

Study on Satisfaction with Performance Management System among Non-Medical Staff

By

Sneha Swami

*Dissertation submitted for the partial fulfillment of the
MBA Human Resource Management in Health and Hospitals*

Academic year, 2015-2017



The IIHMR University, Jaipur

1, Prabhu Dayal Marg, Sanganer, Airport
Jaipur 302029, Rajasthan
Ph: 0141 3924700, Fax: 3924738
Website: www.iihmr.edu.in

Study on Satisfaction with Performance Management System among Non-Medical Staff

By

Sneha Swami

*Dissertation submitted for the partial fulfillment of the
MBA Human Resource Management in Health and Hospitals*

Academic year, 2015-2017

Manipal Hospital, Jaipur



The IIHMR University, Jaipur

1, Prabhu Dayal Marg, Sanganer, Airport
Jaipur 302029, Rajasthan
Ph: 0141 3924700, Fax: 3924738
Website: www.iihmr.edu.in

TO WHOMSOEVER MAY CONCERN

This is to certify that Ms. Sneha Swami student of MBA Human Resource Management in Health and Hospitals from The IIHMR University, Jaipur has undergone internship training at Manipal Hospital, Jaipur from February 06, 2017 to May 05, 2017.

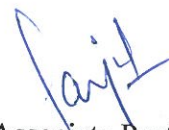
The Candidate has successfully carried out the study designated to her during internship training and her approach to the study has been sincere, scientific and analytical.

The Internship is in fulfillment of the course requirements.

I wish him all success in all her future endeavors.



Dean, Academics and Student Affairs
The IIHMR University, Jaipur



Associate Professor
The IIHMR University, Jaipur



SMH/HR/2017/ECR00232

Date: 15th May 2017

TO WHOMSOEVER IT MAY CONCERN

This is to certify that, Ms. Sneha Swami, a student of IIHMR has undergone her internship project with us from 6th Feb 2017 to 5th May 2017.

During this period, he/she was involved in projects pertaining to "Study on : Satisfaction with Performance Management System among Non Medical Staff " At "Manipal Hospital (Jaipur) Pvt. Ltd.

Her performance on the projects assigned and her conduct was found to be good.

We wish her success in her future endeavors.

For Manipal Hospital (Jaipur) Pvt. Ltd.

Authorized Signatory

Manipal Hospitals (Jaipur) Private Limited

Sector-5, Vidhyadhar Nagar, Jaipur- 302 013 (Rajasthan)

P +91 0141 5164 000, 2232 409 Email : customercare.smh@manipalhospitals.com www.manipalhospitals.com

Registered Office : # 70, 2nd & 3rd Floor, Grace Towers, Millers Road, Bangalore - 560052, Karnataka, India, CIN: U85110KA2014PTC073085

THE IIHMR UNIVERSITY, JAIPUR

CERTIFICATE BY SCHOLAR

This is to certify that the dissertation titled Study on : Satisfaction with performance Management System among Non Medical Staff and submitted by Ms. Sneha Swami Enrollment No **IIHMR-U/04/2015-17/0011** under the supervision of **Dr Tanjul Saxena** for award of **MBA - Human Resource Management in Health and Hospital** of the University carried out during the period from **February 06, 2017 to May 05, 2017** embodies my original work and has not formed the basis for the award of any degree, diploma associate ship, fellowship, titles in this or any other institute or other similar institution of higher learning.

A handwritten signature in blue ink, reading 'Sneha Swami', with a horizontal line underneath.

Signature

THE IIHMR UNIVERSITY, JAIPUR

CERTIFICATE BY SCHOLAR

This is to certify that all ethical issues have been considered while collecting data for my dissertation titled Study on : Satisfaction with performance Management System among Non Medical Staff.



Signature of student

ACKNOWLEDGEMENT

I express my great sense of gratitude to acknowledge the co-operation and support of **Manipal Hospital, Jaipur** for giving me this unique privilege of completing my project by visiting its premises for 90 days and providing me an opportunity to interact with its various personnel.

My institute – **Indian Institute of Health Management Research (IIHMR)**, Jaipur & its Education deserves the foremost appreciation for providing me the opportunity to understand my individual capabilities. I would like to thank col. (Dr.) Ashok Kaushik (Dean Academics and student Affairs, IIHMR, Jaipur) to provide such a great learning opportunity. Of course, entire faculty at IIHMR had facilitated the endeavor; I also acknowledge the contribution of my college Guide, **Dr. Tanjul Saxena** in completion of the project.

The collection and my learning would not have been possible without the kind support and help from **Mr. Naveen Malik (Head- Human Resource Department)**. I would like to extend my thanks for his support & guidance. My heartfelt gratitude goes to **Mr. Prateek Negi (HR Department)** .

I would also like to thank all other people of Manipal Hospital who helped me make this report a meaningful one.

Sneha Swami
MBA Human Resource Management in Health and Hospital
IIHMR, Jaipur

Table of Contents

1. EXECUTIVE SUMMARY	4
2. INTRODUCTION	5
3. REVIEW OF LITERATURE	7
4. RATIONALE.....	9
4.1 AIMS.....	Error! Bookmark not defined.
4.2 OBJECTIVE	9
5. METHODOLOGY	9
6. ANALYSIS.....	11
7. FINDINGS.....	18
8. RECOMMENDATIONS.....	19
9. REFERENCES	20
ANNEXURE.....	21

EXECUTIVE SUMMARY

Performance management system has become the backbone of any organization specifically in any industry wherein increasing cut throat competition is new buzzword and survival of the fittest has become the realities of the day. Poaching has emerged as latest employee recruitment strategy specifically in the today scenario wherein the organizations end up paying 200% more than the previous company. The research paper therefore focuses on evaluation of effectiveness of performance management system and concurrently reviews both job satisfaction and organizational commitment. The present study therefore attempts to explore the relationship between effectiveness of performance management system and employee satisfaction. This paper mainly focuses on three things:-

- ✓ Satisfaction about Performance Management System among non-clinical Staff.
- ✓ Perception of Non-Medical staff regarding PMS as an appropriate measure of their performance
- ✓ Gaps between understanding of JDs and KRAs.

INTRODUCTION

Performance management system (PMS) is the heart of any “people management “processes in organization. Organizations exist to perform. If properly designed and implemented it can change the course of growth and pace of impact of organizations. If people do not perform organizations don't survive. If people perform at their peak level organization can compete and create waves. Performance management systems if properly designed and implemented can change the course of growth and pace of impact of organizations. In the past organizations as well as the HR function have wasted a lot of time by wrongly focusing on performance appraisals rather than performance management.

The fundamental goal of performance management is to promote and improve employee effectiveness. It is a continuous process where managers and employees work together to plan, monitor and review an employee's work objectives or goals and his or her overall contribution to the organization.

Effective performance management requires:-

1. Identifying the parameters of performance and stating them very clearly.
2. Setting performance standards
3. Planning in participative ways where appropriate, performance of all constituents
4. Identifying competencies and competency gaps that contribute/hinder to performance
5. Planning performance development activities.
6. Creating ownership.
7. Systematically deciding and communicating what needs to be done (aims, objectives, priorities and targets)

A plan for ensuring that it happens (improvement, action or service plans) Some means of assessing if this has been achieved (performance measures) Information reaching the right people at the right time (performance reporting) so Decisions are made and actions taken Performance Management System Have qualitative techniques to measure performance.

One of them is KRA; Key result area ;

Key Result Areas or KRAs refer to general areas of outcomes or outputs for which the department's role is responsible. A typical role targets three to five KRA.

A key result area has four qualities:

1. It is clear, specific, and measurable.
2. It is something that is completely under organization's control.
3. It is an essential activity of the business.
4. A key result is an important output that then becomes an input to the next key result area, or to the next person.

Definition: Key result areas or KRAs refer to the general metrics or parameters which the organization has fixed for a specific role.

Description: Key result areas (KRAs) broadly define the job profile for the employee and enable them to have better clarity of their role. KRAs should be well-defined, quantifiable, and easy to measure. It also helps employees to align their role with that of the organization.

These are broad categories or topics on which the employee has to concentrate during the year. For example, an employee who is working at a managerial level in a manufacturing company would have a different KRA than somebody who is in a technology firm.

KRAs are also known as key work outputs (KWOs). Value Identifying KRAs helps individuals; clarify their roles, align their roles to the organization's business or strategic plan, communicate their role's purposes to others, set goals and objectives, prioritize their activities, and therefore improve their time/work management, and make value-added decisions description. Key result areas (KRAs) capture about 80% of a work role. The remainder of the role is usually devoted to areas of shared responsibility (e.g., helping team members, participating in activities for the good of the organization).

REVIEW OF LITERATURE

Performance Management System:-

- Performance Management System (PMS) is defined as strategic and integrated approach of conveying continued success to institutions by developing the people in a way that improves group and personal performance” (**Armstrong and Baron, 1998**).
- The Most Important thing neglected is that failing to deliver the expected results. (**Armstrong, 2001**).
- An increasing number of profit and nonprofit organization are turning towards PMS for their organizations in order to achieve better results and better psychosomatic outputs (**Carpinetti et al. 2002; Chau, 2008; Lam, 2008;Lawrie et al., 2004; Luthans et al., 2008;Mwita, 2000;Reilly, 2003; Verbeeten, 2008; De-Waal, 2007**).
- Beer and Ruh (1976) first coined the phrase performance management in 1976. Despite being, avant-garde approach there has been many difficulties in the proper implementation of the approach (**De-Waal, 2007**).
- **Murphy (2004)** criticizes that organizational goals for performance appraisal systems are not considered carefully enough and this results in systems attempting to achieve too much. Moreover, Murphy and Cleveland (1995) make the point that the organizational goals for the appraisal system need to be compatible with what the appraiser and appraise want to get out of it. If not, they will not use it effectively. The implication here is that many of the organizational Purposes of appraisal are not of great value to the manager or the employee, so their compliance will at best be half-hearted and they may well consciously distort the process to achieve their own desired ends.
- **Dychtwald et al. (2006, cited in Colville and Milner, 2011)** also notes that organizations are increasingly seeing differences in the way that different generations respond to performance management. An example is provided of ‘baby boomers’ expecting recognition of their contribution to longer-term success, with younger generations seeking recognition for shorter-term achievements. This presents

opportunities for dissatisfaction if a performance management system is biased towards either short-term or long-term benefits.

- **Will Artley (2001)** discuss that all high performance organizations are interested in developing effective performance measurement and performance mgt. systems since it is only through such system that they can remain high performing. So to attain and maintain the needed level of performance, the performance mgt. systems are needed in the organizations.
- **Liliane. Mand Peter .M (2010)** said that the performance and competitiveness of different companies can be attained through implementation of perfectly defined performance measurement indicators and framework that are able to measure the performance function by analyzing the use of certain performance indicators in management of maintenance. They discovered that the maximum respondents have very less decisions and changes in processes triggered by performance measurement.
- **Michael Pitt (2013)** said that PMS is an important element to check the performance and quality of properties. This paper determined the recent standards and performance of maintenance management system by studying high-rise private office buildings.

RATIONALE

The study focuses on evaluation of effectiveness of performance management system and concurrently reviews both job satisfaction and organizational commitment. The present study attempts to explore the relationship between effectiveness of performance management system and employee satisfaction. This paper mainly focuses on three things:-

- ✓ Satisfaction about Performance Management System among non-clinical Staff.
- ✓ Perception of Non-Medical staff regarding PMS as an appropriate measure of their performance
- ✓ Gaps between understanding of JDs and KRAs.

OBJECTIVE

- To study the Performance Management System for non medical staff of a tertiary hospital
- To investigate the perception of Non-Medical staff regarding Performance Management System as an appropriate measure of their performance
- To assess the gaps (if any) between perception and understanding of JDs and KRA

METHODOLOGY

- **STUDY DESIGN:** Descriptive Study
- **SETTING:** All administrative departments of Manipal Hospital, Jaipur.
- **DURATION OF STUDY:** 90 Days
- **SAMPLE SIZE:** All the employees of administrative department who have taken part in appraisal process.

- **SAMPLING TECHNIQUE:** Non Probability sampling.
- **DATA COLLECTION PROCEDURE:** Data collected through questionnaires and Secondary Sources
- **DATA ANALYSIS PROCEDURE:** Collected data analyzed by Microsoft excel.

ANALYSIS

Objective-1

To study the Performance Management System for non medical staff of a tertiary hospital

The PMS System used in Manipal Hospital is Simple ranking appraisal , done by Manager.
The Process for new employees works like this-

Confirmation Appraisal
(6 months after joining)



Final Appraisal
(Yearly Basis)

- Confirmation Appraisal :-
This Appraisal takes place after completion of 6 months. The employee's performance than evaluated by standard goals. These evaluations done on three parameters named; OS-Outstanding, ME-Meets Expectation, NI-Needs Improvement. Employee's performance during this period decides whether he/she will be confirmed or the period will be extended.
- Final Appraisal :-
After confirmation, employee's performance gets evaluated with the regular yearly appraisal System. Parameters being same as confirmation appraisal; OS-Outstanding, ME-Meets Expectation, NI-Needs Improvement

Other Parts of PMS:-

- I. Goal setting of current year
- II. Ratings (OS, ME, NI)
- III. Appraiser's Note
- IV. Training Needs both Behavioral and Functional
- V. Appraiser's Comment
- VI. Reviewer's Comment
- VII. Next year's Goal Setting
- VIII. Signatures of HOD, Appraiser, and Appraise
- IX. Promotion letter (If Applicable)

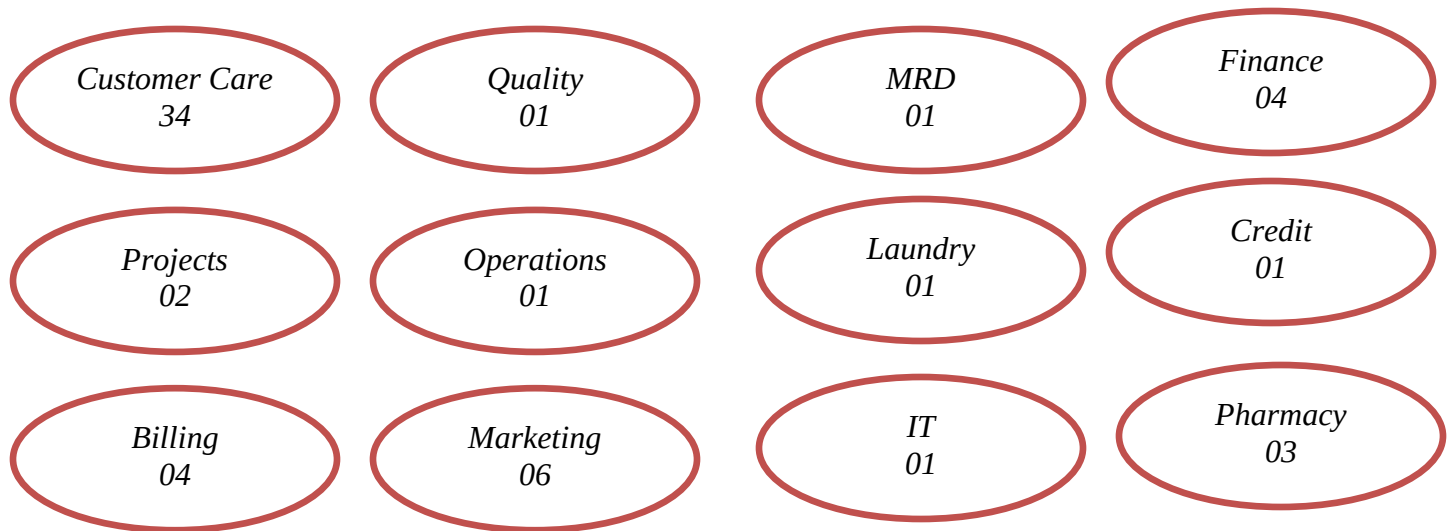
Objective-2

To investigate the perception of Non-Medical staff regarding Performance Management System as an appropriate measure of their performance

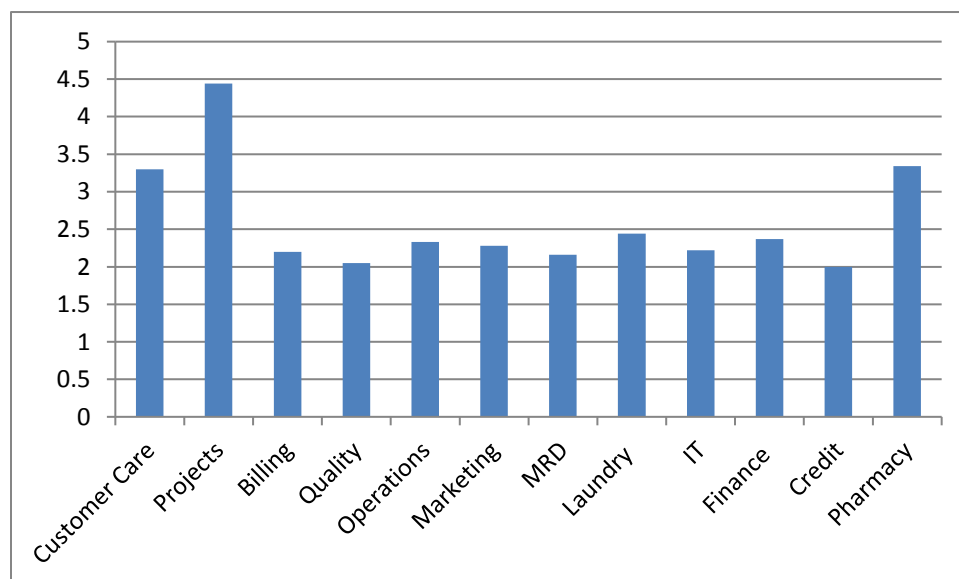
To Study this, a questionnaire was prepared for all non-medical staff. Excluding the employees who did not took part in appraisal system.

Total Non-Medical Employees- 75

Sample (who fulfilled criteria) - 60

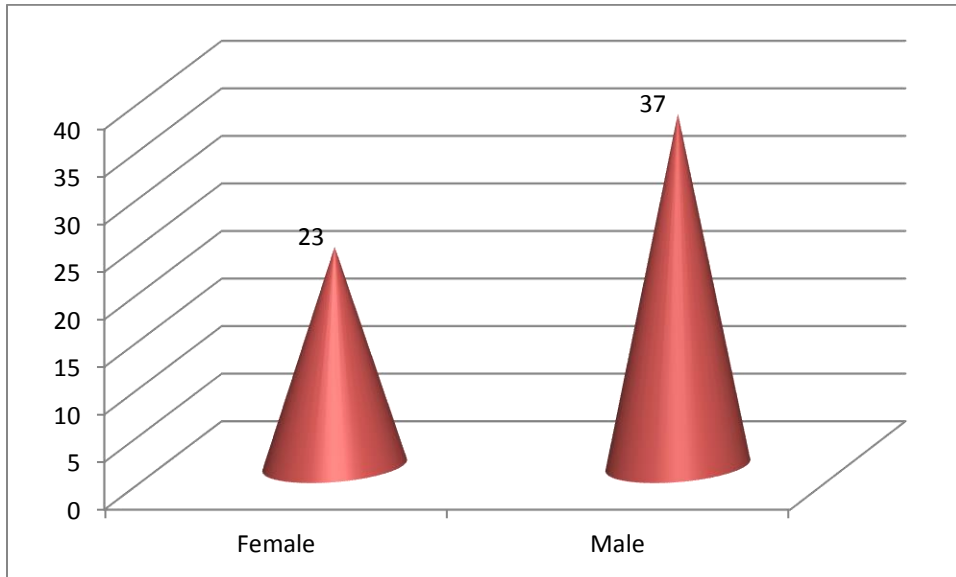


• Department Wise Satisfaction Level:-

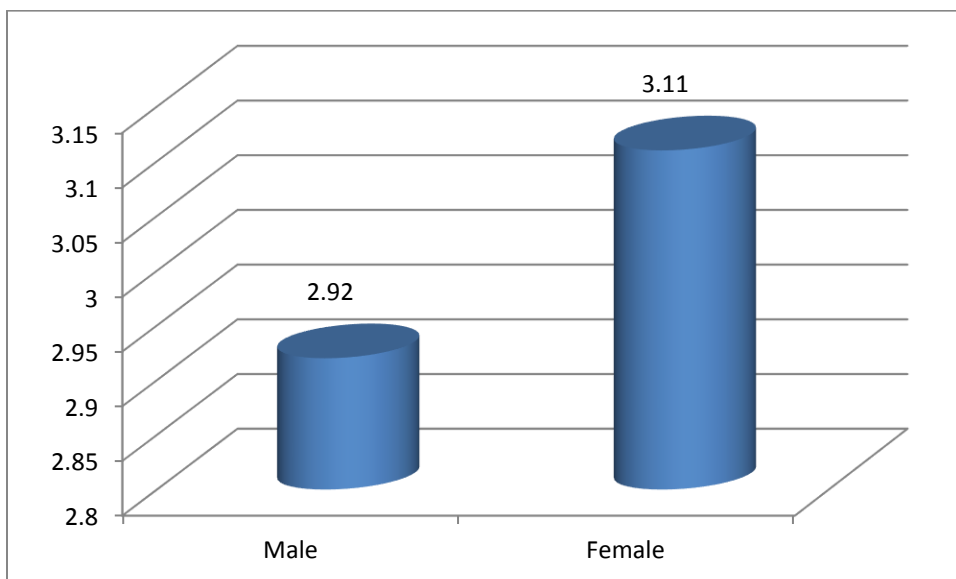


- Most Unsatisfied employees were from Projects
- After that Pharmacy and Customer Care.
- Most Satisfied Department was Credit Department
- On the other Hand Laundry, Billing and Operations departments were Neutral about PMS

• **Gender Wise Satisfaction Level:-**



- Out of 60 employees, 37 or 60% employees were Males and 23 or 40 % employees were Females.



- When compared Satisfaction between Male and Female, Males were more satisfied. On the other hand Females were Neutral About It.

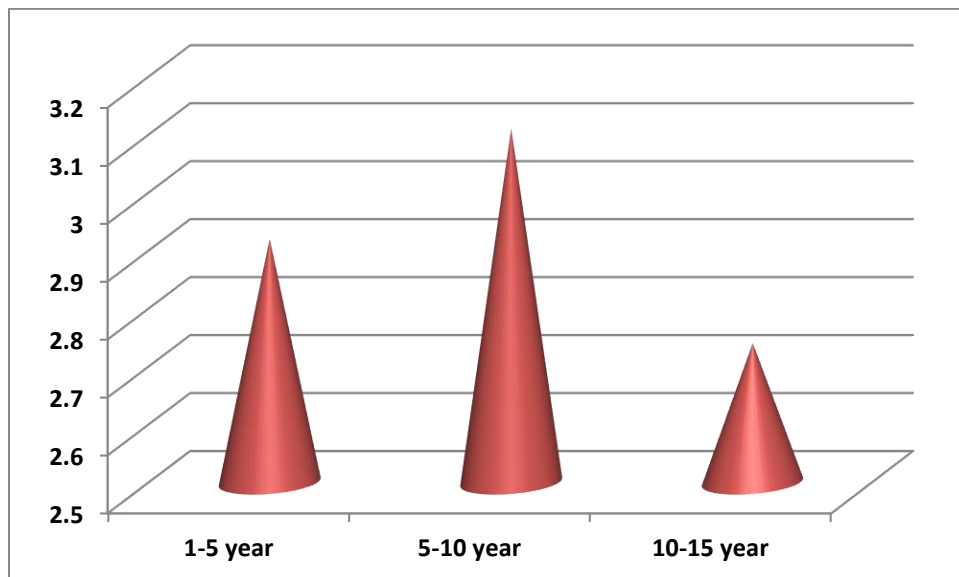
To check whether there is any relation between Level of satisfaction and Gender of employee, Correlation test in SPSS was performed on 95% confidence interval.

Correlations

		Gender	Average
Gender	Pearson Correlation	1	-.129
	Sig. (2-tailed)		.325
	N	60	60
Average	Pearson Correlation	-.129	1
	Sig. (2-tailed)	.325	
	N	60	60

Significance level is >0.05 . Hence there is no significance difference between Experience and satisfaction level of PMS among the employees.

- **Experience Wise Satisfaction Level:-**



- Most of the satisfied Employees, who were having positive attitude towards the PMS system of Hospital were those, who were working there since 10 -15years.
- It is clearly visible that employees who were working since 5-10 years were not that much satisfied. They were heading from Neutral to Dissatisfaction

To check whether there is any relation between Level of satisfaction and Gender of employee, Correlation test in SPSS was performed on 95% confidence interval.

Correlations

		Gender	Average
Gender	Pearson Correlation	1	-.129
	Sig. (2-tailed)		.325
	N	60	60
Average	Pearson Correlation	-.129	1
	Sig. (2-tailed)	.325	
	N	60	60

Significance level is >0.05 . Hence there is no significance difference between Experience and satisfaction level of PMS among the employees.

Objective-3

To assess the gaps (if any) between perception and understanding of JDs and KRA

There were no such Gaps in Understanding between JDs and KRAs, Except Customer Care Department. For this, I went through the JD's of all the non-clinical Departments, and then had conversation with the employees of respective department.

Department Wise Observation:-

1. Customer Care Department:-

✓ Objective of the Department:-

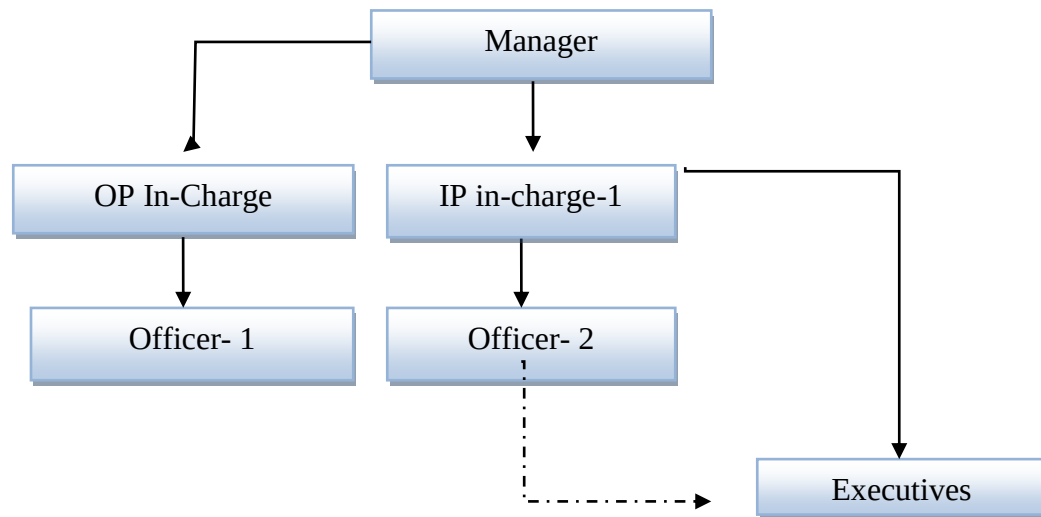
1. Improving patients satisfaction and relationship management

2. Providing information about admissions and counseling of patients
3. Giving estimates about the charges of components of services
4. Registration and bed allocations

✓ **Functional Structure of Department:-**

1. Help Desk
2. Reception
3. OPD Co-Ordination
4. Credit Cell- Front End
5. Admissions
6. Counselors
7. TPA Coordination
8. Feed-Back Collection

✓ **For the Above Structure there is Following Organization Organogram :-**



There is different JD for each Role. But in Manipal Hospital Jaipur, Duty Rotation system being used so, there is no set JD and KRA. Everyone is expected and trained to work in all the functional stations (in respective Role). For Example each and every executive will work in different working stations time to time. For this they did JD modification in the month of march-2017. Updated JDs are like this;

IP/OP In-charge :-

- Resolution of query since the beginning of admission till discharge
- Taking issues like, software, billing, patient satisfaction, staff queries , stationery
- Preparing duty roster of the staff under his/her supervision

Officer :-

- Responsibilities handle by the officer in case of IP in charge,
- Takes cares of counseling along with OP, IP, credit issues
- Explains the information about to the customer about the financial, doctors , treatment and stay of the hospital
- Daily follow up with patients for IP for deposits
- Query resolution of all IP and IP patients

Executives :-

- Takes care of the respective desk and responsibilities assigned like billing, registrations
- Enquires the patients about the requirements and guided accordingly
- Patients information is captured, registration done and bill generated

So slight difference was there in understanding of JD among customer care department employees.

Other Non-clinical Departments had clear understanding and were satisfied with their JD and KRA.

FINDINGS

- The reason of dissatisfied Customer Care Employees was that there was no clear information about the Appraiser.
- Since last 3 years, Front Office HOD resigned before the Appraisal Process, So Appraisal was handling by Front Office Supervisor.
- Employees were dissatisfied about the fact that their performance was tracked by HOD but appraisal done by Supervisor.
- The Experience Factor was also the matter, as the supervisor was not that much experienced, so experienced people were not happy about the authority being given to supervisor.
- Both Projects and Customer care department said that their appraisal system is totally biased, and only those who have good relations with appraiser get positive appraisal.
- In Pharmacy Department, Most of the employees were new joinee (have experienced only confirmation Appraisal), So their perception was neutral but heading towards dissatisfaction. According to them, their appraisal was not as per their true performance.
- On the Other Hand, Credit Department, Quality Department, IT, Laundry department Employees said that their appraisal is very fair and they get good and valuable feedback from their appraiser. So the satisfaction Level was high.
- Most unsatisfied people were those who were working since 5-10 years. They were the employees who saw drastic change in Management after Manipal take over Soni hospital. So they were having kind of insecurity. Their perception was that Manipal is partial towards its old employees.
- The Ratio between Male and Female satisfaction is almost same. Although females are neutral in comparison to males. The reason behind this is the ratio of females, which is higher in customer care department.
- There is no Mutual agreement in deciding the goals for next appraisal year. Supervisor itself decides the goals.
- New JD modification for customer care department was not very much elaborative.

RECOMMENDATIONS

- Equal Involvement of Employees in PMS System.
- Training needs which has been identified should be taken further.
- Employee's feedback should be taken.
- Criteria for Confirmation Appraisal and Yearly appraisal should be different. And this should be conveyed to employee clearly
- Whenever new changes take place in hospital, employees should be conveyed about it. It can be a meeting or a training session.
- Required proper Signage in Hospital , as the front office staff usually get involved in showing path to the patients.

REFERENCES

- <http://www.amanet.org/training/articles/Determine-Your-Key-Result-Areas.aspx>
- <http://economictimes.indiatimes.com>
- <http://www.life-role.com/documents>
- Armstrong M, Baron A (1998), 'Out of the tick box' People Management, Online article, CIPD, 23 July 1998
- Armstrong M, Baron A (2004), 'Get into Line', People Management, Vol. 10, issue 20 CIPD
- Armstrong M, Baron A (2005), Managing Performance, London CIPD
- Askim J (2004), 'Performance management and organizational intelligence: adapting the balanced scorecard in Larvik municipality', International Public Management Journal, Vol. 7(3), pp. 415–438
- Boswell W, Boudreau J (2000), 'Employee satisfaction with performance appraisals and appraisers: The role of perceived appraisal use', Human Resource Development Quarterly, Vol. 11, No 3, Fall 2000, pp. 283-299
- Bourne M, Mills J, Wilcox M, Neely A, Platts K (2000), 'Designing, implementing and updating performance measurement systems', International Journal of Operations & Production Management, Vol. 20, No. 7
- Brown D (1998), 'A Practical Guide to Competency-Related Pay', Financial Times Management, London
- Brown D, Armstrong M (1999), Paying for contribution, Kogan Page
- IDEa (2004), Performance management: the people dimension, Ref: IDEa035 ISBN: 07488 92273
- Beer, M and Ruh, R A (1976) Employee growth through performance management Bernardin HJ, Villanova P (1986). Performance appraisal. In: Locke EA (Ed.), Generalizing from laboratory to field settings: Lexington, MA: Lexington. pp.43-62.
- Jorge M. S, Carlos F (2010) A Literature Review of Maintenance Performance Measurement: Directions for Future Research, Rio de Janeiro, sept 2010, 1-15
- Rogers, R., Miller, L., & Worklan, J. (1993). Performance Management: What's Hot—What's Not. Development Dimensions International and the Society for Human Resources Management
- <http://www.contactprofessional.com/solutions/performanceoptimization/best-practices-the-21st-century-approach-performan-961>
- <http://www.opm.gov/policy-data-oversight/performance-management/overview-history/>
- <http://www.managementstudyguide.com/performancemanagement.htm>
- Michael Armstrong and Angela Baron (Managing Performance Management in action) 2005 first edition

ANNEXURE

PERFORMANCE MANAGEMENT SYSTEM SATISFACTION QUESTIONNAIRE

Name:

Gender:

Age:

Department:

Designation:

Please Rate your response on the scale of 1-5:-

Strongly Agree -1

Agree - 2

Neutral - 3

Disagree - 4

Strongly Disagree - 5

1. Since how many years have you been working with this organization?

A.0-5 Years

B.5-10 Years

C.10 to 15 Years

D. More than 15 Years

2. The Performance Management System is clearly defined in the organization.

1 2 3 4 5

3.All the factors facilitating and hindering performance are taken into consideration while appraising the performance.

1 2 3 4 5

4.All Goals set for Performance Evaluation are mutually decided goals.

1 2 3 4 5

5.I believe Performance Management System helps people set and achieve meaningful goals.

1 2 3 4 5

6 I am satisfied with the weightage given against each activity that I am supposed to perform in the specified period by PMS?

1 2 3 4 5

7. My performance improved due to current Performance Management System.

1 2 3 4 5

8.Our promotions are strictly based on Performance Management System.

1 2 3 4 5

9. My leadership and interpersonal skills are developed due to Performance Management System.

1 2 3 4 5

10. I feel free to express my disagreement regarding the appraisal decisions to my appraiser.

1 2 3 4 5

11. I am satisfied with the existing Performance Management System.

1 2 3 4 5

If No than why

12. I think the present list of KRAs cover all aspect of my job.

1 2 3 4 5

13. I receive specific and accurate feedback from my manager on my past performance.

1 2 3 4 5

14. I feel more motivated after performance appraisal.

1 2 3 4 5

15. It improves the relationship with my manager.

1 2 3 4 5

16. Promotion is purely based on Performance Appraisal.

1 2 3 4 5

17. I clearly understand the purpose of performance appraisal.

1 2 3 4 5

18. The Performance Appraisal System helps identify areas for development.

1 2 3 4 5

19. I am involved in the process of setting objectives and targets of my future performance.

1 2 3 4 5