

# Performance Appraisal in hospital

## Chapter 10

# Learning Objectives

- The need and purpose of performance appraisal in a hospital setting
- How performance appraisal is conducted
- Components of performance appraisal like-self appraisal, team appraisal etc.
- Techniques of performance appraisal

# Introduction

- Performance appraisal is a structured event-based on job description and performance appraisal form. An on-going process of evaluating employee performance
- Definition by Flippo: systematic, periodic and impartial rating of an employee's excellence, in matters pertaining to his present job and his potential for a better job
- Performance management is the process of identifying, measuring, managing and developing the performance of the human resources in an organization

# *Why Appraise Performance?*

- 1. From a practical point of view, most employers still base pay and promotional, transfer, lay off, termination decisions on the employees appraisal**
- 2. Appraisals play an integral role in the employer's performance management process. Periodic review of performance helps translate the employer's strategic goals into specific employees goals.**

# *Why Appraise Performance?*

- 3. Appraisals lets the boss and subordinate develop a plan for correcting any deficiencies, and to reinforce the things the subordinate does right.*
- 4. Appraisals serve a useful career planning purpose. They provide an opportunity to review the employee's career plans in light of his/her exhibited strengths and weaknesses.*
5. Validate selection process
6. Motivate employees by providing feedback

**Some objectives  
of Performance appraisal**

```
graph TD; A[Some objectives of Performance appraisal] --- B[Promotion & Transfer]; A --- C[Determining Wage increase]; A --- D[Training & Development]; A --- E[Informing Employees Where they stand]; A --- F[Supervisors know their employees]; A --- G[Personnel research];
```

**Promotion  
&  
Transfer**

**Determining  
Wage  
increase**

**Training  
&  
Development**

**Informing  
Employees  
Where they  
stand**

**Supervisors  
know  
their  
employees**

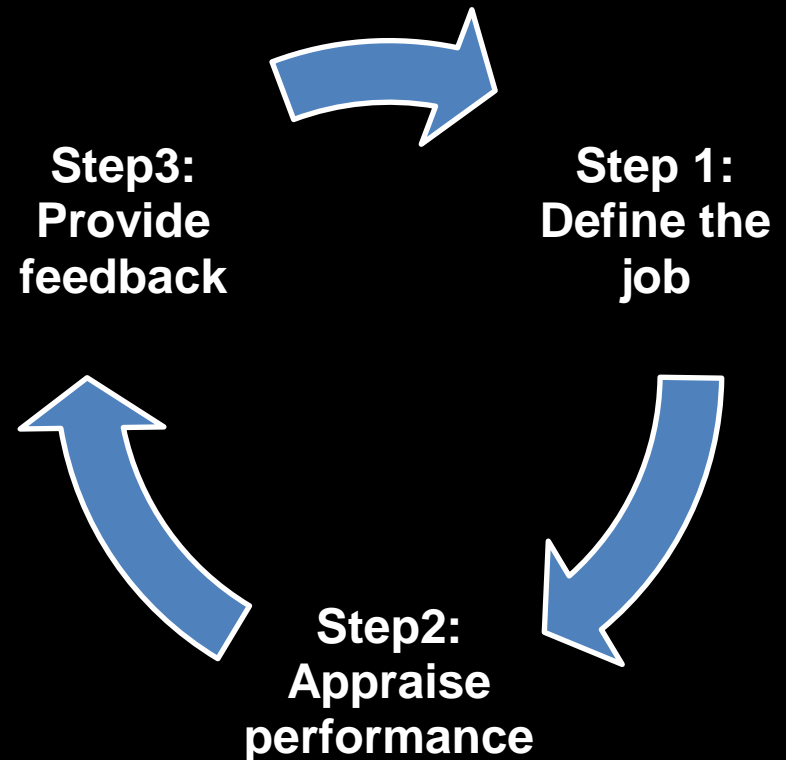
**Personnel  
research**

# Accurate Performance Appraisal

- Valid (factual measure that measures the process that you wanted to measure) and Reliable( consistent)
- Acceptable9 satisfactory or appropriate to the people who must use it0 and Feasible
- Specific(something explicitly identified)
- Based on the mission and Objectives

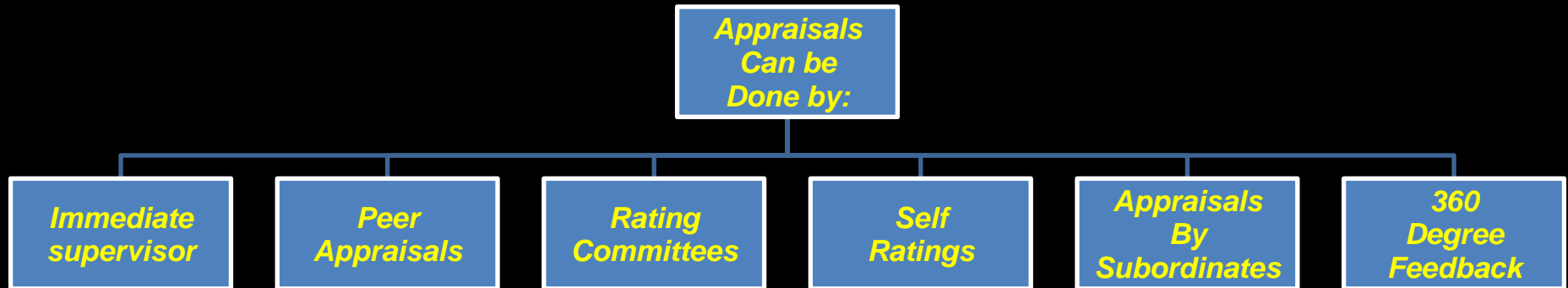
# Steps in Appraising Performance

- Defining the job means making sure that you & your subordinate agree on his/her duties and job standards.
- Appraising performance means comparing your subordinate's actual performance to the standards that have been set; this usually involves some type of rating form.
- Providing feedback require the two of you to discuss the subordinate's performance and progress, and make plans for any development required.





# Who should do the appraising?



## Key Elements of a Performance Appraisal:

- Measurement
- Feedback
- Positive Reinforcement
- Exchange of Views
- Agreement

# Self Appraisal

- Most appropriate for high level technical employees, professional, supervisors and managers form exchanged during performance interview
- Transforms appraisal activity into more participative activity
- May be supplemented by team appraisal

## 360 degree feedback

- 360 degree appraisals are powerful developmental method -subordinate appraisals (which fulfill different purposes).
- It augments traditional process, and can be used as a stand-alone development method.
- 360 degree appraisals involve the appraisee receiving feedback from people (named or anonymous) whose views are considered helpful and relevant. The feedback is typically provided on a form showing job skills/ abilities/ attitudinal/ behavioral criteria and some sort of scoring or value judgment system. The appraisee should also assess themselves using the same feedback form.
- 360 degree respondents can be the appraisee's peers, up-line managers/execs, subordinate staff, team members, other staff, customers, suppliers - anyone who comes into contact with the appraisee and has opinions/views/reactions of and to the appraisee

# *Performance Appraisal Methods*

*There are many types of performance appraisal methods. Some of them are :*

- 1) Job results*
- 2) Essay method*
- 3) Mixed Standard Scales*
- 4) Forced Distribution*
- 5) Graphic Rating Scale*
- 6) Behavioral Checklist*
- 7) Behavioral Anchored Rating Scales (BARS)*
- 8) Management by Objectives (MBO)*

# Job Results

- ▶ Though *not an appraisal method per se*, job results are in themselves *a source of data that can be used to appraise performance*. Typically, an *employee's results are compared against some objective standard of performance*.
- ▶ Results indexes are often used for appraisal purposes if an employee's job has measurable results. Examples of *job results indexes are volume of sales, and quantity and quality of work produced*.
- ▶ Results indexes such as turnover, absenteeism, grievances, profitability, and production rates can be used to evaluate the performance of organization units.

## *Essay Method*

- ▶ The essay method involves an *evaluator's written report appraising an employee's performance*, usually in terms of job behaviors and/or results
- ▶ The subject of an essay appraisal is often *justification of pay, promotion, or termination decisions*, but essays can be used for developmental purposes as well.
- ▶ Since essay appraisals are to a large extent unstructured and open-ended, *lack of standardization is a major problem*.
- ▶ Evaluator bias, which may in some cases be discriminatory

## ***Mixed Standard Scales***

- ***They contain statements representing good, average, and poor performance based on behavioral examples*** obtained from knowledgeable persons, usually supervisors. ***An evaluator's task is to indicate whether an employee either fits the statement, is better than the statement, or worse than the statement.***
- This mixed standard scale has nine statements, three for each of the three dimensions used. Statements in mixed standard scales are randomly mixed, tending to reduce rater errors by making it less obvious which statements reflect effective or ineffective performance.

1. Is on good terms with everyone. Can get along with people even in disagreement.
2. Employee's work is spotty, sometimes being all right and sometimes not.
3. Could be more accurate and careful. Has a tendency to get into unnecessary conflicts with people.
4. Is quick and efficient, able to keep work on schedule. Really gets going on a new task.
5. The accuracy of employee's work is satisfactory. It is not often that you find clear evidence of carelessness.



6. Gets along with most people. Only very occasionally has conflicts with others on the job, and these are likely to be minor.
7. Is efficient enough, usually getting through assignments and work in reasonable time.
8. Work is striking in its accuracy. Never any evidence of carelessness in it.
9. There is some lack of efficiency on employee's part. Employee may take too much time to complete assignments, and sometimes does not really finish them

# *Forced Distribution*

- Forced distribution is a form of comparative evaluation in which an evaluator rates subordinates according to a specified distribution. Unlike ranking methods, forced distribution is frequently applied to several rather than only one component of job performance.
- Use of the forced distribution method is demonstrated by a manager who is told that he or she must rate subordinates according to the following distribution: 10 percent low; 20 percent below average; 40 percent average; 20 percent above average; and 10 percent high.
- For example, a supervisor could be required to place employees into top, middle, and bottom thirds of a distribution.

# Graphic rating scale

- Perhaps the *most commonly used method of performance evaluation*
- It is also one of the oldest methods of evaluation in use
- Under this method, a printed form, as shown in the table, is used to evaluate the performance of an employee. A variety of traits may be used in these types of rating devices, the most common being *the quantity and quality of work*.

# Table: Typical Graphic Rating Scale

Employee Name..... Job title .....

Department ..... Rate ..... Date .....

Quantity of work: Volume of work under normal working conditions	<i>Unsatisfactory</i>	<i>Fair</i>	<i>Satisfactory</i>	<i>Good</i>	<i>Outstanding</i>
Quality of work: Neatness, thoroughness and accuracy of work Knowledge of job					
A clear understanding of the factors connected with the job					
Attitude: Exhibits enthusiasm and cooperativeness on the job					
Dependability: Conscientious, thorough, reliable, accurate, with respect to attendance, relief's, lunch breaks, etc.					
Cooperation: Willingness and ability to work with others to produce desired goals.					

- From the **graphic rating scales**, excerpts can be obtained about the performance standards of employees. For instance, if the employee has serious gaps in technical-professional knowledge (knows only rudimentary phases of job); lacks the knowledge to bring about an increase in productivity; is reluctant to make decisions on his own (on even when he makes decisions they are unreliable and substandard); declines to accept responsibility; fails to plan ahead effectively; wastes and misuses resources; etc.,
- Then it can safely be inferred that the standards of the performance of the employee are dismal and disappointing.

- The rating scale is the most common method of evaluation of an employee's performance today
- Positive point in favor of the rating scale is that it is easy to understand, easy to use and permits a statistical tabulation of scores of employees
- When ratings are objective in nature they can be effectively used as evaluators.

# *Behavioral Checklist*

A behavioral checklist is a rating form containing statements describing both effective and ineffective job behaviors. These behaviors relate to a number of behavioral dimensions determined to be relevant to the job.

Items from a behavioral checklist for a salesperson's job

Instructions: Please check those statements descriptive of an employee's behavior

1. Calls on customers immediately after hearing of any complaints
2. Discusses complaints with customer
3. Gathers facts relevant to customers' complaints
4. Transmits information about complaints back to customers and resolves problems to their satisfaction
5. Plans each day's activities ahead of time
6. Lays out broad sales plans for one month ahead
7. Gathers sales information from customers, other salesmen, trade journals, and other relevant sources

- Behavioral checklists are well suited to employee development because they focus on **behaviors and results**, and use absolute rather comparative standards
- An advantage of behavioral checklists is that evaluators are asked to **describe rather than evaluate a subordinate's behavior**
- For this reason, behavioral checklists may meet with less evaluator resistance than some other methods
- An obvious disadvantage of behavioral checklists is that much time and money must be invested to construct the instrument.



# ***BARS - Behaviorally Anchored Rating Scales***

- Also known as the behavioral expectations scale, this method represents the latest innovation in performance appraisal
- It is ***a appraisal tool that anchors a numerical rating scale with specific behavioral examples of good or poor performance***
- It is a combination of the ***rating scale and critical incident techniques*** of employee performance evaluation
- The critical incidents serve as anchor statements on a scale and the rating form usually contains six to eight specifically defined performance dimensions

## Behaviorally Anchored Rating Scale (BARS) for sales trainee

<i>Performance</i>	<i>Points</i>	<i>Behavior</i>
<i>Extremely good</i>	7	Can expect trainee to make valuable suggestions for increased sales and to have positive relationships with customers all over the country.
<i>Good</i>	6	Can expect to initiate creative ideas for improved sales.
<i>Above average</i>	5	Can expect to keep in touch with the customers throughout the year.
<i>Average</i>	4	Can manage, with difficulty, to deliver the goods in time.
<i>Below average</i>	3	Can expect to unload the trucks when asked by the supervisor.
<i>Poor</i>	2	Can expect to inform only a part of the customers.
<i>Extremely poor</i>	1	Can expect to take extended coffee breaks and roam around purposelessly.

# Confidential report

- It is mostly used in government organizations
- It is a descriptive report prepared, generally at the end of every year, by the employee's immediate superior
- The report highlights the strengths and weaknesses of the subordinate
- The report is not data based. The impressions of the superior about the subordinate are merely recorded there
- It does not offer any feedback to the appraisee

## Confidential report

- The appraisee is not very sure about why his ratings have fallen despite his best efforts, why others are rated high when compared to him, how to rectify his mistakes, if any; on what basis he is going to be evaluated next year, etc.
- Since the report is generally not made public and hence no feedback is available, the subjective analysis of the superior is likely to be hotly contested
- In recent years, due to pressure from courts and trade unions, the details of a negative confidential report are given to the appraisee.

# Management by Objectives

- Management by objectives (MBO) involves *setting specific measurable goals with each employee and then periodically discussing his/her progress toward these goals*. The term MBO almost always refers to a comprehensive organization-wide goal setting and appraisal program that consist of six main steps:
  1. *Set the organization's goals*. Establish organization-wide plan for next year and set goals.
  2. *Set departmental goals*. Here department heads and their superiors jointly set goals for their departments

# M.B.O.

3. Discuss and allocate department goals. Department heads discuss the department's goals with all subordinates in the department (often at a department-wide meeting) and ask them to develop their own individual goals; in other words, how can each employee contribute to the department's attaining its goals?
4. Define expected results (set individual goals). Here, department heads and their subordinates set short-term performance targets.
5. Performance review and measure the results. Department heads compare actual performance for each employee with expected results.
6. Provide feedback. Department heads hold periodic performance review meetings with subordinates to discuss and evaluate progress in achieving expected results.

# MBO Features

- ▶ MBO emphasizes anticipatively set goals that are tangible, verifiable and measurable.
- ▶ MBO focuses attention on what must be accomplished (goals) rather than how it is to be accomplished (methods).
- ▶ MBO, by concentrating on key result areas translates the abstract philosophy of management into concrete phraseology
- ▶ It is “a dynamic system which seeks to integrate the company’s need to clarify and achieve its profit and growth targets with the manager’s need to contribute and develop himself”.

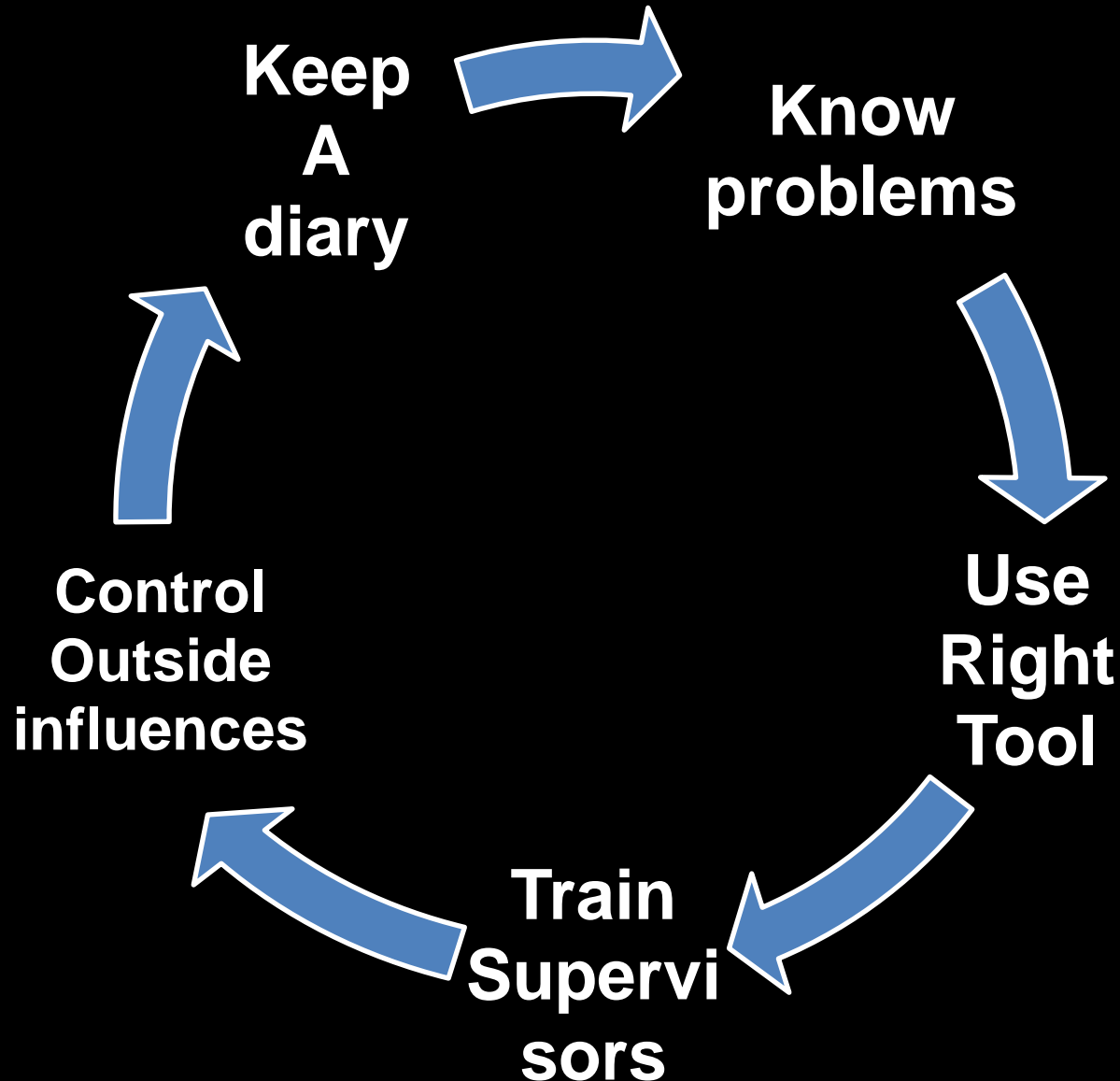
# MBO Features

- ▶ MBO is a systematic and rational technique that allows management to attain maximum results from available resources by focusing on achievable goals. It allows the subordinate plenty of room to make creative decisions on his own.





# How to Avoid Appraisal Problems



# Advantages

- Uniform system of reviewing and exchanging views
- Evidence of management interest in the individual employees
- Induces Managers to think objectively about performance
- Feedback helps improve the performance
- Objective decisions-pay increase, training, promotion
- Competency utilization and training to improve performance