



# Kolegji AAB

FACULTY OF ECONOMICS

DEPARTMENT: MANAGEMENT AND INFORMATICS

MASTER THESIS

**HUMAN RESOURCE MANAGEMENT AND PERFORMANCE  
EVALUATION**

**CASE STUDY: "MUNICIPAL ASSEMBLY OBILIQ"**

Mentor:

Prof. Dr. Jonuz Abdullahi

Candidate:

Flaka Hashani

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## **ABSTRACT**

Performance evaluation is one of the most important human resource management functions. Once the organization is selected and staffed, an organization must then be evaluated and motivated. Only when they feel valued and motivated employees can work effectively and will not be inclined to leave the enterprise.

Employee evaluation is a process that happens constantly. In each organization, senior officers evaluate the employees, the employees evaluate the superior, the employees evaluate each other. Ideally, an evaluation system should include: evaluation objectives, criteria and evaluation rates, methods and forms to be used. Also, the formalization of the evaluation activities requires to determine who will evaluate and what role the employee will have in the evaluation.

The employee performance evaluation is seen as a central problem for good human resource management.

How much importance do managers put on human resources management functions and the proper awareness of the managers regarding this topic, as well as the proper awareness of the administration staff of M.C Obiliq for the importance of a participatory and fair performance evaluation were the questions that started at the beginning of this paper, which aims to clear up the answers through the study. The study summarizes the analysis of 110 questionnaires completed by different staff who differ in age, gender, ethnicity and work experience. The study also includes 5 interviews with the mayor, the deputy chairman, the chairperson and several directors.

The performance evaluation and job satisfaction at M.C Obiliq was done by the employees using the Likert scale in answering the questionnaire. From 1 to 5 or from 1 to 10 (where 1 implies "little" and 5 means "many").



## CONCLUSIONS

Employee performance evaluation is one of the most important human resource management functions. It starts after the employees get hired and continue throughout the entire employment process. Continuous and honest evaluation of staff is related to their motivation and further performance in the workplace. Conducting regular evaluations should be done at certain time intervals. Organizations can set these intervals according to their individual conditions. The purpose of performance evaluation is for employees to recognize their weaknesses while performing certain tasks. Knowing them creates the opportunity to work to make the necessary improvements. The performance evaluation in Obiliq municipality is based on the achievement of the objectives for each job and the main skills needed to perform the tasks. Given that Obiliq municipality's employees have the status of civil servants, the overall evaluation is done on four levels of performance at work, which are: "Very good", "Good", "Satisfactory" and "Insufficient". The first three levels are positive evaluations, directly related to the confirmation procedure at the end of the probation period, the parallel movement and promotion, the certification as the best employee. Senior rapporteur in Obiliq municipality has knowledge for the place of work, and that the evaluation reflects the annual work as a whole, the chief reporter keeps records on the performance of the employees throughout the year.

From the respondents' data, it is seen that 56.3% responded that they are very satisfied with the performance evaluation that has been made.

Understanding the importance of performance is one of the important criteria of the study. From the analysis made, the hypothesis was confirmed that we still do not have a proper awareness of the employees regarding the importance of performance evaluation.

From the data of the respondents it is seen that the highest percentage (49.4%) responded that they were "slightly" rewarded for efforts to achieve the desired results in the workplace, then with "somehow" responded to 48.3%, this proves that most do not feel comfortable in their efforts to achieve the desired results in their workplace. But compared to women with men, women have responded that they feel more rewarded than men.

Another important conclusion is that the general managers as challenges for the future consider the training and further development of their employees, while from the respondents' data to the

question of which training you need, they have responded that they didn't need much, we also had a good percentage of those who answered that we do not need training, we have completed all the trainings we needed.

## **Recommendations**

At the end of this diploma topic, some recommendations for all managers to improve the organization's situation regarding employee evaluation and satisfaction at work are:

- More than half of the respondents answered that they are very pleased with the performance evaluation they are taking, but we think there is room for improvement.
- Some employees need to know the importance of performance evaluation, while analyzing employees for the importance of performance, this remains a worrying fact.
- Performance evaluation is accompanied by material or monetary benefits, which would also increase the level of employee engagement in the organization and job satisfaction.
- Training and development of employees should be continuous in each organization. The question of which trainings you need, they have responded to a very low percentage, but it is still worrying that a very good percentage responded that we have completed all the trainings we needed.

The results of this paper I believe will be a modest contribution to the wide range of human resources management and can assist the managers of the Obiliq municipality.

As a conclusion, we can say that the paths that lead us to the most effective way of managing human resources are the management's conviction and education for the importance and the necessity of the human resources management and performance evaluation.