

Enhancing Performance Evaluation in An NGO - Operated Hospital: A Focus on The Appraisal System

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Abstract—Performance assessment is a very important process used in organizations as an organized activity of human beings since the 21st Century. It has started from supervisor's comments to of today's performance management system. (PMS). This concept has gained a lot of attention in the corporate and "for profit" world for measuring and managing employee and organizational performance. Although there are various challenges in performance management, it still remains an important tool for organizational functions. PA system is used for various HRM functions like salary increment, promotion, training and development, feedback etc.

PA is an effective tool not only for "profit" organizations, but also for "non-profit" organizations. Unfortunately, PA is not taken as seriously by "non-profit" organizations (known as NGOs). Few of those who have implemented PA face challenges due to its voluntary and humanitarian approach. Employee performance in healthcare is more important because it has a direct impact on patients' lives. NGOs do not practice this system or practice it little; they do not monitor their activities and progress that are in line with the stated mission and vision (effective and efficient). It is essential for NGOs to have a proper PA system that is consistent with the mission and vision, can be objectively monitored, is feasible in terms of resources rather than implementation, benefits of employees and hospitals, and is acceptable to stakeholders.

Enhancing Performance Evaluation in an NGO - Operated Hospital helps improved Hospitals results and utilize the resources in an effective and efficient manner.

Index Terms—Performance Appraisal System, NGO (Non-Government Organizations, Hospitals, Not for Profit Making Organization, Profit Making Organization, Challenges, PA (Performance Appraisal)

I. INTRODUCTION

Performance appraisal is as old as organized human activity. The concept and application have evolved from ancient times to today's 21st century. It started from feedback from managers as an appraisal to today's robust performance management system (PMS). As a concept, has gained a lot of attention in the corporate and "for profit" world for measuring and managing employee and organizational performance. Although there are various challenges and weaknesses in the practice of performance management, it remains an important tool for managing an organization's functions. Performance appraisal system is used for various HRM functions like salary increase, promotion, training and development, feedback, employee pressure etc.

PA can be an effective tool not only for "profit" organizations, but also for "non-profit" organizations. Unfortunately, PA is not taken as seriously as in "non-profit" organizations (i.e., NGOs). The few who have implemented PA face many challenges due to its voluntary, humanitarian approach that relies heavily on self-control. Powerful stakeholders are not very interested in PA. Funding agencies rarely condition their grants on performance reviews of organizations. They maintain a certain distance from the relationship between financial resources and the achievement of goals. NGO founders manage their organizations primarily through subjective social control. Staff and beneficiaries have little power to enforce the PA, even when their interests are high. Considering the constraint in various resources in which NGOs work and stakeholders are deprived of basic services, any improvement that can be achieved through PA and PMS is highly desirable. The purpose of an organization's existence is reflected in its mission and vision. Any organization needs to have a clearly defined mission and vision. Considered to be working for the poor and humanity often dependent on various funding agencies, NGOs need to have a clear mission and vision to measure their performance objectively. It stands to reason, then, that a performance appraisal system (PMS) with its tools and techniques is well positioned to realize the vision, long-term mission, and short-term goals of any organization.

The performance of healthcare workers is more important and has a direct impact on the patient's life. Without a systematic method, to ensure that employees understand and meet their performance appraisal goals, maintain competency, and engage in learning opportunities, hospitals are putting themselves at risk—the risk of non-adherence to the HR manager's job: the risk of increased turnover and the risk of lower quality of care. However, managing performance appraisals for hospitals is extremely challenging. A busy schedule sometimes pushes these important matters aside, and the sheer volume of paperwork makes it more of a chore than an opportunity. In general, various performance appraisal techniques have been used from traditional to modern performance appraisal systems.

As per the Economics Times News, India has 20.14 lakh registered companies as on June 2020. Among those, the report shows that there are only 12.15 Lacs companies are in an active state. All other companies are either closed down or in a dying state. According to the Ministry of Corporate Affairs, 30,81,873 non-governmental organizations (NGOs) have been registered in 26 states and

7 union territories. According to Niti Ayog as on 11 November 2021, there are a total of 1,26,906 voluntary organizations and NGOs registered in India. Among them, Gujarat has 6,229 voluntary organizations and NGOs. Considering the activities and impact that an NGO can have ideally on the life of an individual and a society, a huge number of NGOs have a high potential to serve the country. NGOs fill the gaps not served by state and market organizations. As NGOs do not use a proper performance appraisal system, they cannot monitor whether their activities and progress are in line with the established mission and vision (effective) and economically implemented (efficient). Employee contribution and its evaluation are important for the effective management of any organization. It is essential for NGOs to have a proper performance appraisal system that allows employees and the organization to be clear about each other's expectations. When expectations are aligned with the organization's mission and vision, the appraisal system supports tracking the direction of employees' contribution to their realization. Due to the nature of NGOs, PAS for NGOs in general and in the context of specific NGOs must be tailored and cannot be generalized. An effective PAS for an NGO is one that can be objectively monitored with a clear perspective in line with the external and internal environment and is feasible in terms of resources and acceptable to all its staff and stakeholders.

There are more than 200 multi speciality hospitals working in Vadodara district. This includes hospitals are of Proprietary, Partnership, Government, Pvt. Ltd., Charitable Trust, society and Not for Profit Making Company according to the type of their registration. Among all, more than 50 hospitals are operated on a not for profit-making nature and run by various types of registered NGOs. It is observed that an effective PAS is not in place in NGO run hospitals. Also, it is observed that they are utilizing the PAS for sake of implementation as the system is not linked with any of the benefits of employees as well the hospitals. These types of hospitals are facing variety of challenges and struggling to implement effective Performance Appraisal Systems as compared to various corporate hospitals which are using the latest robust effective performance management system that helps them to have better efficiency and effectiveness in the outcome of the employees in relation of organizational Vision, Mission and its objectives.

The challenges the hospitals are facing are of the appraisal approach, Accountability and role of Rater's and Ratee's, Methods used in appraisal, Process of appraisal, Standard of evaluation, Individual or team performance, Feedback mechanism, Role of internal politics, User friendliness of PA forms, PA Training and Biasness etc. Other challenges are of poor organizational context, lack of motivation among employees, subjective appraisal, inefficiency of organization in explaining the regulations, the gap between theoretical training and practice, lack of careful supervision, unfair evaluation, lack of evaluation skills, interruption of the evaluation process, knowledge of the rate by the evaluator and vice versa, inappropriate feedback and limitations of employees gain benefits.

It has been observed that various researches have been carried out on performance Appraisal Systems for NGOs and hospitals, located in various areas of India.

There are various types of NGOs are working in India, few of them depend on corporate houses or we can say that they are promoted and established by corporate houses for considering their CSR activities and in general, few of those depend on the financial support of the general public and various organizations. This study has been carried out for the NGOs those are mainly depend on financial support of general public and various organizations.

II. LITERATURE REVIEW

Shafiq Gul (2021) conducted his research study on “Performance Appraisal System in Super Specialty Hospitals of North India: A Comparative Study”. The main objective of the study is to “investigate employee expectations, satisfaction and intention to leave healthcare workers in existing PAS in sample study hospitals”. The primary data has been collected by questionnaire method from 439 respondents of various hospitals. He concluded that with the daily growth of science and technology and the tremendous improvement that is taking place in every aspect of life, there is a need to fully utilize human capital and hence the need for a Performance Appraisal Method (PAS). optimize them. Because HR / people differ in their expertise and abilities. Often there are several inconsistencies in the nature and amount of the same work performed by two different persons on the same job. Performance management and performance appraisal are important to consider each employee's skills, perceived contribution and contribution to the company. In the retinal and systemic framework of human resource management (HRM), performance appraisal is one of the indispensable mechanisms. A human resource management system breaks down without a consistent performance appraisal system, resulting in the full utilization of the valuable human resources that the company has.

Neha Singh (2021) conducted her study “Effect of Training and Development on Employee Performance: (Case Study on Fortis Escorts Hospital – Delhi NCR)” The exploratory research was done with Survey of Existing Literature, Survey of experienced people and analysis of selected cases. The aim of the study was to investigate the impact of training and development on employees within the hospital on job performance and its impact on the organization. Sample size is 480 of various units of Fortis Hospital. Primary data was collected through questionnaire method. Data analysis is done with various statistical tools. During this research study, it was evidently shown that training and development program plays a significant role in increasing employee performance, through training and development to clear goals and expectations of employees, self-confidence, employee motivation and retention in the organization, as well as creating a forgiving and favorable socio-cultural environment in hospitals, but other dominant forces reduce its importance and increase job satisfaction and overcome employee work stress

Khushbu Sureshbhai Dave (2019) with her study entitled “Performance appraisal of doctors in hospitals with special reference to Saurashtra region”, the aim of the research work is to analyze the parameters that should be considered for performance of doctors in hospitals and based on

parameters what weightage should be given to each parameter. For the study doctors from Rajkot were selected. Random sampling method used for taking samples. The study found various monitory and non-monitory appraisal parameters that are to be considered preferably at the time of performance evaluation of hospital doctors.

Monisha Gaba (2017) conducted her study on “Analytical Study of Performance Appraisal System in Contemporary Organization”. The aim of the study is to analyze the concept of performance evaluation, its goals and process to carry out the performance Appraisal. She adopted qualitative and quantitative approach of study. Data sources are of interviews, questionnaire, observations and documents. Concluded two main reasons for the appraisal process those are control purpose and decision making for pay, promotion and career.

Nageshwar Rao Mocharla (2016) conducted his study on “Study on Performance Appraisal System of Employees of NGOs operating in Andhra Pradesh”, The basic objective of the research is “To study the performance appraisal practices of various NGOs operating in Andhra Pradesh” He adopted descriptive type of research with 300 sample size with stratified random sampling method. Primary data was collected using questionnaire method. The data were processed on a computer. Tables and results for analysis were performed using the SPSS package. Statistical measures such as simple percentages, mean, standard deviation, etc. were used in the study. Further, chi-square test, T-test, Z-test, F-test, etc. were used to test the significance of the difference between proportions and to test independence attributes. It is found from the study that NGOs have to enhance their employee performance evaluation system in the areas of objectivity, fairness, confidentiality and providing growth opportunities. They have to relook into the areas of providing adequate and proper feedback on job performance.

Kangaraj (2013) performed his study on “A Study on Performance Appraisal Practiced in Select Hospitals in Coimbatore District of Tamilnadu State”. The basic objective of the research is “To study the conceptual framework of performance appraisal in general and in multi-specialty hospitals in particular”. The research type is of exploratory and descriptive in nature. The samples were collected from 707 respondents by questionnaire and discussion and personal interview methods and analyzed with various tables and graphs. The main Conclusion is that "an effective performance appraisal system is an essential tool for managers to make appropriate decisions about the level of competence of employees and the evaluation of their career progression"

Adarsh Rath has performed his study on "Performance management system in NGOs - a case study of Harsha Trust" In this study he developed a model performance Management System for the trust. The basic objective of the research was to develop a context-specific PMS for the NGO Harsha Trust. The study proposes a conceptual framework for developing an implementable PMS for NGOs to drive employee engagement, employee growth and organizational growth. for NGOs

Sheezan Shafi, Fayaz Aiman 2020. Has published paper on “Performance Appraisal System: A Study on Employees’ Central Issues and Challenges in Healthcare. The main objective of this review is to identify key issues and challenges faced by healthcare employees with regard to prevailing PAS being practiced and implemented in their organizations and to suggest best practices and methods, which these organizations should adopt. The study derived various problems faced by the medical and paramedical employees. Based on the authentic review of literature in effective management and implementation of PAS is divided into four main themes. These are the contextual problem, the problem related to the structure of the performance appraisal, the problem related to the process of performance appraisal, and the problem related to the outcome of the performance appraisal.

Dr. Dolly Kumar and Akhil Gupata (2020) has published paper on “A Study on the performance evaluation system in India.” In this, the main objective of study is to describe overall performance appraisal practices are followed and observed in India’s largest IT agencies. The sampling was done with the perfect sampling technique. Primary data was collected by questionnaire from 60 respondents. Analysis was done with correlation analysis technique. This study concluded that in gift Indian IT companies the practices revolve round hiring new talent and preserve current first-class expertise. Performance appraisal is a critical and important device to maintain the existing employee.

Nitin Sippy & Shilpa Varma (2014) has published paper on “Performance Appraisal Systems in the Hospital Sector – A Hospital Based Research in Kerala”. The basic aim of the study is to thorough understand the performance evaluation system of hospitals and also understand what role a performance appraisal plays in the organization. The study has been carried out across 5 hospitals and 400 employees in Kerala by questionnaire and interviews. Sampling units are of employees of hospitals, including senior personnel. Convenience and judgmental sampling technique is used. The study concludes that performance appraisal should not only be seen as a routine activity, but its importance should be recognized and gradually communicated to all employees.

M Kamrajand S Pragadeeswaran (2009) has published paper on “Performance Appraisal Systems for NGO Managers.” This article is based on empirical research into performance evaluation systems and lays five guidelines for best practice in performance appraisal for NGO managers: they are getting tough, cut to the core, seek mystery, check for frequency and realize that objectivity is a myth. The author examines each of these with reference to relevant NGO literature and assessed their applicability to the NGO. It was concluded that, NGOs began to resemble for-profit firms (and to certain extent vice-versa), much of the literature on performance appraisal which will become ever more appropriate to an idea-hungry NGO manager.

Eldridge, C., & Palmer, N. (2009). published an article on performance-based pay: some discourse considerations, evidence and unanswered questions. Health Policy and Planning, this chapter

examines the experience of pay-for-performance in health programs in developing countries. In doing so, it focuses on four key conceptual questions: (1) what to reward, (2) who to reward, (3) how to reward, and (4) what unintended consequences performance incentives may have. They point out that the use of performance pay has outpaced the growth in corresponding empirical evidence. Furthermore, very little research on performance incentives addresses the underlying conceptual issues we outline. We consider these to be important limitations in designing better performance incentives in the health programs of low- and middle-income countries.

This study is an exploratory type of research study and the data was collected by literature review and unstructured interviews of the members of the Not-for-Profit organizations run hospitals.

III. OBJECTIVE OF THE STUDY

The basic aim of the study is to review working and experiences from ongoing efforts for a performance appraisal system for NGO-run hospitals

The specific goals are

- To study the challenges to implement and practice the performance appraisal system
- To study the objective to practice the performance evaluation system

IV. RESEARCH METHODOLOGY AND DATA COLLECTION

The samples have been collected from various journals and published papers from Google Scholar, Research Gate, Shodh Ganga, Shodh Gangotri and various websites form the internet. Primary data was collected using unstructured interviews with stratified random sampling methods from the various employees of the NGO runs hospitals.

FINDINGS

Consistent Performance Management and evaluation system is a critical and important device for any organization to maintain the existing employees with the rational and systematic framework. This system addresses four key conceptual questions:

- (1) what to reward
- (2) whom to reward
- (3) how to reward
- (4) what unintended consequences performance incentives might have.

It has been observed that the use of performance pay has increased growth in the corresponding empirical evidence. Furthermore, very little research on performance incentives addresses the underlying conceptual issues we outline. The system has been utilized for various monitory and non-monitory appraisal parameters those are considered on priority at the time of performance appraisal of the employees of the hospitals. Also, this system is used for the control purpose and

correctly decides on salary, promotion and evaluation of the level of competence of employees and their career progression"

It has been observed that employees, supervisors and management face various challenges in effective execution and implementation of PAS, are mainly of four themes. These are contextual problems, problems related to the structure of performance appraisal, problems related to the process of performance appraisal, and problems related to the outcome of performance appraisal. It has also been found and evidently proved that the training and development program plays a significant role in increasing the performance of employees, through training and development to clear goals and expectations of employees, daily growth of science and technology and huge improvements. Since they take place in every aspect of life, there is a need to fully utilize human capital and therefore a performance assessment method (PAS) is needed to optimize them.

In the NGO run hospital, the PAS is not in a proper place or has been implemented for just the sake of implementation. The system at the various NGO run hospitals is not with the proper objectives and not in line with organizations' vision, goals and long and short-term objectives. This is a result of higher focus on social/charitable activities of serving of society and financial constraint and not having professionally managed HR department that can deal with objectively implementation of various HR systems. The result of PA system is least utilized for pay, Promotion and career development program. The NGO-run hospitals are also facing the same challenges as other organizations are facing and are not able to cope-up due to insufficient training and development programs. Hence, NGOs are not able to identify good / better and best among all their employees.

V. ANALYSIS

In this study, various research papers have been reviewed and members / employees of NGO - run hospitals have been surveyed and analyzed that all the organizations, including NGO - run hospitals, are facing various challenges in introducing a performance evaluation system. NGO-run hospitals are not keen on implementing the Performance Appraisal System for varied reasons. Compared to NGO-run hospitals, other organizations are practicing the Performance Appraisal System linked with varied benefits of the employees and the organization and the system is in accordance with organizational goals. Also, they are overcoming various challenges by continuous periodic feedback and training in performing Performance Appraisal System.

VI. CONCLUSION

NGOs are mainly dependent on funding agencies and donor agencies are more likely to work through local organizations than to implement projects directly (CSR work to show). The stated objective is not just to improve health status or individual behavior during the project's lifetime, but to ensure that local entities—organizations, groups, and even health systems—can sustain these improvements over time. Performance improvement has become important among planners

and program managers who design interventions, and especially among professionals interested in the development of public and private sector organizations.

This study is concluded as performance appraisal should not be perceived just as a regular activity but its importance should be recognized and communicated down the line to all the employees.

A conceptual framework for developing an implementable PMS for non-governmental organizations aimed not only at payroll, promotion and career planning, but also driving employee engagement, employee growth and organizational growth for NGOs

NGOs should think seriously and implement a professionally managed HR department to objectively implement a performance appraisal system for their employees and keep the goals in line with the organization's vision, short-term and long-term goals.

Employee performance can be increased through training and development with clear goals, employee expectations and taking advantage of the daily growth of science and technology and the vast improvements that occur in every aspect of life. Same way the challenges faced in conducting performance appraisal system can be overcome through training and development program and optimum utilization of various technologies and computer program.

Hence NGOs have to enhance their Employee Performance Appraisal / Evaluation System in the areas of objectivity, fairness, confidentiality and providing growth opportunities

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