

The Measurement, Evaluation, and Performance of Managers and Employees in Kosovo's Enterprises

Berim Ramosaj, Hidajet Karaxha,
Halit Karaxha

DR. SC. B. RAMOSAJ, MSc. H. KARAXHA
MSc. H. KARAXHA

Abstract

In the market economy and in terms of an increasing competition, enterprises try to use as effectively as possible all of their sources. Therefore, in such competitive environment, in order to develop the organization, it is necessary to manage human resources with various methods and techniques. Human resources that are motivated and well selected are considered as a competitive advantage for the enterprise. Training the managerial staff and employees helps in increasing business's performance. A strategic and integrated approach to provide stable success for the enterprise is the improvement of performance for the people that work there by developing the practical and individual skills of the team. One of the elements that has been tried to be treated in this paper is the management of performance, the management of performance systems, the methods of evaluating the performance and the importance of measuring workers performance for the enterprise. This paper contains empirical data, collected through questionnaires and interviews, and also secondary data based on the existing literature about issues that have to do with the management of performance. Therefore, through this research we intend to analyze the measurement and evaluation of managers and workers' performance in Kosovo enterprises by using comparative reviews. In order to be clear, we have first compiled a

questionnaire which will help us in developing the contact. The implementation of the questionnaire, the methodology and the formation of the sample is realized by analyzing the determining factors that affect the measurement and evaluation of managers and workers performance. The research was realized with owners, managers and workers of enterprises in Kosovo. The sample is intentional (not probable). Having very little literature in this field, we hope to have helped at least a bit for everyone interested in this field.

Key Words: the system of performance's management, the steps of managing the performance, the methods of evaluating the performance, measuring workers' performance

1. Introduction

The evaluation of employees is a process that has to go on continuously. The goals of evaluating the performance are to identify the needs of workers to form and develop performance systems. The contemporary methods of performance development emphasize trainings and plans of developing and growing the employees. Another factor that affects the growth of managers and workers performance are rewards, as an encouragement for managers so that they can think carefully and objectively about their workers performance, as well as studying the factors that affect this. Using the workers is one of the main objectives of management. In contemporary organizations, the management of performance is that aspect of management which is accompanied with the achievement of this objective. In this paper we focus on how many organizations encourage their workers for success and competitiveness. Asking for higher levels of individual and group performance is important for all enterprises and they have to find a way to guarantee that the levels of performance will be promoted and retained. To manage the performance means that the employees know what is expected from them and operate in order to contribute in the best interest of the enterprise. Therefore, there's no universal solution for the problem of performance and through diagnostics, action, evaluation and education processes, and every enterprise should develop their strategies and practices. The systems for managing the performance are essential tools to develop the enterprise and one of the manager's responsibilities in increasing workers results.

2. The review of literature

2.1. The management of performance

The management of performance is a very incorrect term and the processes of the management of performance show their selves in various ways. There isn't one correct way to manage performance (Banfield and Kay, 2011, p.281). The systems of managing the performance have an important role and function in the context of managing the organizational performance to develop effective work systems (Armstrong, 2012, p. 57). The management of performance systems, that usually include the evaluation of performance and workers development, are 'Achilles heel' for the management of human resources. Despite practical difficulties, the management of performance is an essential tool for organizations and this is one of the most important responsibilities for the manager that can result with important results for an organization, its managers and employees (Pulakos, 2004, p. 1-2). The management of performance is an ongoing process of identification, measurement and development of organization's performance by connecting the performance and the objectives of every individual for the general goals and missions of the organization. The management of performance requires for the managers to ensure that workers activities and results are in accordance with organization's goals, and further help the organization to have competitive advantage of the business. Therefore, the management of performance creates a direct connection between workers performance and organization's goals, by making the workers contribute explicit (Aguinis, 2011, p. 1-2). The strategy of managing the performance should be focused on developing an ongoing and flexible process that includes the managers in what they manage by acting as partners inside a framework. The management of performance evaluates the results in the form of the achieved performance compared to expressed expectations. In this direction it has to do with objectives, standards and performance measures and indicators (Ana-Maria, Constantin, and Catalina, p. 277-278). So, the management of performance should be seen as a collective responsibility of the employees and employers to make sure that there is continuous improvement in the tasks and activities for achieving organization's vision, mission, goals and objectives (Itika, 2011, p. 94).

2.2. The system of performance management

The system of performance management is a process that consolidates the task, placement and evaluation of work and the development in the single mutual system, whose goal is to make sure that employee's performance is related to the strategic goal of company. The management of performance includes practices through which the manager defines the work and goal to the employee, to develop employee's skills and to evaluate and reward personal efforts under the context of how employee's performance should contribute in achieving company's goal (Bhattacharjee and Sengupta, 2011, p. 496). Strategic aspects of evaluating the performance are connected to the integration and evaluation of performance, connected to the payment processes inside the systems of performance management, where the function of these kinds of systems is seen as (Price, 2007, p. 450):

- a) Reinforcement of organization's values and norms;
- b) integration of individual objectives with organization's ones;
- c) allowing individuals to express their viewpoints about the job;
- d) providing funds for managers and
- e) the staff to share their expectations of performance.

The system of performance management should be systems of control, to make it a collaborative development system in two ways: first, the whole process of performance management – trainings, consultations, reactions, persecutions, recognitions and so on – by encouraging development. Ideally, the team members grow and develop through these interactions; secondly, when managers and team members ask them to be able of doing bigger and better things for strategic development (Armstrong, 2006, p. 500).

2.3. The steps of managing the performance

The system of evaluating the performance is used to measure the effectiveness of employees. The system of evaluating the performance is required because every worker has a different attitude in treating the work. Evaluating the performance tends to improve work's performance, the expectations of communication, evaluating employees potential and employee's counseling (Aggarwal, Sundar and Thakurp 2013, p. 617). The systems of managing the performance were always seen as ways to manage employee's performance, and involve the process of evaluation /review, the creation of a framework in which individuals performance can be

directed, monitored, motivated or rewarded, where cycle links can be audited. Except this, many organizations identify the strategic objectives of business that are necessary in within the current business context to be competitive by connecting to the declaration of the organization’s mission (Torrington, Hall and Taylor, 2005, p. 260 -263).

Figure 1: The stages of performance management system



Source: Torrington, Hall and Taylor, 2005

The main steps that can be adapted for use in all levels inside the organization are: clarification of objectives, preparation of systems, supporting materials and documents, monitoring and reviewing the success (Horizonmg, p. 4-7).

2.4. Methods for evaluating the performance

The evaluation of manager’s success is done by defining personal qualities, energy, enthusiasm and similar efforts. We have to try to evaluate manager’s work in order to define the current success, the possibilities for progress in the future and manager’s ability to recognize the realized effects from the possible ones (Ramosaj, 2005, p.176). There are various methods that can be used to evaluate the personnel. We will treat some of them below, such as:

- a) judgmental approach;
- b) absolute standard approach;
- c) the result-oriented approach.

Judgmental approach- a manager is required to compare a worker with other workers by evaluating their features or the dimension of their

behavior. These evaluating systems are based in the exercise of discretion by the supervisor. The four judgmental approaches of evaluation are the graphic scales of assessment, ranking, pairing through the technique of comparison and obligated distribution. Absolute standard approach- most evaluation measures that have an absolute standard approach are based in the analysis of working places. Oriented by the results, the emphasis of approaches oriented towards results is in evaluating quality and quantity results (Lunenburg, 2012, p. 1-6). According to Armstrong M. most of performance management schemes include a form of evaluation, which is conducted during or after a meeting of reviewing the performance. This can be done by general or virtual assessment (Armstrong, 2012, p. 336). The management of evaluating the performance includes certain processes, techniques and measures of organizational performance evaluating teams in order to provide performance objectives for individuals and teams, and address performance gaps (Itika, 2011, p.9).

2.5. Measuring workers performance

The measurement of performance is a process that is usually used in a lot of organizations to evaluate their workers performance in the past, or to think about how they could maximize their future contribution (Banfield and Kay, 2011, p. 295). The design and use of measuring systems of performance has received considerable attention lately. Many organizations have remodeled their measuring systems to ensure that they will reflect their current environment. Therefore organizations must have systematical processes of performance measurement to reflect their strategies and environment (Kennerley and Neely, 2003, p. 213). The evaluation of workers performance is designed to evaluate the contribution of every individual in the company. The main objectives of workers performance evaluation are double: first, to reward the employees for fulfilling organizational objectives and second, to identify the objectives that weren't achieved, in order to develop action plans and fulfill them in the future (Islam and Rasad, 2005, p.1). Obisi Ch. has identified these kinds of workers performance evaluation: confidential evaluation, opened evaluation, half-opened and half-secret evaluation (Obisi, 2011, p.93).

3. Research results

The objective of this paper is the measurement and evaluation of managers and workers performance. It is seen that the evaluation of managers and workers is a process that has to go on continuously, by comparing real situations with the planned ones.

1. *Do the systems of performance management, including the development of managers and workers enter in your company's strategic plan?*
 - a) *Yes*
 - b) *No*

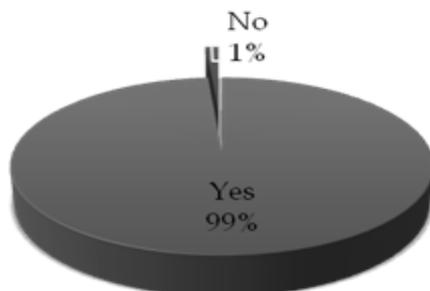
Table 1: The development of managers and workers performance

Description		%
Performance management system managers and employee - the strategic plan of the company	Yes	98,8
	No	1,2
		100%

Source: Authors' own calculation

The systems of performance management in enterprises are important factors in developing effective working systems. Despite practical difficulties, performance management is an essential tool for the organization and one of the essential responsibilities for managers. From the questioned enterprises from the table, we can see that 98.8% of respondents have declared that the system of managing the managers and workers performance is part of the company's strategic plan, while 1.2% of the questioned companies said that the development of performance management systems isn't part of their company's strategic plan.

Figure 2: The development of managers and workers performance



Source: Authors' own calculation

2. Please tell us which are the most important issues that increase the performance of your business?

- a) the development of managers performance
- b) the development of workers performance
- c) the development of product
- d) technology investments
- e) market demand forecasts

Table 2: Factors that affect the growth of business performance

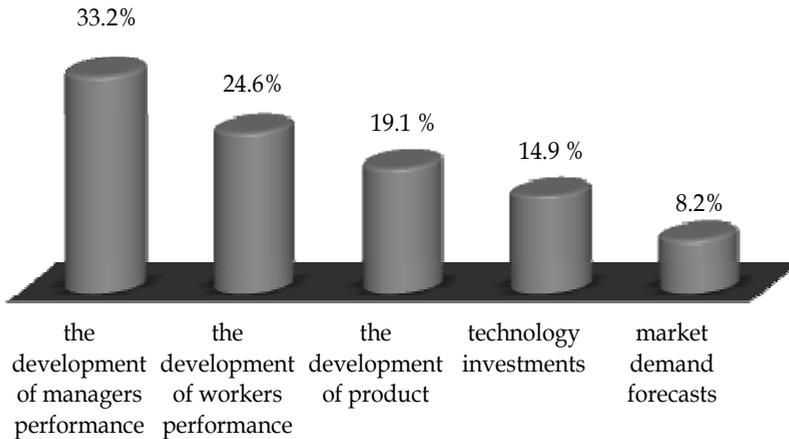
Description	%
The development of managers performance	33,2 %
The development of workers performance	24,6 %
The development of product	19,1 %
Technology investments	14,9 %
Market demand forecasts	8,2 %
	100 %

Source: Authors' own calculation

It is clear that the development of managers and workers performance, the increase of product's quality, technology investments and market demand forecasts are important factors that affect in increasing business performance. From table nr.2 we can see that the development of managers

and workers performance is a determining factor that affect in increasing their business performance.

Figure 3: The factors that affect in increasing business performance



Source: Authors' own calculation

3. Which are the strategic aspects of evaluating managers and workers performance related to payment processes inside the performance management systems?
- a) enhancing business values
 - b) payment affects in integrating individual objectives and organization's objectives
 - c) applying forms of reward for managers and workers raises their expectations of performance
 - d) allowing individuals to express their viewpoints about the job

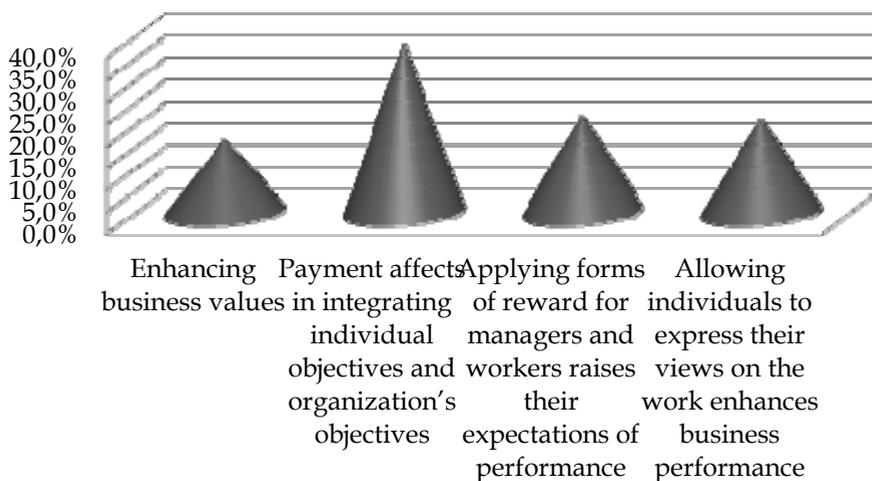
Table 3: Strategic aspects of managers and workers performance evaluation related to payment processes

Strategic aspects of managers and workers performance evaluation related to payment processes	%
Enhancing business values	16.8%
Payment affects in integrating individual objectives and organization's objectives	38,9%
Applying forms of reward for managers and workers raises their expectations of performance	22,7%
Allowing individuals to express their views on the work enhances business performance	21,6%
	100%

Source: Authors' own calculation

To understand better the strategic aspects of managers and workers performance evaluation related to payment processes in the enterprise level, we asked their leaders to show us the positive effects of wage growth. Most of them said that the payment and reward processes have influenced in reinforcing business values, allowing individuals to express their viewpoints about the job raises, the business performance and in 38.9% of cases the payment affects in integrating individual objectives with organization's objectives.

Figure 4: Strategic aspects of managers and workers performance evaluation related to payment processes



Source: Authors' own calculation

4. Which measures of performance do you apply to set managers and workers salary?
- the individually achieved performance
 - efficiency, effectiveness and group suitability
 - based on the growth of products and individual or group sales
 - other measuring tools based on working place

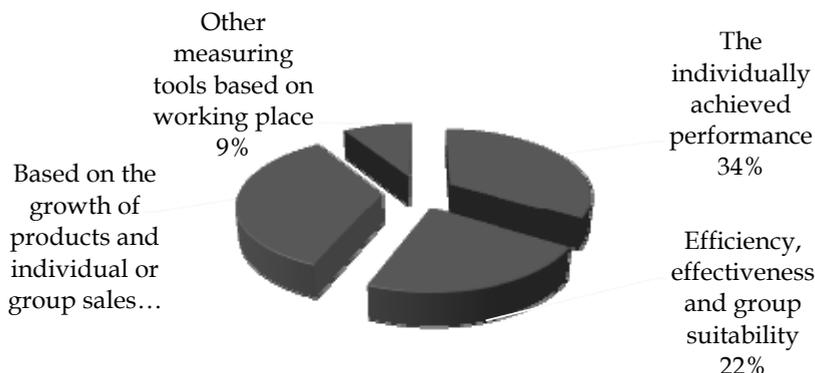
Table 4: Performance measures that are used to set managers and workers salary

Performance measures that are used to set managers and workers salary.	%
The individually achieved performance	33,6%
Efficiency, effectiveness and group suitability	22,5%
Based on the growth of products and individual or group sales	34,9%
Other measuring tools based on working place	9%
	100%

Source: Authors' own calculation

Questionnaire results show that low salaries dictate a minimal life to workers, which needed to provide higher ones while for managers, low salaries have bad influence in motivating their labor power. This shows that the scaling of salaries in the enterprise level is limited and there aren't many differences in salaries between different categories of workers. Based on the table results we see that as a measure to set managers and workers salary in 33.6% of cases is the individually achieved performance, in 22.5% of cases is efficiency, effectiveness and group suitability, in 34.9% of cases is the growth of individual or group sales and in 9% of cases other measuring tools based on working place.

Figure 5: Performance measuring tools that are used to set managers and workers salary



Source: Authors' own calculation

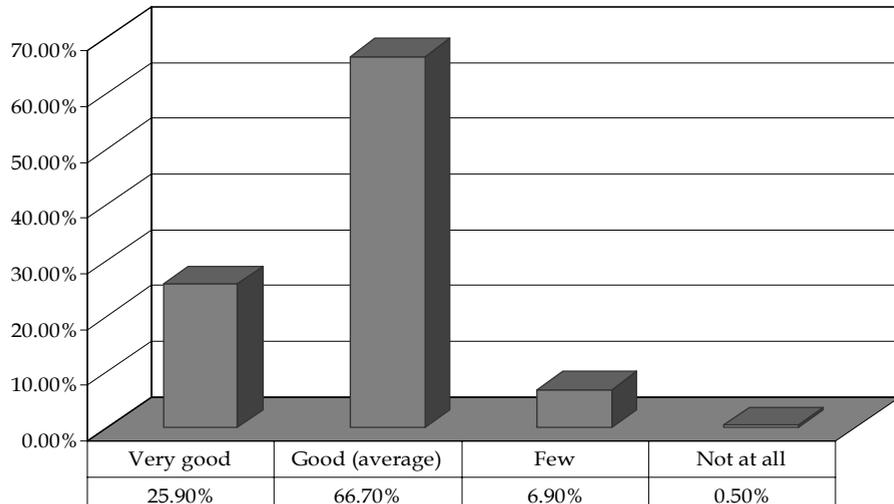
5. Have you as a manager attended any training about certain fields?
6. Have you as a worker attended any training about the professional field you actually work in?
7. How did the training affect in the success of your enterprise?

Table 5: The influence of trainings in managers and workers success

The influence of trainings in managers and workers success	(%)
Very good	25.9%
Good (average)	66.7%
Few	6,9%
Not at all	0,5%
	100%

Source: Authors' own calculation

Most of the respondents declared that they attended various trainings, and also said that they were an important factor in increasing their performance. Based on the table we can see that 66.7% of the respondents said that the trainings had a good impact, 25.9% said that they had very good impact, 6.9% said that they had just a little impact and only 0.5% of the respondents said that the trainings had no effect at all in their success.

Figure 6. The influence of trainings in the managers and workers success

Source: Authors' own calculation

8. Please explain the qualification and gender structures and workers salaries?

Table 6: Qualification and gender structure and workers salaries

	Qualification	Percentage of the number of managers and employees with the title Details		Personae monthly income category in € Details
		% 1). M	% 2). F	
1	PhD	0%	0%	0 €
2	master	13%	6,2%	450-600€
3	with faculty(bachelor)	24,6%	18.2%	400-500€
5	High school 1. Gymnasium 2. School of vocational high	45,6%	50,3%	320-400€
6	Unskilled	16,8%	25,3%	200-320€
	A total workers (%)	100%	100%	

Source: Authors' own calculation

The level of business performance largely depends on the professional preparation of managers and workers. As an indicator for the businesses to have high performance is the investment in raising the professional capacity of employees. Based on the obtained data in kosovan businesses, the level of education or the qualification structure is divided in this way: PhD, Master, Faculty(Bachelor), Gymnasium, and Professional High School until the lowest level including the unqualified structures. From the data of the total percentage this qualifying structure dominates: there weren't any entrepreneurs with a PhD degree (0%) - 0% males and 0% females; there were 13% males and 6.2% female entrepreneurs with a Masters degree, dominated by males. There was a structure of 24.6% males and 18.2% female entrepreneurs with Faculty degree and 45.6% males and 50.3% females with a high school degree. Also, in kosovan enterprises there are unqualified structures of workers with a general number of 16.8% males and 25.3% females.

4. Conclusions and recommendations

Performance evaluation is closely related to motivating the managers and workers because it provides some essential elements of performance strategies. Managers and workers performance evaluation is seen as a suitable tool to measure their good work and to motivate them as well, so that they can perform better in future processes. That's why this process must be ongoing, by comparing real situations with the planned ones. Despite the practical difficulties, the management of performance is a necessary process for the organizations and this is one of the most important tasks for the manager. Strategic aspects of managers and workers performance evaluation are related to payment processes. It is seen that the systems of performance management influence the performance of managers and workers in the questioned enterprises.

Enterprises said that salary growth wasn't defined much by sales growth and this shows that the scaling of salaries in enterprise levels is limited and there aren't many differences in salaries between different workers. Therefore this condition makes us understand the relation between the salary and the performance of managers and workers. As measures to set managers and workers salary were the individually achieved performance, efficiency, effectiveness, group suitability, the growth of individual and group sales and other measuring tools based on

working place. As a result of this we can see that productivity is related to workers efficiency and effectiveness and is also a measuring tool of managers and workers performance.

One of the important factors in increasing the performance is the training that had influence in increasing workers and managers performance. There exists a link between training activities and managers or workers performance. In this context, the training and education of employees is compensation to the lack of knowledge and a contribution to the methods and techniques they have to use to lead their enterprises.

From the literature and the processed data we can come to the conclusion that the communication and interaction between managers and inferior workers can raise the pleasure in work by affecting the enterprise's success. It is recommended for the enterprises to create strategies for identifying, encouraging, evaluating and improving the performance of its managers and workers. To continue the business trainings about the new requirements, by including the businesses (the involved enterprises), that don't rely in these requirements but that can apply them successfully in developing managers and workers performance. We recommend more in-depth studies about the relation between the measurement and evaluation of managers and workers performance.

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