



## Performance Appraisal: A Tool for Practice Improvement in Private Hospitals

Shweta Sharma<sup>1</sup> and Dr. Mini Amit Arrawatia<sup>2</sup>

<sup>1</sup>Research Scholar, JyotiVidhyapeeth Women's University, India.

<sup>2</sup>Professor, Jyoti Vidhyapeeth Women's University, India.

shwetasharma141191@gmail.com

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**Abstract:** Considered as one of the most far-reaching tool in hospitals for measuring various aspects like promotion and merit increments, Performance Appraisal networks information gathering and decision making process which is imperative for judging the effectiveness personnel sub-divisions like recruiting, selecting, training and compensation. Used as a two way working tool for scaling efficient employees who deserve the majority of available merit pay increments, bonuses and promotions and identification of less efficient employees who may require counseling in most cases and demotion, dismissals and pay reduction in extreme cases.

This paper emphasis on association of work oriented and dedicated employees working in adaptive health care industry consisting hospitals, nursing homes and diagnostic centers as front runners and periodic evaluation of their KRAs by their respective managements. Studies imply role of performance appraisals in profit elevation in hospitals of private nature because of their performances exclusively. Performance Appraisal Management is responsible for overall control of management of private hospitals. When it comes to testing performance and efficiency of individuals, groups and entire divisions, these appraisals work as the 'audit functions' for organizations. This work of manuscript is an attempt to measure how efficient these performance appraisal management systems in private hospitals are. Sources of data include both primary and secondary forms. The research majorly is primary keeping in consideration some theories given by academia. This work is limited to the information received as responses from personal interviews of nurses in private hospitals in the capital city and its adjacent regions.

**Key Words:** Human Resource Management, Performance Appraisals, Hospitals.

### Article History

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Corresponding author: Shweta Sharma, Email id: shwetasharma141191@gmail.com

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## **INTRODUCTION**

Defined as an employee intensive sector, increased costs, Technology advancements, demands for best patient care services and neck to neck competition has forced substantial changes in the Healthcare industry in the recent years. Hospitals are validating the best HRM practices aiming show efficiency and constant growth in their organizations. To identify effectiveness of hospitals just by their profit sharing is inadequate and fails to reflect the true picture. Front runners in the industry are realizing the importance of performance management in their decision making process and that's why it has become a requirement to have Performance Management system in place which is effective and aims to at sustenance.

Performance Appraisal Programs have the role of monitoring employee efficiency and ensuring the staff stays motivated at all times. Performance appraisal holds the potential of helping not just private but public hospitals reach to a stage where they can answer the demands of a fast growing population of our country. India shows promise in becoming the go to place for medical tourism for citizens of world at large. Government in present is playing a proactive role by initiating reforms aiming to promote private hospitals which are in line to become the fastest growing sector. Health insurance due to its voluntary nature largely depends upon good governance and sound practices of private hospitals as these health insurances provided by large corporate come into play only when serviced in these private corporate hospitals. Performance of these hospitals thus can depend upon these insurances and third party administrators who are expected to look out for hospitals' quality, cost and efficiency. Elevation in number of new private healthcare establishments can be seen due to eased government regulations, relaxed customs and import duties on medical equipments not forgetting the concession on land allotments playing a major role. Other factors like rapid influx of medical technology, increase in middle income class bar and failure of public sector hospitals.

## **PROBLEM STATEMENT**

Giving emphasis to moderating role motivation plays among the employees, this manuscript aims to study what impact performance appraisal management system makes on employee efficiency and performance. Furthermore, it investigates and highlights the issues of job performance through moderating variables and measures how impactful motivation is when performance of employees is studied in private hospitals.

## **RESEARCH OBJECTIVES**

- To examine numerous key parameters responsible for performance appraisal system of private health care facilities mainly hospitals.
- To study the impact of performance appraisal system and measuring its effectiveness in private hospitals.
- To scout variable of performance in private hospitals.
- To examine the fallout of each parameter for performance appraisal.

## **LITERATURE REVIEW**

- Lawaj (2014) in the study reasons out performance appraisal as a methodical evaluation of employee performance compared to already established standards of organisational performance. The manuscript studies the appraisal and development in performance of employees. A parallel between the real work performance of employees and the given standards is drawn in order to assess the real situation and creating a method of providing feedback and helping foster performance through effective motivation.
- Aly and El-Shanawany (2016) notes the significance of performance appraisal and declaring it critical to nurse' satisfaction. This becomes imperative in increasing motivation and achieving better outcomes among nurses. The study correlates satisfaction in regard to performance appraisal and their motivation towards work outcomes. It also examines the relationship between motivation of nurses' and their respective outcomes. It also jot downs the problems creating obstacles in nurses' satisfaction with regards to process of performance appraisal. 323 nurses in Critical Care and Toxicology Units were examined through 'cross-sectional descriptive correlation study' revealing dissatisfaction among nurses with their performance appraisal process leading to lack of motivation in their work. The reveals that there is a positive correlation between the nurses' satisfaction with performance appraisal process and their overall work ethic and outcomes. Role of managerial and organisational forces hindering nurse satisfaction with appraisal process also came into picture.
- Nikpeyma et al (2014) scouts the issues of performance appraisal system in clinical nurses. Using a descriptive qualitative approach, the participants were cautiously selected from nurses of all hospital units from a large metropolitan hospital situated in Tehran. Aftermath of study highlighted four major themes of clinical nurse performance appraisal structure namely contextual problems, problems related to performance appraisal

structure and process and with their results. Findings of study revealed problems in organisational context as well as in structure, process and results. The study concluded with final goal of necessary changes and revision in performance appraisal.

- Hartheswari (2017) studying numerous variables like Rewards, Chief Superior Evaluation, Factors of motivation, levels of satisfaction, Employee growth and employee performance involved in performance appraisal with the help of primary data collected through an in-detail questionnaire from employees. Using random sampling, the data collected highlighted the importance of performance appraisal for hospitals. Implementation of performance appraisal lead to elevation and development in healthy relationship between Chief Superior Officer and employees. It attracted and helped retaining talented and skilled employee in addition to building strong employee commitment towards their work ethics. The study showed performance appraisal was key to overall improvement in effectiveness of the hospital.

This study highlighting modern methods of appraisal put down certain guidelines.

Assessment Centre: Process of assessment typically involves social/informal events, timely tests and exercises, group assignments which helped assessing competency to undertake higher degree of responsibilities in near future. The process included job like demonstrations for employees expecting promotion. Evaluators observe these employees performing these assignments. Adjudication was mainly based on competency in performing interpersonal skills, jobs where intellectual capacity is to be used and their expertise in organizing, motivation and career oriented capabilities. These assessment process of these employees were done in centres which proved to be effective in determining the areas where training and development needs to be integrated.

Behaviourally anchored rating scales (BARS): A modern technique which integrates the graphic rating scale and critical incident method. BARS consists a list of behavioural statements describing significant job performance aptitude pre-determining them as good or bad. These predetermined statements are developed using critical incidents in past. This method determines employee job behaviour drawing parallel to desired behaviour in accordance to BARS. To develop such a process, expertise in special areas is required.

360 degree appraisal: Also known as 'multi-rater feedback, this shows promising results providing feedback regarding employee performance coming from all possible sources which

were job's general requirements. 360 degree leads to all round process including peers, managers, team members, customers, suppliers and everyone connected who is capable of providing valuable feedback and information. This is a good test to measure 'on-the-job; performance of employees.

### RESEARCH METHODOLOGY

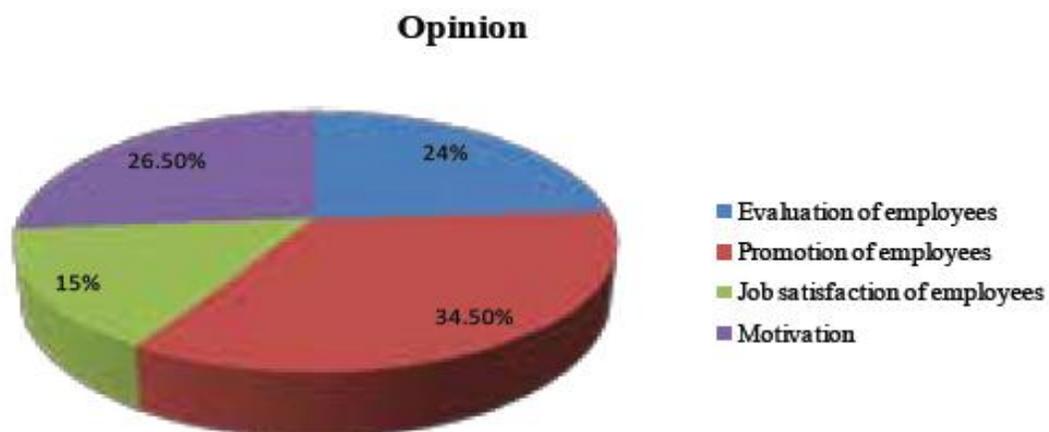
A combination of explorative and descriptive method of research is adopted in an attempt to come to a conclusion. Research includes numerous fact finding enquiries and surveys of different kinds. The research aims to put forward the *status quo* of performance appraisal and its effectiveness. The variables for the research are independent and are not influenced by the researcher. This research only aims to put the picture as it is.

This study is based on questionnaire primarily and using scholarly reviews previously given as a secondary source of data. The study aims to cover a sample hundred employees coming from both supervisory and nurse level in private hospitals based in Delhi NCR. The collected data is synthesised into charts showing percentages.

The structure of questionnaire includes opinions of nurses and other employees regarding performance appraisal, appraiser, growth(if any) by performance appraisal, correlation between nurse satisfaction from performance appraisal and improvement in work performance. Questionnaire also puts forward questions regarding overall awareness of nurses regarding key parameters of performance appraisal, listing and identification of importance given to each parameter.

### DATA ANALYSIS

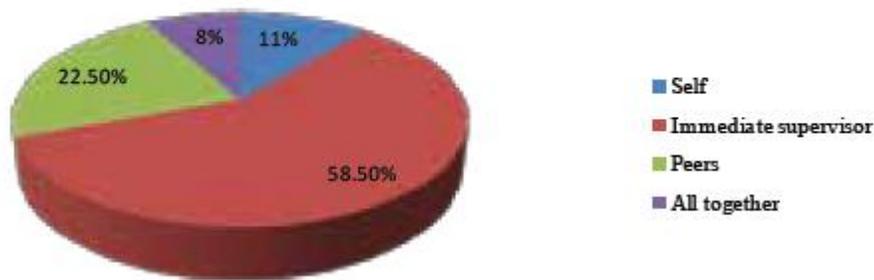
- Opinion of nurses on what consists of performance appraisal



Above graph reveals 34.50% of nurses think promotion is directly related to appraisal performance.

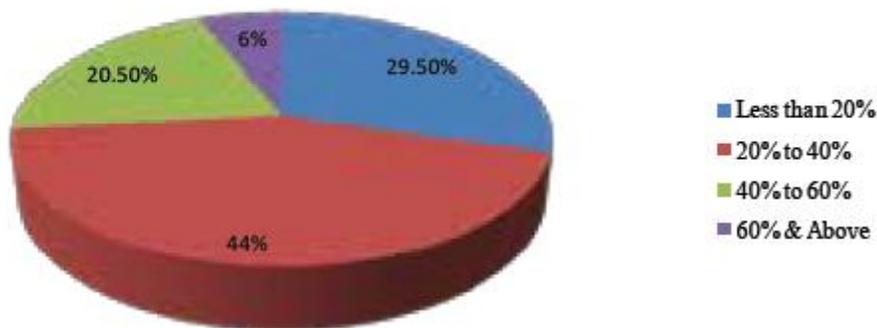
- Opinion of nurses as to who should be the appraiser

**Appraiser**



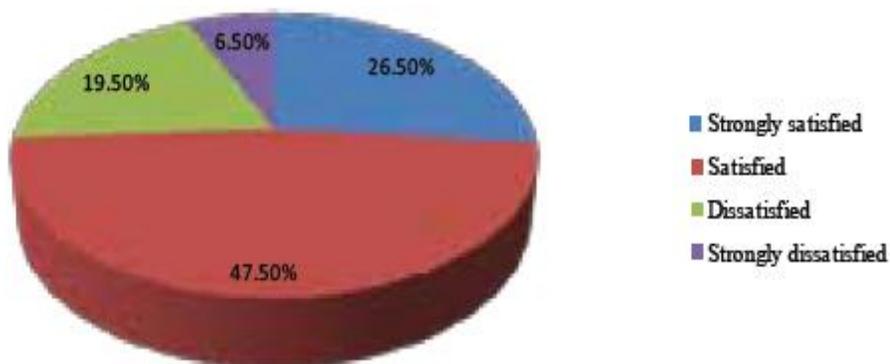
- Opinion of nurses concerning improvement percentages

**% of Improvement**



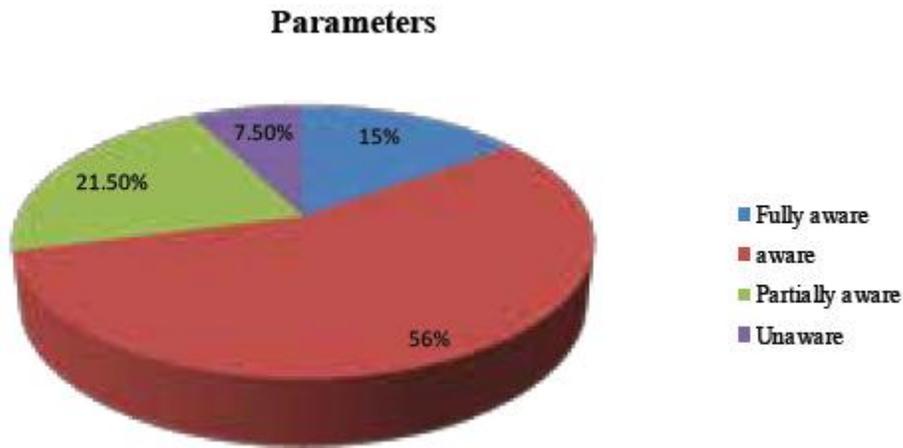
- Satisfaction levels of nurses regarding performance appraisal

**Satisfaction Level**



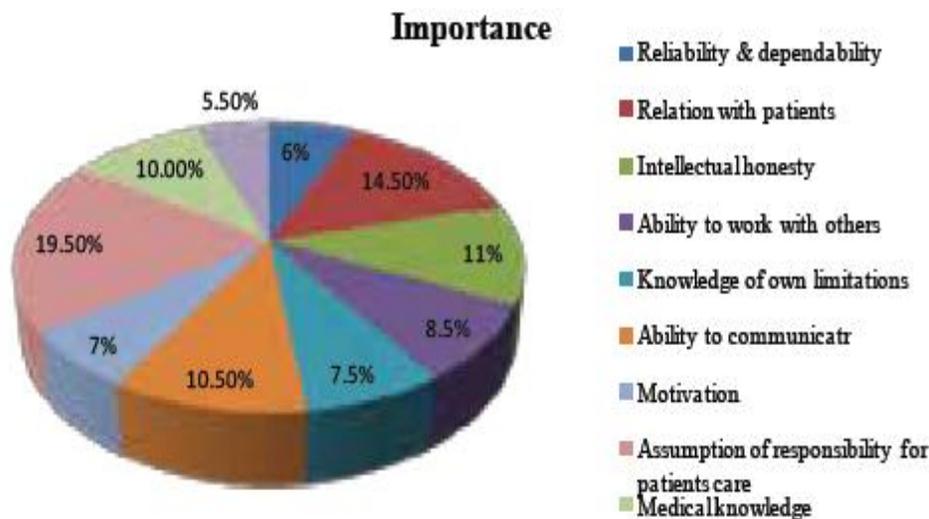
Above graph reveals a significant 74% of employees are satisfied with their current appraisal methods where as 26% remains in the category of dissatisfied.

- Awareness about the parameters of Performance Appraisal



The outcome of the questionnaire shows 56% of nurses being aware about performance appraisal parameters where as 15% fully understand the parameters.

- Weightage given to parameters and their study



According to the analysis, employees were of the opinion that maximum importance should be given to ‘Assumption of responsibilities for patient care’ when performance is to be judged on the basis of performance appraisal.

## DISCUSSION

Researcher observed the nature of performance appraisal system in hospitals where promotion was considered the main reason for it being exercised. The survey also revealed 70% nurses feel there is improvement ranging 20%-40% due to performance appraisal system. The satisfaction-dissatisfaction graph measured at 76%-24%. In the minor 24% there was a 6.50% share of nurses who were highly dissatisfied.

As a general observation, nurses wanted their appraisal to be conducted by their immediate superior for a more practical examination as it's the immediate superior who can give adequate importance to each parameter required at the time of appraisals.

### **FINDINGS AND CONCLUSIONS**

It is pertinent to note that performance management tools operate during solving problems within the operation. Performance tools focus on finding the root cause of issue which resulted in an upset employee rather than focusing on specifics of irritated employee behavior. This is important as it leads to objectivity and reduces chance of partiality and bias which results in growth due to peace and productivity in the organization. This is also manages feeling of employees being left out of the process.

Study has successfully highlighted 10 parameters which need to be prioritize at the time of performance appraisals by the healthcare settings. To focus on all parameters individually is requirement for a better understanding, the study reveals.

The study also states the need to involve nurses in the appraisal process. This will lead to efficiency and faster results.

### **RECOMMENDATIONS**

- Hospital managers' efforts need to reflect on finding solutions to overcome obstacles for increase in satisfaction towards appraisal process and foster motivation helping achieve efficiency in employees. This can be done if the focus in on following factors:
  - Establishing a culture which fosters involvement of nurses when it comes to performance appraisal process.
  - Establishing reward system as means of effective appraisals. This will help smooth running of the procedure as it will reduce differentiation and leniency.
  - Established a well thought and well structured process focusing on a practical approach to scale nurses' performance.

- Reducing non-objective blaming and treating the result as feedback fostering better training of the staff employed.
- Creating awareness regarding the process of performance appraisal.
- Need of a transparent procedure helping objective discussion between nurses and their superiors.
- Need of a periodic and frequent appraisal. Replacing yearly appraisals with monthly and quarterly appraisals.
- Clear cut delegation and allocation of employee duties in writing, this increases sense of responsibility in employees. This also helps employees keeping a check at themselves not putting themselves at higher pedestals than they actually are. This smoothens the process of appraisal too.

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