



FACULTY OF ECONOMICS - MASTER STUDIES

MASTER THESIS

THEME:

**CRITERIA AND STANDARDS OF EVALUATING THE PERFORMANCE,
WITH A SPECIAL EMPHASIS ON THE BANKING SECTOR**

Mentor:

Prof. asc. Dr. ShaipBytyciEkremMisini

Candidate:

Prishtine, October, 2015

CONTENT

CHAPTER I.....	
1. Introduction.....	
1.1 Purpose of paper work	
1.2 Importance of paper work.....	
1.3 Research questions (Hypothesis)	
1.4 Methodology of paper work.....	
CHAPTER II.....	
2. Performance and challenges of its evaluation – Literature review	
2.1 Meaning of the term ‘performance’	
2.2 Process of managing performance	
2.2.1 Evaluations, reliabilities and organizational visions.....	
2.2.2 Developing co-operative strategy	
2.2.3 Developing strategy of human resources	
2.2.4 Placement of the goals of unit, team and individual	
2.3 Training and developing plans.....	
2.4 Plans of personal development	
CHAPTER III	
3.1 Performance evaluation	
3.1.1 Wage regards to the performance	
3.1.2 Ability to perform	
3.1.3 Use of evaluation to the employers.....	
3.1.4 Time and frequency of evaluations.....	
3.2 Connection of awards with the performance	
3.3 Balanced critics and management of performance	
3.4 Managing sub-standard performance.....	
3.5 Practices of high engagement in human resources	

3.6 Systems of high performance and management of human resources	
CHAPTER IV	
4. Evaluation of employers' performance.....	
4.1 Performance	
4.2 Development of career	
4.2.1 Theory of career motivation.....	
4.3 Awarding.....	
4.4 Increase of motivation.....	
4.4.1 Interconnection of wage with performance	
4.4.2 Awareness of changes among performances of employers	
4.5 Methods for the measurement of performance	
4.5.1 Methods of assessing the performance according to order	
4.5.2 Methods of assessing the performance according to hierarchy	
CHAPTER V	
5. System of performance's evaluation in public institutions and banking system	
5.1 System of performance's evaluation in public institutions based on the relevant legislation for performance's management in civil service	
5.2 Management of human resources, evaluation of performance in banking system	
5.2.1 Purpose of performance's management in banking system.....	
CHAPTER VI	
6. Conclusions.....	
7. Recommendations.....	
8. Literature.....	
9. Appendices.....	

1. INTRODUCTION

The evaluation of employees is an ongoing process. In each organization: supervisors evaluate employees, employees evaluate supervisors, employees evaluate each other. There are two types of evaluations: formal and non-formal. Ideally, an evaluation system must consist of: evaluation objectives, criteria and norms of evaluation, methods and forms that will be used. Formalization of evaluation activities requires to define who will evaluate and what role would the employer have in evaluation.

1.1 Purpose of paper work

Main purposes of this paper work are:

1. To research theoretical aspects for criteria and evaluation standards of performance
2. To present in practice the implementation of theoretical aspects by implementing the evaluation of performance for the decision of:

- Decision for pay rise or rewards
- Decision for moral rewards
- Decision for responsibility increase
- Decision for moving in work
- Decision for maintaining or leaving the job
- Defining individual necessities for training and development
- Planning staff necessities
- Identification of performance's problems
- Monitor the progress and provide formal feedback for employers
- Use accurate measurements of performance as a base for the awareness and reward of individual achievements
- Evaluate and improve the individual performance or of organization.

The evaluation period is a defined period when the performance of employee is reviewed and evaluated. The evaluation period must cover a period from a calendar year, 1 January until 31 December. The process of performance's evaluation pierces three phases during an annual period of evaluation.

1. Defining objectives /obligations (planning)
2. Short term evaluation – review of objectives and feedback
3. Final evaluation (at the end of the year)

CONCLUSIONS

In the Master thesis of “Criteria and standards of performance’s evaluation, with a special emphasis on banking sector” was aimed to emphasize the fact of how important is for a company the form how it should reward its employees. Being that the expenses of wage take a considerable part in the voice of company’s expenses, but at the same time the company should know how to treat its employees as a valuable asset. For this, we must compile studied reward packages.

In this paper work, there was a special emphasis on the base of performance as a rewarding form, which at the same time guarantees:

- The internal justice of wages
- The external justice of wages
- Takes into consideration the contribution that the individual employee gives in the achievement of defined objectives of organization.
- Helps in the increase of employees’ motivation
- Provides transparency , in such way that the individuals that are touched from the decisions, to be able to review the form how these decisions were taken and based on what they were taken.

But what’s important to emphasize is the fact that, to compile a successful strategy of rewards based on performance, should be taken into consideration the internal content of work and contribution that every employee gives, through the work they do, in executing the objectives of the company.

RECOMMENDATIONS

Regards to this, there are some recommendations that can be given in the aspect of management and rewards based on performance, are:

- The process of change must be closely monitored in the management of company
- The management must develop criteria and evaluation tools (e.g. evaluation centers) to promote staff members based on their managing and leading skills
- There must be developed a series of tests, results of which can lead the election of more appropriate members for new job places.
- Strengthening of delegation, with the right monitoring of performance, and the increase of autonomy in all levels
- At last, we can say that the reward based on performance evaluates the employer and guarantees company's success.
- Evaluation data of performance are important information to judge on for the validity of selective methods, to judge if these methods provide the best selection of best employers for organization.
- The evaluation of performance can lead to the identification of employers' necessities or forming and developing.
- Performance's evaluation provides information to the employer for his performance, which serves him as a base for improvement and development.
- Performance's evaluation is closely connected to employers' motivation.