

Performance Evaluation of Hospital Employees through Ongoing Appraisal Systems

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Abstract: This paper considers the significance of dedicated and selfless performance of employees, associated with the dynamic healthcare industry (especially hospitals, nursing homes and diagnostic centers) and consequent periodic evaluation of their KRAs by the Management and peers within the system. Emphasis is first placed on the essence for performance appraisal in a hospital, and its linkage to business strategy. Secondly, the globally accepted methodologies for mapping employee performance are introduced. These protocols invite employee engagement; aligns their goals and output with their assigned responsibilities within a hospital. Besides, focus has been asserted on the performance execution aspect by managers / supervisors, for effective patient service and quality care, which should be the mission of a multispecialty tertiary care healthcare establishment.

Keywords: dynamic healthcare industry, performance of employees.

1. INTRODUCTION

Managing employee performance is an integral part of the work that all managers and rating officials perform throughout the year. It is as important as managing financial resources and program outcomes because employee performance or the lack thereof, has a profound effect on both the financial and program components of any organization. The Department of the Interior's performance management policy is designed to document the expectations of individual and organizational performance, provide a meaningful process by which employees can be rewarded for noteworthy contributions to the organization, and provide a mechanism to improve individual/organizational performance as necessary. To accomplish these objectives, managers need to identify organizational goals to be accomplished, supporting the overall strategic mission and Government Performance and Results Act (GPRA) goals of the Department, monitor and evaluate employee performance, and use performance as a basis for appropriate personnel actions, including rewarding noteworthy performance and taking action to improve less than successful performance.

Performance appraisal as a performance mapping tool:

The Office of Personnel Management defines performance management as the systematic process of:

- planning work and setting expectations
- continually monitoring performance
- developing the capacity to perform
- periodically rating performance in a summary fashion
- rewarding good performance

It is a powerful tool to calibrate, refine and reward the performance of the employee. It helps to analyze his achievements and evaluate his contribution towards the achievements of the overall organizational goals. By focusing the attention on performance, performance appraisal goes to the heart of personnel management and reflects the management's interest in the progress of the employees.

E – Performance management:

The online performance evaluation process assists in providing timely and relevant work – related information from both within and outside the hospital. Following are the benefits:

- performance tracking and reporting
- external benchmarking
- knowledge / experience acquisition
- corporate performance analysis
- employee engagement and dedication
- manpower retention
- HRMS integration

According to *James Rolio (2001)*, performance management is the process of continuously attracting, developing and retaining talented employees. In his pocket guide book, entitled *Performance Management*, he provides superiors, work groups and HR professionals, guidelines for planning, counseling, mentoring, appraising and recognizing employee productivity.

Grote (2002) reveals the fact that managers are responsible for creating conditions that motivate the employees, eliminating performance problems, providing development opportunities, and reinforcing effective behavior as these are prerequisites for increased patient satisfaction level and grievance handling. Besides, employees should be provided coherent instructions regarding their objectives, training and a depiction of how they will be evaluated regarding their performance for a specified time period; as per *Nance – Nash (2006)*.

Feedback process:

As per the observation by a *Peter McLaughlin (2007)* analysis, the vitality of feedback conversations between employees and managers is as follows:

- openness and clarity in the workplace
- establish energy and optimization
- focus on specifics
- exhibit acknowledgement, appreciation and thankfulness
- confront organizational politics and non – performance / subdued productivity
- ‘remember it is a dialogue, not a monologue’
- Encourage, support, energize and synergize.

Steelman et al. (2004) found that employees are motivated to alter or change their job performance when they receive negative feedback from ‘a credible source, or is of high quality or is delivered in a constructive or considerate manner.’

Eliminating poor performance:

Given the fact that hospitals around the world rests on the pillar of genuine patient care and quality treatment facilities, non performance or poor performance needs to be dealt with priority. Providing negative feedback only at the time of annual or quarterly performance review could lead to employee resignation or ‘quitting work without actually quitting the job.’ Henceforth, as per *Lee (2006)*, improved performance occurs only through continual coaching, guidance, training and employee support.

Moreover, employers should believe in offering feedback in a non – judgmental and non – threatening manner as expressing disappointment and anger could be non – productive.

However, after repeated warning and necessary training / counseling, specific action should be taken against the employee / employees (as per the organizational policies), if disinterest and poor performance persists.

2. PROCESS OF PERFORMANCE APPRAISAL

Establishing performance standards:

The first step in the process of performance appraisal is the setting up of the standards which will be used to as the base to compare the actual performance of the employees. This step requires setting the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. In case the performance of the employee cannot be measured, great care should be taken to describe the standards.

Communicating the standards:

Once set, it is the responsibility of the management is to communicate the standards to all the employees of the organization.



The employees should be informed and the standards should be clearly explained to the employees. This will help them to understand their roles and to know what exactly is expected from them. The standards should also be communicated to the appraisers or the evaluators and if required, the standards can also be modified at this stage itself according to the relevant feedback from the employees or the evaluators.

Measuring the actual performance:

The most difficult part of the Performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time. It is a continuous process which involves monitoring the performance throughout the year. This stage requires the careful selection of the appropriate techniques of measurement, taking care that personal bias does not affect the outcome of the process and providing assistance rather than interfering in an employees work.

Comparing actual performance with the desired performance:

The actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance.

Discussing the result:

The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an

effect on the employees' future performance. The purpose of the meeting should be to solve the problems faced and motivate the employees to perform better.

Decision making:

The last step of the process is to take decisions which can be taken either to improve the performance of the employees, take the required corrective actions, or the related HR decisions like rewards, promotions, demotions, transfers etc.

3. MODERN METHODS OF PERFORMANCE APPRAISAL IN THE GLOBAL HEALTHCARE INDUSTRY

Assessment Centre:

An assessment centre typically involves the use of methods like social/informal events, tests and exercises, assignments being given to a group of employees to assess their competencies to take higher responsibilities in the future. Generally, employees are given an assignment similar to the job they would be expected to perform if promoted. The trained evaluators observe and evaluate employees as they perform the assigned jobs and are evaluated on job related characteristics. The major competencies that are judged in assessment centers are interpersonal skills, intellectual capability, planning and organizing capabilities, motivation, career orientation etc. assessment centers are also an effective way to determine the training and development needs of the targeted employees.

Behaviorally anchored rating scales:

Behaviorally Anchored Rating Scales (BARS) is a relatively new technique which combines the graphic rating scale and critical incidents method. It consists of predetermined critical areas of job performance or sets of behavioral statements describing important job performance qualities as good or bad (for e.g. the qualities like inter-personal relationships, adaptability and reliability, job knowledge etc). These statements are developed from critical incidents. In this method, an employee's actual job behavior is judged against the desired behavior by recording and comparing the behavior with BARS. Developing and practicing BARS requires expert knowledge.

Human resource accounting method:

Human resources are valuable assets for every organization. Human resource accounting method tries to find the relative worth of these assets in the terms of money. In this method the Performance appraisal of the employees is judged in terms of cost and contribution of the employees. The cost of employees include all the expenses incurred on them like their compensation, recruitment and selection costs, induction and training costs etc whereas their contribution includes the total value added (in monetary terms). The difference between the cost and the contribution will be the performance of the employees. Ideally, the contribution of the employees should be greater than the cost incurred on them.

360 degree appraisal:

360 degree feedback, also known as 'multi-rater feedback', is the most comprehensive appraisal where the feedback about the employees' performance comes from all the sources that come in contact with the employee on his job.

360 degree respondents for an employee can be his/her peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into contact with the employee and can provide valuable insights and information or feedback regarding the "on-the-job" performance of the employee.

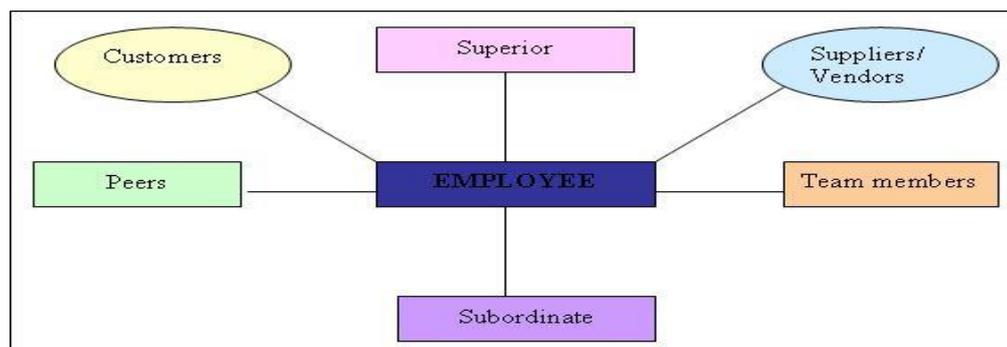


Figure 1: <http://appraisals.naukrihub.com>

360 degree appraisal has four integral components:

1. Self appraisal
2. Superior's appraisal
3. Subordinate's appraisal
4. Peer appraisal.

Self appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance. Superior's appraisal forms the traditional part of the 360 degree appraisal where the employees' responsibilities and actual performance is rated by the superior. Subordinates appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior's ability to delegate the work, leadership qualities, etc. Also known as internal customers, the correct feedback given by peers can help to find employees' abilities to work in a team, co-operation and sensitivity towards others.

4. PUTTING IT TOGETHER – A CASE STUDY ON APOLLO HOSPITAL, DELHI, INDIA

Following performance appraisal methods are followed by Apollo Hospital, Delhi (700 – bedded tertiary care JCI accredited hospital):

- Self appraisal
- Appraisal by the HOD
- Appraisal by the HR Manager

The company has been adopting three approaches for evaluating performance of its employees. In top to down approach the senior in position to the employee evaluates the performance of the employee on various parameters. In this approach, the superior rates the subordinates on various parameters. The subordinate is judged on the basis whether he has been able to come up to the expectations of the organization. The employee also fills up a self appraisal form wherein he mentions what all responsibilities he was assigned and how well he did all the work. In this all the achievement by the employee is highlighted. This report is further sent to employee's superior for approval.

Table 1: Annual Appraisal Form (for hospital staff)

Name:	Designation:
Department: Accounts	Date of Joining:
Date of position last held:	
Name of the Appraiser:	Appraisal Period:

90% and above (A+): EXCELLENT

75% and above (A): GOOD

60% and above (B): SATISFACTORY

45% and above (C): AVERAGE

Below 45% (D): UNSATISFACTORY

PERFORMANCE CATEGORY		A+	A	B	C	D
1.	<u>Job Knowledge:</u> The total knowledge possessed by the employee with respect to job responsibilities					
2.	<u>Quality of Work:</u> The value, accuracy & acceptability of work produced compared to expected standards					
3.	<u>Communication:</u> Skills used in daily interaction with internal/external counterparts. Includes willingness to listen & ability to give clear input					
4.	<u>Problem Solving:</u> The degree of reasoning & interpretation exercised by the employee. The soundness of decisions & conclusions in line with assignments, needs and Resources.					
5.	<u>Service Orientation:</u> Ability to provide high levels of service to meet internal/ external customer needs					
6.	<u>Team Work:</u> Demonstrates the reliability, co-operative mindset and respect for Others necessary to Contribute to team efforts. The ability to function as part of a team					
7.	<u>Initiative/Reliability:</u> The degree of energy, Aptitude displayed by the employee in Executing assignments. Follows through to completion assigned tasks and projects in a professional and expedient manner with minimal reminding					
PERFORMANCE CATEGORY		A	A	B	C	D
8.	<u>Commitment to Company Goals:</u> The extent to which the employee keeps company objectives in mind on day-to-day basis.					
9.	<u>Interpersonal Relations:</u> Consider the degree of Co-operation with colleagues, Subordinates and seniors and His adaptability to new Situations.					
10.	<u>Cost consciousness:</u> Efforts towards optimum Utilization of available Resources and elimination of Waste.					

	Human Resource	90% and above(A+)	75% and above(A)	60% and above (B)	45% and above (C)	Below 45% (D)
Sl.	Characteristics	Excellent	Good	Satisfactory	Average	Unsatisfactory
1	Discipline & Behavior					
2	Integrity					
3	Attendance & Punctuality					

5. RESEARCH METHODOLOGY

Selecting an appropriate research methodology is a key task of the research design process, the most common approach being either deductive or inductive. *Saunders et al. (2000)* reported that a deductive approach is employed when developing a theory, followed by a research strategy designed to test the theory, vis – a – vis an inductive approach, used to collect and develop a theory as a result of data analysis.

Primary data for the methodology was acquired through a questionnaire and personal interview. Statistical package for social science (SPSS) was deployed for analyzing the collected information.

6. DATA COLLECTION & ANALYSIS

About 50 responses were obtained from the questionnaires distributed, with 80% response and 20% non respondents. Based on the responses from general interviews and informal chats, the employees displayed keen interest in the outcome post analysis. Maximum no. of respondents was from the 25 – 40 age group representing 75% of the respondents.

Almost 90% of the employees feel that appraisal in Apollo Hospital is carefully planned and 60% respondents endorse the employee engagement factor, during implementation. 70% of the respondents acknowledge that the hospital effectively communicates the rationale behind an appraisal and reward deserving employees for better performance and innovation.

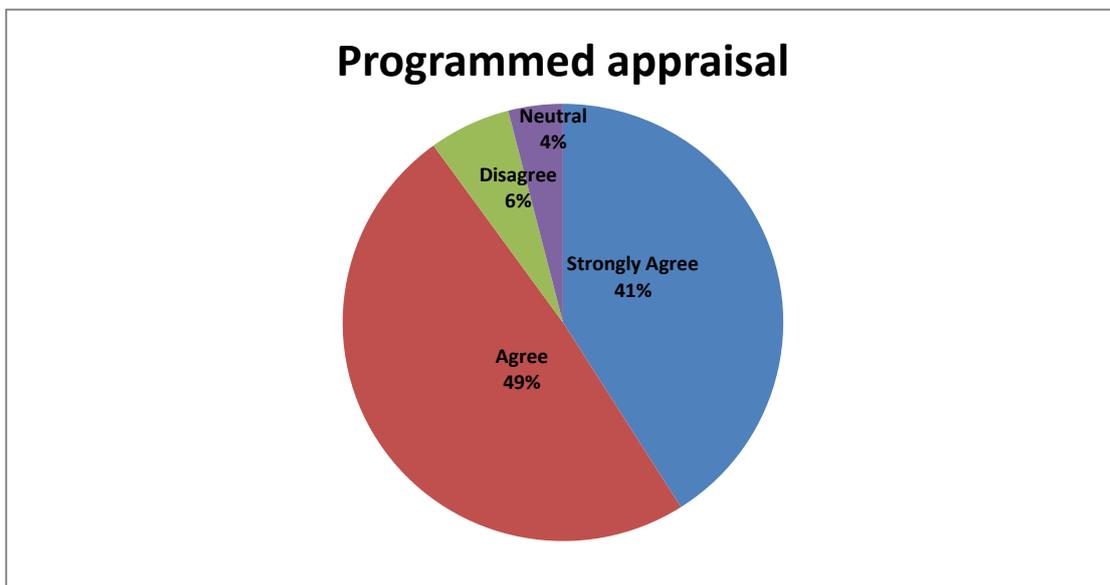


Figure 2: Employees' response to a systematically planned appraisal system

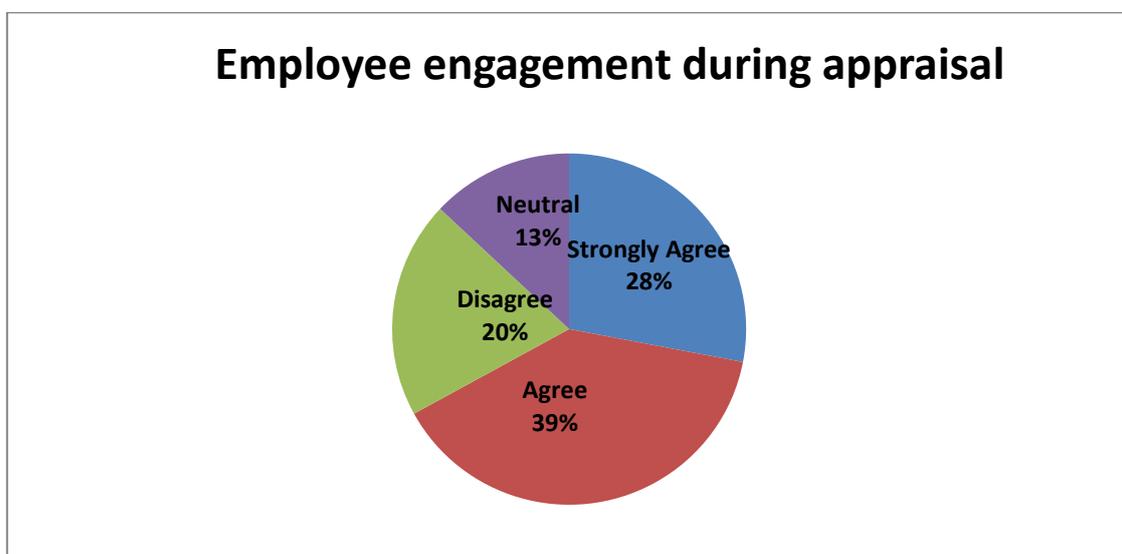


Figure 3: Employees' response to the engagement factor during appraisal

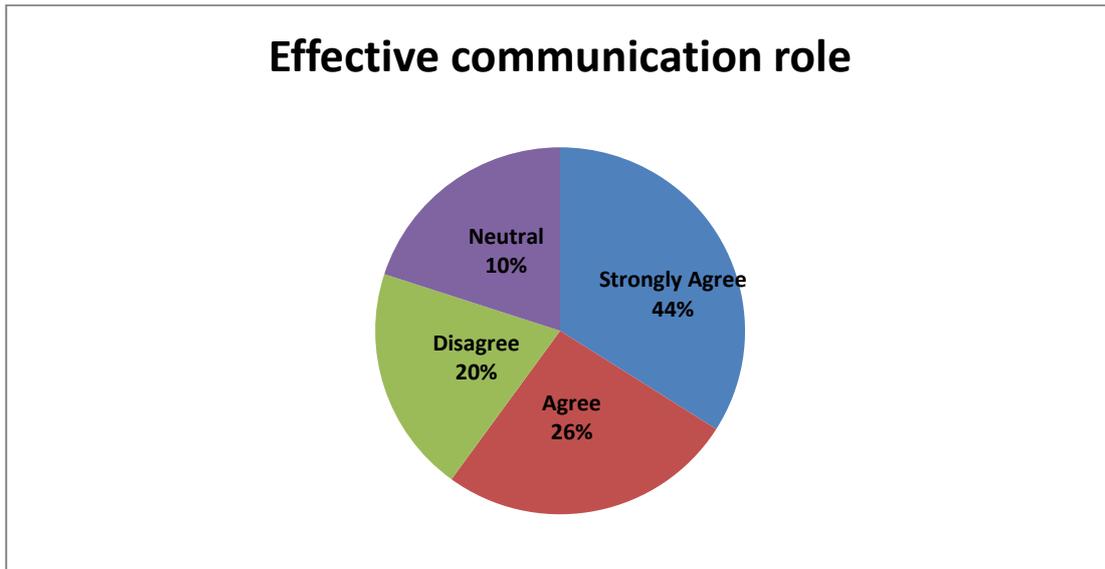


Figure 4: Employees' response to management's communication strategy during appraisal

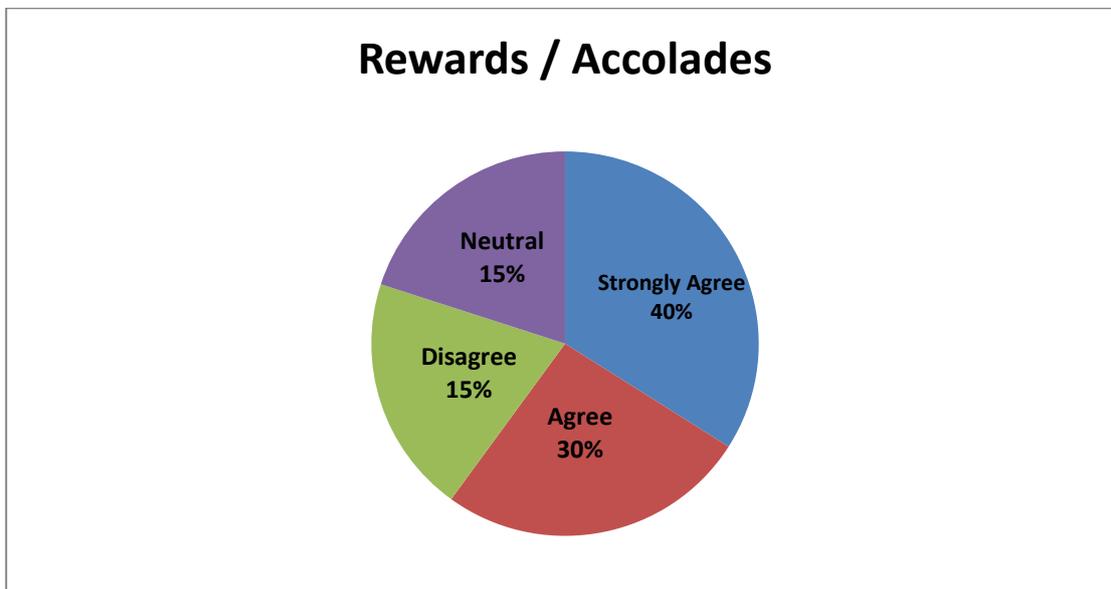


Figure 5: Employees' response to management's acknowledgement to good performance

7. CONCLUSION

The purpose of the research was to analyze the performance of hospital staff, emphasizing on the effectiveness of a structured and systematic appraisal methodology to appreciate the deserving employees and increase their motivation. Simultaneously, it also creates room for improvement and estimation of training and development needs for 360 degree organizational growth. The hospital values the fact of employees being an asset to the organization as IBEF (Indian Brand Equity Foundation) claims that due to rising demand and healthcare expenditure, the Indian healthcare industry is expected to grow at a CAGR of 22.7% to US\$ 81.2 billion by 2015. However, the German healthcare model of 10.3% contribution to the GDP remains highest in Europe. The healthcare system is funded through ring – fenced 'social contributions' taxed at around 10%, backed by private medical insurance. This measure exempts none from taxation, however, eradicates the waiting time and ensured speedy care, which is still a constraint in India.

Based on the research, employees in Apollo Hospital are aware of the appraisal procedure followed in the company and are satisfied with the implementation and related processes. However, there is a need for a grievance address committee and slight variation in the HR policy for increased employee satisfaction, patient footfall and revenue generation.

8. RECOMMENDATION

Performance appraisals have become a tool of much importance in today's management scenario. This could be used best only with the help of objective and fair HR practices. The outputs of which could be used for Organization development rather than for mere employee efficiency improvement. Casual and subjective appraisals will not be able to stand the test of fairness and legality if challenged. Firms are thus being forced to emphasize a participative but joint management by objectives followed by a participative, joint-periodic appraisal, to bring more clarity into the system.

- The satisfaction of the employees regarding the Annual Appraisal report rating should be increased. This can be increased if the Reviewing Officer gives them a proper feedback regarding their rating and how to improve it.
- There should be proper communication between the superior and the subordinate. The subordinate should be well aware of his responsibilities and the parameters on which he will be evaluated.
- In case, if there is some problem between the superior and the subordinate, there should be a third party to evaluate the performance of the employee and to avoid the biasness.
- On the basis of the evaluation proper training should be given to the employee if required so as to improve his performance.
- The employees should feel free to contact their superiors so as to share their problems regarding work and seek guidance from superior.
- Based upon the feedback received/nature of complaints if some modifications are required to be made in the existing appraisal policy shall be made after due consideration.

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