

A Study on Performance Appraisal Errors in Selected Private Multi- Speciality Hospitals in J&K State

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ABSTRACT

Performance appraisal has been the focus of considerable research for almost a century. The present study is exploratory in nature and intends to analyze the prevailing performance appraisal system (PAS) in the Private healthcare organizations, errors being committed in appraising employee's performance and its impact on employee satisfaction. Convenient sample base is used from the selected Multi-Speciality private hospitals in J&K state. Primary data is collected by distributing structured questionnaire among medical and Para-medical respondents. A total of 100 questionnaires were distributed among respondents. With respect to the scale, five-point Likert scale has been used in the questionnaire, which has been quantified on the basis of normal probability distribution which varies from 1 to 5 responses. Secondary data has been collected through books, journals and potentially authentic and relevant data.

1. Introduction

Performance appraisal (PA) is essential process yet it is considered to be the "weak point" of overseeing human power (Pulakios, 2009). In this manner PA is vital to deal with employee's work viably. Performance is a conduct – the route in which organization's groups up and people get their work done. (Mooney, 2009) recommended that performance isn't just identified with outcomes however it additionally relates with exercises and practices of employees that they received to accomplish their given objectives. (Dessler, 2005) characterize performance evaluation as "looking at workers present and past performance to his/her performance standards". (Grubb, 2007) says Performance appraisal as a method to assess how singular work force are performing and how they can enhance their performance and add to overall organizational performance.

An appraisal, or rather the data produced because of the performance evaluation process, discovers linkage with training and development (T&D), pay and hierarchical advancement capacities. It is trusted that fulfillment or satisfaction with appraisal frameworks show into positive workers or employees states of mind towards the job and the work environment. Researchers and academicians are always endeavoring to research causal connections between performance appraisals practices and attractive employee results, for example, worker satisfaction, hierarchical responsibility and upgraded profitability. (Kuvaas, 2006; Fakharyan et al, 2012).

PA is expected to assess the performance and capability of workers. Still these may not be legitimate figure of what these are planned to evaluate on account of a mixture of constraints on their uses. Performance appraisal errors influence the legitimacy and trustworthiness of the performance evaluation frameworks. The principle reason for this exploration is to examine and break down the current appraisal system, the

rating errors in selected private Multi-Speciality hospitals in J&K state with exceptional reference to employee's satisfaction.

2. Literature Review

Overall performance evaluation is used to appraise the excellence of functioning being carried out, as mentioned in the job description, and gives remarks to the employee both in words, in writing, or both (Towne, 2006).

Evaluation is connected to choices with regards to remuneration management, hierarchical advancement or termination choices, and recognition as well as acknowledgment of good or poor performance. Development and evaluation may seem related (i.e., how might one fabricate up a worker without some kind of assessment), consequently rendering partition troublesome or unrealistic. (Boswell and Boudreau, 2002).

As per a few investigations (DeCarlo and Leigh 2006), PA aides in enhancing performance and building both employment satisfaction and hierarchical responsibility. On the other hand, this helps in dropping down the turnover levels (Babin and Boles 2006 ;Bard Kuvaas (2006), find out positive conclusion in regards to turnover intent with PA satisfaction that those workers who are happy with how PAS is carried out have brought down their turnover plans.

Ayaz Khan (2009) inspected the adequacy and effect on performance and work satisfaction of technical education faculty. He inferred that current arrangement of performance evaluation is deficient in legitimate adequacy to entirely affect performance and fulfillment level of employees of technical education faculty because of inherited drawbacks.

From the above exchange, it is obvious that Performance appraisal system (PAS) assumes a critical part in upgrading adequacy of individual and hierarchical performance, fills a few needs like the Compensation decisions, Promotion decisions Training and advancement programs, Feedback. For the long haul adequacy of the organizational framework workers' agreeable sensitivity towards PAs are crucial. On the off chance that workers are not happy with PAs they won't see the additional value (Bernardin and Beatty 1984; Dobbins et al., 1990). Some different investigations recommended that evaluation satisfaction is a key factor driving occupational satisfaction (Moussavi and Ashbaugh 1995). Performance appraisal (PA) likewise impacts employee's turnover aim that is, leaving the present occupation to search for another job and genuine turnover.

Still these may not be valid indicator of what these are intended to assess because of a variety of limitations on their uses. The problems that affect the validity and dependability of the Performance appraisal systems are called performance appraisal errors. These are Judgment Error, Sunflower error, Halo error, Horn error, Pitch error, Recency error, Central tendency, First Impression (Primacy Effect), Contrast error and Spillover Effect.

3. Objectives

1. To analyze the effectiveness of current performance appraisal system going on in the sample organization.
2. To study the various rating errors in the existing appraisal system.
3. To study the inter-relationship between various rating errors and their impact on employee satisfaction.

4. Hypotheses

1. Elevation to higher level positions and salary restructuring are rarely based on performance appraisal.
2. Rating errors have significant impact on performance appraisal and hence on employee satisfaction.

5. Methodology of the Study

- a) *Universe*: All Public and Private-speciality hospitals of India constitute the Universe for the present study.
- b) *Sample*: 4 selected private multi-speciality hospitals of J&K state comprises sample for the study. The present study has been undertaken in 4 selected private multi-speciality healthcare organizations in J&K state. From Kashmir division, Khyber Medical institute and Modern general hospital are taken as sample hospitals while as from Jammu division, Maharishi dyanand hospital and Bee Enn General Hospital.

S.No	Name Of Hospital	Location of Hospital	Percentage of Employees As Sample	Type of Employee
1.	Khyber Medical Institute	Kashmir Division	25%	Medical Employees Para-Medical Employees
2.	Modern General Hospital	Kashmir Division	25%	Medical Employees Para-Medical Employees
3.	Maharishi Dyanand Hospital	Jammu Division	25%	Medical Employees Para-Medical Employees
4.	Bee Enn General Hospital	Jammu Division	25%	Medical Employees Para-Medical Employees

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				Para-Medical Employees

6. Research Design Exploratory research design has been followed.

7. Development of Instruments

(Question Schedules) The instruments used for the purpose of data collection and analysis have been developed and tested by the researcher. The questions are employee (appraise or ratee) oriented.

For collection of data from primary sources, efforts were made to elicit the opinions of both medical and Para-medical employees in these hospitals through a self- made structured questionnaire; both parallel and series type reliability was ensured for the questionnaire.

The questionnaire has been bifurcated into two main categories:

- A. Demographic Variables, which includes general profile of Respondents for the proper understanding of the respondent's demographics. (Section A)-8 Statements
- B. Problem variables (section B)-20 Statements

With respect to the scale being used in this research study, five point Likert Scale has been used in the questionnaire which has been quantified on the basis of Normal Probability Distribution which varies from 1 to 5 responses as shown below and the Cronbach Alpha value for this part is 0.781

S.No	Rating	Rating Indices	Equivalent Score
1	NOT AT ALL TRUE	(1)	0%
2	RARELY TRUE	(2)	25%
3	SOMETIMES TRUE	(3)	50%
4	MOSTLY TRUE	(4)	75%
5	ALMOST ALWAYS TRUE	(5)	100%

A rating 5 indicates that the statement is almost always true with your Organization bearing a 100% score, a rating of 4

denotes that statement is mostly true with 75% score, rating of 3 indicates that statement is sometimes true with 50% score, a rating of 2 denotes that the statement is rarely true with score 25% and the rating of 1 indicates that the statement is not at all true about your organization with 0% score.

A mean score of around 5 is indicative of satisfaction of Healthcare Medical and Para-Medical staff along with other variables w.r.t the Performance Appraisal system being conducted in their Organization at a desirable level. In order to make the interpretation afterwards easier, the mean score is converted into percentage score using the formulae,

$$\text{Percentage Score} = (\text{Mean Score} - 1) \times 25$$

This has been done on the assumption that a score of 1 represents Zero percent, a score of 2 represents 25%, score of 3 represents 50%, and Score of 4 represents 75% and a score of 5 represents 100%.

The percentage score indicates the degree to which a particular dimension existed in that healthcare organization out

of ideal 100. A total of 100 questionnaires were distributed to the Medical and Para-Medical staff of the sample hospitals.

8. Data Analysis and Interpretation

Demographic Characteristics Table-1 demonstrates the statistic attributes of the respondents. Almost 41 percent of the respondents were in the age gathering of 21-30 years of age subsequently, underscoring the young idea of the workforce. Dominant part of the respondents (42 percent) had instructive capability of Undergraduate Degree. A considerable extent of the workforce had Master's Degree. This means the workforce of the chosen private multi-specialty hospitals is made out of profoundly educated individuals. As a rule, the investigation gives a good picture concerning the level of education of the medical, Para-medical employees and higher level administration. Around 59 percent of the respondents were Para-medical workers delineating a comprehensive perspective. Around 47 percent of the respondents had put in 5-10 long periods of service. This is additionally a sign that the respondents have really invested enough energy in the support of know how viable the performance evaluation framework is done. Table 1: Demographic Characteristics of the Respondents (N=100)

Table 1: Demographic Characteristics of the Respondents (N=100)

S.No	Characteristics	Frequency	%	
1	AGE	21-30 years	41	41
		31-40 years	17	17
		41-50 years	22	22
		50 & above	16	16
2	LEVEL OF EDUCATION	Upto Hr. Sec.	11	11
		Under Graduate (UG)	42	42
		Post Graduate (PG)	34	34
		Doctorate	9	9
3	TYPE OF EMPLOYEE	Medical employees	27	27
		Para- medical employees	59	59
		Top management	11	11
4	YEARS OF SERVICE	Upto 5 years	17	17
		5-10 years	47	47
		11-15 years	16	16
		More than 16 years	16	16

Table 2: Descriptive Statistics

S.No	NAME OF ITEMS	MEAN	STANDARD DEVIATION
1	FREQUENCY OF APPRAISAL	2.53	0.8
2	IMPORTANCE OF APPRAISAL MECHANISMS	4.65	1
3	FACTORS AFFECTING APPRAISAL SYSTEM	2.54	0.62
4	HALO EFFECT	2.17	0.96
5	HORN EFFECT	2.36	0.38
6	FIRST IMPRESSION	2.57	0.5
7	STRICTNESS	2.55	0.6
8	CONTRAST ERROR	4	0.3
9	SPILOVER EFFECT	2.25	0.27
10	POOR APPRAISAL FORMS	4.70	0.8
11	EMPLOYEE SATISFACTION	4.88	0.98
12	POST-APPRAISAL EFFECT	3.26	0.54

Table 2: Descriptive Statistics speaks to the graphic measurements of the factors. The different items (frequency of evaluation, significance of evaluation framework, factors influencing appraisal mechanism, halo error, horn error, first impression, strictness, contrast error, spillover effect, poor appraisal forms, worker satisfaction and post evaluation

impact) taken in the investigation are portrayed in Table-2 with their mean and standard deviation.

As appeared in the table Employee Satisfaction is having the most noteworthy mean of 4.88. Halo effect/error is having the most reduced mean of 2.17.

Table 3: Inter-Relationship between Factors

S.No	Factors	1	2	3	4	5	6	7	8	9	10	11	12
1	frequency of appraisal	1											
2	importance of appraisal mechanism	0.44	1										
3	factors affecting appraisal system	0.65	0.64	1									
4	halo effect	-0.33	-0.21	0.34	1								
5	horn effect	-0.33	-0.31	0.23	-0.84	1							
6	first impression	-0.4	-0.64	0.55	0.66	0.84	1						
7	Strictness	0.54	-0.43	0.67	0.54	0.75	0.35	1					
8	contrast error	0.41	-0.45	0.43	0.82	-0.21	0.44	0.54	1				
9	spillover effect	-0.72	-0.15	0.24	0.84	-0.33	0.53	0.65	-0.21	1			
10	poor appraisal forms	-0.21	-0.23	0.84	-0.25	-0.66	-0.13	-0.42	-0.13	-0.21	1		
11	employee satisfaction	0.63	0.74	0.24	-0.36	-0.25	-0.45	-0.34	-0.2	-0.6	-0.2	1	
12	post-appraisal effect	0.47	0.44	0.10	-0.10	-0.20	0.20	0.21	-0.21	-0.41	-1.0	0.32	1

Table-3 depicts to Pearson Correlation among the components. Factor-1 speaking to frequency or recurrence of evaluation has noteworthy positive relationship with Factors-2, 3, 7, 8, 11 and 12. Significance of evaluation decides the recurrence of evaluation in sample associations/organizations. Factor-1 is decidedly identified and positively related with Factor-3 having a relationship coefficient (r) 0.65. It is additionally emphatically positively related with factor-7 and Factor-8 having correlation coefficients (r) 0.54 and 0.41 separately. Factor-2 speaking to significance of evaluation component is altogether connected with Factor-3 and Factor-11 with correlation coefficients (r) 0.64 and (r) 0.74 individually. This infers significance of performance appraisal relies on the elements influencing performance appraisal framework like commitment of the supervisor, future game-plan of the organization, raters' availability, and fair, clear and unbiased hierarchical framework. Significance of performance appraisal system unequivocally relies on its ability to guarantee employee satisfaction. Factor-3 portraying factors influencing performance evaluation is positively associated to every one of the components having the highest correlation coefficient (r) 0.84 with Factor-10, which represents poor evaluation forms. It has a correlation coefficient (r) of 0.10 with Factor-12 portraying post evaluation results like advancement/promotion, reward, and pay increase and so forth. This portrays a moderate level of effect of performance appraisal in chosen private multi-specialty hospitals in J&K state and consequently and partially demonstrates the Hypothesis No.1 "Rise to larger amount positions and pay rebuilding are infrequently in view of execution evaluation". Factor-4 delineating halo impact is altogether related to factor-6 portraying first impression. The relationship coefficient (r) is 0.66. Halo error prompts and leads to first impression. Factor-7 portraying strictness and Factor-9

representing disrespect to seniors are decidedly associated having correlation coefficient (r) 0.65. It infers that if subordinates don't demonstrate regard to their seniors then they may get low ratings in performance evaluation as a result of the strictness of the raters/supervisors/administrators. Elements - 4, 5, 6, 7, 8, 9 and 10 are adversely or negatively corresponded with Factor-11. This infers all these PA errors adversely influence worker or employee satisfaction. This demonstrates and proves the Hypothesis No.2 "Rating errors/blunders have critical effect on performance appraisal and subsequently on employee fulfillment or satisfaction".

9. Conclusion

The result of the research study demonstrated that the performance evaluation arrangement of the sample hospitals are less set up and lined up with the workers desires. Then again, the outcomes mirrored that the performance evaluation

arrangement of the selected healthcare organizations has realized both positive and negative effect on the employee's performance. Further, the respondents distinguished some real loopholes in the usage of the organization's appraisal system: no motivating rewards are given to best workers, rating pattern and system was not completely disclosed to the employees, no feedback of results and employees don't take an interest in the plan of assessment or evaluation patterns or devices. This depicts a direct level of impact of performance examination in selected private multi-specialty hospitals in J&K state and in part exhibits the Hypothesis No.1. "Rise to larger amount positions and pay rebuilding are infrequently in view of performance evaluation". Performance appraisal errors adversely influence worker or employee satisfaction. This exhibits and demonstrates the Hypothesis No.2 "Rating

mistakes/errors have basic impact on performance examination and consequently on employees satisfaction or fulfillment". Accordingly, it is suggested that the organization ought to return to and update its evaluation framework that is adjusted to its vision and mission towards the achievement of its organizational goals.

10. Suggestions

The different recommendations prescribed by the researchers are as per the following:

1. Consequently sample associations may endeavor to push the raters to all the more precisely correct and accurate watch on employee's performance, review, and report conduct or behavior. This requires: giving appropriate preparation/training to the raters to lead compelling, unbiased and appropriate performance appraisal, persuading the raters to utilize the framework and system viably, and giving chance to

watch their subordinates" performance painstakingly and keenly.

2. Performance appraisal forms might be made more clear, concise, unmistakable and exact, so that these can be effectively justifiable by the evaluator.
3. One of the basic roles of formal performance appraisal/evaluation is to give clear, performance based input or feedback to employees. (Carroll and Schneider, 2002; Ilgen et al., 2009; Larson, 2004). Sample associations may make it compulsory to have more viable performance evaluation framework or mechanism.
4. All the time the true evaluation report put in by a rater isn't reasonably compensated or rewarded. This diminishes the inspiration to carry out the activity completely and truly. Henceforth sample organizations/associations may consider propelling and appreciating the raters for the great job done.

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