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## Performance Evaluation and its Effects on Employees' Job Motivation in Hamedan City Health Centers

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**Abstract:** Performance evaluation is a necessary and beneficial process, which provides annual feedback to staff members about job effectiveness and career guidance. Appraisal is an important instrument in the manpower management, if it is performed correctly and logically, it can conduct the organizations to their goal and the personnel will achieve their interests. In this paper we study the effects of performance appraisal results on the employees' Job motivation in Hamedan's health centers. For studying the research 395 samples were selected by chance. The data collection instrument was a 37-question questionnaire including 35 closed questions measured by Likert's scales. The T-test, T-Student, ANOVA, Kolmogorov-Smirnov and sign tests were used to analyze the data. The total results, Performance Evaluation were average and high. The effects of results' annual Performance Evaluation on the job motivation were high. On the basis of the findings this research and those analyses, Performance Evaluation is a major factor on motivation. For this reason its need to attention's managers and personnel.

**Key words:** Evaluation, Job Motivation, Health Center.

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### INTRODUCTION

Performance appraisal has occupied the attention of researchers in human resource management, organizational behaviour, and industrial/organizational psychology for many years. A review of the hundreds of articles written on the subject revealed significant concern for the reasons behind ineffective performance appraisal. Many articles emphasized management style and offered suggestions about how to appraise staff (Gail Spence, 2007). Performance appraisal is the process of obtaining, analyzing and recording information about the relative worth of an employee. The focus of the performance appraisal is measuring and improving the actual performance of the employee and also the future potential of the employee. Performance appraisal and evaluation is identified as the identification, Measurement and management of human performance in organizations and provides individuals with useful feedback and coaches them to higher levels of Performance (Gomez-Mejia, 2007). The studies use the terms "performance evaluation" and "performance appraisal" interchangeably, stating performance appraisals are a systematic way of evaluating the standard of a worker's performance (Grote, 2002). According to Dickinson (1993) Performance appraisals are an important part of organizational life because they can serve a number of functions/purposes, including solving performance problems, setting goals, administering rewards and discipline, and dismissal (Dickinson and Ilgen, 1993). It is a powerful tool to calibrate, refine and reward the performance of the employee. It helps to analyze his achievements and evaluate his contribution towards the achievements of the overall organizational goals. By focusing the attention on performance, performance appraisal goes to the heart of personnel management and reflects the management's interest in the progress of the employees. The Performance appraisal program is based on the evaluation of two components at the end of each year: the competencies and levels identified for the position and the key objectives established between each manager and their staff members for the period covered by an appraisal cycle.

Performance appraisal has different objectives for management and for the employees. Employees are interested in having an assessment of their work from the viewpoint of personal development, work satisfaction and involvement in the organization. Management assesses the performance of employees to maintain organizational control and disburse rewards and punishments to further organizational goals. Effective

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appraisals are believed to motivate nurses to improve their practice (Longenecker, 1998), provide job satisfaction, and improve staff morale (MacKenzie, 1995). Thus, a spirit of mutuality is essential in an effective performance appraisal system.

Performance appraisal is a management tool which is helpful in motivating and effectively utilizing human resources. Assessment of human potential is difficult, no matter how well designed and appropriates the performance planning and appraisal system is. Performance appraisals are an important part of organizational life because they can serve a number of functions/purposes, including solving performance problems, setting goals, administering rewards and discipline, and dismissal (Dickinson and Ilgen, 1993). Therefore the performance appraisal system should:

- be correlated with the organizational mission, philosophies and value system;
- Cover assessment of performance as well as potential for development;
- Take care of organizational as well as individual needs; and help in creating a clean environment
- Linking rewards with achievements,
- Generating information for the growth of the employee as well as of the organization and Suggesting appropriate person-task matching and career plans.

Feedback is an important component of performance appraisal. While positive feedback is easily accepted, negative feedback often meets with resistance unless it is objective, based on a credible source and given in a skilful manner (DeVoe and Iyengar, 2004). The act of motivation the employees are in the heart of the organizations. Success in every organization depends upon the personnel motivation conducted by their directors. According to Herzberg (1990), there are many factors (job) identification, the essence of job, responsibility, advancement and improvement (Herzberg, 1990). In addition, there are other factors, such as: the administration quality and its policy in an organization or company, the supervision quality, the (mutual) relations between personnel, terms of reference, pays and status, security and performance appraisal (Najafi, 2010). Identifying the proficient employees and presenting them rewards (bonus) as a sign of motivation, in order to improve their performance are among the essential factors in performance appraisal (Stephen P Robbins, 1998). KavussiShal (1999) believes that the appraisal system is a good instrument to improve the quality and quantity of the manpower's performance. Nowadays, performance appraisal is considered as an important aspect in human resources management and a part of the control process in administration (KavussiShal, 1999). Planning the appraisal process is an important subject in the government's official system which is annually conducted in the governmental organizations, spending a large amount of time and expenditures to reach the objectives like: manpower development, including improvements, promotions and assignments in managerial positions, persuasion and punishment, salary increase, personnel's performance feedback and determining their educational needs (Najafi, 2010). In spite of the permanent efforts in planning more effective system for performance appraisal, there is convincing evidence of the authorities' dissatisfaction of the appraisal methods. The main reason for such dissatisfaction is the complexity of the process, leading to an incapability of planning an exhaustive appraisal system. The appraisal systems are usually involved with the following problems: the lack of adequate support by managers, impracticability, the appraiser's failure in conducting a right and fair appraisal, and the lack of accordance with realities. Many of the problems, with which, the employees of the state organizations concern are the direct result of the manager's incapability in the appraisal process. Solving many job problems in various fields, such as: job assignment, promotion, transfer, dismissal, training and salaries mainly upon the inefficiencies in the appraisal system (Zavvarzadeh, 1997). According to Mirsepassi (1998) the present appraisal system is a window-dressing and may not lead to expected results. It wastes the manager's time as a mere formality. He believes that despite of the reasonability and scientific importance appraisal, it has usually failed in various organizations (particularly the state ones) as a result of complete indifference and has been criticized by personnel and even by manager (Mirsepassi, 1999). Many managers filling out the appraisal forms emphasize the employees' seniority. In this way, they put an end to the spirit of the creativity, perseverance and sincerity of the junior employees. The preset writer has observed several times that the excellent grades are periodic, so that the unit supervisor gives grade with the question "whose turn is this year?", before she/he fills up the forms. In addition, the HR department (personnel department) changes the appraisal grades in such a way that the high grades will be allocated to the approved persons. Nonetheless, even if an employee obtains a high grade, this will be no benefit to him/her according to the minimum entitlement. Answering the question "Is performance appraisal necessary?" some of the managers state as follows: "We usually tell the HR not to grade the employees such a way that they would be deprived of group upgrading and we sign the graded forms. Or we tell them to divide the final grade between the appraisal factors, so that the employee can obtain the expected grade" (Najafi, 2010).

According to the above mentioned problems, the present writers decided to study the effects of the performance appraisal results on the motivation of Hamadan's health centers personnel.

**Purpose:**

As we said above this study aims to investigate the effect of the performance appraisal results on the job motivation of Hamedan's health centers.

**Method:**

This study was an applied and descriptive analytical study that it was implemented in 2008-2009. (From March 20, 2008 to March 19, 2009).The research population were the official personnel of Hamadan’s health centers staff.Data were collected via the 37-question questionnaire including 35 closed questions measured by Likert's scales and two open ones. The reliability coefficient of the questionnaire was calculated by "Cronbach's Alpha" and estimated about 0.85. This is a large number which indicates a high reliability.After providing the proper questionnaire, 395 questionnaires were sent to employees who were employed in the official personal of Hamedan's health centers.

**Data Analysis:**

After gathering the questionnaires, the necessary data were obtained from them. Various statistical tools were used in order to analyze the data, in the following fields:

- 1.Descriptive statistics: including the frequency tables, and the calculation of the central indices and distribution indices.
- 2.Inferential statistics: in testing the research questions, the harmony between the answers was calculated using a T- test in order to indicate whether there is an agreement between the respondents. This test was used to compare the frequencies and percentages too. In addition, T-Student, ANOVA,Kolmogrov- Smirnov and sign tests were used.

**Finding:**

Forty-four percent of the respondents (n = 161) were female and 56% (n = 207) were male. The subject's age ranged widely from 20 to 59 years: the number of subjects in their 20s, 30s, 40s and 50s were 58 (15.8%), 164 (44.6%), 128 (34.8%) and 18 (4.9%), respectively. The mean age at their current organization was 12.5 years (S.D =1.53).Their educational levels varied to a large extent. The sample comprised 24 (6.5%) under high school graduates, 89 (24.2%) high school graduates, 57 (15.5%) two-year college graduates, 154 (41.8%) four-year college graduates and 44 (12%) subjects who enrolled in graduate school. These educational levels indicated that organization require a diverse work force with various skills and expertise.

To examine the hypothesis we calculate the mean of responses to related questions of each hypothesis. Please notice that the code of responses to questions are 1 (very low), 2 (low), 3(to some extant), 4 (high) and 5 (very high). Thus we can do test  $H_0:\mu\leq 3$  versus  $H_1:\mu>3$  as a way to examine the hypotheses. We can use a T-test to do this test but we notice that it requires the distribution of variable should be normal. Of course the distribution of variable has not been close to normal we can use the nonparametric Test such as Sign-Test. Therefore at the first we use a normality test such as Kolmogorov-Smirnov test to examine whether or not the observations follow a normal distribution. For the normality test, the hypotheses are,  $H_0$ : data follow a normal distribution versus  $H_1$ : data do not follow a normal distribution.

At the first we examine the general effect of performance appraisal results based on the view of respondents. Table 1 indicates the results of Kolmogorov-Smirnov test. According to the results of Table 1 the distribution of observations is normal and therefore we can use the T-test. The results of T-test presented in Table 2. Table 2 indicates that the mean of effect of performance appraisal is less than medium.

**Table 1:** Kolmogorov-Smirnov Statistics for normality test.

mean	Standard deviation	Value of statistic	Significance value	Result
2.78	0.49	2.05	0.0	abnormal

**Table 2:** Sign -test for studying the general results of performance appraisal.

frequency	median	Significance value
368	2.82	0.0

**Table 3:** Kolmogorov-Smirnov Statistics for normality test.

mean	Value of statistic	Significance value	Result
2.64	0.65	0.76	normal

The results of examining the first hypothesis are presented in Tables 3 and 4. Table 3 indicates the results of Kolmogorov-Smirnov test. According to the results of Table 3 the distribution of observations is normal and therefore we can use the T-test. The results of T-test presented in Table 4. Table 4 indicates that the mean effect of performance appraisal on employee's motivation is less than medium.

**Table 4:** T-test for studying the general results of performance appraisal.

t-statistic	Degree of freedom	Significance value
30	45	0.0

**Conclusion:**

Analyzing the data shows that the appraisal are some high medium according to the respondents. This indicates that the performance appraisal results have some effect on increasing the motivation level. Soroush (2000) expresses different point in this field. The research outcome shows that the performance appraisal results have a little effect on increasing the motivation level. Various factors can increase the personnel's motivation which itself results in the employees improvement and more organization efficiency, including: the observance of justice and fairness in appraisal, practicing the realistic (and not mental) appraisal, the managers complete control over the appraisal process, the appropriateness of the educational needs, providing timely feed-back and participation of the appraised in the appraisal.

According to Soroush (2000), performance appraisal has a little effect on job motivation.

The present research shows that the appraisal results have so much influence on the personnel job improvement. Abedi (2004) has reached the conclusion that according to 95 percent of the respondents, the present appraisal process has had a very little effect on their success and promotion. Analyzing the percent data also shows that about 78% of the respondents believe that the current appraisal process have a medium or strong effect on identifying the creative and talented employees.

According to Abedi, a majority of the respondents (about 87%) consider performance appraisal as a weak process. It is obvious that the manpower as an important and valuable resource has the capacity of creation, innovation, reasoning, thinking and managing in the field of the other organizational resources in order to make use of all executive potentials of human resources and reach the strategic organizational objectives. Javadein (2001) believes that identifying the meritorious personnel is one of the primary goals of the performance appraisal systems.

A majority of the respondents believe that the present appraisal has a strong effect on the personnel reinforcement and activity programming so; it can be considered as an effective process in this field. Abedi have come to the conclusion that more than 65 present of the respondents believe that the appraisal process has a poor effect on the need announcement and educational programs .

It seems necessary to conduct educational programs to reach the optimal level of performance by adapting the employees to the latest technological and operational achievements of the similar organizations, identifying the latest strategic decisions made by the organizations senior managers and harmonizing the performance with the thoughts against the environmental competitions so, it will make the organizations environmental more active and reflexible. The organizations which are continually involved with identifying their potentials by using some controlling and alarming mechanic sms, will certainly act more successfully in the external competitive environment. Confirming this fact, Javadein (2001) believes that one of the appraisal objectives is to identify the personnel's educational needs.

According to Aghassi-beyg (1999), most of the respondents believe that the current appraisal processes pay no attention to the personnel job out put. Also, the appraisal instruments and standards have not changed during many years.

The research shows that the employees had medium or little satisfaction of the appraisal results.

Najafbeygi (1998) believes that one of the factors causing personnel difficulties in organizations is that the personnel problems are still investigated behind the closed doors and without using the opinions and views of the managers and other directors, *let alone* the employees.

The research also showed that in the present appraisal processes, there is a low or medium level in the justice, the concreteness of the method standards and the authorities control on the appraisal trend.

Sameni (2002) has reached the conclusion that the performance appraisal of the state employees working in Tehran province telecommunication company has failed in promoting and optimizing them, for reasons such as: not implementing the process of appraisal cycle, performing appraisal in a mental manner, lack of the educational courses for the appraisers and the appraised, lack of a control mechanism in appraisal and the existence of a credit less and ineffective appraisal system that does not affect the employees status.

Most of the respondents believed that the appraisal processes is necessary. According to Abedi (2004), they are usually against crossing-out of the appraisal process, while they emphasize its accuracy and correctness.

Mirsepassi (1998) showed that according to 95% of his research population, appraisal is a necessary instrument, while the current processes under the title of appraisal are a kind of window-dressing. JavanMabudi (1997) has reached the conclusion that according to the managers and employees, both the appraisal is not considered as a necessary fact and the managers and supervisors only oblige themselves to fill the forms out.

Regarding the openness of the questions 36 and 37 of the questionnaire, the following results have been reached:

Question 36: "In your opinion, do the present appraisal forms need a change or reform? If yes, mention some of the necessary changes."

54.17 percent of the respondents thought that the appraisal criteria should conform to the personnel status and group performance. 9.72 percent considered no relation between many parts of the appraisal and some jobs (position). 15.97 percent of them requested a reform in the appraisal standards and the appraisers; According to 6.25 percent of them, it is necessary to separate the appraisal parameters, the forms are very general and should be more specific; According to 13.89 percent of them, it is necessary to consider a suggestion committee and some prerogatives.

Question 37: "Have you ever benefited from the appraisal advantages? Explain it". 67.42 percent of the research population declared that they have never benefited from appraisal. According to 45.90% of them, it is because of the discrimination, injustice and favoritism; The other reasons stated were: prerogatives for a number of employees (23.85%), low level of education (1.83%), having a short record of service (11.01%), the appraisers good knowledge about the appraised (8.25%), not forming a quorum, minimum entitlement law, budget deficiency and the authorities turnover (each other 9.16%); 32.58 percent of them stated that they had benefited advantages like: job promotion or about 10% to 20%. Several reasons were mentioned by them for gaining those advantages, such as forming a quorum and obtaining the maximum grade in appraisal during three consecutive years (by 74.51% of them) , performing the job correctly (by 21.57% of them), and chance (by 3.92% of them).

Analyzing the research findings can lead us to the conclusion that according to the majority of the respondents, performance appraisal plays an important role in job motivation; thus, managers and employees should be emphasized specially for it.

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