employed in TEB Bank, based on the results of research the employees in this entrepreneur are more knowledgeable for importance of performance evaluation and the impact on their motivation.

According to answers of response in the question of setting up my income increased performance in the organization, the answer was that 24% strongly, 14% sometimes agree, 38% disagree, 14% fully disagree and 10% would not know. And for the same question the answer of respondents in TEB Bank was that: 20% strongly agree, 30% sometimes agree, 20% disagree, 20% fully disagree and 10% would not know.

In the graph it's shown the influence or influencing of material and not material factors of employees in public operator Vala and TEB Bank. In this research is presented the role of revenues in employee motivation, then the impact of additional income as bonus / monetary compensation as a factor in employee motivation, support the professional financial motivation factors, and the impact of fair treatment and equally we work as motivating factors.

In the results of the surveyed public operator Vala base income are important motivating factor, the response was that 62% strongly agree, 32% sometimes agree, 4% disagree, 2% Fully disagree and 0% will not know. And, for same question the response in TEB Bank, the income are important motivating factor, the answer of response was that: 50% strongly agree, 40% sometimes agree, 10% disagree, but there were no other definition fully disagree or do not know.

That additional income as bonus / monetary compensation consider as a significant factor in the motivation employees, the answer respondents in Vala was that: 78% strongly agree, 16% sometimes agree, 4% disagree, 2% Fully disagree and 0% will not know, while in TEB Bank, for same question the answer was that: 70% strongly agree, 10% sometimes agree, 10% disagree, 0% Fully

disagree and 10% would not know.

Financial supports the professional growth as a factor motivation, where the 88% strongly agree, 12% sometimes agree, 0% disagree, 0% fully disagree and 0% will not know. As to the employees in TEB Bank, the answer to same question was that 90% strongly agree, 10% sometimes agree, and there were no other definitions.

Directed question surveyed public operator Vala how affect fair and equal treatment at work as a motivating factor, the response was that 90% strongly agree, 10% sometimes agree, and there was no other definitions. On the question of the same employees in TEB Bank had responded the same way with 90% strongly agree, 10% sometimes agree, and there was no other definitions.

Where on the basis of research results can be seen that not-material factors are essential or more importantly than material factors, beside the research the no-material factor motivate more employees including public and private sector.

Taking into account the income of the public operator Vala and TEB Bank should:

- a. Managers receive very special attention to management of human resource, through the implementation of performance appraisal in every sector in the organization,
- b. Through the implementation of the motivating factors including material and non-material to promote competition in the team and beyond,
- c. Support materialistic and non-materialistic employees who have potential and an interest in the continuation of studies or professional development,
- d. Implementation of changes in managers' understanding of the impact of continuously training to increase employee performance,
- e. Understanding the approximately the impact of performance evaluation in improving and advancing professional staff, as well as performance assessments affecting the establishment of employee motivation in undertaking in Vala and TEB Bank.

In this study is made the compare of results in the GSM Val and TEB Bank, for further research the studies can use other organizations to explore and analyze the role and perspective of human resource management, through performance and identify problems related to the assessment and motivation of the employees with the aim of developing and promoting human resources which will boost influenced the increase the individual concurrence and revenue or growth of the organization.

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