



A STUDY ON IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEE ENGAGEMENT AND RETENTION AT CITY HOSPITAL CUTTACK

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Abstract

The most important factor in organisation is human resource who will work out better if they are well taken care of and happy. Everyone who works for the company and is happy with it would find it easy to meet goals. Performance appraisal will appraise and praise the work so they will do their best and stay loyal to the company. Also, the tools and support they need to use their brains at work will encourage them to work together to find answers and come up with new ideas that go beyond what was expected. A Performance appraisal is a way to judge how well an employee is doing their job compared to the standards. It is a way to figure out employees learning and growth by looking at how well they've done in their job and contributed to their work. Employees have thought that Performance appraisals is so useful for making choices about personal matters like promotions and pay raises. When rewards are given for good work, the organization's ability to keep employees increases. Employees are more involved and committed if they are given training and coaching to help them do a better job. It helps HR figure out why extra perks like promotions, transfers, and pay raises are warranted.

Key Words: employee engaging, fullest potential, employee satisfaction, employee retention, commitment, income, performance management, performance appraisal, expertise, receiving feedback, transfers, and increment.

I. INTRODUCTION

PERFORMANCE MANAGEMENT AND APPRAISAL

Performance appraisals have only been around for a short time past. In recent years, starting in the early 1900s, it has become more important in HR. Taylor's ground breaking studies of time and motion could be linked to it. In general, every person tends to judge and guess the work and skills of those they work with. If there isn't a method for judging and evaluating, the evaluation might not be real, which could make employees lose motivation or feel low-value. Due to a lack of method, the evaluation process could become random or unofficial. The goal of an appraisal plan is to link the results of the evaluation with financial and non-financial rewards for workers, which will motivate them to work harder on their tasks. It also lets workers know where they need to improve and gives them a way to do so by encouraging them to take part in training and empowerment programmes. Performance appraisals are also helpful for planning and developing your job. Any worker can find his weak spot.

All workers should be able to see how the Performance appraisal process works. Usually, Human Resources helps with the process. They help managers and supervisors do the individual reviews in their own areas. It's important to be clear about both the evaluation method and the level of skill and expertise. There can't be any bias in how the evaluation is done for each employee. Information from employee evaluations is used to figure out how productive each worker is. There are six groups of methods that Michael R. Carrell et al. have made: rating scales, comparative methods, critical events, essay, MBO, and combination methods. Rock and Levis have put that into two groups, which they call "narrow interpretation" and "broad interpretation." Compare and contrast methods, objective methods, goal setting, and direct indices are the four groups that Beatty and Schneier put it into.



Different Methods of Performance Appraisal

Performance appraisal can be done in two ways:

Behaviour-based methods

1. Rating Scales: Each trait that needs to be reviewed is shown by a scale, and the rater chooses the level of each trait for each employee.
2. Grading System: In the grading system, certain performance traits or characteristics are known ahead of time, and employees are put into groups based on how they act and what they represent.
3. Checklist Method: Under this method, a list of statements about the employee and his or her job is made in two columns: one that says "Yes" and one that says "No."
4. Essay Method: With this method, the person evaluating the employee has to write a sentence that best describes the employee.
5. Field Review Method: This way of evaluating employees doesn't involve their direct boss, but rather someone from the HR department who watches them work.

Methods that focus on results

1. Management by objectives: This method focuses on outcomes and figuring out how each worker can help the unit or company succeed.
2. Work planning and review: While MBO focuses on results, subordinates need to review work plans more often with their bosses.

Having an appraisal method is important for judging employees' work and giving them feedback. This makes it easier for employees to get their work done without being interrupted.

The good things There are times when the boss and junior may not be able to meet and talk about their ideas because of the need of the hour. In the event of a Performance appraisal, the feedback system gives them "time out" for a one-on-one conversation around work. These parts of the process have been shown to be helpful for both sides in many studies. When people give their view at the end of the process, it can cause disagreements or stress or anxiety. The main reason the system didn't work was that it wasn't clear how to evaluate and what the standards were. The way it's made should be something that the workers can live with, so that trust is built and confidence stays high. In order to protect one's own interests, judgements should not be based on bias. Instead of changing the facts, evaluators should give the facts that are good for both the company and the employee.

LITERATURE REVIEW

As per Cummings, "the overall goal of performance appraisal is to enhance the efficiency of an enterprise by trying to get the best work out of everyone who works there."

A paper written by Cummings in 1973 called "A Field Experimental Study of the Effects of 2 Performance Appraisal Systems" described the results of an experiment that was set up to see what would happen if different parts of an operational level performance appraisal system were changed. The reason why official organisations have Performance appraisal systems needs to be talked about and made public.

After the opening, there must be a short summary of the Performance appraisal. The 1973 paper by Patton called "Does Performance Appraisal Work?" says that performance appraisal can be a useful tool for improving performance at both the person and the business level. Randell wrote a paper in 1973 called "Performance appraisal: objectives, functions and conflicts" that talks about how information is gathered from and about employee at work. It tries to organise the field, describe the most important issues, show where disagreements come from, and show how to solve the biggest problems.

The 1974 paper by Taylor and Wilsted, called "Capturing Judgement Policies: A Study of Performance Appraisal," used Statistical models of judgement policy to look at 625 performance reports in a single rate cycle. People use both linear and nonlinear analyses to talk about the cues that are most important



in figuring out the general ratings. One of the most popular problems in modern personnel management is how to improve Performance appraisals. Bedeian wrote a paper in 1976 called "Rater Characteristics Affecting the Validity of Performance Appraisals" that talks about this topic. In his paper from 1977, Allinson talks about a study that looked at how a training and development course changed performance appraisal interviews. Managers who had been to the class were asked to compare how well they did before and after the training. It was found that the trainees had gotten better at almost every part of rating. It was also seen that a knowledge of the role of Performance appraisals and the part each employee played was also present. In their article "The Performance Appraisal Process: A Model and Some Testable Propositions" from 1978, Decotiis and Petit give a model based on literature that shows what makes performance ratings accurate. It seems that the things that determine how accurate it is are (a) the rater's motivation; (b) the rater's skill; and (c) the availability of suitable judgmental norms.

OBJECTIVE THE STUDY

- The main goal is to find out how satisfied people are with the health care sector's Performance appraisal method.
- To find out how engaged an employee is and how happy they are with their Performance appraisal.
- To find out how useful the Performance appraisal method is in relation to an organization's ability to keep employees.
- To find out if feedback reviews affect how well workers do their jobs.
- To find out what kind of help the people need.

LIMITATION OF THE STUDY

The study only looked at the health care area of the Cuttack. The range was limited to a small area. There were only 101 respondents because workers weren't available because they worked shifts, and the Covid made it hard to get the information. Employees were in a hurry to give their answer and get back to work because of the pandemic. Only a few employees were in the hospital at the time. It is also important to carefully check the respondent's data for accuracy, since everyone has a different view and the answer may not have given all the correct information due to time constraints. When people are asked about career growth and job empowerment, they are more likely to give biased answers.

RESEARCH METHODOLOGY

Research Design

The detailed research method was used for the study. The primary objective of the study is to discover how performance appraisal affect both how many employees stay with the company and how engaged they are with their work. At the end of the data interpretation, a critical evaluation was also done to show that there is a connection. A rating scale was used to find the satisfactory level of the appraisal method, as well as the qualities and contributions of the workers. This helped with making a list of the info. The chi-square method and simple percentage calculations are the statistics tools used for the study.

Sources of Data

The data collection sources are comprising both primary and secondary sources. A form was used to get the primary data. For the most part, the study relied on primary sources to get accurate data from which a fair conclusion could be drawn. It was used websites, suggested textbooks, and reference books as secondary sources to back up the main topic and subtopics.

DATA ANALYSIS AND INTERPRETATION

**TABLE 6.1.1 CLASSIFICATION BASED ON DESIGNATION**

Sl.No.	Designation	No. of Respondents	Percentage (%)
1	Executives	8	7.9
2	Nursing	93	92.1
	Total	101	100

INFERENCE

It was found that 92.1% of those who answered were officer level and 7.9% were managerial level.

TABLE 6.1.2 CLASSIFICATION BASED ON DEPARTMENT

Sl. No.	Department	No. of Respondents	Percentage (%)
1	Accounts	28	27.7
2	Billing	17	16.8
3	Pharmacy	3	3
4	HR	10	9.9
5	Nursing	30	29.7
6	OPD	8	7.9
7	Front office	5	5
	Total	101	100

INFERENCE

The percentage of respondents from each department is shown in the table above. 29.7% of those who answered are from the nursing department, 27.7% are from the accounts department, 16.8% are from the billing department, 9.9% are from the HR department, 7.9% are from the outpatient department, 5% are from the front desk, and 3% work in the pharmacy department.

TABLE 6.1.3 CLASSIFICATION AS PER AGE

Sl. No.	Age group	No. of Respondents	Percentage (%)
1	Below 40 years	35	34.7
2	41– 45 years	35	34.7
3	Above 45 years	31	30.6
	Total	101	100

INFERENCE

From the table above, we can see that 34.7% of the people who answered fall into the first two age groups: those under 40 and those between 41 and 45. Thirty-six percent of those who answered are over 45 years old.

TABLE 6.1.4 CLASSIFICATION OF THE EMPLOYEES AS PER GENDER

Sl. No.	Gender	No. of Respondents	Percentage (%)
1	Female	2	2
2	Male	99	98
	Total	101	100

INFERENCE



Based on the above table, it looks like 98.0% of the responses are male respondents and 2.0% are female respondents.

TABLE 6.1.5 CLASSIFICATION ACCORDING TO EXPERIENCE

Sl. No.	Experience Level (in Years)	No. of Respondents	Percentage (%)
1	Up to 5	29	28.7
2	6-10	27	26.7
3	Above 10	45	44.6
	Total	101	100.0

INFERENCE

The table above shows that 44.6% of the people who answered have more than 10 years of experience, 28.7% have the experience up to 5 years, and 26.7% have the experience between 6 to 10 years.

TABLE 6.1.6 CLASSIFICATION BASED ON QUALIFICATION

Sl. No.	Education Qualification	No. of Respondents	Percentage (%)
1	UG Level	40	39.6
2	PG Level	61	60.4
	Total	101	100

INFERENCE

The above table shows that 60.4% of the people who answered have a PG degree and 39.6% have a UG degree.

TABLE 6.1.7 CLASSIFICATION BASED ON INCOME

Sl. No.	Income (Per Month)	No. of Respondents	Percentage (%)
1	Upto Rs. 12000	26	25.7
2	Rs.12001-Rs.15000	28	27.8
3	More than Rs. 15000	47	46.5
	Total	101	100

INFERENCE

Based on the table above, the percentage of monthly income of the respondent's which is more than Rs. 15000 is 46.5% which is more than Rs. 15000, 25.7% is less than or equal to Rs. 12000, and 27.8% is between Rs. 11000 and Rs. 15000.

TABLE 6.1.8 CLASSIFICATION AS PER PERFORMANCE APPRAISAL EFFECTIVENESS

Sl. No.	Effectiveness Level	No. of Respondents	Percentage (%)
1	Low	32	31.7
2	Medium	34	33.7
3	High	35	34.7
	Total	101	100

INFERENCE

The above table shows that 34.7% of respondents think appraisal of performance is very useful, 33.7% think they are somewhat useful, and 31.7% think they are not useful at all.

HYPOTHESIS TESTING

TABLE 6.2.1 SHOWS A TWO-WAY COMPARISON BETWEEN AGE GROUPS AND HOW



WELL PERFORMANCE APPRAISAL WORKS.

Age	Level of Effectiveness			Total
	Low	Medium	High	
Below 35 years	12	17	6	35
36-45 years	10	7	18	35
Above 45 years	10	10	11	31
Total	32	34	35	101

Null Hypothesis (H_0): Age and the level of effectiveness of performance appraisal don't have a significant relationship.

Alternative Hypothesis (H_1): Age and the level of effectiveness of performance appraisal have a significant relationship.

CHI-SQUARE TEST

X^2 value calculated = 10.400

Degrees of Freedom = 4

Value in the table = 9.488

The result is significant at the 5% level.

INFERENCE

The above table shows that the calculated value is higher than the number in the table for all 4 degrees of freedom. So, the null hypothesis (H_0) is not true. After careful consideration, it can be said that there is a strong link between age and how well performance appraisal work.

TABLE 6.2.2 SHOWS A TWO-WAY TABLE COMPARISON OF THE RELATIONSHIP BETWEEN DESIGNATION LEVELS AND HOW WELL PERFORMANCE APPRAISAL WORKS.

Designation	Effectiveness Level			Total
	Lower	Medium	Higher	
Executives	1	1	6	8
Nursing	31	33	29	93
Total	32	34	35	101

Null Hypothesis (H_0): Designation levels has no significant relationship with the performance appraisal effectiveness level.

Alternative Hypothesis (H_1): Designation levels has significant relationship with the performance appraisal effectiveness level.

CHI-SQUARE TEST

X^2 value = 6.246

Degrees of Freedom = 2

Value in the table = 5.991

The result is significant at the 5% level.

INFERENCE

The table in above shows the calculated value is higher as compared the number in the table for 2 degrees of freedom. So, the null hypothesis (H_0) is not true. Because of this, we can say that there is a



close link between Designation level and the success of performance appraisal.

TABLE 6.2.3 SHOWS A TWO-WAY TABLE COMPARISON BETWEEN EDUCATION QUALIFICATION AND HOW WELL PERFORMANCE APPRAISAL WORKS.

Educational qualification	Effectiveness Level			Total
	Lower	Medium	Higher	
UG Level	10	10	20	40
PG Level	22	24	15	61
Total	32	34	35	101

Null Hypothesis (H_0): Educational qualification level has no significant relationship with the performance appraisal effectiveness level.

Alternative Hypothesis (H_1): Educational qualification level has significant relationship with the performance appraisal effectiveness level.

CHI-SQUARE TEST

X^2 value = 6.911

Degrees of Freedom = 2

Value in the table = 5.991

The result is significant at the 5% level.

INFERENCE

The table in above shows that the calculated value is higher as compared to the number in the table for 2 degrees of freedom. So, the null hypothesis (H_0) is not true. After careful consideration, it can be said that there is a strong link between the education and how well performance appraisal work.

TABLE 6.2.4 A TWO-WAY TABLE COMPARISON OF INCOME LEVELS AND HOW WELL PERFORMANCE APPRAISAL WORKS.

Income (Per Month)	Effectiveness Level			Total
	Lower	Medium	Higher	
Upto Rs.12000	8	12	6	26
Rs.12000-Rs.15000	14	7	7	28
Above Rs. 15000	10	15	22	47
Total	32	34	35	101

Null Hypothesis (H_0): Income level has no significant relationship with the performance appraisal effectiveness level.

Alternative Hypothesis (H_1): Income level has significant relationship with the performance appraisal effectiveness level..

CHI-SQUARE TEST

X^2 value = 10.213

Degrees of Freedom = 4

Value in the table = 9.488

The result is significant at the 5% level.

INFERENCE



The table in above shows that the calculated value is higher than the number in the table for all 4 degrees of freedom. So, the null hypothesis (H_0) is not true. After careful consideration, it can be said that there is a strong link between income and how well performance appraisal work.

TABLE 6.2.5 SHOWS A TWO-WAY COMPARISON BETWEEN LEVELS OF EXPERIENCE AND HOW WELL PERFORMANCE APPRAISAL WORKS.

Experience(In years)	Effectiveness Level			Total
	Lower	Medium	Higher	
Upto 5	13	7	9	29
6-10	11	11	5	27
More than 10	8	16	21	45
Total	32	34	35	101

Null Hypothesis (H_0): Experience has no significant relationship with the performance appraisal effectiveness level.

Alternative Hypothesis (H_1): Experience has significant relationship with the performance appraisal effectiveness level.

CHI-SQUARE TEST

X^2 value = 10.270

Degrees of Freedom = 4

Value in the table = 9.488

The result is significant at the 5% level.

INFERENCE

The table above shows that the calculated value is higher as compared the number in the table for all four degrees of freedom. So, the null hypothesis (H_0) is not true. After careful consideration, it can be said that there is a strong link between experience and how well performance appraisal work.

FINDINGS, SUGGESTIONS AND RECOMMENDATIONS

Findings

- Most of the respondents (92.1%) work in the nursing area.
- Most of the people who answered (34.7%) are between the ages of 36 and 45.
- Most of the people who answered (98.0%) are male workers.
- Major respondents (44.6%) have more than 10 years of experience.
- Most of the people who answered (60.4%) have a PG degree.
- 46.5% of the respondents make more than Rs. 15000 a month.
- 34.7% of the respondents think that Performance appraisals are very successful.

Suggestions and Recommendations

- Most of the people who answered are unhappy with their method for appraisal of employees' performance.
- The current method for performance appraisal of employees should be looked at closely, as it needs to be made better.
- A method of rewards that is fair and consistent can be made.
- There should be enough chances for employees to get promoted and move up so that they can grow.
- These workers should be properly praised by the people in charge.



- Employees need to know more about how feedback reviews work, according to management.
- The managers should work to keep things open.
- Those in charge should make it easier for their workers to talk to them.
- The company should give the workers an honest review.
- Those who do appraisals should be properly trained.

CONCLUSION

Performance appraisals are a good way for top management to see what employees need and want, and most importantly, how well they're doing their job. This makes employees happy. An effective Performance appraisal method gets workers to do their jobs and helps them become more accountable. Getting better at appraisals and using them across the whole company will probably make employees more committed, which will lead to a high level of engagement and retention. This would show a good place to work. As the number of healthcare organisations grows, so does the need for professionals with a lot of experience. The company needs to keep an eye on employee change because it could lose skilled workers. Studies show that only 13% of the world's workers are more involved. The other 87% have not yet reached this level of engagement. Finding a way to get workers interested is a problem that every business has. Employees will only be fully involved if their managers give them the right tasks that match their skills and qualifications. In turn, this will help keep workers for years to come.

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