

Performance Appraisal on Advancing Human Resources: The Role of Education, Experience, and Employee

Arsim GJINOVCI¹, Dren GJINOVCI²

¹European University of Tirana

70 Gjergj Fishta Blvd., 1023 Tirana, Albania

ORCID No. 0009-0005-3308-0216; arsimgjinovci@yahoo.com

²University of Prishtina

George Bush Blvd., 10 000 Prishtina, Kosovo

ORCID No. 0009-0009-8719-8139; dren.gjinovci@gmail.com

DOI: 10.25019/STR/2025.011

Abstract

This study examines the role of performance appraisal in advancing human resources, with a focus on the influence of education and work experience on employee professional development. In transitional labor markets, where the merit-based systems often face institutional challenges, performance appraisal serves as a critical mechanism for linking individual performance with long-term organizational competitiveness. Using a quantitative research design, primary data were collected through structured questionnaires administered to 100 employees in public-sector organizations in Kosovo. The findings indicate that although performance appraisal systems are formally implemented, they are frequently disconnected from career planning, training identification, and motivational policies. The statistical analysis confirms that education level and work experience significantly influence employee advancement and accountability. The study contributes to the literature by integrating performance appraisal practices with broader meritocracy challenges in transitional economies and provides practical recommendations for strengthening human resource development policies.

Keywords

Employees; Performance Appraisal; Motivation; Experience; Meritocracy.

Introduction

Today, the dynamics of the global economy make effective human resource management a decisive factor for sustainable organizational success. Employees are no longer viewed merely as operational resources but as strategic assets contributing to innovation, competitiveness, and long-term development. The primary mechanisms of human resource management, such as performance appraisal, play a central role in objectively evaluating employee contributions, identifying development needs, and guiding career advancement. In many transitional economies, performance appraisal systems remain largely formal and procedural, often lacking a strategic connection to motivation policies, promotion criteria, and professional development planning. In labor markets characterized by limited opportunities and institutional challenges, the absence of transparent, merit-based evaluation mechanisms may undermine employee motivation, accountability, and organizational trust.

This study analyzes how performance appraisal systems are implemented in public sector organizations and evaluates their impact on employee motivation and advancement. Particular attention is given to the role of education and work experience as determinants of professional growth. By examining these relationships, the study seeks to provide evidence-based recommendations for strengthening merit-based human resource practices.

Literature review

Modern organizations increasingly recognize human capital as a strategic asset that drives sustainable organizational growth. Modern management approaches emphasize knowledge-based development

and treat employees as unique capital capable of generating innovation and competitiveness. Technological advancements have shifted economic activity toward intensive, knowledge-intensive work. Human resources remain central to organizational transformation processes. According to Christensen (2006), managers must prioritize internal talent identification and strategic human resource development to sustain competitive advantage. Chirtoc (2010) emphasizes that effective human resource planning and management constitute fundamental pillars of sustainable economic development. Gjinovci et al. (2013) further highlight that human resources act as promoters of innovation and organizational change, reinforcing their central role in dynamic markets. Education and human capital development are also strongly linked to economic performance.

The evidence suggests that the positive impact of education on economic growth often appears with a time lag, becoming more evident in the long term (Le et al., 2024). Chen et al. (2022) demonstrate that investments in human capital and technological innovation significantly contribute to regional economic growth. Likewise, Khan and Ahmed (2023) show that advanced education, combined with information and communication technologies, enhances productivity and strengthens demand for skilled labor. Lee et al. (2024) argue that digital skills and investment in human capital are essential for addressing automation challenges in modern economies. These findings align with broader global policy recommendations emphasizing educational reforms and skill adaptation to labor-market demands (World Economic Forum, 2020).

Within this framework, performance appraisal emerges as a key managerial tool for aligning employee competencies with organizational objectives. Organizations employ systematic appraisal systems to evaluate employee performance, behavior, and potential. Rees (1985) notes that one of the central objectives of performance appraisal is to design compensation mechanisms that enhance employee motivation. Robbins and DeCenzo (2011) define motivation as the willingness to exert greater effort toward organizational goals, while Colquitt et al. (2001) highlight that perceived unfairness in evaluation processes negatively affects engagement and performance. Despite the theoretical importance of merit-based systems, public and private organizations often face institutional constraints. Gjinovci (2013) observes that performance evaluation systems in transitional environments have not yet reached optimal effectiveness. Recent international research highlights the damaging effects of nepotism, favoritism, and corruption on public sector governance (Mishra, 2021; Rasheed et al., 2026; Smith & Johnson, 2023). These practices undermine meritocracy, reduce institutional credibility, and weaken employee motivation. In transitional contexts, the politicization of boards and institutional decision-making further exacerbates these challenges. Politicization compromises merit-based recruitment and promotion systems, negatively affecting organizational performance (Gjinovci & Gjinovci, 2026). The literature also indicates that the lack of career prospects and merit-based employment practices significantly reduces employee motivation and professional development opportunities (Gjinovci, 2021; Kwon & Kim, 2020). When appointments do not meet the minimum criteria for qualification and experience, meritocracy is weakened, increasing staff turnover and even migration tendencies among young professionals (Gjinovci et al., 2018; Gjinovci & Gjinovci, 2025a).

Sairmaly (2023) argues that investments in professional skills and designed human capital development are essential for sustainable economic growth, suggesting that effective performance evaluation systems must integrate education, experience, and training needs assessment. Although the literature is extensive on human capital development, performance appraisal systems, and the effects of nepotism and meritocracy deficits, few empirical studies examine how performance appraisal specifically interacts with education and work experience in transitional public sector environments. Furthermore, few studies integrate institutional governance challenges with employee-level advancement mechanisms. This study seeks to fill this gap by providing empirical evidence from Kosovo's public sector, analyzing how performance appraisal contributes to accountability, motivation, and professional advancement based on education and experience.

Methodology

Research objective

The primary objectives of this study are:

- Analyze how organizations implement employee performance appraisal.
- To evaluate the impact of performance on human resource motivation.
- Examine the role of performance appraisal in identifying and promoting employees.
- To assess employee advancement based on education and work experience.

Method

This study employed both primary and secondary research methods. The research is quantitative, with a descriptive and exploratory design, aimed at analyzing the impact of performance appraisal on human resource development factors.

- Primary data were collected through structured questionnaires distributed to units, sectors, and departments of public organizations, including the Telecommunications and Postal sectors.
- Secondary data were obtained from a comprehensive literature review on the role and importance of employee performance appraisal.

Research hypotheses

The study formulated the following hypotheses:

- Performance appraisal has a positive effect on employee accountability.
- Employee performance positively affects personal development.
- Performance appraisal directly influences the professional development of organizational staff.
- Education and work experience are key factors in human resource advancement.
- Performance appraisal helps effectively identify employee training needs.

Research questions

The research is guided by the following questions:

- What is the impact of performance appraisal on increasing employee accountability?
- The impact of performance appraisal on organizational personnel development?
- How does performance appraisal contribute to identifying employee training needs?
- Does employee performance affect personal development?
- How do education and work experience influence human resource advancement?

Study population

The study population includes individuals directly or indirectly involved in the education system and labor market:

- The secondary and higher education students
- Teachers and academic staff

- Employees in the public and private sectors
- Young professionals facing the demands of the modern economy.

Sample size was calculated using Yamane's formula (Yamane, 1967):

$$n = \frac{N}{1 + Ne^2} \quad n = 1 + Ne^2N$$

where N is the population size, and n is the sample size.

A total of 180 completed questionnaires were collected, providing sufficient representation of the population for statistical analysis.

Data collection instruments

The main instrument was a structured questionnaire, including sections on:

- The demographic data.
- The educational policies and training.
- 21st-century skills: critical thinking, creativity, digital skills, problem-solving.
- Impact of education on economic growth.

Responses were measured using a 5-point Likert scale, enabling numerical measurement and cross-group statistical analysis. Data Collection Procedure: Questionnaires were distributed online. Participation was voluntary and anonymous.

Ethics

The ethical approval was obtained from the relevant institution, and participants were assured of anonymity and the right to withdraw from the study without consequences.

Audience focus

The study is intended for a wide range of stakeholders, researchers, and scholars in human resource management and public administration. Policymakers and regulators are aiming to implement merit-based practices.

Unique contribution of the study

The analysis offers new evidence to inform policy-making and preventive measures, which can also be valuable for similar regional contexts.

Research results and discussion

Demographic data

45% of the participants in the research have over 10 years of work experience, primarily in public institutions; 30% have up to 5 years, and 25% have up to 10 years. According to gender, the 55% of respondents are male and 44% female. In terms of educational qualifications, 55% hold a Bachelor's degree, 44% a Master's degree, and 1% a Doctorate. Participants' professional positions are predominantly administrative/official (60%), with the remaining 40% in managerial roles.

Table 1. Demographic data of respondents

<i>Characteristic</i>	<i>Percentage (%)</i>	<i>Description</i>
Work experience	30%	Up to 5 years
	25%	Up to 10 years
	45%	Over 10 years, mainly in public institutions
Gender	44%	Female
	55%	Male
Educational level	55%	Bachelor
	44%	Master
	1%	Doctorate
Professional position	60%	Official/administrative positions
	40%	Managerial positions

Source: Author's research

The impact of performance appraisal on increasing employee responsibility

Significant changes in human resource management since the late 20th and early 21st centuries have introduced new models of employee development and performance appraisal, making this area a key challenge for contemporary organizations (Armstrong, 2020; Gjinovci, 2025b). Performance appraisal is recognized not only as a measurement tool but also as a motivational mechanism that increases employee responsibility, identifies training needs, and supports professional advancement (Aguinis, 2019; Rees, 1985).

In this study, respondents were asked: "To what extent does performance appraisal affect the increase in employee responsibilities and obligations?" Table 2 shows that 80% of respondents agreed that performance appraisal positively impacts their responsibilities, 10% were neutral, and 10% disagreed. These findings indicate that the majority of employees perceive performance appraisal as a motivational and developmental mechanism, although a minority do not feel any direct effect.

Table 2. The impact of performance appraisal on employee responsibility

<i>Respondent answer</i>	<i>Percentage (%)</i>
Agree (Positive Impact)	80
Neutral	10
Disagree	10

Source: Author's research

According to the motivation theories (Miner, 2005; Vroom, 1964), the effectiveness of performance appraisal can be maximized when managers actively engage neutral and skeptical employees through clear communication, goal alignment, and linking appraisal results to professional development opportunities. The strategies not only enhance individual accountability but also foster a broader culture of responsibility and performance at the organizational level (Colquitt et al., 2001; Robbins & DeCenzo, 2011).

These results align directly with the study's research question on the impact of performance appraisal on employee accountability, and they support the objective of evaluating how appraisal systems influence motivation and professional development. The presence of neutral and skeptical respondents highlights the need for targeted managerial interventions, such as personalized feedback sessions, training on goal setting, and transparent communication about promotion and reward systems.

Overall, this analysis underscores the importance of integrating performance appraisal systems with strategic human resource management practices, ensuring that evaluations are not merely procedural but serve as active tools for human capital development in contemporary organizations.

The impact of performance appraisal on employee development and training needs

Performance appraisal serves as a critical tool for identifying employees' training needs and supporting their professional development. In this study, respondents were asked: "To what extent

does performance appraisal help identify training and professional development needs?” The results indicate that over 70% of respondents agreed that performance appraisal contributes positively, while 30% expressed a neutral opinion or disagreed (Figure 1). These findings suggest that most employees perceive appraisal as a valuable instrument for personnel development, although a significant minority does not clearly recognize this role.

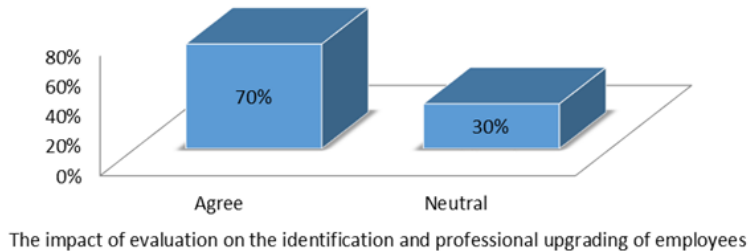


Figure 1. Performance appraisal as a tool for identifying training and development needs

Source: Author's research

The study also reveals that the participating organizations primarily use a manager-subordinate appraisal method, in which managers discuss employees' performance results and jointly determine necessary training programs. While the results indicate that performance appraisal is conducted regularly and largely helps identify employee potential (95% agreement), there remain gaps in how appraisal results are linked to training and career advancement. The 30% of respondents who are neutral or disagree highlight a lack of awareness regarding the purpose and benefits of performance appraisal, suggesting the need for targeted managerial interventions.

To address these gaps, organizations may consider the following practical measures:

- Strengthening appraisal processes: Ensuring that all employees understand the connection between performance evaluations and professional development opportunities.
- Training for managers and evaluators: Equipping managerial staff with the skills to conduct effective appraisals, thereby enhancing credibility and impact.
- Improving communication with employees: Clearly communicating how performance appraisal results relate to career growth, training opportunities, and professional development to increase engagement and motivation.

These findings align with Mullins (1999), who emphasizes that performance appraisal is a continuous process supporting the identification of employee potential, strengths, and areas for improvement, as well as the planning of training and development programs. By systematically assessing performance, organizations can implement timely improvements and leverage employees' potential for organizational growth.

Overall, this analysis addresses the research objective of examining the role of performance appraisal in identifying training and development needs, directly responding to the related research question. It demonstrates that while appraisal systems are widely implemented, additional measures—such as enhanced managerial engagement, training, and communication—are required to fully realize the potential of performance appraisal as a strategic tool for human capital development.

Advancement of human resources based on education and work experience

An important aspect of human resource management is the advancement of staff based on their education and professional experience. The research indicates that 90% of respondents disagree with the statement that human resource advancement is based on education and work experience, while only 10% agree. The questionnaire also included a question regarding the criteria for staff

advancement. Employees emphasized the importance of performance evaluation and the identification of training that influences professional development. However, they did not agree that their education or long-term experience is properly recognized within the organization. In some cases, organizations do not offer compensation or privileges for higher academic qualifications or professional experience. There is no clear distinction between educational levels, such as Bachelor's and Master's degrees, and in some situations, secondary education is treated equally with higher education.

Even in organizations where restructuring has occurred and management has promised to consider education and experience, this has not been reflected in the practice of organizations. The employees highlighted that their roles did not consider their contributions, education, or experience within the organization. Most of the positions were filled by employees with a Bachelor's degree, bypassing those with a Master's degree. The internal complaints did not influence management's decisions. Findings in the field support the human resource management literature, which emphasizes that staff advancement should be based on merit, education, and experience to ensure motivation and sustainable professional development (Armstrong, 2020; Dessler, 2019; Gjinovci & Gjinovci, 2025b). A lack of transparency and unclear advancement criteria can negatively impact employee motivation and performance, creating a sense of injustice and demotivation (Mullins, 1999). Improving advancement processes may include developing clear, merit-based promotion policies that take education and experience into account. Employee contributions should be assessed objectively and transparently. Applying compensation and rewards for academic achievements and professional experience can enhance staff motivation and engagement.

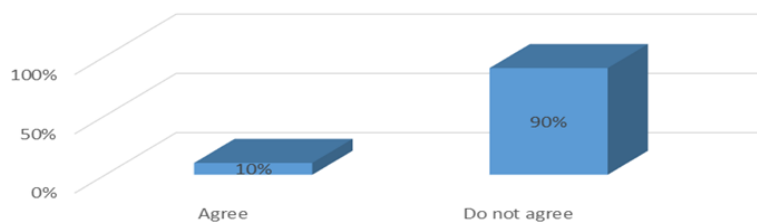


Figure 2. Advancement of human resources based on education and work experience

Source: Author's research

Table 3. Employee perceptions of advancement based on education and work experience

<i>Advancement criteria</i>	<i>Agree (%)</i>	<i>Disagree (%)</i>	<i>Neutral (%)</i>	<i>Comments</i>
Advancement based on education	10%	85%	5%	The majority of employees believe education is not sufficiently considered.
Advancement based on professional experience	10%	80%	10%	Long-term experience is not considered a primary factor in advancement.
Advancement based on merit and employee contribution	15%	75%	10%	Employees feel their contributions are not adequately valued.
Advancement based on Bachelor's vs. Master's degrees	5%	85%	10%	No clear distinction between education levels; preference is often given to Bachelor's degree holders.

Source: Author's research

Table 3 presents employees' perceptions regarding the criteria used for advancement within the surveyed organizations. The data reveal several critical insights:

→ **Advancement Based on Education**

Only 10% of respondents agreed that educational attainment influences advancement, while 85% disagreed. This suggests that higher academic qualifications, such as Bachelor's or Master's degrees, are not considered a primary factor when promoting employees to higher positions.

Advancement Based on Professional Experience

Regarding professional experience, only 10% of respondents agreed that long-term work experience significantly affects advancement, while 80% disagreed. This indicates that organizations often lack adequate systems to evaluate employees' contributions and experiences in promotion decisions.

→ **Advancement Based on Merit and Contribution**

A slightly higher proportion (15%) believes that merit and personal contributions are considered in advancement decisions, while 75% disagree. This highlights that objective merit-based criteria are inconsistently applied in practice, limiting the effectiveness of performance appraisal as a tool for career progression.

→ **Advancement Based on Bachelor's vs. Master's Degrees**

Only 5% of respondents agreed that academic level (Bachelor's vs. Master's) influences advancement, whereas 85% disagreed. In practice, employees with a Bachelor's degree are often preferred over those with a Master's degree, despite the latter's higher qualifications. This finding reflects a lack of transparency and a failure to systematically recognize academic achievements.

Discussion and implications

The results in Table 3 indicate a clear misalignment between formal advancement policies and employee perceptions. Education, experience, and personal merit are not consistently recognized as decisive factors for promotion, which may negatively affect employee motivation, engagement, and professional development. These findings are consistent with prior research emphasizing that advancement should be based on merit, education, and experience to ensure sustainable human capital development and maintain employee motivation (Armstrong, 2020; Dessler, 2019; Mullins, 1999; Gjinovci & Gjinovci, 2025b).

To address these challenges, organizations should consider:

- Developing clear, merit-based promotion policies that explicitly account for education and professional experience.
- Implementing transparent and objective evaluation procedures to ensure employees' contributions and qualifications are adequately recognized.
- Incorporating compensation and rewards systems that incentivize higher academic achievements and relevant professional experience, thereby enhancing motivation and engagement.

This analysis directly addresses the research objective of examining the influence of education and work experience on employee advancement, providing empirical evidence for gaps in current organizational practices.

Human resource management, motivation, and staff advancement in organizations

The research indicates that in the surveyed organizations, there has been no significant change in professional human resource management. Employees' education, experience, and contributions are not sufficiently valued or recognized when advancing to higher positions. Results show that employees, regardless of their education level, are not systematically placed in positions according to their competence and skills. In most cases, individuals with a Bachelor's degree have been promoted to managerial positions, even though those with a Master's degree are available. Employee experience is often disregarded, including participation in disciplinary committees. According to Gjinovci (2018b), in "Selection of Managers under the Influence of Politics and the Lack of Creativity in Public Organizations," organizations were often overstaffed, and daily politics influenced individual advancement. In many cases, human resources recruitment criteria were not followed, even when individuals were promoted to managerial roles.

Employee motivation is a key factor for organizational performance and survival. According to Smith (1994), motivated employees are more productive and contribute to organizational sustainability.

Winer (1982) adds that motivation should align with management interests, and performance evaluation and compensation systems should be closely linked to employee and organizational objectives. Gjino vci (2013) highlights the importance of material factors, such as salary and bonuses, alongside non-monetary factors, such as recognition for results and goal achievement. Bartlett and Ghoshal (1989) argue that organizations face the need to manage challenges, risks, and opportunities arising from diversity and global environmental instability. Furthermore, Gjino vci (2015) suggests that to promote competition and human resource development, business management should:

- Change attitudes and approaches toward human resources;
- Increase financial support for professional staff to ensure business sustainability and growth.

Many public and private organizations are constrained by internal and external factors, but employees often remain due to:

- Salaries and the inability to move to other organizations;
- Privatization and the dysfunction of some organizations, where staff development has not been realized (Gjino vci, 2015).

Modern literature on human resource management emphasizes that staff advancement should be based on merit, education, and experience to enhance employee motivation and performance (Armstrong, 2020; Dessler, 2019; Boxall & Purcell, 2016; Luthans et al., 2015). Latham and Pinder (2005) stress that motivation and employees' engagement increase commitment and productivity. Perry and Hondeghem (2008) highlight the importance of linking motivation to organizational strategy, especially in the public sector.

Table 4. Comparison of Employee Advancement Based on Education, Experience, and Merits

<i>Advancement criteria</i>	<i>Agree (%)</i>	<i>Disagree (%)</i>	<i>Neutral (%)</i>	<i>Comments</i>
Advancement based on education	10%	85%	5%	Education is not sufficiently valued in promotions.
Advancement based on professional experience	10%	80%	10%	Experience is often overlooked when promoting staff.
Advancement based on merit and contribution	15%	75%	10%	Employee contributions are not fully recognized.

Source: Author's research

Table 4 shows that advancement in the surveyed organizations does not consistently reflect education, professional experience, or merit. Most employees see advancement as influenced by factors beyond their control, which undermines motivation and limits professional development. These findings highlight the need for transparent and merit-based promotion policies and structured Human Resources practices to improve employee engagement, performance, and retention.

Integrating literature insights, survey findings, and the variable of identification

The literature cited by Aguinis (2019) and Armstrong (2020) underscores the critical role of human resource performance management, particularly in motivating employees, identifying training needs, and developing and promoting human resources. Performance appraisal is presented not only as a measurement tool but also as a strategic mechanism that enhances employee accountability, engagement, and overall organizational performance (Colquitt et al., 2001; Rees, 1985; Robbins & DeCenzo, 2011). The survey findings largely support these theoretical insights. The 80% of respondents indicated that the role of performance appraisal positively influences their responsibilities (Table 1), confirming that employees perceive appraisal as a motivational and developmental tool. Similarly, over 70% of respondents agreed that appraisal helps identify training and professional development needs, aligning with the literature, which emphasizes appraisal as a means to detect skill gaps and promote continuous learning (Miner, 2005; Mullins, 1999). However, gaps were also

identified: 90% of respondents disagreed that advancement was based on education or work experience (Table 3), indicating a lack of transparent, merit-based promotion systems. This highlights a discrepancy between recommended HR practices in literature and actual organizational implementation (Dessler, 2019; Boxall & Purcell, 2016).

Table 5. Key variables for analysis

<i>Variable</i>	<i>Description</i>	<i>Measurement type</i>	<i>Example survey question</i>
Responsibility_Increase	Employees' perception of whether an appraisal increases responsibility	Ordinal / Likert 1–5	"To what extent does performance appraisal influence the increase of employees' responsibilities?"
Training_Needs_Identification	Perception of appraisal's role in identifying training needs	Ordinal / Likert 1–5	"Does appraisal help identify your training needs?"
Professional_Development	Perception of appraisal's role in supporting professional development	Ordinal / Likert 1–5	"Does appraisal contribute to your professional development?"
Advancement_Education	Perception of advancement based on education	Ordinal / Likert 1–5	"Is your career advancement influenced by education?"
Advancement_Experience	Perception of advancement based on work experience	Ordinal / Likert 1–5	"Is your career advancement influenced by your professional experience?"
Advancement_Merit	Perception of advancement based on merit and contribution	Ordinal / Likert 1–5	"Are your contributions considered for promotions?"
Overall_Motivation	Impact of appraisal on employee motivation	Ordinal / Likert 1–5	"To what extent does appraisal affect your motivation?"

Note: Likert scale ranges from 1 = Disagree, 2 = Neutral, 3 = Agree (or 1–5 for more nuanced responses).

Table 6. Proposed SPSS Analyses

<i>Analysis type</i>	<i>Purpose</i>	<i>SPSS path</i>	<i>Expected Output</i>
Descriptive Statistics	Summarize employee responses	Analyze → Descriptive Statistics → Frequencies/Descriptives	Mean, SD, min, max, bar/pie charts
Reliability Analysis	Check the internal consistency of related constructs	Analyze → Scale → Reliability Analysis → Cronbach's Alpha	$\alpha > 0.7$ indicates good reliability
Correlation Analysis	Examine relationships between variables	Analyze → Correlate → Bivariate → Pearson	Correlation matrix showing strength & significance
Regression Analysis	Identify predictors of motivation	Analyze → Regression → Linear	Beta coefficients, R^2 , p-values
Chi-Square Test	Compare categorical responses between groups	Analyze → Descriptive Statistics → Crosstabs → Chi-square	χ^2 statistic, p-value for significance

Figure 7. Impact of appraisal on responsibility

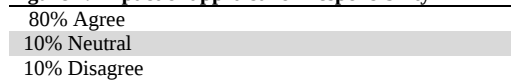


Figure 8. Training needs identification & professional development



Figure 9. Advancement perceptions based on education, experience, and merit

<i>Criteria</i>	<i>Agree (%)</i>	<i>Disagree (%)</i>	<i>Neutral (%)</i>
Education	10%	85%	5%
Experience	10%	80%	10%
Merit/Contribution	15%	75%	10%

Linking literature & empirical data

Table 9. Correlation Matrix

<i>Variable</i>	<i>Responsibility</i>	<i>Training needs</i>	<i>Professional dev</i>	<i>Motivation</i>
Responsibility	1	0.55*	0.60*	0.62*
Training Needs	0.55*	1	0.58*	0.57*
Professional Dev	0.60*	0.58*	1	0.64*
Motivation	0.62*	0.57*	0.64*	1

*Note: *p < 0.05

The interpretation of responsibility, training needs, and professional development is positively correlated with employee motivation, supporting the literature (Aguinis, 2019; Armstrong, 2020).

Practical implementations and evaluation should be equated with promotion. By integrating evaluation results with advancement based on education, experience, and merit. Responsibility, awareness, and communication should also be increased. By clarifying that employees understand how evaluation affects their career growth. Training managers is essential to conducting transparent, effective evaluations. Management should take measures to create structured Human Resources policies by implementing or implementing systems of promotion and reward based on merit to improve fairness and motivation.

Limitations and future research

Research limitations

This study has several limitations. It focuses mainly on public sector organizations, which may limit generalizability. Data were self-reported through questionnaires, which can introduce bias. The cross-sectional design captures a single point in time, making it difficult to assess long-term effects.

Future research scope

Future studies could also include the Western Balkan region, adopt longitudinal designs, and use qualitative methods such as interviews to gain deeper insights into performance appraisal practices and their long-term impacts on human resources and organizations.

Conclusions and recommendations

This research demonstrates that human resources act as drivers of innovation and play a crucial role in creating new pathways for organizational development. To remain competitive, employees must continuously adapt to market demands and global competition.

Performance appraisal serves as a formal, systematic mechanism for monitoring employees' work, behavior, and potential. These evaluations identify training needs, employee potential, and opportunities for increased responsibility; there remains insufficient commitment to promoting staff based on education and experience. Consequently, employees' qualifications, professional experience, and contributions are often undervalued, with some positions filled by staff with lower educational credentials rather than by more qualified personnel.

These findings suggest that organizations risk losing qualified employees to more meritocratic environments if education and contributions are not adequately recognized. Maintaining staff under such conditions may reflect structural inequities and could demotivate employees, thereby impacting organizational performance and sustainability.

Key areas that require attention include:

- The role of performance appraisal in increasing employee responsibility.
- The workforce planning and human resource management.

- Career advancement based on education and work experience.
- Recognition and reward instruments for professional contributions.

Organizations should establish transparent advancement policies based on education, professional experience, and merit. Employee contributions should be evaluated objectively, including participation in committees and key organizational projects. Compensation systems should be aligned with performance, integrating individual achievements into rewards and incentives. Ongoing training for managers is essential to enhance skills in human resource management, employee motivation, and leadership development. Implementing these measures can strengthen employee motivation, promote professional growth, and contribute to organizational success and sustainability.

Acknowledgements

Author contributions: All authors listed have made a substantial, direct, and intellectual contribution to the work, and have approved it for publication.

Funding: This research received no external funding

Data availability statement: Data sharing does not apply to this article.

Conflicts of interest: The authors declare no potential financial, professional, or personal conflicts of interest that could have influenced the research, analysis, or publication of this study.

References

- Armstrong, M. (2020). *Armstrong's handbook of human resource management practice* (15th ed.). Kogan Page.
- Aguinis, H. (2019). *Performance management* (4th ed.). University of Chicago Press.
- Bartlett, C. A., & Ghoshal, S. (1989). *Managing across borders: The transnational solution*. Harvard Business School Press.
- Boxall, P., & Purcell, J. (2016). *Strategy and human resource management* (4th ed.). Palgrave Macmillan.
- Chirtoc, E. I. (2010). The importance of human resources on Romania's labor market. *Annals of the University of Petroșani, Economics*, 10(1), 51–58.
- Christensen, R. (2006). *Roadmap to strategic HR: Turning a great idea into a business reality*. American Management Association.
- Colquitt, J. A., Conlon, D. E., Wesson, M. J., Porter, C. O. L. H., & Ng, K. Y. (2001). Justice at the millennium: A meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, 86(3), 425–445. <https://doi.org/10.1037/0021-9010.86.3.425>
- Dessler, G. (2019). *Human resource management* (15th ed.). Pearson.
- Gjinovci, A. (2013). The role of performance assessment in development of human resources and in incomes of the organisations. *European Scientific Journal*, 9(8), 43–54. <https://core.ac.uk/download/pdf/236404936.pdf>
- Gjinovci, A., Shkreta, X., & Pllana, A. (2013). The impact of performance appraisal and training in improving, developing and advancing professional staff. *International Journal of Science and Research (IJSR)*, 2(1), 527–531. <https://doi.org/10.21275/IJSROFF2013007>
- Gjinovci, A. (2015). The impact of changes in management of human resources. In C. Brătianu, A. Zbucea, F. Pinzaru, E. M. Vătămănescu, & R. D. Leon (Eds.), *Strategica. Local versus global* (pp. 220–225). Tritonic.
- Gjinovci, A., Fazliu, A., & Gjinovci, D. (2018). Selection of managers under the influence of politics and the lack of creativity in public organizations. *Knowledge Horizons - Economics*, 10(4), 109–117.
- Gjinovci, A. (2018b). Influence of politics on selection of the boards and managing director in public organizations. *Knowledge Horizons - Economics*, 10(3), 32–38.
- Gjinovci, A. (2021). The role of informal economy and the ethics in manage the human resource and business. *Asian Journal of Management Research*, 3(1), 101–107.
- Gjinovci, A., & Gjinovci, D. (2025a). Limited career prospects and non-merit-based employment practices: Implications for employee motivation and career development. *Review of Economics and Finance*, 23(1), 252–260.
- Gjinovci, A., & Gjinovci, D. (2025b). Structural barriers to development: How nepotism and corruption undermine public administration and economic growth. *Ekonomicko-Manazerske Spektrum*, 19(2), 125–135. <https://doi.org/10.26552/ems.2025.2.125-135>
- Gjinovci, A., & Gjinovci, D. (2026). Institutional, economic, and human resource challenges in public sector management: An empirical study of public organizations. *International Journal of Social Science and Human Research*, 9(2), 1173–1182. <https://doi.org/10.47191/ijsshr/v9-i2-34>

- Latham, G. P., & Pinder, C. C. (2005). Work motivation theory and research at the dawn of the twenty-first century. *Annual Review of Psychology*, 56, 485–516. <https://doi.org/10.1146/annurev.psych.55.090902.142105>
- Luthans, F., Luthans, B. C., & Luthans, K. W. (2015). *Organizational behavior: An evidence-based approach* (13th ed.). Information Age Publishing.
- Le, T., Nguyen, H. Q., & Vu, M. (2024). Robot revolution and human capital accumulation: Implications for growth and labour income. *Journal of Evolutionary Economics*, 34(1), 89–126. <https://doi.org/10.1007/s00191-024-00854-w>
- Miner, J. B. (2005). Motivation-hygiene theory: Frederick Herzberg. In *Organizational behavior 1: Essential theories of motivation and leadership* (pp. 61–93). M.E. Sharpe.
- Mishra, A. P. N. (2021). The effects of nepotism and favoritism on employee behaviors in private and government organizations. *Himalayan Journal of Humanities and Cultural Studies*, 2(1), 13–18. <https://doi.org/10.47310/hjhcs.2021.v02i01.004>
- Mullins, J. L. (1999). *Management and organisational behaviour* (5th ed.). Prentice Hall.
- Sairmaly, F. A. (2023). Human capital development and economic growth: A literature review on information technology investment, education, skills, and productive labour. *Jurnal Minfo Polgan*, 12(1), 679–693. <https://doi.org/10.33395/jmp.v12i1.12491>
- Perry, J. L., & Hondeghem, A. (2008). *Motivation in public management: The call of public service*. Oxford University Press.
- Rasheed, R., Roques, O., & Rashid, A. (2026). Perceived nepotism and job satisfaction: A moderated mediated model of supervisory trust, procedural, and distributive injustice. *International Journal of Public Administration*, 49(2), 97–116. <https://doi.org/10.1080/01900692.2025.2459746>
- Rees, R. (1985). The theory of principal and agent: Part I. *Bulletin of Economic Research*, 37(1), 3–26. <https://doi.org/10.1111/j.1467-8586.1985.tb00179.x>
- Robbins, P. S., & DeCenzo, D. (2011). *Baza e menaxhimit: Koncepte dhe aplikime themelore* [Basic management: Concepts and fundamental applications]. Pearson.
- Smith, G. P. (1994). Motivation. In W. Tracey (Ed.), *Human resources management and development handbook* (2nd ed.).
- Vroom, V. H. (1964). *Work and motivation*. Wiley.
- World Economic Forum. (2020). *The future of jobs report 2020*. <https://www.weforum.org/publications/the-future-of-jobs-report-2020/>
- Yamane, T. (1967). *Elementary Sampling Theory*. Prentice-Hall.

Received: September 18, 2025

Revised: February 24, 2026

Accepted: March 5, 2026