



## Satisfaction of Healthcare Professionals towards Performance Appraisal System (PAS)

### KEYWORDS

Performance Appraisal system (PAS), Potential Appraisal, Performance Counseling, Satisfaction,

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### ABSTRACT

*In the current era of globalization, organizations need to focus on human resource performance appraisals to get maximum out of minimum. Research has revealed that the reliability of PAS increases if it is properly linked with other HRD instruments and moreover helps in strategic decision making. The research paper tries to explore the satisfaction level of healthcare professional towards performance appraisal system. It has been found that the existing PAS needs to be re-engineered with other HRD instruments to bring the satisfaction among employees.*

### Introduction

In the era of globalization, organizations work hard to perform effectively and efficiently in order to remain competitive in the dynamic environment. Recent experiences of structural adjustments undertaken by different countries in the last two decades has indicated beyond doubt that it is the "people" who make the difference and the human capabilities can be multiplied to an unlimited extent. When an employee knows that his performance is being appraised, his desire is to maintain it high because every individual has the need to maintain his self-respect and proper self-image. The corporate sustainability requires consistent high quality performance by its workforce. This in turn has necessitated a good system of performance management for the organization. When used effectively PM system becomes a powerful tool of linking a company's long-term strategy with its day-to-day business decision (Andrew & Manjeesh, 2003). Employee's performance and organizational competitiveness is core to both HRD and Total Quality Management (TQM). Historically, Performance Appraisal has always been a formal process but now it has emerged as one of the key instrument for organizational effectiveness (Daley, 1983). Reliable and valid performance appraisal ratings along with genuine feedback form the basis for an effective performance management programme ((Maitra, 2004; Jawahar, 2005).

A good performance appraisal system should help every employee to become clear about his role and Should be appraised against certain functions and objectives associated with a given role, may be called as Key Performance Areas (KPA) or Key Functions Area (KFA) which can be obtained from job descriptions. A good performance appraisal system should take into the consideration how well an individual has performed his role rather than what results he has achieved. Expectancy Valence theory states that if individuals make extra efforts, which leads to improved results then it is logical that the same be recognized and rewarded otherwise, it acts as a de-motivator. Previously, the main objective of performance appraisal was only for promotion and placement purpose, but now the performance appraisal system serves multiple purposes depending upon its linkage with different HRD instruments. However, not much of the research exists to test the efficiency of such system in achieving the multiple objectives. Research has revealed that "PAS, no matter how well designed, is doomed to fail, if it is not supported by the people who use it" (Burke & Wilcox, 1969). It is recommended that different sources of employee assessment in appraisal system to minimize the subjectivity (Liden & Mitchell, 1985; Carrol & Schnier, 1982). So that transparent employee's performance information passes on to top management for better human resource planning (Simoes, 1974;

Haynes, 1978; Carroll & Schnier, 1982). However, there is a wide spread of dissatisfaction among the employees about top-down appraisal. Recent research work in the area of Performance Appraisal has advocated the use of self-appraisal to improve upon the above traditional top-down process (Farh & Dobbins, 1989; Mayer et al., 1965) as it acts as a sort of an "autobiography of the appraisee by the appraisee himself for self-satisfaction in which he is more appropriate to highlight more of his achievements than his failures". Further research have also indicated that most performance appraisal are one-sided as the appraisal is downward in nature, therefore, need was felt to focus on upward appraisals in Indian organizations (Mir, 2007; Mir 2003). Organizations are now increasingly implementing high performance work practices such as 360-degree feedback interventions to improve performance (London & Smither 1995; Tornow & Wiley, 1991; Alwater et al., 2002). Most of the appraisal methods involve some limitation of judgmental rating of one form or the other. A good performance appraisal system should be linked at least with Potential appraisal, training, promotion, job rotation and reward administration which were missing in the healthcare sector of the study area. Most of the Indian organizations particularly hospitals are having higher tendency to associate performance appraisals with promotions. Organization need to think about employee's potential for higher role so it is mandatory to have potential appraisal system in sync with the performance appraisal system.

Performance counseling focuses on the entire performance during particular periods rather than on a specific problem. By providing a proper emotional climate and by the process of mutuality and support, the counselor helps the counselee to develop to unlimited heights. Interpersonal feedback is an important input for increasing self-awareness, which in turn reduces the blind area of the individuals, by helping him to become more aware about his strengths and weaknesses. Normally it is a dyadic process, which helps in strengthening the superior and subordinate relationship, and more so helps in understanding the limitation of his seniority and problem of his junior.

### RATIONALE OF THE STUDY

During the past three decades, the hospitals in India have come in for severe criticism. It is believed that the poor service in hospitals is due to lack of motivation among hospital personnel, which in turn arguably depends on their recognition and their appreciation. Thus, a well-designed performance appraisal system will not only help organizations in training and development, career planning, promotion and reward but also in motivating employees to meet the effectively growing demands of customers.

**Hypothesis:**

**H<sub>0</sub>:** The satisfaction level of all the medical and Para-medical staff towards Performance Appraisal System is high.

**OBJECTIVES:**

- To study the satisfaction level of medical and para-medical staff towards PAS in the study area.
- To find out the weakness of existing performance appraisal system in the healthcare sector.
- To give conclusions and suggestions suitable for the improvement of PAS in the hospitals.

**METHODOLOGY**

In Jammu and Kashmir State, there are a total of 109 hospitals (Anonymous, 2001), For the purpose of the research programme four hospitals were taken viz Sher-e-Kashmir Institute of Medical Science (SKIMS) Soura Srinagar, Shri Maharaja Hari Singh Memorial Hospital (SMHS), Lal-Ded Hospital Srinagar and One Hospital from Punjab namely Christian Medical College (CMC) Ludhiana. The Lal Ded hospital is an associate hospital of SMHS, hence their policies and procedures were found same to that of SMHS hospital. This study is mostly exploratory as well as conclusive in nature. For collection of data from primary sources, efforts were made to elicit the opinions of almost all key personnel in these hospitals through observation, personnel interviews, questionnaires and schedules. The in-depth interview techniques have also been used for collecting primary data. The questionnaire was used for collecting the primary data related to the variable like Performance Appraisal, potential appraisal, performance counseling, Reward system, Promotion and job rotation; both parallel and series type reliability was ensured for the questionnaires.

**Analysis and interpretation:**

**a) Perception towards Performance Appraisal System:**

Performance appraisal system (PAS) brings role clarity and gives clear cut directions to the employees and it was found that the satisfaction level of medical staff in CMC-L is higher i.e.  $2.38 \pm 0.22$  than SKIMS ( $1.44 \pm 0.15$ ), SMHS ( $1.76 \pm 0.23$ ) and L.D hospital ( $1.57 \pm 0.25$ ). But still the population distribution in this very dimension is approximately same which is proved by the  $Z_{-cal}$  values. As  $Z_{1-cal}$  in CMC-L Vs SKIMS hospital is 4.27;  $Z_{2-cal}$  in CMC-L Vs SMHS is 2.15;  $Z_{3-cal}$  in CMC-L Vs L.D. hospital is 3.00. Consequently the null hypothesis ( $H_0$ ) is rejected at 0.05 level of significance.

In the Paramedical category, the satisfaction level in CMC-L is approximately same as in the medical category. The mean score in the paramedical category varies from  $2.30 \pm 0.20$  in CMC-L to  $1.57 \pm 0.20$  in L.D. Hospital. The  $Z_{1-cal}$  value in CMC-L vs. SKIMS is 2.66 and  $Z_{3-cal}$  value in CMC-L vs. L.D Hospital is 2.38 (0.05 level of significance). Hence null hypothesis is rejected whereas  $Z_{2-cal}$  in CMC-L vs. SMHS hospital is 0.66; hence hypothesis is accepted (0.05 level of significance). Performance appraisal has traditionally been used as a mechanism of controlling employees and it has been observed that in the sample unit the approach still continues. Unfortunately in the past, majority of organizations have failed to devise an appropriate appraisal system capable of meeting their objectives. No doubt in case of SKIMS the ap-

praisal form also includes self-appraisal which in fact should give some satisfaction but that was hardly evident from their responses.

**b) Perception towards Potential Appraisal System:**

Every individual in any organization is unique in nature and possess a number of traits. But unfortunately these traits are not effectively explored for the benefit of both the individual and organization (Rao & Pareek, 1981). An objective appraisal evaluation programme assures that predetermined goals of performance are achieved, individual job performance is measured, individual development needs are identified and fair rewards for job performance are provided. In many of the public sector undertaking in India, the potential appraisal is given least importance. It has been often found that the potential appraisal is made as a part of total performance appraisal process rather than assessing the potential under separate programme. Since it is different from performance appraisal-the former seeks to examine what it is that the subordinate can do and the latter limits evaluation to what the subordinate has done on the job only (Saiyadain, 1985).

Regarding the approach for potential appraisal both categories of respondent i.e. Medical and Paramedical in the sample unit of hospitals of Kashmir region and CMC-L varies from  $2.34 \pm 0.21$ (CMC-L) to  $1.35 \pm 0.19$ (SMHS hospital) in the Medical category and  $2.30 \pm 0.20$  (CMC-L) to  $1.11 \pm 0.15$  (SKIMS hospital) showing poor satisfaction level towards this dimension. Even in these hospitals majority of employee do not have any idea of potential appraisal and its objectives. At 0.05 level of significance, the  $Z_{1-cal}$  value in CMC-L vs. SKIMS is 4.73;  $Z_{2-cal}$  in CMC vs. SMHS is 2.76 and  $Z_{3-cal}$  in CMC-L vs. L.D. hospital is 3.03. Hence in all the cases the null ( $H_0$ ) hypothesis is rejected (0.05 level of significance).

**c) Perception towards Performance Counseling:**

The need for counseling arises from variety of employee problems. Many problems that require counseling are emotional in origin. Emotions are normal part of life Managers want their employee to maintain reasonable emotional balance and to channelize their emotions along constructive lines so that they will work together effectively (Mattoo & Mir, 2005). The medical perception score of CMC-L was found  $2.20 \pm 0.23$  which is higher than that of SKIMS ( $1.77 \pm 0.16$ ) and that of SMHS hospital and L.D. hospital, it is  $1.56 \pm 0.19$  and  $2.02 \pm 0.18$  showing poor satisfaction level and depicts that hardly any of counseling session is being conducted by the top management in the hospital of the Kashmir region. Though the satisfaction level in CMC-L is also poor but it was found in this hospital during the survey that some counseling sessions are being conducted for the benefit of the employees. In the paramedical category, the trend is almost same showing low level of satisfaction towards counseling dimension, which is proved by the population distribution of CMC-L and is different from the rest of the hospitals of Sample unit as the  $Z_{1-cal}$  value is 7.81 in CMC-L vs. SKIMS and  $Z_{2-cal}$  value is 9.55 in CMC-L vs. SMHS hospital at 0.05 level of significance, which is greater than 1.96 the  $Z_{-tab}$  value, hence rejecting null hypothesis.

**Table 1.1: Perception of Medical Staff towards PAS.**

S. No.	Dimension/ Variables	CMC-L		SKIMS Hospital		SMHS Hospital			L.D. Hospital			
		Mean	S.D.	Mean	S.D.	Z <sub>1</sub> Value	Mean	S.D.	Z <sub>2</sub> Value	Mean	S.D.	Z <sub>3</sub> Value
1	Performance Appraisal System	2.38	1.13	1.44	0.9	4.27	1.76	1.09	2.15	1.57	1	3
2	Potential Appraisal	2.34	1.09	1.56	0.92	3.9	1.35	0.9	3.96	1.49	1.11	2.93
3	Performance Counseling	2.2	1.13	1.77	0.98	7.81	1.56	0.92	9.55	2.02	0.86	0.72

Table 1.2: Perception of Para-Medical Staff towards PAS

S. No.	Dimension/ Variables	CMC-L		SKIMS Hospital			SMHS Hospital			L.D. Hospital		
		Mean	S.D.	Mean	S.D.	Z <sub>1</sub> Value	Mean	S.D.	Z <sub>2</sub> Value	Mean	S.D.	Z <sub>3</sub> Value
1	Performance Appraisal System	2.3	1.13	1.66	0.95	2.66	2.18	1.25	0.66	1.57	1	2.38
2	Potential Appraisal	2.3	1.09	1.11	0.93	4.73	1.62	0.94	2.76	1.49	1.11	3.03
3	Performance Counseling	2.26	1.13	1.38	1.11	2.92	1.74	0.94	1.7	2.02	0.86	0.69

### Conclusion and Policy Implications:

In fact Appraisal is necessary for all important decisions relating to people, such as placement and promotion, remuneration and reward, training and development as well as long term manpower planning. The research revealed that it has been hardly used to search 'star performer' who can be promoted to higher level for bigger roles. No doubt the level of satisfaction in the CMC-L is higher than rest of the hospitals of the sample unit but it was found the in some cases the same PAS is used for Line and Staff personnel which becomes the source of role ambiguity and role conflict among the medical and para-medical staff. Moreover, the following observation has been found in the sample unit hospitals.

1. The medical and para-medical staff of the study area is having low level of satisfaction towards the performance appraisal system.
2. It has been found the existing PAS has failed to attain the desired objectives and the problems associated with it are still there and the employees never get to know their strengths and weaknesses in relation to their job description.
3. Employees are often taken by surprise because some "juniors supersede them in promotion" and thus often

tend to attribute this to favoritisms and poor personnel policies, which results in low morale, lose motivation, defensive behavior and it is difficult to get them back to the original level of drive and enthusiasm. Moreover, the good quality is either in search of 'green pastures' by taking a long lean or completely resign from the organization.

4. It has been found in the study area that only poor performers are given feedback, by which the employees only get to know about their weaknesses and not their strengths by adopting this approach they are more demotivated towards the job. Unfortunately on the other side better performing employees feel frustrated because their performance never gets recognized. In addition many do not even know how well they are doing.

So the healthcare sector needs an overhaul of the existing PAS system which is a strategic decision for the organization on the long term basis and should mandatorily have linkage with other HRD instruments for developing the competitive edge on sustainable basis in the global healthcare market. In-addition larger extent, will be helpful to reduce the brain drain problem of healthcare employee in India.

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