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DESIGNING PERFORMANCE MANAGEMENT SYSTEMS (PMS) IN HEALTH CARE INSTITUTIONS

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Contemporary Management Thoughts

Any hospital is a service industry where quality of service plays a major role. To exhibit quality in the hospital services, there are two major areas which need focus. They are the process and the people. Process is the system implemented in a hospital to streamline the day-to-day activities on track whereas people are the human assets who make use of the system effectively to show efficiency.

Therefore an effective system has to be designed and implemented especially in the area of Performance Management System to measure the qualitative, quantitative, competency and behavioural aspects of the employees in the hospital to keep them on track with the mission, vision and objectives of the hospital; and thereby train them to provide their service with empathy and to the full satisfaction of the patients, attenders, superiors at work, managers, the management and self as well.

OBJECTIVES OF PMS

1. To identify the Key Performance Areas (KPAs) for every employee under paramedical and administrative departments.
2. To develop instruments to appraise every employee and to rate their performance by the respective supervisor.
3. To develop a framework for initiating Performance Management System (PMS) by means of Performance Review Discussion (PRD)

PERFORMANCE MANAGEMENT

Performance management (PM) includes activities which ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on the performance of a hospital, a department, employee, or even the processes to build a quality service. An effective performance management system starts with a thorough goal-setting process, followed by regular feedback and reviews/appraisals. It also identifies employees' developmental needs and includes robust reward and recognition practices. The system also should encourage collaboration, teamwork, and communication.

PROCESS OF PERFORMANCE MANAGEMENT SYSTEM

The performance management system aligns individual performance with the organization's mission, vision and objectives.

STAGES	PROCESS
STAGE I	Performance Planning
STAGE II	Key Performance Areas
STAGE III	Performance Appraisal
STAGE IV	Performance Review Discussion
STAGE V	Performance Improvement Planning

COMPONENTS OF EFFECTIVE PERFORMANCE MANAGEMENT PROCESS

Plan
- Identify, clarify and agree upon expectations (Meet expectations)
- Identify how results will be measured
- Agree on monitoring process
- Document the plan

Monitor
- Monitor and evaluate progress
- Feedback /Personal counseling
- Take corrective action or make changes, if required

Review and evaluate
- Annual performance review discussion and evaluation

- End of appraisal
- New cycle begins

STAGE I

PERFORMANCE PLANNING

This is the basis of performance appraisals and it is a crucial component of a performance management system. Both the appraiser and the employee carry out performance planning at the start of a work session. KRA's and performance targets are decided after mutual agreements between the employee and reporting officer.

PP is a systematic outlining of the activities that the manager is expected to undertake during a specified period so that he is able to make his best contribution to developmental and organizational outcomes.

Planning individual performance through performance appraisal involves

- ✓ Task Analysis (list all the tasks involved)
  - List of functions and activities crucial or critical for the job role. These activities form the **KRA of** the job.
  - List of functions and activities associated with the job role but not truly critical for the role.
  - These functions are important for overall performance of the team, department or organization as a whole and form the **KPA** for the job
- ✓ Key Performance Areas (expectation obtained from JD)
  - KPA is the overall scope of activities that an individual on a job role has to perform.
  - Key Performance Areas are the areas within the business unit, for which an individual or group is logically responsible.
- ✓ Task and target identification (From KPA)
- ✓ Key result areas (emphasize outcomes)
  - KRA is the area identified as important or crucial where a result will assist in the achievement of the set objectives or goal.
  - Key Result Areas refer to general areas of outputs or outcomes for which the department's role is responsible.
- ✓ Action plans (activity plans – to reach results)
- ✓ Goal-setting exercises (outcomes / actual results)

PERFORMANCE EQUATION:

> Individual performance = Ability X Motivation X
>
> Organizational Support + or – Chance Factors

STAGE II

WHAT IS A KPA AND WHY IT HAS TO BE IDENTIFIED?

KPA is the overall scope of activities that an individual on a job role has to perform.

KPA = Main achievement space

1. What are the main activities in which the role incumbent is involved?
2. What exactly does he do in these activities?
3. How much of his time is spent on each activity?
4. What is his unique contribution by virtue of occupying this position?
5. If his performance is to be rated as excellent in the next six months to one year, what would he have done as this role incumbent?

Note: An employee may have one or more than one KPAs depending upon the role he performs.

Weightage

After KPAs are identified they could be given Weightage for their relative importance to that role.

- A Weightage of 3 – KPA is very central and important to that role
- A Weightage of 2 – KPA is quite important but is not central
- A Weightage of 1 – KPA is important

Note: There may be few areas which may not be considered as important contributions to role incumbent. In those areas the employees need not be appraised as they do not need much attention.

PROCESS OF AGREEING ON KPA'S FOR ASSESSMENT PERIOD

Both the appraiser and appraisee should aim at:

- A clear & common understanding of various activities to be performed under each KPA by the appraisee.
- A clear understanding of the importance of each of these activities and what exactly is expected to be done by appraisee
- An understanding of expected problems and support required by appraisee from the appraiser as well as others in the organization and the support the appraiser can give to the appraisee

- Understandings of the level of performance expected in relation to each of the KPAs and possible weightage ratings associated with different performance levels.

PERFORMANCE TARGETS UNDER EACH KPA

- o Quantitative/qualitative
- o Time bound
- o Level of acceptable performance to obtain high performance ratings
- o Target should focus more on nature of efforts to be made by appraisee in relation to each of the KPAs

Note: In appraising performance the focus should be on efforts rather than results. If efforts do not lead to results, the organization processes need to be examined.

STAGE III

PERFORMANCE APPRAISAL AND RATING

Performance appraisal is a concurrent self-appraised by the employees: Recording of employees' individual and team performance is an essential requirement. This can be done by supervisors regularly. They can keep a diary to note down the facilitating factors and inhibiting factors at work of an individual employee to support their appraisal. Periodical counseling/ guidance/ feedback can be given by immediate supervisors when any employee needs support at work. The needful motivation can also be given. With the help of stage I and II, the instrument for effective performance appraisal is developed. The superiors can make best use of them to rate their subordinates empathetically excluding personal bias.

Hospitals usually have mid-year and annual reviews in which the employees' performance is reviewed; based on achievements and fulfillment of their goals as well as overall performance, on which they are appraised. The process combines both self-review as well as a review by the reporting officer. If needed, a dyadic-review can also be done. Measurable and quantifiable achievements are rated and causes for loopholes are detected and analyzed.

STAGE IV

PERFORMANCE REVIEW DISCUSSIONS (PRD)

After the appraisal gets over, a provision for discussion on appraised called performance review discussion (PRD) will be conducted to find out the discrepancies if any in the performance appraisal of the individual employees. This will help to identify the potential areas of improvement is specific roles the incumbent performs.

Performance feedback and personal counseling: This is a very important step in which the appraiser and employee sit in discussion. The appraiser talks to the employee about areas of improvement and about his levels of contribution, expected performance achievement, etc. Along with transparent feedback, the need for training and development is also identified. The appraiser needs to adopt necessary measures to ensure that the employee meets the company's expectation levels and that he improves overall performance.

Rewarding good performance: The motivation of an employee is determined when his good performance is recognized and rewarded. It could directly influence the self-esteem of a person. It is very sensitive in propelling his achievement orientation too. When an organization recognizes an employee's contribution and rewards him for it, he strives to do be better because of the motivation.

STAGE V

PERFORMANCE IMPROVEMENT PLANNING

This calls for setting of new goals and deadlines for employees. Key areas of improvement are made aware to the employee and he is also assigned a stipulated deadline for the same. He must show improvement within the jointly finalized and mutually accepted time-frame.

Potential Appraisal: The employee's lateral and vertical movement is influenced by this factor. Competency mapping (knowledge, skills & attitude towards job) and assessment techniques (analysis after rating) need to be carried out for successful appraisal. This needs to include crucial points such as job rotation and succession planning.

When all the five stages are completed one cycle of performance management system is complete. After the end of cycle, a new cycle for next PMS can be started.

Performance appraisal = Competency Appraisal (Qualitative)+ Behavioural Appraisal (Quantitative) → *T&D / Reward/ Corrective Action*

KEY BENEFITS OF PERFORMANCE MANAGEMENT SYSTEMS

Successful implementation of performance management systems can result in overall benefits of the hospital, the appraiser and the appraisee.

Hospital

- It improves overall performance of the hospital and increases employee loyalty and retention.
- It improves productivity of the hospital and also delivers cost advantages.
- It sets clear accountabilities and overcomes communication barriers in the hospital.

Appraiser

- It saves a lot of precious time and reduces conflicts within the team or department
- It increases efficiency levels of team members and motivates better, consistent high performance.

Appraisee

- It clarifies all the expectations of an employee including his exact role and KRA
- It gives him an opportunity for self review, assessment and introspection
- It directly contributes to enhanced performance and better productivity levels.
- Career paths are defined and it promotes job satisfaction and a positive mindset.

Categorization of Hospital Staff for PMS

A Hospital will have different categories of employees such as highly qualified specialist doctors, other medical professionals assisting them, paramedical and nursing staff and the administrative staff. The proposed appraised will have to cover the following categories of employees as displayed in the chart.

APPRAISAL CATEGORIZATION

MEDICAL
Doctors

PARAMEDICAL STAFF

- Nursing Staff
- Nursing Assistants (Midwifery)

Other Paramedical Staff

- Clinical Laboratories
- Pharmacy
- Technicians

ADMINISTARTIVE STAFF

- **Clerical & admin**
  - HR
  - Finance
  - Marketing / Public Relations
  - Front Office
  - Purchase & Store
  - Secretaries

- **Non-Technical**
  - Civil / Electrical / Air-condition/ Refrigeration / Biomedical Engineers
  - House Keeping
  - Ward Secretaries
  - Maintenance
  - Security
  - Food Services

TYPES OF INSTRUMENTS PROPOSED FOR APPRAISAL

Seven instruments need to be developed separately for each of the above said categories excluding doctors. They include

1- Self-appraisal form
2- Dyadic appraisal form
3- Instrument for nursing staff (paramedical)
4- Instrument for midwifery (paramedical)
5- Instrument for other paramedical staff
6- Instrument for clerical staff & administrative staff
7- Instrument for non-technical staff

ANNEXURE – I

PMS for Assistant Nursing Superintendent (ANS) under Nursing Department

Department: Nursing **(Paramedical)**

Role: Assistant Nursing Superintendent

Objective: 1: Identifying KPA's for ANS with Performance Targets

KPA 1: Supervise the nursing care given to the patients in various departments

Performance Targets:

1. Receiving Evening/Night reports from the Nursing Supervisors.
2. Maintain records & reports of nursing services.
3. Attending emergency calls concerning nursing services.
4. Maintain the records of attendance of Nursing staff and leave of any kind.

KPA 2: Act as a liaison officer between Head Nursing and the nursing staff.

Performance Targets:

1. Interpret the policies & procedures of the nursing service department to subordinate staff and others.
2. Conduct regular physical verification of hospital stocks and reporting the same to the Head Nurse /Nursing Superintendent.
3. Initiate procedure for condemnation and procurement of hospital equipment, after getting consent from Head Nurse /Nursing Superintendent.

KPA 3: Assist Nursing Director / Nursing Superintendent in planning & organizing the nursing services.

Performance Targets:

1. Assist the nursing superintendent in making duty roster for nursing personnel.
2. Assist the nursing superintendent in recruitment of nursing staff.
3. Assist the nursing superintendent in planning and organizing nursing services in the hospital.
4. Officiate in the absence of nursing superintendent

KPA 4: Plan for orientation and re-orientation, training and development for all Nurse Supervisors/Nurses.

Performance Targets:

1. Arrange orientation programmes to new nurse recruitee's.
2. Educating the nursing staff about the new policies & procedures.

(Re-orientation)

3. Provide guidance & counseling and giving personal feedback to nursing staff.
4. Maintain discipline among nursing personnel.
5. Organize educational programmes for graduate/post graduate students with the coordination of clinical instructor/ lecturer of nursing.

KPA 5: Appraise and evaluate Nursing Supervisors.

Performance Targets:

1. Maintain confidential report and records of nursing personnel.
2. She/he will strive to implement standard nursing practices and maintain highest quality of care.

Objective: 2: Define parameters and developing instrument for rating ANS

Instrument to be used: Form 3 (Annexure- II)

ANNEXURE-II

Form 3: Instrument for Nursing Staff (Paramedical)

(Appraisal by Chief)

Name & Employee ID:

Department:

Designation:

D.O.J:

Qualification:

Total Year of Experience in Current Field:

Total Year of Experience in the current hospital:

Reporting Officer:

Immediate Subordinates: **Strength:**

	Parameters	Grade	Rating
	QUANTITATIVE FACTORS		
1	**Compliance/ Discipline**		
1.1	No. of leave of absence in a year	Above Normal/ Normal/ Below normal	
1.2	No. of late reporting to duty	Above Normal/ Normal/ Below normal	
1.3	No. of times reprimanded / warned by Nursing Superintendent	Many times / a few times / not at all	
1.4	Opinion by the Nursing Superintendent	Good / Average / Poor	
2	**Productivity**		
2.1	No. of Nursing Supervisors allotted	More than Normal/ Normal/ Below normal	
2.2	No. of times of routine check up everyday	More than Normal/ Normal/ Below normal	
2.3	No. of emergency calls received per day	Many times / a few times / not at all	
2.3	Duty time per day	More than Normal/ Normal/ Below normal	
2.4	Opinion by the Nursing Superintendent	Good / Average / Poor	
3	**Knowledge and Skill**		

3.1	Academic qualification	Above the norms/ As per norms/ Not fulfilled the norms	
3.2	Skill training	More than Adequate/ Adequate/ Not adequate	
3.3	Accuracy and perfection	High / Average / Low	
3.4	Interested in updating	Good / Average / Poor	
3.5	Potential for development	Good / Average / Poor	
3.6	Opinion of superior	Good / Average / Poor	
4	**Accountability**		
4.1	Record keeping	Good / Average /Poor	
4.2	Reporting to Nursing Superintendent	Very prompt / Average / Not so prompt	
4.3	Patient complaints	Many times / Some times / Never	
4.4	Nurse Complaints	Many times / Some times / Never	
4.4	Complaints from other departments	Frequent / Not so frequent / Never	
4.5	Timely completion of work	Good / Average /Poor	
	QUALITATIVE FACTORS		
1	**Personal (Opinion of superiors)**		
1.1	Pleasing manners	Good / Average /Poor	
1.2	Neat and tidy in appearance	Good / Average /Poor	
1.3	Courteous to patients	Good / Average /Poor	
1.4	Courteous to Nurses	Good / Average /Poor	

1.5	Duty consciousness and dependability	Good / Average /Poor	
1.6	Initiative	Good / Average /Poor	
1.7	Judgment & decision making	Good / Average /Poor	
1.8	Coping with pressure/stress/fatigue	Good / Average /Poor	
1.9	Resource management	Good / Average /Poor	
1.10	Adaptive strategies / flexibility	Good / Average /Poor	
2	**Interpersonal**		
2.1	Nurse friendly approach	Good / Average /Poor	
2.2	Empathetic towards the patients	Good / Average /Poor	
2.3	Taking extra care and helping tendency	Good / Average /Poor	
2.4	Cooperating with team members	Good / Average /Poor	
2.5	Coordination with other departments/ experts	Good / Average /Poor	
3	**Section/Ward/Department**		
3.1	Ward occupancy rate	High / Average / Low	
3.2	Patient cure rate	High / Average / Low	
3.3	Cost control	Good / Average / Poor	
3.4	Wastage/condemnation of Material	High / Average / Low	