

## **PERFORMANCE APPRAISAL SYSTEM IN HOSPITAL SECTOR OF BANGLADESH A CASE STUDY OF SQUARE HOSPITALS LTD. DHAKA, BANGLADESH**

**Md. Nawshad Pervez**

*Institute of Business Administration, University of Dhaka, Dhaka, Bangladesh*

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**Abstract:** *Performance appraisal is a formal employee evaluation system. It can evaluate and measure the employee's working behavior and achievement through the systematic method and principle. It is designed to objectively evaluate an employee's performance and then outline measures to be taken for improvements are essential for an organization to move ahead. These systems are often organization specific and health care organizations are no exception. Health care professionals are becoming more involved in performance management as hospital restructure to increase effectiveness. Although they are hospital employees, they are subject to performance appraisals because the hospitals are accountable to patients and the community for the quality of hospital services. This paper described the performance appraisal system in healthcare sector of Bangladesh with special highlight on performance appraisal system of Square Hospitals ltd. Dhaka Bangladesh. It is observed that Square Hospitals ltd follows the **behaviorally anchored rating scale (BARS)** methods for employee's performance appraisal and finally concluded with gap analysis and recommendation which may ensure effective performance appraisal system for healthcare industry.*

**Keywords:** *Healthcare, Performance Appraisal, Square Hospital ltd. Criteria, Feedback.*

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### **I. Introduction**

Performance appraisal is one of the important components in the rational and systematic process of human resource management. Performance appraisal provides foundations for recruiting and selecting new hires, training and development of existing staff, and motivating and maintaining a quality work force by adequately and properly rewarding their performance. Without a reliable performance appraisal system, a human resource management system falls apart that resulting in the total waste of a company's valuable human assets. It can evaluate and measure the employee's working behavior and achievement through the systematic method and principle. It is also an important activity in the sense it acts as a feedback loop that helps manager to monitor and correct employee's performance. Thus it works as a performance feedback system for employees and control mechanism for managers. If it is implemented effectively, it can create a win-win situation for both employees and employers. The performance appraisal result directly affect the employee's wage adjustment, bonus, post, promotion and other vital interests, but its ultimate goal is to improve the employee's performance, satisfaction and future sense of achievement and also to realize the enterprise's operation objective. There is a proven link between the performance of health workers, the productivity, and quality of care in health institutions. (Dr. Angela Chaudhuri, et al,-2013)

The importance of an effective employee performance appraisal system is universally recognized since it can promote both the institutional development of the organization and the personal development of employees. The impact of employee performance or, more generally, the impact of human resource management on organizational performance has been studied in numerous previous research efforts (Becker and Gerhart, 1996; Ostroff and Bowen, 2000; Guest et al, 2003; Sels et al, 2006). In fact, the ability of an organization to evaluate the performance of its employees and examine the contribution of its personnel in achieving the assessed goals is considered crucial for its long-term viability (Evangelos Grigoroudis, Constantin Zopounidis 2010.). Usually, an employee evaluation system is widely used for administrating wages and salaries, giving performance feedback, and identifying individual strengths and weaknesses. As noted by Mathis and Jackson (2007), an employee evaluation has two general roles in organizations:

- Making administrative decisions about employees (compensation, promotion, dismissal, downsizing, layoffs, etc.).
- Identifying and plan employees' growth opportunities (identify strengths or areas for growth, coach, develop career, etc.).

#### **1.1 Broad Objective**

Health care is now an upcoming field in Bangladesh. Modern hospitals, provide the latest medical facilities, employ thousands of personnel including medical, paramedical and support staff. Managing business in a competitive market is major challenge.

Although It is a proven statement that in today's global and highly competitive environment health care organizations are turning their focus into competitive strategy, which in turn will advance performance of the organization, but still most of the Health care organizations in developing country are reluctant to put due importance on performance appraisal system as such this study has been undertaken with an objective to analysis and evaluate the Employee Performance Appraisal system of Healthcare sector of Bangladesh.

### **1.2 Specific Objectives**

- To understand the importance of employee performance appraisal system in healthcare industry.
- To get a clear picture about current practices of employee performance appraisal system in healthcare industry of our country.
- To evaluate the Employee Performance appraisal system of Square hospitals and
- To identify the gap and provide appropriate measures to correct
- Proposed an appropriate model for employee performance appraisal system.

### **1.3 Rationale of the Study:**

There are two key reasons for undertaking this study. One is to gain insights the current performance appraisal system in healthcare sector and the other is to try to find out the gap and suggested appropriate recommendation so that this paper may be useful through which healthcare organization can improve their performance appraisal system.

The study will also enhances the understanding of the significance of employee performance appraisal practices and also recommend that management may be able to increase organizational overall efficiency through proper implanting of sound employee performance appraisal system.

### **1.4 Research Methodology**

This paper is based on the study of Square Hospitals Ltd., which is considered representative of high-end tertiary level hospitals in Dhaka city in terms of customer type, reputation, operation, performance, facilities, etc. The main data collection tools for the case study are interviews in the links of the performance appraisal system. The respondents are mainly from Human Resources Department, Finance Department, Laboratory Scientists, Physicians, Pharmacists, Management executives, and Nurses Besides that secondary data and relevant information have also been collected from different sources like journals, reviews, books and research papers.

## **II. Performance Appraisal and Healthcare**

The British Association of Medical Managers (BAMM, 1999) has defined appraisal as "the process of periodically reviewing one's performance against the various elements of one's job".

Health care professional are becoming more involved in performance management as hospital restructure for increasing its effectiveness. Although they are hospital employees, they are also subject to performance appraisals because the hospitals are accountable not only to patients but the community for the medical services it provides to them. The purpose for having a performance appraisal program in hospital is to monitor employees' performance, motivate staff and to improve hospital employee's morale and identify the training needs.

The changing natures of today's health care organizations, including pressure to reduce costs, improve the quality of care and meet stringent guidelines, have forced health care professionals to re-examine how they evaluate their performance. While many health care organizations have long recognized the need to look beyond financial measures when evaluating their performance, many still struggle with what measures to select and how to use the results of those measures. (Kicab Castaeda-Mendez-1999)

It continues to remain a problem for today's health managers that they are under extreme pressure to contain costs and improve efficiency of operations. Indeed health care organizations are so "employee intense" that the payroll cost that comprise as much as 60% to 70% of their operating costs are not unusual. Such data reveal that the clear linkage between the successful operation of the organization and the effective and efficient performance of its employees (Myron D. Fottler, et al 1998)

The primary reason for having a performance appraisal program in a hospital is to improve the quality of healthcare practices to monitor employees' performance, staff and improve hospital morale.

The purpose of performance appraisal is to enhance the knowledge, skills and behaviors of all staff throughout the performance cycle in order to achieve organizational goals. This is accomplished by providing means of measuring employees' effective of the job; identifying areas of development where employees are in need of training , growth, improvement and/or additional resources; maintain a high level of motivation through feedback with the supervisors/managers and establishing individuals performance goals.

In the hospital, monitoring employee performance requires routine documentation, which is accomplished through completing a performance appraisal form. When employees are aware that the hospital is mindful of their performance and they could be rewarded with increment and promotions, they will work harder. Morale is improved when employees receive recognition or reward for their work. An effective performance appraisal program will assist the hospital in achieving its goals and objectives. Not only, training needs will be identified and addressed during a performance appraisal review, but also hidden talent can be discovered as well. Through identifying these training needs, staff can perform their jobs at the highest level and be in a better position to address clients', members' and customers' concerns and questions. A well-developed staff is more likely to be proactive, productive and resourceful, all of which helps give the hospital a competitive edge, from improved customer relations to increased profits. In hospital, thus the primary objective of performance appraisal is to improve the quality of healthcare practice. This is the anticipated result of informing physicians of possible performance deficiencies, as in the model of the quality improvement cycle and the educational model of practice reflection (Berwick, D.M., 1989). If serious performance deficiencies are identified during review by the Physician Performance Committee, under its existing authority, may require and direct detailed evaluation, remedial education and subsequent reassessment by methods appropriate to the deficiencies. *The Department of Health London (1999)* in consultation paper "Supporting Doctors, Protecting Patients" emphasized this point by stating that it is not the primary aim of appraisal to scrutinize doctors to see if they are performing poorly but rather to help them consolidate and improve on good performance aiming towards excellence.

### **III. Literature Review**

There are many articles regarding the employee performance appraisal systems and procedures described in peer reviewed scholarly journals. Many of them describe this issue from different perspectives, but few studies have been conducted to evaluate the performance appraisal system in the developing countries especially in the context of Healthcare care sector in Bangladesh.

This chapter reviews literature relevant to the objectives of this study. It builds a theoretical foundation upon which the study is based. It commences with an examination of Performance, Appraisal, Performance Appraisal and Performance Appraisal criterions:

#### **3.1 Performance**

The term 'performance' originally emanates from 'perform', which denotes fulfilling an obligation or requirement or accomplishing something promised or expected (Dianis NL, Cummings C.1998). It is defined as the manner in which something functions (Øvretveit J1998). Robbins and Coulter (2002) describe performance as the end result of an activity. Performance can be thus linked to both process and outcome.

The Oxford English dictionary defines performance as the "accomplishment, execution, carrying out, and working out of anything ordered or undertaken". Armstrong and Baron (2005) argue that performance is a matter not only of what people achieve, but how they achieve it. Bates and Holton (1995) suggest that performance is a multidimensional construct, the measurement of which depends on a variety of factors. Brumbach (1988) offers the most precise definition. "Performance means both behaviors and results. Behaviors are also outcomes in their own right and can be judged apart from results". From the definition, and interpretations above, it can be argued that performance is not just about outputs, it is also concerned with actions and behaviors demonstrated to achieve given targets. This issue will feature strongly through the research.

However, Hale and Whitman (2000) cite research by the Institute of Personnel Management (1992) that suggests no consistent definition emerged from over Performance refers to the degree of duties completed by an employee, indicating how well an employee performs the requirements of a job. In the opinion of (Shahraji, et al., 2012), the performance of an individual can be considered a result of the interaction among efforts, capabilities, and perceptions of the role. Efforts refer to the amount of energy (physical or mental) that a person expends to perform his/her duties. Capabilities are personal characteristics used to perform a job, and perceptions of the role refer to ways by which efforts should be guided in order to perform their jobs.

#### **3.2 Appraisal**

The term "appraisal" can mean different things in different situations. Randell (1994), and Shelley (1999), highlight formal and informal approaches which may have a multiplicity of purposes, including: evaluation, auditing, succession planning, training, controlling, development and motivation. Appraisals regularly record an assessment of an employee's performance, potential and development needs.( Eric Boateng 2011) The appraisal is an opportunity to take an overall view of work content, loads and volume, to look back on what has been achieved during the reporting period and agree objectives for the next (Bacal, 1999).

Bryman et al. (1994), have investigated the use of evaluative and developmental approaches to appraisal in different sectors. Developmental appraisals focus on both training to address short-term issues and on long-term career needs. In contrast, the evaluative approach focuses on managerial control and judgment. Fletcher, (1993), in Shelley (1999), discusses a range of methods of appraisal, from managerially defined behavioral traits and performance criteria, measurement against achievement of objectives, to the inclusion of other parties sometimes with more qualitative measures, such as peer and in 360 degree appraisal.

Townley, (1993) and Shelley, (1999), describes as a live debate and one which is of relevance in the changing world of academia, the extent to which managers use appraisal for managerial purposes, and the extent to which individual employees can use appraisal for their own benefit.

### **3.3 Performance Appraisal (PA)**

The term "Performance Appraisal" is concerned with the process of valuing a person's worth to an organization with a view to increasing it (Blazer et al., 1990). Performance appraisal is a universal phenomenon in which the organization is making judgment about one is working with and about oneself. It serves as a basic element of effective work performance. Performance appraisal is essential for the effective management and evaluation of staff. It aims to improve the organizational performance as well as individual development (Cascio, 1998).

The focus of the performance appraisal is measuring and improving the actual performance of the employee and also the future potential of the employee. Its aim is to measure what an employee does. Shelley again considers Performance Appraisal as a systematic way of reviewing and assessing the performance of an employee during a given period of time and planning for his future.

It is a powerful tool to calibrate, refine and reward the performance of the employee. By focusing the attention on performance, performance appraisal goes to the heart of HR management and reflects the management's interest in the progress of the employees.

According to Moats (1999), when conducted properly, appraisals serve the purpose Shelley describes by: (1) showing employees how to improve their performance, (2) setting goals for employees, and (3) helping managers to assess subordinates' effectiveness and take actions related to hiring, promotions, demotions, training, compensation, job design, transfers, and terminations.

The above expositions establish performance appraisal as a clear and concise, regular and unbiased system of rating an employee's performance in her current position, which can also be used to determine how far the employee can go in career development. The benchmarks of such appraisals are usually the job description in tandem with stated company objectives.

An organization engages a person for the purpose of employing his skills to achieve certain goals and objectives. Every so often, the employer needs to take stock and determine the value of each employee, his potential, and what his future in the company is likely to be. In the researcher's opinion this is accomplished through the practice of performance appraisal.

Performance Appraisal is a method of evaluating the behavior of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands. Often the term is confused with effort, but performance is always measured in terms of results and not efforts. (D.B.Bagul, Ph. D 2014)

### **3.4 Measurement Criteria:**

Performance measures often include both process expectations (how the work gets done) and outcome expectations (the results of the process). Simon, L. (1992) suggested the following criteria to assess the performance of department head in the hospital: quality of service in the specific department, operational efficiency and effectiveness, and budget responsibility and accountability. Acute Care Hospitals (1991) decided that in addition to evaluating clinical performance of the hospital employee, appraisers also take into account that employee are expected to work effectively with other staff; respect bylaws, regulations, policies and procedures; and participate in committees, staff development activities and continuing education. The College of Physicians and Surgeons of Alberta (1995) established the Physician Performance Advisory Committee to establish a process to evaluate physician performance.

Extensive discussions within the committee generated six broad categories of physician performance attributes - medical knowledge and skills, attitudes and behavior, professional responsibilities, practice improvement activities, administrative skills and personal health. Moorhead and Griffin (1992) described that the process will evaluate work behaviors by measurement and comparison to previously established standards, recording the results and communicating them back to the employee. It is an activity between a manager and an employee.(Ganesh B. Choudhary,Shankar Puranik 2014).

#### **IV. Employee Performance Appraisal Systems in Healthcare Sector of Bangladesh**

A critical ingredient for building an effective and responsive health system is the health workforce which includes medical paramedical, managerial and administrative staff. Human resources in healthcare sector of Bangladesh have significant problems such as quality, quantity, skill mix, productivity and motivation. Human Resources planning and management is largely limited to administrative functions of recruitment, posting and transfer with little or no role focus on quality, skill development, and motivation.

Measuring the efficiency in healthcare delivery is very difficult and complex. Most healthcare organization in Bangladesh, lack systematic efforts to measuring changes in healthcare service delivery either an institute level or individual level.

The concept of performance management is relatively new in the Bangladesh health sector and lacks documented proof of practice. Bangladesh has implemented health sector reforms for nearly two decades to improve access and strengthen health care systems. While some components of the health sector reforms have shown favorable results such as the increase in immunization coverage, little emphasis was put on the management of health care workers. Human resource management challenges have been reported in Bangladesh. Among these challenges is weak performance management of health care workers.

Performance management challenges of health care workers are not only unique to Bangladesh. For example, in most under developing country, the performance management of health care workers is almost non-existent, evidenced by lack of job descriptions, poor training needs analysis, subjective support supervision and appraisal systems. In Bangladesh, despite the health sector reforms, the health services are not yet up to the required standards. The inadequate performance management might be one of the contributing factors to the deterioration or stagnation of some of the important health indicators.

The current supervision mechanism and performance management processes are not effective enough to ensure accountability and motivation, both at the individual level as well as at the organizational level. The lack of supportive supervision and incentives for good performance do not encourage high productivity or delivering quality services. Majority of government doctors spend a substantial amount of their time in private practice. Other than the residency training posts, there is no provision for giving reasonable non-practicing allowances or for institutional practice to discourage private practice and concentrate on primary job. Challenge remains to work-out how staff members in any health organization can be brought under performance-based incentives sharing system.

Most of the private hospitals in Bangladesh do not have the performance appraisal system, except Apollo Hospitals Dhaka, United Hospital Limited Dhaka and other few hospitals .In many hospitals, performance appraisals only occur when management is building a case to terminate someone.

In public healthcare sector, currently most performance appraisals are done through ACR (Annual Confidential Report). The ACR forms are very basic in design and allow the supervisors to write his/her comments about employees under few very general and broad headings. In many cases, an appraisal form's role in an employee's promotion has been restricted to ensure that the employee does not have any adverse remarks in his appraisal. Critical link between performance and rewards is missing in the current system and the promotions are time-bound (Seniority based). Every year annual increments are predetermined as per their pay scale, and are already known to every employee in advance. The current system has failed in making the performance of employees comparable, or other words rewarding better performing employees appropriately .Often this has been attributes as a prime reason for the slack attitude of the employee in the public health sector.

In recent years, we have seen a tremendous growth and development of health care service in private sector in Bangladesh. Multifarious factors including government policy support, emergence of a host of entrepreneurs, growing need to get going with the advancement in medical sciences as evident even in the neighboring countries and a booming middle class, have contributed to the development of private health care sector in Bangladesh. Patient oriented service and modern management system hold the key to success in the booming private health care delivery system in Bangladesh.

The sector grew very rapidly offering a more diversified scale of healthcare services, from very simple ones to more specialized as a result requiring more investments. Due to the simultaneous bi-dimensional changes the healthcare sector altered fundamentally. At present, the competition among public and private stakeholders is obvious. However, what is also noticeable is that private entities are more willing to adapt modern methods of management, including human resources management. As a result public entities lose their capability to compete in the healthcare market.

In spite of continues growth of health sector in our country a very few private healthcare provider's in Bangladesh introduced employee performance management system. In most cases the exiting performance appraisal systems are limited to the traditional methods, lack of role clarity, specific job description, and objectives.

In view of the above the case study of the employee performance management system of Square Hospitals Ltd. Dhaka, Bangladesh has been undertaken, with objectives to understand and analysis the existing system, gap analysis and provide recommendation for improvement.

## **V. Employee Performance Management overview of Square Hospitals**

### **5.1 Brief Description of SQUARE Hospitals Ltd.**

*SQUARE* Hospitals Ltd., Dhaka, Bangladesh is a concern of Square Group; Square Hospital is a 425 bed tertiary care hospital started its journey on 16th December 2006. The hospital is an affiliate partner of Methodist Healthcare, Memphis, Tennessee, USA; Christian Medical College-Vellore, India; Sing health group Singapore.

In 2002 Square Hospitals limited has made an agreement with Bumrungrad Hospital Bangkok Thailand for commissioning. Since inception, Square Hospital has been offering quality health care services to people of Bangladesh. Square Hospitals have grown in size within a short span of period (within Five year) Square Hospitals Ltd has expanded the bed capacity from 300 to 425. The main hospital building is 18 stories and is approximately 450,000sq.ft. The second building (Extension wing -1) is located across the street and is 16 stories with 136,000sq.ft and the third building (Extension wing -2) is adjacent with the main building, around 47,300sq.ft.

Square Hospital is committed to leadership in service and quality of clinical outcomes. Square Hospital staffs have demonstrated commitment and excelled in all areas of cardiology, oncology, the hospital awarded Best Private hospital in Urban Categorized for consecutive three years (2010, 2011, 2012). To ensure optimum healthcare-hospitality, the patients are closely monitored in their waiting times in outpatient clinics, emergency and admissions.

### **5.2 Performance Appraisal System of Square Hospitals Ltd.**

#### **5.2.1 Introduction**

SHL's (Square hospitals Ltd) success and growth depends on employees' contribution. In order to facilitate an effective contribution, employees must know what is expected of them and how they are measuring up to those expectations. In addition, employees need to know what they can do to improve their performance in their present jobs and to prepare themselves for more responsibilities.

#### **5.2.2 Philosophy**

Performance Appraisal is an on-going communication process between an employee and his/her immediate Manager that involves establishing clear expectations and understanding of:

- The essential job functions the employee is expected to perform, via a job description;
- How the employee's job contributes to the organisation's goals, through the alignment of individual's job objective with the department's objective;
- How job performance will be measured;
- How the employee and Manager will work together to improve and sustain superior performance via identifying development plans; and
- The identification of barriers to performance and the practice of reviewing them. For example minimise employee's non-value added tasks to provide employee with more time to focus on more value-added functions.

#### **5.2.3 Objective Employee's performance appraisal**

The program has five objectives:

- To provide all employees with clearly defined job duties, responsibilities, and expectations through the development of job descriptions and performance plans which are reviewed on an annual basis with employees.
- To enhance the performance, morale, and overall satisfaction of employees by clearly communicating expectations, providing necessary feedback on an on-going basis and a supportive environment within which the employee strives to improve.
- To help identify development opportunities for staff, in their current positions and in other promotional and career development opportunities.
- To encourage open and on-going communication between supervisors and their employees.
- To provide a legally defensible basis for human resources related decisions, pay increases, promotions, demotions, reductions in force, etc.

### **5.3 Policy & Process**

#### **5.3.1 The Performance Management system**

Square Hospitals acknowledges the importance of performance management. As a result, the performance appraisal system here is comprehensive.

Square Hospital's online employee performance appraisal (PA) system offers a consistent approach for assessment of employee performance.

### **5.3.2 Level of Performance Management**

Performance appraisals are done for all levels of staff. The performance of an individual evaluated based on service delivery and job description, and predestined subjective criterions. For Consultant and Associate consultants the HIS (Hospitals information system) reports are used to as an adjunct to the performance monitoring. Accountability and performance appraisals are currently limited to individuals and not to teams departments and facilitates as a whole. Performance appraisals are conducted by the reporting officer.

### **5.3.3 Performance Management techniques:**

- *Performance Appraisal Method:*  
Square Hospitals Ltd follows **behaviorally anchored rating scale (BARS)** methods for employee's performance appraisal. BARS uses characteristics judged to be critical to job performance and rates the degree to which each characteristic is attained by the employee. The employee's performance is determined by summing the value assigned to each of the critical indicator and characteristics.
- *Annual appraisals:*  
The Department head/ Supervisors receive on line annual appraisal form through fixed format developed for the purpose.

### **5.3.4 Performance Appraisal Process**

The performance appraisal system of Square Hospitals Ltd has followed an effective process that includes the followings three areas:

#### **Planning:**

The performance planning and review process begins with clearly understood job expectations. These expectations can be in a written form such as a job description or job performance factors and competencies. (Competencies are defined as the knowledge, skills, and behaviors that distinguish performance; the critical elements of how employees perform their roles.) The expectations may also be verbally agreed – on, mutually understood goals.

#### **Coaching:**

Supervisors provide appropriate and ongoing feedback, communication, and assistance to give employees the greatest possible chance of successfully performing their jobs. Coaching includes encouragement, positive reinforcement, trust building, mutual problem solving, training, etc.

#### **Rewarding:**

A critical component of the process is performance rewards. Rewards should be matched to the person and achievement, and should be timely, specific. Performance appraisal system of Square Hospitals Ltd recognizes individuals' achievement, through pay increase, promotion and further international training and Development. On the other hand non-performers are informed verbally as well all written, and their pay increment is also much less than performer and few cases no increment given to them.

### **5.4 Model of Employee's Performance Appraisal**

For measuring the employee's overall performance, Square Hospitals use the internal model, where the short explanation of the example of such a model follows taking into account employee's performance and compensation policy. The employee performance and compensation policy is based on the following five steps that represent also the guiding principles:

1. Performance Evaluation
2. Calculating Achieved Marks in %
3. Mapping between achieved% and mapped increment%
4. Mapping between Salary Range and Weighted%
5. Calculating Actual Increments

#### **Step 1: Performance Evaluation**

*Performance Appraisal system in Hospital sector of Bangladesh a case study of Square Hospitals Ltd.*

- There are 9 criteria for the evolution of Management staff and Clinical Staff and 6 criteria for the evolution of Consultants and Associates consultants
- Each criteria carries marks from 1 to 5
- Minimum achievable mark: 1 (some section may not be applicable for certain candidates)
- Maximum achievable marks: 5

**Overall Performance Evolution Criteria**

Management Staff and Physicians	Other Clinical Staff Junior	Associate Consultant and Consultant ( Senior Physicians)
Job Knowledge & Initiative		Number of Consultation -out patients Department
Work Performance		Indoor admissions
Cooperation and Team Work		Report of Medical Audit Team
Supervision & Management		Patient feedback
Dependability		Professional knowledge and abilities
Discipline		Abide code of Conduct of Square Hospitals Ltd.
Cost Consciousness		
Attitude & Adaptability		
Customer Service		

**Performance for each category is graded into the following:**

Rating	Score	Explanation
Excellent	5 points	Performance is consistent and exceeds expectation
Commendable	4 points	Performance is consistent and clearly meets job requirements
Satisfactory	3 points	Performance is satisfactory. Meet job requirement
Need Improvement	2 points	Performance is inconsistency. Meets requirements of the job Occasionally
Unacceptable	1 points	Performance does not meet the minimum requirement of the job

**Step 2: Calculating Achieved Marks in %**

- From the performance evaluation the total achieved marks will be calculated
- The total marks will be converted to %
- Minimum achievable : 4%
- Maximum achievable: 100%

**Step 3: Mapping between achieved% and mapped increment%**

- The following table will be used for mapping

Achieved Mark (%)	Mapped Increment (%)
4% - 23%	0%
24% - 39%	5%
40% - 55%	9%
56% - 71%	12%
72% - 87%	15%
88% - 100%	18%

**Step 4: Mapping between Salary Range and Weighted%**

- The following table will be used for mapping

Salary Range in Taka.	Weighted%
Below 15,000	100%
15,001-25,000	95%
25001-35,000	90%
35,001-50,000	85%
50001and above	80%

**\*Taka- Bangladesh currency**

**Step 5: Calculating actual increment%**

- Tables from step 3 and step 4 will be used for calculating actual increment% on the basis of actual salary
- Actual Increment% = (Mapped Increment% \* Weighted% of applicable salary range)
- Actual Increment% will be applied on gross salary to calculate yearly increment amount

Example:



Name	Achieved Mark%	Increment %	Salary range	Weighted%	Actual Increment %
X1	88-100%	18%	Below 15,000	100%	18%
X2	88-100%	18%	15,001-25,000	95%	17%
X3	88-100%	18%	25001-35,000	90%	16%
X4	88-100%	18%	35,001-50,000	85%	15%
X5	88-100%	18%	50,001 and above	80%	14%

## VI. Gaps analysis & Recommendation

### Gaps Analysis:

In view of the analysis of the Performance Management system of Square Hospitals Ltd, the following gaps have been identified:

#### 6.1.1 Absence of reviewing performance

In reviewing performance, supervisors and employees can assess their success in meeting performance expectations by looking at feedback from appropriate sources. But There is no reviewing process, in existing performance appraisal system of square hospitals ltd. Employee does not know whether they are in the right direction or not. They only get feedback at the end of their performance appraisal.

#### 6.1.2 Appropriate Feedback:

Feedback provided in a mixed manner. Those who are performed well recognized through promotion and good amount of annual Increment. But average performers do not get any kind of feedback, where there are lacking behind and so on. This is also not uniform across all levels. This gap in the system leads to lack of motivation and enthusiasm in the staff, who do not feel the urge to perform better.

#### 6.1.3 Absence of recognition a team works

The existing performance appraisal system is totally individual performance based. Team efforts are not recognized by any means, which leads lack of enthusiasm among the team.

#### 6.1.4 Number of Patients

One of the Major components of the performance appraisal of senior physicians (consultant/Associate consultant) is number of patients he or she treated. Since most of the consultant's remuneration is under Fee for Service scheme as such consultant emphasized on number of patients rather quality patients care which resulting dissatisfaction among the patients.

#### 6.1.5 Subordinate Development

Subordinate Development should be included as criteria of performance appraisal, which ensure organizational development as a whole. The existing performance appraisal system is self-centered based which jeopardize the team development and the leadership development.

#### 6.1.6 Lack of link between Business plan and individual objective

Since performance appraisals are done based on Job Description and predetermined subjective criteria and the number of patients, there is a lack of link between Business plan and individual objective. As a result in several cases it has been found department is not progressing but individual one or two consultant progression is commendable.

### 6.2 Recommendations:

The following measures may be taken to overcome the prevailing weakness of Performance Appraisal system of Square Hospital:

#### 6.2.1. Correlation organizational Business Plan with performance expectation

The organizational Business Plan need to be broken down into understandable, achievable goals for individuals and team at all levels, after which skills, activities and behaviors need to be identified to transform the Business plan into action. There is need to review the performance indicators and introduce meaningful and logical indicators.

#### 6.2.2 Objectively measures performance

The defined performance expectation must be measured using structured mechanisms. A robust performance appraisal system is one which objectively captured the performance data at regular intervals. Further, the departments have to provide clear guideline on appraising authorities, rating/ranking, counseling,

formats, frequency, linkage with rewards/incentives/promotions etc. so that the processes become entrenched in the organization promoting a performance- based work culture.

### **6.2.3. Develop structured feedback process**

Comprehensive and frequent two ways feedback process between reporting boss and employees helps the organization to be more productive. Continuous feedback process encourage high performing employees to take more responsibilities and enables underperforming employees to identify and fix problems which ultimately resulting an organization to be high performer.

### **6.2.4. Introduce nonfinancial reward for motivation to improve performance**

Nonfinancial rewards also lead to improve performance. Some suggestions include best performer awards, a mention in the newsletters, trophies, international training and conference etc.

### **6.2.5. Conducive environment for employee involvement**

An environment is needed in which individuals feel free to rate themselves honestly based on their performance. Therefore, organizations should incorporate employee improvement by making self – evaluation part of the process. This can be very beneficial for both the employee and the supervisor. Self-appraisal gives employees an opportunity to voice opinions about their work. Also self- appraisal saves time for the evaluator as the discussion can focus on those areas where disagreement occurs.

### **6.2.6 Value employee input**

Another suggestion for improving the performance appraisal process of this organization is to value employee input. To be successful, a performance appraisal process must be participative. The employee needs to have a voice in the process. This should be done from the very beginning.

### **6.2.7 Open Communication**

Employee input should not be limited to the design of the appraisal process only. Open communication is essential not only for fair performance appraisals but also for having a productive work environment in general. Employee expectations should be discussed ahead of time. By doing this, the employees understand what is expected and know what standard they will be measured against.

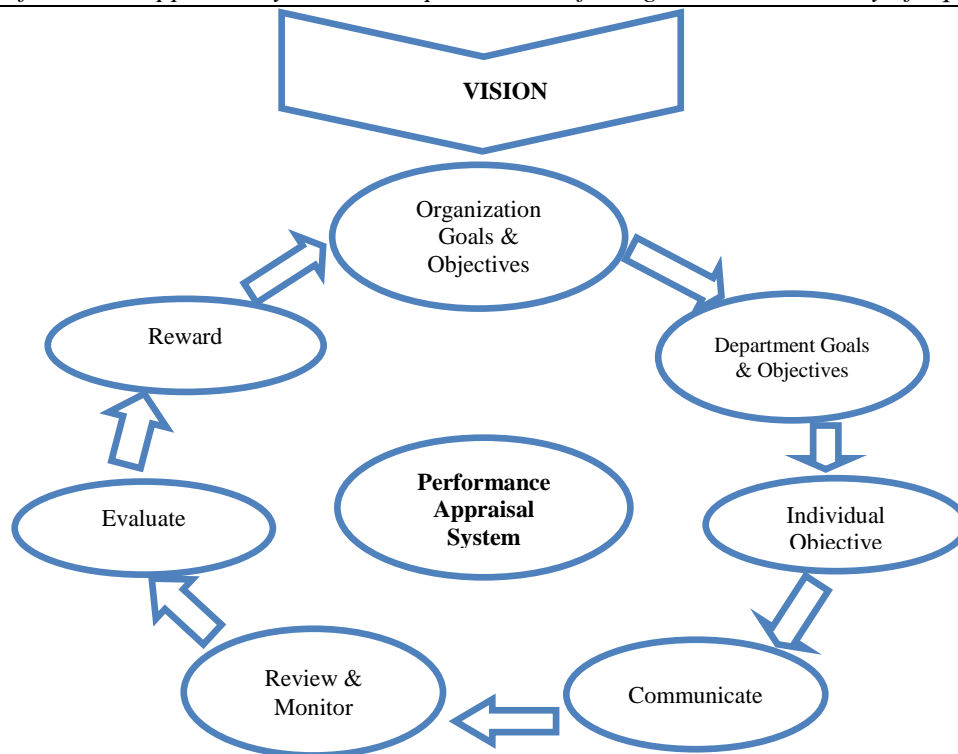
### **6.2.8 Self-Appraisal**

Self-appraisal could be introduced for employees at all levels. At presents the system of self-appraisal is absence. Employee self-assessments as part of your performance management process give employees an active role to play. Rather than simply being the "recipient" of feedback from their manager, the employee is given a voice, and can inform or shape their performance appraisal and ratings. Self-evaluations are in fact a vital activity that can help performance appraisal process more effective.

## **VII. Proposed Model of Performance Appraisal System**

### **Objective based Performance Appraisal System:**

Objective based performance appraisal system is the most commonly used method. It follows a top-down approach. The implementation of Performance appraisal system must be top- down, driven by management in alignment with the organization's vision. Traditionally, people-centric alignment model was the most commonly used objective setting method. It follows a top-down model where the objectives are first created by the founder/CEO, and then supervisors will link their objectives to the CEO's goals. Subsequently, the process repeats cascades down to the entire organizational structure until each individual contributes to the objectives of their managers.



### VIII. Conclusion

The study has examined the current practices of employee performance appraisal system in health care sector of Bangladesh using Square Hospital as a case study. Several critical observations have been made from findings to the study. It is important to point out that Employee performance appraisal in health care is not only aiming to evaluate the performance of the employee but also ensure the efficiency and effectiveness of service delivery. Therefore Performance Appraisal, like other management approaches, only can be implemented successfully, if it is linked with the organization's goals and objectives.

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