



Managing Performance - Opportunities for Improvements in Healthcare

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Abstract

All healthcare organizations with the desire to perform well in the eyes of its stakeholders are feeling the need to establish and implement a sound performance management system. Myriad factors are cited as having a pivotal role in the performance management of hospitals. Primary among these are employee commitment, appraiser maturity and career development. Other aspects such as monetary rewards and incentives play a potent role in raising employee performance. Post globalization, healthcare in India, is becoming a high-pressure industry facing increasing government regulations, cost controls, and demands for higher quality patient care. With hospitals increasingly being pushed into competitive market structures, hospital management has been vigorously searching for managerial solutions to streamline their operations in order to reduce cost and yet to maintain a high quality of care. In this study an attempt is made to make a meaningful analysis of related literature in identifying the major factors responsible for effective management of staff performance in healthcare organizations. Findings of this paper are based on an analysis of related literature as well as a semi structured interviews that were conducted with the administrative staff of various hospitals in order to ascertain the operational difficulties and lacuna in implementing the present PMS.

Key Words : *Healthcare organization, Performance Management, Challenges.*

1.0 Introduction: -

An effective employee is a combination of good skills and productive work environment. To get the maximum performance from employees, we need to provide them with the tools they need to succeed. Performance management is one such tool to deliver sustained success to organisations by improving the performance of the employees who render their services for attainment of organizational goals. This however, is possible only if the management is effective enough in getting the work done. Improving morale, creating loyalty and increasing overall productivity among employees through performance management is the key to an organization outperforming its competition. This is true, more so, in the case of healthcare organizations.

Health, undoubtedly, is a key indicator of human development. A recent WHO report has placed India in 112th position among 191 countries of

the world, in the matter of health concern and availability of medical facilities. Despite the fact that there is a continuing rise in communicable diseases and a major jump in non-communicable or "lifestyle" diseases, Indian healthcare industry is growing at a fast pace. Adding to this disease burden is a growing and ageing population; economic development and increasing health awareness in a healthcare industry that is fast growing is only adding to the complications already prevailing in the industry.

Measuring employee's performance in both the public and private health sectors has been discussed for decades. However, despite some advances made in the recent past, India's healthcare sector is trying hard to deal with the existing plethora of challenges. India's existing infrastructure is just not enough to cater to the growing demand. With healthcare industry

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entering into a new era of growth in India, healthcare organisations need to discover and experiment with new ideas and design innovative methods of dealing with the issues and also find solutions to its problems.

2.0 Research Methodology:-

2.1 Objectives:

- i. To describe the present Performance Management System in health care organisations.
- ii. To identify and analyze the factors that influence employee's performance within an healthcare organisation.

2.2 Data Collection:

Primary data included semi structured interviews with administrative staff and HR professionals in healthcare organizations. The researcher held semi-structured interviews with administrative staff and HR professionals in order to ascertain the enabling factors of the present Performance Management System. Secondary data was collected through books, periodicals and journals.

2.3 Need For The Study:

Employees are "paid remuneration to perform their duties"; therefore they are expected to do a specific amount of work, according to a particular standard in order to be paid at the end of each month, the determined amount in the form of remuneration, for the work done by them. The irony in this case is that, i.e. in the present scenario of healthcare professionals, without a correct performance management system in place, it is extremely hard to measure whether the expected performance matches their actual performance. Understanding of the enabling factors will go a long way in the implementation of the performance management system in healthcare organizations.

3.0 Literature review:-

Employees are the most important resources in an organization and therefore they need to be trained and developed properly in order to achieve an organizations goals and expectations (Brewster, 2007). Performance management is a major multidimensional concept aimed to achieve results and has a strong link to strategic targets

of an organization. Performance is directly connected with quantity of output, quality and timeliness of output, attendance on the job, and of-course, the efficiency and effectiveness of the work completed. According to WHO health report (2006), performance is a combination of staff being, available, competent, productive and responsive; Aguinis (2009) described that "the definition of performance does not include the results of an employee's behavior, but only the behaviors themselves. Performance is about behavior or what employees do, not about what employees produce or the outcomes of their work".

With the increase in complexity, competition and corporatization, even in the healthcare sector, the urge for quality performance and excellence has also crept into Indian hospitals. In the present scenario running a health care organization is a tough balancing act. On one hand, there is need to ensure the delivery of high quality patient care, at a reasonable price and on the other hand, to ensure that healthcare organization operates effectively as a profitable business. (Achar A.P. & Deepa Nayak P.2014). Performance management is the new phenomenon in the world of HR. It is a term that is borrowed from the field of Human resource and has recently been incorporated by the healthcare organisations. The concept of performance management is an outcome of performance appraisal. Though there is no clear idea about the exact time of its origination, researchers opine that it had first been introduced around the first world war period in order to monitor and measure the performance of military officers (Armstrong, M., 2006).

Performance management is a system by which an organization evaluates and develops its employee's skills, behaviour and individual employee performance in order to improve organizational performance in this competitive world. A study conducted by Al-Ahmedi in 2009 found that job performance was positively correlated with organizational commitment, job satisfaction, and other personal and professional variables. Mc Connell (2003) further elaborated that an element of importance is to determine the number of people that are needed with specific skills, making them available, and



assigning them the work that needs to be completed and the specific time period within which they have to complete it.

Traditionally, performance measurement in healthcare organizations has been administrative functions. These functions were focused exclusively on the financial performance only (Stewart, Louis J. et. al., (2001). The current shortage of healthcare professionals and high turnover of paramedical staff is of great concern in many countries because of its impact upon the efficiency and effectiveness of any health-care delivery system. It is extremely imperative to understand the relative importance of the many identified factors to performance management.

4.0 Research Framework:-

According to various researchers and practitioners, there are certain factors that individually and collectively effect on the performance of employees in a positive or negative way; this includes the following factors:

- i. **Leadership:** Leadership is a process whereby an individual influences a group of individuals to achieve common goals. The leadership style within an organization has a bearing on encouraging or inhibiting employee's performance.
- ii. **Managerial Standards:** This can be a factor in motivating employees. They should be in line with the job duties essayed in the job description of the employees. Expectations of the employer should align with the duties assigned to the employee. Having unrealistic expectations can diminish employee performance.
- iii. **Defining Goals:** The first step in performance management is setting the stage correctly i.e. defining individual goals and aligning them with the corporate strategy. The process of setting goals should be a collaborative process between a manager and his or her employees. Once the company-wide strategy is established, individual goals should be created that support the organizational goals. These should be specific, measurable, achievable timely and relevant.
- iv. **Coaching:** It has become an important method to improve performance. Coaching provides scope for a two way communication, where coaches identify the areas that require improvement and various techniques by which it can be improved.
- v. **Monitoring Progress on Goals:** the progress of employees on a given task should be reviewed on a timely basis. Successes can be acknowledged with appropriate rewards. In addition the employees can also track their own progress on goals. Having this information handy is helpful during the all-important appraisal process to inform management of the steps involved in reaching a goal or to highlight successes from earlier in the year. Monitoring progress on goals provides an opportunity to adjust timelines, request additional resources if necessary, or even broaden the goal.
- vi. **Appraisal Process:** performance management goes beyond the traditional appraisal process. It makes constructive analysis of the employee's performance. It also provides feedback about what the employee has successfully completed and creates a plan to provide various opportunities for the employee to develop necessary skills. This can be an important factor not only in the employee's growth, but also in the health of the entire organization since employees have a greater sense of loyalty to companies that develop talent from within and thus become more engaged in their work.
- vii. **Pay-for-Performance Compensation:** A successful pay-for-performance compensation strategy can be the key to retaining top talent and driving organizational performance that exceeds all expectations. Essentially pay-for-performance serves to align employees with the goals and objectives of the company and motivate and reward top performers, while continuing to develop the under performers to become greater assets to the organization.
- viii. **Motivation:** It is the key to getting things done. Effective motivation can create a productive work force and provide the necessary inputs for better productivity.
- ix. **Commitment:** Commitment shown by the organisation is returned in the form of



employee commitment. This is achievable by offering assistance to employees in all forms so as to enable them to conduct their work efficiently. Regular training sessions, better and competitive benefits and pay packages, upgrading equipments and providing state of the art infrastructure, are only some ways of achieving employee commitment to work.

- x. **Employee participation management:** It is a process wherein the employees are involved in the decision making process. In this way they feel that they have the opportunity to discuss problems and can influence organizational decisions.
- xi. **Standardized Employee Evaluations:** Comprehensive employee evaluations are essential for continuous improvement in performance of employees. Standardized evaluation forms not only lead to consistency, but also allow the results of the evaluations to be reviewed and compared. It helps in identifying the areas of strength and weaknesses and provides opportunities for improvement.
- xii. **Communication:** Communicating the performance appraisal process helps in achieving employee commitment. All

appraised areas can be discussed by the employees and the managers, thus reviewing different ways of improvement, wherever necessary.

5.0 Conclusion:-

Indian healthcare industry has travelled a long distance post independence. But it still has a long way to go. This journey can be traversed successfully only if we foresee the challenges and treat them as opportunities. It is high time we realize the enabling factors of performance management and use them effectively in order to attain superior performance from employees. Millions of Indians have been suffering due to inadequate healthcare facilities and the number is only growing with time. The challenges are many - rising population, inadequate healthcare infrastructure, high out-of-pocket expenses, low per capita healthcare expenditure, and so on. The list seems to be unending. But they are definitely combatable and solvable. The only solution presently available with HR professionals is performance management system. If it is properly implemented, it can solve a lot of issues and help in not just managing the organisation better but also in providing timely and adequate medical help.

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