



Performance appraisal system in health care sector

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ABSTRACT

Performance appraisal is widely used in all the organizations of both manufacturing and services sector. The history of performance appraisal can be dated back to the 20th century and then to the second world war when the merit rating was used for the first time. An employer evaluating their employees is a very old concept. Performance appraisals are an indispensable part of performance measurement. People differ in their abilities and in their aptitudes. There is always some difference between quality and quantity of the same work on the same job being done by two different people. Performance appraisals of employees are necessary to understand each employee's abilities, competencies and relative merit and worth for the organization. Performance appraisal rates the employees in terms of their performance.

The review of literature gives an overall view of the researches conducted at international and national level to facilitate identification and understanding the areas covered as far for the purpose of the research. It also paves the way for future research. An extensive review of literature was undertaken to ascertain research gap and to identify the relevant issues for the study. This article provides a bird's eye view of available relevant studies arranged in a logical order. Those are carried in the yester years.

KEYWORDS : Performance Appraisal, hospital, employee, health care

Introduction

Performance appraisal is necessary to measure the performance of the employees and the organization to check the progress towards the desired goals and aims. The latest mantra being followed by organizations across the world being "get paid according to what you contribute". The focus of the organizations is turning to performance management and specifically to that of individual performance. 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 programme outcomes because employee performance or the lack thereof, has a profound effect on both the financial and programme components of any organization.

Employee performance in healthcare is more important and it has a direct impact on the life of the patient. Without a systematic method to ensure that employees understand and meet their performance appraisal goals, maintain competencies, and engage in learning opportunities, hospitals put themselves at risk — risk of non-compliance with work of HR manager: risk of increased turnover, and risk of lower quality of care. However, managing performance appraisals for hospitals is extremely challenging. The busy schedules sometimes push these important issue aside, and the mountains of paperwork required makes this feel more than a chore than an opportunity.

Literature review

Fukuyama (1995)² in his study entitled -The social virtues and the creation of prosperity New York, research work reveals that fact that when employees are disengaged in their jobs they are more likely to leave because they feel unappreciated. The surveys with nurses have indicated that they exhibit loyalty to patients but often do not feel the same level of loyalty to their employer because they feel hospital executives are not in touch with the demands of patient care. These findings highlight the importance of creating engaged employees and the important role of administrators and other leaders in this process. It also is in line with Curran's (2001) findings that nurses indicated management that is out of touch with the realities of patient care lead to lower nurse satisfaction and loyalty. The quality of relationships including communication between management and employees not only impacts the employees

themselves but also has an impact on organizational effectiveness by affecting productivity and turnover rates.

According to Coates (2000) in his articles titled -Experiencing Performance Appraisal in a Trust Hospital contemporary performance appraisal (PA) has become an important tool in the overseeing of employees in work. Little of the vast literature however, has focused on its effects on the individual, beyond simple descriptions that inform its management implementation. This article firstly examines the changing nature of employee management under PA, before it investigates the contemporary usage of PA and the effects on women. This is illustrated with research, gathered from a case study in the Midlands. The article also examines the changing focus of PA as a means through which the marginal, and not so marginal performer can be controlled. Analysis focuses on the use of subjective images of 'women', through PA, for creating functionally flexible workers in a 'quality' environment. This analysis also examines management's attempts to 'involve' individuals in the formulation of their own work process. It does this by focusing on the powerful subjective manipulation of knowledge over individuals. The use of a hospital case study highlights some of these issues in relation to the changes taking place in the public service sector. This sector faces fundamental transformations in its concept of service!

Newman et al. (2001) in their articles entitled -The nurse retention, quality of care and patient satisfaction chain outlined how these interrelated issues affect one another based on a review of literature on nurse recruitment and retention, service quality, and human resource management. Newman shows a chain of connectivity such that (a) internal conditions and environment affect (b) the service capability of staff which influences (c) nurse satisfaction which, in turn, affects (d) retention of nurses. All of those factors can reduce (e) quality of patient care and ultimately (f) the level of patient satisfaction. In other words, health care organizations that provide a good working environment which enhances the service capability of staff through empowered decision making will lead to more satisfied nurses who are more likely to remain loyal to the organization and provide a higher level of care resulting in higher patient satisfaction. Organizations that desire to improve patient satisfaction must therefore be concerned about internal issues

related to employee satisfaction and view their employees as customers too. A connection appears to exist between how engaged an employee is with the employee's role in the patient care process and the level of patient satisfaction. This interrelationship affects not only satisfaction levels but also patient loyalty and financial performance.

Brown (2002) his articles entitled -A theory of the process of creating power in relationships comments that with regard to health care specifically, research has frequently uncovered a lack of loyalty to the organization and the nursing profession. Brown noted that nurse administrators face the challenge of repairing broken relationships with nurses because of changes in management policies over time. During the 1990s, health care organizations tried to adopt cost cutting strategies employed by many other industries, thereby taking the focus away from the quality of care to patients. This conflict ultimately left nurses feeling disengaged and unempowered in their roles in delivering patient care and at odds with the financial performance initiatives of health care administrators.

Conclusion

All the literature deals with one important view point that Hospital industry is a service industry, where patients are the most important person. All the employees of the hospital have to perform their duties in a better way in order to get patients' satisfaction. How hospital employees deal with the patients and their relatives are as important as using advanced technology and drugs to cure the patient. It is very important for the hospital staff to satisfy the patients by performing their duties in a dedicated manner. If the performance of employees is appraised, then it is very beneficial for both the employees and the management to understand the current performance level and make improvements in it. Also performance appraisal helps to identify training needs so that the employees can be trained to enhance their competency. That ultimately leads to patients' satisfaction and overall organizational development.

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