



## PERFORMANCE ASSESSMENT SYSTEM IN HEALTHCARE INDUSTRY

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### **Abstract**

*The Paper elaborated on the different dimensions of the employees' perceptions about the various factors of Performance Assessment System (PAS) and their impact on the organization. In the present industrial scenario, performance assessment/appraisal system should be kept open as it reflects the individual, his traits, his potential advancement, his training needs, his drawbacks, and his overall performance for teamwork. The present study is conducted with the objective of studying existing performance appraisal system, to find the effective working of the system, to identify the lacunae in the system, to determine the perception of the officers towards appraisal and to know the effectiveness of an open system. The different statistical tools establish the significant relationship between the objectives of HRD, Needs of HRD and HRD practices, and that of the factors of PAS.*

**Key Words:** *Performance Assessment, Healthcare, HRD.*

### **Introduction**

The yardstick to measure the performance of individuals and consequently evaluate their worth in relation to organisation is very difficult. There are various methods of performance assessment/appraisal implemented to suit the nature and requirement of the organisation. The process of evaluation of performance of employees and the parameters used to assess them are to be clearly communicated. The results of assessment have to be linked to the promotion and rewards of the employee assessed. The success of any organisation depends on the evaluation method and immediate feedback on performance. The organisation inculcates the importance of self evaluation and superior's appraisal. The performance of the employees should be backed by rewards and recognition. It is only by differentiating the employees on the basis of performance; the organisation can achieve its vision and mission. The employees are informed about the way they are being assessed and the related issues. The main idea is to get an insight into their own strengths and weaknesses and work upon it. The employees are communicated about the correlation between their performance and career path/development opportunities provided in the organisation. Effective implementation of the PAS orients the employees to the targets set. The system should facilitate continuous communication network to make the free flow of information from superior to subordinate. Periodical reviews and discussions accelerate the flow. The outcome of PAS is taken up as follow up or corrective action for improvement. The compensation, bonus, incentives and promotion policies are found to have a direct link with performance. The result of evaluation enhances employees' ambience for growth and development.

### **Review of Literature**

Mark Stam, Eric Molleman (1999) - This article highlighted the role of career development and strategic training policies among IT companies and young IT professionals. The study examined the ability of the IT professionals to integrate the business processes, strategic issues and handling information technology. Organisations were expected to plan both for short and long term, quantitatively and qualitatively for IT professionals by means of strategic training policy and being a part of the learning organisation sharing knowledge. Abdelgadir N. Abdelhafiz Elbadri (2001) - This comprehensive study was attempted to examine the emphasis given for training activities both internal and external to maintain competitiveness in the market. The study was conducted among 30 Polish companies to determine the training needs, developing programs and assessing outcomes. The results revealed that many companies neglected to assess training needs and evaluate outcome properly, providing for suggestions and improvements. S.A. Mufeed, Rafai Syed Nasreen (2003) - This paper attempted to ascertain the perceptions of both managerial and non managerial staff towards the existing Training and Development programme in leading J&K Tourism Development Corporation. The objectives included identification of Training and Development needs, evaluating the perception of Training and development as perceived by the employees, to study the factors responsible for non effectiveness of Training and Development system and to formulate broad guidelines and suggestions for improvement. The survey result showed that both managerial and non managerial staff training and development program should have an important role to accomplish organisational objectives and effectiveness.

### **Objectives of the Study**

1. To evaluate the perception of employees on Training and Performance Assessment System corporate hospitals.
2. To analyze perception of employees towards the performance management system.



## Factors of Performance Assessment System: Discussions & Results

### The overall view about the Self Evaluation Factors

The respondents are requested to express their views on ten factors relating to Self Evaluation. Their responses relate to the important Self Evaluation Factors like innovation, job knowledge, process orientation and communication. The factors include the responses for team work, the initiative of the employee appraising self, and the reliability of the person. The respondents are asked to rate the work assigned to the individual employee and his achievement over the years of his experience. Their opinion about their colleagues and seniors and its impact on their performance is also obtained. The application of Z test shows these ten factors in self evaluation in the organisations. With test value 3, the following results are derived.

**Table 1.1 Opinions of Employees about Self Evaluation**

Variables	Mean	Std. Dev.	Std. Err. Mean	Z	Sig
PAS 2.1	4.0888	.74522	.03310	32.897	.000
PAS 2.2	4.1857	.72360	.03182	37.258	.000
PAS 2.3	4.0059	.72366	.03214	31.299	.000
PAS 2.4	4.1528	1.95240	.08587	13.426	.000
PAS 2.5	4.2050	.75517	.03321	36.282	.000
PAS 2.6	4.1296	.77799	.03422	33.014	.000
PAS 2.7	4.1035	.80545	.03560	31.001	.000
PAS 2.8	4.1384	.74631	.03295	34.549	.000
PAS 2.9	3.9861	.72368	.03227	30.560	.000
PAS 2.10	4.0949	.77004	.03423	31.983	.000

From the above table, it is found that the parametric mean values are greater than 3. It is observed that the mean values are ranging from 3.98 to 4.2. The table below shows the application of Z test for the test value 3. The Z test reveals that all the test values are significantly greater than 3. This depicts that the respondents have agreed with all the ten factors of Self Evaluation. So, it is concluded that the employees believe that the factors considered for self evaluation are crucial to appraise the employees. The creativity of the employee to put forth new dimensions to the present work matters much in self appraisal. Their knowledge and tact to communicate add customers and credentials to the organisations. They accomplish targets as a team, based on their wiser experiences. The organisations realized the worth of initiative taken by the employees to strengthen their attitudes towards colleagues and seniors. The employees of the Corporate Hospitals feel that the performance assessment is worthwhile with these factors as base, for evaluating self.

### The overall view about designing Effective Performance Assessment System

The respondents are asked to express their feelings about five statements regarding designing performance assessment system. These statements include the communication of organisational goals and plans to the employees for its attainment. The employees are made known the expectations of the organisation from each of the employee contributing to the vision and mission of the organisation. They have been asked to respond to the opportunities provided to identify the different dimensions of their job profile. Besides, they have responded to the process of self appraisal to build their strengths and overcome weaknesses. They have expressed their views on the scope provided by the organisation for developing self and for the settlement of their grievances at the earliest.

**Table 1.2 Opinion of Employees about Designing an effective PAS**

Variables	Mean	Std. Dev.	Std. Err. Mean	Z	Sig
Design 3.1	4.1444	.70083	.03016	37.947	.000
Design 3.2	4.0778	.73947	.03182	33.869	.000
Design 3.3	4.0093	.76198	.03279	30.779	.000
Design 3.4	4.0352	.74397	.03202	32.334	.000
Design 3.5	4.0389	.78268	.03368	30.845	.000

From the table above it is found that the parametric mean values are greater than 3. The mean values range from 4.01 to 4.14. The application of Z test for the test value 3 is clearly shown in the table. The Z test revealed that all the test values are significantly greater than 3. Hence, it is concluded that the employees working for Corporate Hospitals strongly believe that the effective PAS provides for free flow of information relating to business goals and plans for its earlier accomplishment. Employees have also agreed to the fact that designing PAS clarifies expectations of the organisation from them and finding a link between their individual goals and organisational goals. The organisation should encourage the employees to expand



Their bandwidth through communicating with superiors about their performance and feedback. The employees are not only appraised by their own self but also by the immediate senior who reports to the reviewer for finding the pay performance link. It provides an opportunity for the employees to identify their strengths and weaknesses and to develop upon their strengths.

### The overall view about Core Competencies to be appraised

The respondents are asked to give their opinion about twelve Core Competencies relating to their performance. The various core competencies that have been considered are job knowledge of the employees which determines the quality of work, flexibility and adaptability of the employees to cope with the changes taking place in their organization. The respondents are asked to respond to the way they get along with the team members, the way they communicate to their peers and superiors. They have also given their views about maintaining time schedule and adhering to it. The employees as individual personalities take up their work seriously and take initiative to create enthusiasm among the peers, to perform better. They have given responses to the efforts taken to improve their own self by strictly adhering to the rules and regulations and policies and practices of the organisation. The responses are extended to the employees problem solving capacity and their ability to think analytically to increase their productivity through target achievement.

**Table 1.3 Opinions of Employees about Core Competencies**

Variables	Mean	Std. Dev.	Std. Err. Mean	Z	Sig
Core Competencies3A1	4.2574	.69616	.02996	41.972	.000
Core Competencies3A2	4.2111	.71029	.03057	39.623	.000
Core Competencies3A3	4.1148	.72188	.03106	35.887	.000
Core Competencies3A4	4.1204	.70930	.03052	36.705	.000
Core Competencies3A5	4.2185	.72103	.03103	39.272	.000
Core Competencies3A6	3.9944	.74478	.03205	31.028	.000
Core Competencies3A7	4.1093	.75415	.03245	34.180	.000
Core Competencies3A8	3.9519	.80438	.03462	27.498	.000
Core competencies3A9	4.0815	.76860	.03308	32.697	.000
Core Competencies 3A10	3.9648	.80159	.03449	27.970	.000
Core Competencies 3A11	4.1648	.77571	.03338	34.894	.000
Core Competencies 3A12	4.1185	.77581	.03339	33.503	.000

From the above table, it is found that the parametric mean values are greater than 3 and it can be ascertained that the mean values range from 3.96 to 4.26. The application of Z test for the test value 3 is clearly displayed in the table. It can be inferred that Z test revealed that the test values are significantly greater than 3. From this, it can be understood that respondents have agreed to all the competency factors. So, it is concluded that the workforce of Corporate Hospitals believe that these factors form the basis for performance of the employees. They have a strong feeling that the job knowledge matters for the proficiency of the employee for the quality of work performance. It helps in improving productivity and faster delivery of projects within the stipulated time. They have also agreed on the importance of communication in discussing job-oriented and related issues. They have given the opinion that the high degree of discipline followed to reach the set targets is true to their knowledge. The employees have given positive response to the role played by the employee as an initiator to achieve prudential goals. The respondents have reflected that a strong set of core competencies adds to greater performance of the organisation as a whole.

### The overall view about the Managerial Capabilities

The respondents are requested to give their opinion about nine managerial capabilities required to perform the job. The views are given by the employees relating to their ability to identify the nature of work and priorities as per the importance. As the employees belong to the knowledge economy, they are expected to express their ranking for the managerial capabilities. They are determined by their intelligence level and how they make use of it to be creative and innovative. They are also asked to respond to the major role of an executive as that of a manager to lead the team members with high spirit. Their use of judgmental capacity to delegate and execute work adds to their managerial role. Increased work pressure hiking stress levels and psychological imbalances is also taken for reflection. The employees have given their views about the extent to which the managers are expected to be determined and to increase the drive of their team members with positive strokes. Organisations try to provide its employees the opportunities to accomplish their individual goals which in turn direct them to attain organisational goals. The respondents have given their response to what extent the employees feel attached to the organisation. The loyalty that is expressed towards work, peers, seniors and organisation as such is obtained.



**Table 1.4 Opinions of Employees about Managerial Capabilities**

Variables	Mean	Std. Dev.	Std. Err. Mean	Z	Sig
Managerial Capabilities 3B1	4.2185	.71066	.03058	39.844	.000
Managerial Capabilities 3B2	4.2111	.72579	.03123	38.776	.000
Managerial Capabilities 3B3	4.1907	.76247	.03281	36.290	.000
Managerial Capabilities 3B4	4.0870	.79295	.03412	31.856	.000
Managerial Capabilities 3B5	4.0778	.79741	.03432	31.408	.000
Managerial Capabilities 3B6	3.9333	.79842	.03436	27.164	.000
Managerial Capabilities 3B7	4.0333	.76009	.03271	31.592	.000
Managerial Capabilities 3B8	4.1093	.80416	.03461	32.055	.000
Managerial Capabilities 3B9	3.9222	.86654	.03729	24.731	.000

From the above table, it is found that the parametric mean values are greater than 3. It can be seen that the mean values range from 3.92 to 4.21. The application of Z test for test value 3 is clearly displayed in the table. It is ascertained that the Z test reveals the test values that are significantly greater than 3. From this it can be inferred that the respondents are in total agreement with all the nine managerial capabilities which contribute to the best performance. It is concluded that the respondents have a strong notion that the capabilities relate to prioritisation, building up a workable team and leadership qualities. They are also expected to focus their intelligence in creative thoughts and innovative ideas to maintain competitive space. The employees feel that the judging capacity to take right decision at the right time improves their positioning in the market. They have the right perspective of handling stress and sharpening their focus towards vision statement of the organisation. The positive attitude of the employees helps to influence and interact with team members, peers and seniors. The workforce has also agreed that the managerial capability directs the employees to have greater drive, and adds value, reducing attrition in the organisation.

#### **The Employees views about Effective PAS Process**

The respondents have expressed their views about nine statements relating to the PAS process. These statements include clarity of objectives, making the superiors and subordinates understand the work better and put forth maximum performance. The scores are given to the statements regarding fixing KPA/KRA and educating the executives on the related issues. The employees have given their views about the implementation of self evaluation process and appraisal by the immediate superior and their effectiveness. The evaluation process used for rewarding the employees is also discussed. The organisations' final decision on promotion, incentives and rewards to the employees based on their actual performance reviewed is also included for their response.

**Table 1.5 Opinion of Employees about Effective PAS Process**

Variables	Mean	Std. Dev.	Std. Err. Mean	Z	Sig
Effectiveness4.1	4.1037	.72613	.03125	35.321	.000
Effectiveness4.2	3.9333	.83699	.03602	25.913	.000
Effectiveness4.3	4.0370	.79570	.03424	30.286	.000
Effectiveness4.4	3.9296	.80964	.03484	26.682	.000
Effectiveness4.5	3.9741	.78912	.03396	28.685	.000
Effectiveness4.6	3.9556	.78593	.03382	28.253	.000
Effectiveness4.7	3.9426	.77438	.03332	28.286	.000
Effectiveness4.8	3.9296	.86718	.03732	24.911	.000
Effectiveness4.9	3.9481	.77358	.03329	28.482	.000

From the above table, it is found that the parametric mean values are greater than 3. It is ascertained that the mean values range from 3.93 to 4.10. The application of Z test for the test value 3 is displayed in the table. The Z test values are significantly greater than 3. This shows that the respondents have agreed with all the nine statements of processes of PAS. Hence, it is concluded that the objectives relating the PAS are clear to both the superiors and subordinates. The employees find time to discuss the performance related matters openly to make clear the review process. The organisations provide space for fixing KRA/KPA's and for carrying out review process with utmost care and transparency. Organisation climate makes it possible to have unbiased review results by the superior. Organisations' performance becomes imperative with maximum efforts taken to make the process of PAS effective.

#### **The overall view about the Outcome of PAS**

The respondents are asked to express their opinion about seven statements relating to the outcome of PAS. These statements are regarding the corrective actions to be taken by the organisations to make the PAS workable. The respondents are also requested to give their views as to the correlation between pay for performance and the actual incentives / bonus determined



by HR department payable to the employees. They are asked to reflect upon the action taken by the organisation to fill up the gaps existing in the Appraisal System. They have given their views on training provided, open discussions, facilitating growth, being the result of the steps taken by the organisation.

**Table 1.6 Opinions of Employees about Outcome of PAS**

Variables	Mean	Std. Dev.	Std. Err. Mean	Z	Sig
Outcome5.1	4.0574	.74008	.03185	33.202	.000
Outcome5.2	4.0370	.76479	.03291	31.510	.000
Outcomce5.3	3.9574	.86148	.03707	25.825	.000
Outcome5.4	3.8944	.81154	.03492	25.612	.000
Outcome5.5	3.9574	.85716	.03689	25.955	.000
Outcome5.6	3.8500	.80450	.03462	24.552	.000
Outcome5.7	3.9370	.77754	.03346	28.005	.000

From the above table, it is observed that the parametric mean values are greater than 3. It is keenly noted that the mean values range from 3.85 to 4.05. The usage of Z test for the test value 3 is clearly displayed in the table. The Z test shows that all the test values are significantly greater than 3. From this, it can be inferred that the employees have agreed with all the seven statements of Outcome of PAS. So, it is concluded that the corrective actions taken by the organisation on the outcome of PAS are found to be acceptable to the employees. The employees are rewarded and recognised for their best performance and assigned proper training program to stimulate their potentiality to obliterate their negations. The organisation has workable plans relating to sustaining effective PAS system through a strong HR department. The follow up actions taken by the HR department to motivate high performers and educate average performers and weed out poor performers are agreed by the employees through their responses. The employees are provided with facilities to plan their career through proper and effective evaluation system implemented in the organisations.

#### **The Employees' overall view about Benefits of PAS**

The respondents are asked to express their opinion regarding fourteen statements relating to the Benefits of PAS to its employees, employers and customers. The respondents have given their views about identification of strengths and weaknesses, to develop on strengths and overcome weaknesses, the rectification measures taken through provision of Training. They are asked to react to the ways PAS works in the organisation and how far it is beneficial to the employees. The responses also relate to timely delivery of projects, recognition of better performers, plan for financial budget, cultivating of goodwill of the company towards their employees through PAS. As to the customers, the statements relate to the delivery at right time and right quality, with less of rework reducing cost and risk.

**Table 1.7, pinion of Employees about Benefits of PAS to Employees, Employers and Customers**

Variables	Mean	Std. Dev.	Std Err Mean	Z	Sig
Employees7.1	4.1630	.71254	.03066	37.927	.000
Employees7.2	4.1278	.70274	.03024	37.293	.000
Employees7.3	4.0926	.75761	.03260	33.513	.000
Employees7.4	3.9889	.80805	.03477	28.439	.000
Employees7.5	4.0130	.77161	.03320	30.507	.000
Employees7.6	3.9481	.75168	.03235	29.312	.000
Employers7.1	4.0000	.74106	.03189	31.358	.000
Employers7.2	4.0259	.80078	.03446	29.771	.000
Employers7.3	3.9611	.76591	.03296	29.161	.000
Employers7.4	4.0444	.79765	.03433	30.428	.000
Customers7.1	4.0963	.77171	.03321	33.012	.000
Customers7.2	4.0185	.81931	.03526	28.888	.000
Customers7.3	3.9389	.86681	.03730	25.170	.000
Customers7.4	3.9481	.82014	.03529	26.865	.000

From the above table, it is found that the parametric mean values are greater than 3, mean values range from 3.93 to 4.16. The appropriate application of Z test for the test value 3 is clearly displayed in the table. The Z test shows that all the test values are significantly greater than 3. This implies that the respondents have agreed with all the statements of benefits of PAS. Hence, it is concluded that the employees believe that the benefits of PAS accrue to all the 3, namely employees, employers and customers. The employees could realise the worth of effective implementation of PAS in their organisations. The outcome of PAS to be taken up by the organisation is to have workable solutions to inspire the employees to perfect





performance. The employees are provided with vast opportunities to reach the top level through unbiased appraisal and recognition given to the best performers. The employees contribute to the benefit of the employers by timely delivery of projects, financial planning. The customers are satisfied with the quality of work leading to increased orders and reduced rework. The organisation helps the customers to reduce the risk through retention policy.

The application of Z test revealed that the various factors of PAS emphasised correct appraisal system to enhance the performance and commitment of the employees. Now the paired Z test is considered crucial in analysing significant difference among the variables design, process and outcome of PAS. This would enable one to identify the predominant factor among the factors of PAS.

### Suggestions

1. The study has ascertained a significant effectiveness of Induction Training Program in Healthcare Industry. So, the top level management in corporate hospitals may take measures to implement an intensified Training Program in their organisation.
2. It is observed from the sequential analysis in the study that the Induction Training Program in corporate hospitals is to identify the non performers and to give rigorous training program for their improvement. So, the top level management may adopt a flexible operation to identify the non performers without affecting their morale.
3. The HRD Practices in terms of PAS develops core competencies and managerial capacities of the employees. The strategies must be employed immediately in all the organisations to improve the interpersonal relationship and to maintain competitiveness and capabilities.
4. There exists a definite impact of Training and PAS on the Career growth of the corporate hospitals ; hence those who aspire for career prospects should aim at acquiring skills through training, and display concrete performance that will be evaluated periodically.
5. The momentum gained by the vibrant workforce is mainly through the advancements in Information technology industry contributing to production of the organisation and placing the economy in the global market. It can be suggested that the young workforce determining the success of the business decides the right place where the knowledge capital can be invested to reap returns.
6. It can be suggested that with assured expansion of the Healthcare market, the job opportunities are sure to boost up, which could be sustained only by developing skill sets making the workforce employable and trainable, and guiding the market with excellence through quality, the Indian way.

### Conclusion

The Paper elaborated on the different dimensions of the employees' perceptions about the various factors of PAS and their impact on the organisation. The different statistical tools establish the significant relationship between the objectives of HRD, Needs of HRD and HRD practices, and that of the factors of PAS. The management of human resources is essential to enable the delivery of efficient and effective medical services and to achieve patient satisfaction, the studies show that human resources management has a strong impact on healthcare quality, and most of literatures show the importance of human resources management to achieve the goals of health organizations, and emphasize to develop the performance of hospital staff and nurses through periodic training in order to improve the quality of healthcare service, also a strong, well-motivated and highly trained medical profession is critical to the success of the national healthcare reform. The practices of human resource management are very important in health sector and modern hospitals should have alternative approaches for practicing HRM successfully. The senior management in hospitals should have a clear strategic direction and clear objectives to improve the management of employees and staff in the hospital.

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