

Performance Appraisal Practice and Nurses Performance

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ABSTRACT

Performance appraisal is a key component of human resource management almost in every organizations and one of the most vital responsibilities for human resource and line manager/supervisors. Great manpower can create a good organization and productive employees can contribute effectively in organization. The main purpose of this study was to assess The effect of performance appraisal on employee performance in relation to factors like interpersonal relationship objective setting rater accuracy and recognition. In order to conduct the study the research is designed quantitative way and data was collected as a primary data resources using questionnaire. The adopted questionnaire was designed on a five-point Likert scale to rate the effect of the factors in to question. The results showed that all the factors rater accuracy being the stronger and major influencer one are significant in ensuring the effectiveness of employee performance. So educational interventions given to the raters regarding the performance appraisal accuracy by using power point presentation at their workplace or department. Standards I performance appraisal practices was shared at managerial level. Thus the study recommended that the organization should take these factors into strong consideration in order to ensure the effectiveness of employee performance and achieve the objective of the appraisal.

Keywords: Performance appraisal, Employee Performance, Interpersonal fact, Objective setting, Rater accuracy and Recognition.

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INTRODUCTION

Performance appraisal is a key component of human resource management almost in every organizations and one of the most vital responsibilities for human resource and line managers/supervisors. Great manpower can create a good organization and productive employees can contribute effectively in organization. Motivated employees help organization to achieve its goals. Hence the organization should continuously ensure that motivation of employees boost timely (Gupta & Parmar 2018).

Performance appraisal doesn't benefit only employees Organization that utilization the consequences of performance appraisal to distinguish zones of quality and opportunity can profit also. Performance appraisal can provide a sign of zones of training need and in addition provide direction for initiative advancement performance improvement and succession planning. The present emphasis is on supervision of employees or the manager who should make a decent attempt to assist their subordinate

with achieving organization and individual roles appointed by performance appraisal programs (Onyije 2015).

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. -Performance appraisal serves as a motivational force that helps employees for greater performance. Performance appraisal is one of the most common management practices utilized in all organizations worldwide. Each and every company utilize performance appraisal as a tool for getting knowledge about the employee and take effective decisions about specific employee (DeNisi & Murphy 2017).

A performance appraisal additionally known as a performance evaluation performance review (career) development discussion. Employee appraisal is a method by which the job performance of an employee is reported and evaluated it can be depicted more productive and less proficient employees systematically and discover the proper training need to improve the employee's performance. In short performance appraisal is an estimation of how well somebody performs job relevant tasks (Ismail Majid Jibrin-Bida & Joarder 2021).

Performance Appraisal is a part of Human Resource Management and it is one of the most important functions of human resource managers. It includes identifying measuring influencing and developing job performance of employees in the organization for set norms and standards for a particular period of time in order to achieve various goals and Objectives. Employees should be committed towards set targeted desired standards; of job performance and they should improve job performance for long-term sustaining profitable growth. Employees This involves getting optimum use of the available knowledge skills and abilities in the workforce to optimize employee productivity and give an organization a competitive advantage (DeNisi & Murphy 2017).

The motivation behind of performance appraisal is to assess employees performance as unbiased as possible. The results of the performance appraisal are used in setting the direction for the individual performance development by bringing out both performance strengths and weaknesses and subsequently developing action plan to facilitate the desired development. A well-planned performance appraisal system ought to create criteria for successful performance give performance feedback and empower a fairer reward system. Aside from this if performance appraisal system is failing so it's given unhealthy environment of work less satisfied employees grievance in employees etc. and it's directly effect on employees as well as organization performance (Kampkötter 2017).

Manager of every organization have responsibility to motivate their employees for better job performance. A proper goals and objectives setting for employees provide them performance rewards timely and performance appraisal feedback to enhance their skill and knowledge help to improve employee's productivity on their work place. Employees productivity can be check by quality of services of employees and employees output appraisal (Schuckert Kim Paek & Lee 2018).

According to Orindi the employee performance appraisal feedback procedure the relationship between the supervisor and supervisee as well as the rating accuracy increases the employee performance efficiency. The study identified that if the implementation process has taken appropriately it has a relatively high influence on the employee performance (Ogindi 2020). Begum et.al (2015) also assure that employee performance is determined by factors like accuracy of the rating its perceived fairness and the communication between the appraiser and the appraise.

Employee reactions to appraisal in terms of perceived employee fairness accuracy and recognition are important components of appraisal effectiveness because these perceived employee reactions can force

employees to improve their performance (Ryu & Hong 2020). That is performance appraisal serves as a means for providing feedback that can result in improved performance.

In addition if we refer to previous studies we can notice that performance appraisal research has come in for criticism because of its overemphasis on psychometric problems. Appraisal researches should put an increased focus on developing functional and effective performance appraisal systems that can be useful in both understanding and affecting employees (Rubin & Edwards 2020).

In the year 2019 Harley was confronted a draw back in its budget and was forced to reduce some of the work force as well as closing most of its programme sites. Unfortunately this leads to the use of the performance appraisal as a 'primary resource for the reduction. Therefore based on the rating of the PA the organization lets over 100 employees to be terminated which later brought lots of arguments from both the supervisors and supervisees on the fairness of the performance appraisal (Harley 2019).

A lot of research has been done about the linkage between human resource management and an organizations performance management as well as the effects and the relationship of performance appraisal with that of employee performance both in an international level. However the question of how has received much less attention. The main challenge that faces managers in all types of teaching hospitals is how to get maximum performance from their employees.

Performance appraisal therefore seems to be inevitable. In the absence of a carefully structured system of appraisal people will tend to judge the work performance of others including subordinates naturally informally and arbitrarily. The human inclination to judge without a structured performance management system can create serious Motivational ethical and legal problems in the employees as well as on workplace. Without a structured performance Management system there is little chance of ensuring that the judgments made will be lawful fair defensible and accurate.

The main purpose of this study was to assess the The effect of Performance Appraisal on Employee Performance in relation to factors like interpersonal relationship objective setting rater accuracy and recognition. In order to conduct the study the research is designed in quantitative way data was collected as a primary data resources primary data were collected using questionnaire.

A well adopted questionnaire was used consists of 20 items and demographics which is recently used in 2018 and developed by Trsit G/Egziabher. The Questionnaires were distributed to the nurses of teaching hospital Lahore who are found about as charge nurse of the organization structure. The questionnaire was designed on a five-point Likert scale to rate the effect of the factors in to question. The research was analyzed using t-test correlation by SPSS version 20.0 data analysis software.

LITERATURE REVIEW

Performance Appraisal is increasingly considered one of the most important human resource practices (Islami Mulolli & Mustafa 2018). The following section will show how appraisal although only one part of the wider system described above is central to the effectiveness of Performance Management.

A study conducted in 2018 to evaluate the effect of performance appraisal practice on employee performance in Ethiopia and results revealed that all the factors rater accuracy being the stronger and major influencer one are significant in ensuring the effectiveness of employee performance and $p=0.01$. Thus the researcher recommended that the organization should take these factors into strong

consideration in order to ensure the effectiveness of employee performance and achieve the objective of the appraisal (Banerjee 2018).

In 2016 a study conducted regarding the performance appraisal influences on nurse's satisfaction and motivation and their outcomes at critical care units. 323 nurses were participating in this study and results revealed that 49% nurses were dissatisfied with their performance appraisal process and less motivated in their work study also showed that nurse's satisfaction with performance had highly significant ($p=0.01$) positive impact on nurses' motivation and nurses work outcomes. This study also indicated that motivation had a positive relationship with nurse's work outcomes (Aly & El-Shanawany 2016).

Another study conducted in 2018 regarding the effect of performance appraisal on employee productivity and in this study 60 employees were randomly chosen as a sample. The study found that goals and objectives setting performance rewards given to employees and performance appraisal feedback all three independent variables of performance appraisal influenced employee productivity that is taken as a dependent variable. Study found that set goal motivate employees to achieve target rewards given to employees for their positive result and feedback help to identify the strength and weaknesses of employee and there is significant relationship between performance appraisal and employee's performance $p<0.01$ (Gupta & Parmar 2018).

In 2015 a study published regarding the impact of performance appraisal and work motivation on work performance of employee working in hospital at Kerala and results revealed that there is positive significant $p < 0.05$ relationship between work performance and performance appraisal and a positive but not significant $p > 0.05$ relationship between work performance and motivation of the employees of hospital industry (Ushus & Johny 2015).

Another study conducted regarding performance appraisal in which author collect data from 308 respondents by questionnaire. The study found that performance criteria feedback and frequency significantly influenced employee productivity. The study recommends that feedback should involve discussions of strengths and weaknesses of the employee and actionable. Further rewards should be given to employees whenever feedback is positive and $p < 0.01$.

In 2013 a study conducted among 100 participants of organization regarding performance appraisal and results revealed that employee's performance appraisal is not effective and not very well utilized. The majority of employees were not aware and they lack knowledge of the performance appraisal practiced in their organizations. They were not involved in discussion with supervisors and not given enough time to prepare for the meeting as a result there is no feedback provided to employees after appraisal. It was recommended that employees' performance appraisal should be implemented effectively to fit a particular organization's environment communication between employees and management decisions like disciplinary actions promotion and training (Shayo 2013).

OBJECTIVES

The objectives of this study are divided into general and specific objectives.

General Objective:

The main objective of this study is to assess the effect of performance appraisal on employee performance

Specific Objectives:

The study has the following specific objectives:

- To determine if interpersonal factors and rater accuracy affect the performance of an employee at teaching hospital Lahore
- To assess how objective setting in a performance appraisal contribute to effective employee performance in teaching hospital.
- To examine the effects of linking performance appraisal outcomes to a recognition method on the overall performance of an employee of teaching hospital.

METHODOLOGY

A quantitative correlational study design was used to evaluate the relationship between performance appraisal and nurse's performance. The study was conducted among nurses working at medical surgical and critical care units in teaching hospital (The Lahore university of Lahore). The study population was 130 nurses nursing team leaders nursing supervisors and nursing superintendent working in different department for one year. Sample size of participants was calculated by using solving formula which is 98. The convenient sampling techniques was used to collect data. A permission had taken from nursing superintendent of hospital. Oral consent from was taken from participant.

Data collected through adaptive questionnaire consist of two sections demographics characteristic and study variable related items. Before the actual data is analyzed the questionnaires were checked for completeness and consistency. Data was analyzed the using the Statistical Software Package for Social Sciences (SPSS 20.0) which shows the correlation of efficiencies using Pearson rank and then determined the degree of significance using T-test on employees' performance. Therefore SPSS was used for Correlation test (Pearson's rank) t-test and for analysis of regression.

Inclusion criteria:

All Nursing staff included who working in the university of Lahore teaching hospital for one year and willing to participate.

Exclusion criteria:

All nursing staff who are not willing to participate and hae inadequate knowledge regarding performance appraisal.

RESULTS

The results of the findings of the data analyzed from the questionnaires are explained in two sections A is demographics and B are variables related questions. In total 98 questionnaires were distributed to the nurses. After cleaning the data by carefully scrutinizing the data to ensure all questions were filled appropriately 98 remained giving this study a response rate of 95%. The data was analyzed based on the research objectives and questionnaire items using a statistical tool to generate frequency distribution tables t-tests correlations regressions and the results are hereby presented.

Section A: Demographics Characteristics: On the below table the first section of the questionnaire the demography characteristics of respondents which includes gender age marital status educational background service year location department and period performance appraisal completion is presented.

Table 1.1 show that the frequency of demographics includes age experience designation qualification and period of performance appraisal of the participants and the results were the age of participants was found minimum 23 to highest 37 participant's age group 20-31 years frequency was only 71 (76.1%) 14 (14.2%) participants were belonging to age group 31-40 years and 12 (12.4%) were fall in age group 41- 51 years. Majority 93 (94.9%), participants have experience 1-10 years and 05 (5.1%) have 23-27 years' experience. Participants' designation as expected was only 4 (4.2%) nursing supervisor/team lead and majority 94 (95.8%) registered nurses participate in the study. The qualification of the participants was found as 82 (83.5%) diplomas in general nursing and only 16 (16.5%) were hold a degree of bachelor sciences in nursing and performance appraisal conducted yearly among them.

Respondents Attitude towards the Effect of Interpersonal Factors on their performance

According to the respondents to the first statement average level of agreement is $M=3.23$. This level of agreement (for $t=2.09$ $p=0.039<0.05$) is found to have significant difference compared to the moderate level agreement (3).

Objective settings:

Looking at employees' agreement to this question $M=3.61$ with ($t=7.29$ $P=0.000<0.05$) which is significantly different from moderate level of agreement. Hence this indicates that majority of the employees participate in setting their goals. The respondents were also -asked to indicate whether they understand the importance of their goals in relation to the overall objective of the organization. Therefore according to the agreement level $M=4.11$ (for $t=16.53$ $P=.000<0.05$) which indicates majority of the employees understand the importance of their goals in relation to the overall objective of the organization.

Rater Accuracy:

The respondent's agreement level is $M=3.41$ with ($t=5.52$ $P=0.000<0.05$) which is to some extent different from moderate level of agreement. This indicates that most of the employees believe that the organization makes sure in assigning a rater who understands their work. Recognition: The first one being their attitude toward the interpersonal factor secondly objective setting rater accuracy and last recognition. Following the response a statistical technique one sample t-test was used to test the significance level of their agreement. In this test the level of agreement is said to have a significant difference if p value is less than 0.05.

Table 2

One-Sample Statistics				Test Value = 3					
Statement	z	Mean	Deviation	t-value	Df	p-value	Difference	95% CI-Difference	
								Lower	Upper
Interpersonal factor	98	3.20	0.74	3.42	158	.001	.20	.08	.32
Objective Setting	98	3.72	0.67	13.54	158	.000	.72	.61	.82
Rater Accuracy	98	3.53	0.67	9.90	157	.000	.53	.42	.63
Recognition	98	3.62	0.69	11.29	157	.000	.62	.51	.73

Relationship of performance appraisal with employee performance:

Multiple regression models have been used to investigate the relationship between different factors relating to performance appraisal and the effect of performance appraisal.

From the analysis result indicated in table 3 the adjusted R square tells that the overall performance appraisal has influenced 72% of the employee's performance. Thus these independent variables alone have a considerable effect on the effectiveness of employee performance which is 72% where employee performance due to other reasons being constant. Thus it can be said that the stated independent factors by them self's other factors being constant have a higher impact on the development of employee performance.

Table 3

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics			Model Summary		
	B	Std. Error	Beta	t-value	p-value	Tolerance	VIF	R	R ²	Adjusted R ²
(Constant)	-1.142	.240		-4.764	.000			0.853	.727	.720
PA_IP Factor	.184	.056	.161	3.316	.001	.756	1.322			
PA_Objective Setting	.366	.072	.290	5.090	.000	.551	1.816			
PA_Rater Accuracy	.664	.071	.526	9.327	.000	.561	1.783			
PA_Recognition	.063	.066	.052	.965	.336	.625	1.599			

Dependent Variable: Employee_Performance

DISCUSSION

The general objective of the study was to identify the effect of performance appraisal on employee performance. The literature presented in chapter two indicates the different performance appraisal factors that leads to effective employee performance. The study reveals that there is a highly considerate level effect on employee performance which is significantly influenced by all the selected factors where rater accuracy takes the highest share. In future whenever (one year) it was expected that nurses will be most satisfied with performance appraisal practices and their satisfaction and performance also be improved. Ultimately the quality of care also be improved.

In addition the researcher has also attempted to investigate the degree of relationship between the independent variables (performance appraisal components) and dependent variables (employee performance). Based on the correlation analysis result it is concluded that again accuracy of rating on performance appraisals has a positive and a very strong relationship or association with employee performance compared to the other factors correlation result. The others objective setting interpersonal factor and recognition also have a positive and strong relationship with employee performance.

Therefore based on the overall analysis the researched concludes that rater accuracy is the most influential factor and consequently this factor affects directly and very sharply the effectiveness of employee performance. In addition objective setting interpersonal factor and recognition have significant positive relationship with the effectiveness employee performance.

The study reveals that there is a highly considerate level effect on employee performance which is significantly influenced by all the selected factors where rater accuracy takes the highest share. So educational interventions given to the raters regarding the performance appraisal 'accuracy by using power point presentation at their workplace or department. Standards of performance appraisal practices was shared at managerial level.

RECOMMENDATION

The researcher believes that the findings of the study have a very wide range of Implications in teaching hospital as well as other organizations especially who are found under the same structure. Therefore the researcher forwards recommendations which help to improve nurse's performance.

1. The first recommendation that the researcher would forward is that in order to ensure the effectiveness of employee performance organizations can enhance rater accuracy by using appropriate measurement of employee contribution implementing fair performance appraisal and removing errors based on age gender or race.
2. Secondly to ensure the effectiveness of employee performance organizations should also present their concern on developing the objective prior to the appraisal period so that they have the clear idea of their objective as well as the organizations and what is expected from them.
3. The organization should also re-evaluate the goals that are set and also implement constructive feedback in relation to the goals. Additionally the study recommends that the if possible organization includes mentorship and regular training as a way of keeping the workforce motivated and accountable to their goals.

4. Establishing perfect and well-structured interpersonal relationship between the supervisor and the supervisee also received an important contributor to overall employee performance effectiveness.
5. The employees should be given a training on the performance appraisal so that biasness and subjectivity could not be a subject.
6. In general this study analysis was evaluated on the basis of a moderate level of agreement. Which means if the analysis of the study was conducted on the basis of agreement level the result of the study would have gone in different direction. Therefore teaching hospitals or other organizations should deeply work on this factor by developing user friendly performance appraisal format conducting a repetitive inducting or a refreshment training on performance appraisal rating to make it less biased and subjective as well as try to link this outcome with any kind of recognition method

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APPENDICES

The purpose of this questionnaire is to collect data from the nurses working in teaching hospital Lahore for partial fulfillment of assignment/project of leadership & management under the research entitled The effect of performance appraisal on nurses' performance. I would really appreciate if you could spend a few minutes of your valuable time filling in this questionnaire. I assure you that your answers will be treated confidentially and anonymously. All information obtained from this survey will be treated in the strictest confidence and will be available to the researcher and the respected advisor Dr. Waseem Sajjad. Besides the output of the study will help as an input for the organization for any future action. I request you to complete this questionnaire honestly and I thank you in advance for giving your valuable time genuine feedback and timely response as well as your co-operation!

Instruction

Writing your Name is NOT necessary.

This Questionnaire have only two sections.

You only need to put ✓ mark in the box to the point which highly reflect your idea.