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FACTORS AFFECTING EMPLOYEE PERFORMANCE EVALUATION IN HAMEDAN HEALTH NETWORKS

Najafi L.[1], Nasiripour A.A.[1], *Tabibi S.J.[1], Ghaffari F.[2], Ahmadi A.M.[3]
[1]*Department of Health Services Management, Science and Research Branch,*
Islamic Azad University, Tehran, Iran
[2]*Department of Economy, Collage of Management and Economics, Tehran Science and Research Branch,*
Islamic Azad University, Tehran, Iran
[3]*Department of Economics and Research, Economic Research Center,*
Tarbiat Modares University, Tehran, Iran
*Author for Correspondence

ABSTRACT

Introduction: Employee's performance is the major issue in an organization. Efficiency increasing is among the goals of every organizations and it depends on the development of personnel's performance. Performance evaluation is a necessary and beneficial process, which provides annual feedback to staff members about job effectiveness and career guidance. Evaluation 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. ***Objective:*** The objective of the study was to investigate factors affecting employee performance evaluation in Hamedan health net. ***Methods:*** Hypotheses are analyzed by using sampling techniques; we were select 385 numbers of employees as sample by using simple random sampling among the Hamedan health net. The data collection tool was researcher-made questionnaire the content validity of which was determined through expert panel and its construct validity was determined through exploratory factor analysis by principal component analysis method with varimax rotation using SPSS19 software. Its reliability was also confirmed by test-retest and internal consistency method using Cronbach's Alpha (99.7%) and the most important Employee's performance evaluation factors were identified through path analysis. ***Results:*** In exploratory component analysis, 7 main components were identified with 29 variables, 61.484% variance. Results presented there is positive relationship between performance evaluation and employee's performance, occupational factors, behavioral factors and personal factors. Personal factors with the path coefficient= 0/661 and performance factors with the path coefficient= 0/388 had the highest effect on the personnel's performance evaluation. ***Conclusion:*** Then it is essential for us to improve conditions of employment in order to increase the efficiency and effectiveness of our organization.

Keywords: *Factor, Employee, Performance Evaluation, Hamedan Health Network*

INTRODUCTION

Performance management includes activities that ensure that organization goals are consistently being met effectively and efficiently.

The performance evaluation is a review and discussion of an employee's performance of assigned duties and responsibilities (Adejoke, 2013). Performance management is an aspect of management that is described by Dr. Aubrey C. Daniels in late 1970s has a technology for managing both results and behavior. Its main purpose is to enhance quality, reduce cost and converge processes in new ways to achieve goals and respond to challenges (Saxena, 2010). Performance measurement is the specific representation of a capacity, process, or outcome deemed relevant to the assessment of performance. A performance measurement is quantifiable and can be documented (Lichiello, 2011). Performance measurement could be use in assessing or appraising individual staff's performance periodically to ascertain that they perform according to the organization criteria or objectives (Adejoke, 2013).

Performance appraisal systems are improved by rectifying common shortcomings, for example; reducing bias, training those involved and using a format with research substantiation (Kondrasuk, 2011).

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Performance appraisal refers to a process, which studies and evaluated the job performance of personnel formally (Najafi, 2010).

Maximizing the performance of organizations is the main issue for an organization. The history of performance appraisal is quite brief. Its roots can be traced in the early 20th century to Taylor's pioneering time and motion studies. The performance appraisal system start in practiced mainly in the 1940s and with the help of this system, merit rating was used for the first time near the Second World War as a method of justifying an employee's wages (Nadeem, 2013).

Performance appraisal is important to manage employee's work effectively. Armstrong tells performance as behavior – the way in which organization's teams and individuals get work done (Armstrong, 2001). Mooney (2009) suggested that performance is not only related to results but it also relates with activities and behaviors of employees that they adopted to achieve their given goals. Dessler (2005) define performance appraisal as "comparing the employee's present and past performance to his/her performance standards" (Nadeem, 2013). Grubb says performance appraisals a procedure to evaluate how individual personnel are performing and how they can improve their performance and contribute to overall organizational performance. Performance appraisal is the systematic evacuation of employees according to their job and potential development (Nadeem, 2013; Grubb, 2007).

After employee selection, probably the most powerful tool managers have to examine employee's performance and getting results is the performance appraisal (Grubb, 2007). Casio (2003) believes that performance appraisal involves an employee knowing what is expected of him and remain focused with the help of the supervisor, tells them how well they have done that motivates the employees toward the good performance (Nadeem, 2013).

Performance management system is the process that strongly involves assurance and participation of employees within the organization and that determine the organizational results. The evaluation system identifies the gap of performance (if any). This gap is the problem that occurs when performance does not meet the standards that are set by the organization. The feedback system tells the employee about the quality of his or her work performance (Nadeem, 2013). Mooney (2009) stated that performance appraisal can enhance the benefits for the organization, but apparently it is not delivering the benefits in many cases (Nadeem, 2013). According to Elverfeldt (2005), most of the organizations usually include performance appraisal they cannot take the benefits from that because there lay a huge difference between the anticipations and experiences in the present system (Nadeem, 2013).

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 and the appraiser's failure in conducting a right and fair appraisal, and the lack of accordance with realities (Najafi, 2010). Since many factors affect the personnel's performance evaluation, researchers decided to study these factors.

MATERIALS AND METHODS
This study is a comparative – descriptive research that has been performed by factor analysis method. In the qualitative stage, for identification of the factors affecting the employees' performance evaluation, 20 experts having master degree or higher from Medical Universities in Iran and Health ministry were participated. The data collection tool in the qualitative stage and library studies was note cards and in field stage of the study it was interviews and questionnaires which by surveying the experts and using Likert scale. For each factor and the factors that at least 70% of the experts agreed on were saved as factor affecting the employees' performance evaluation. After identification of the factors and studying different resources, a researcher-made questionnaire was designed in 2 sections including 9 questions about demographic information and 33 questions about variables affecting the employees' performance evaluation. The study environment was consisted of the Health nets' in Hamedan University of Medical sciences.

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The validity of the questionnaire was determined through expert panel and its construct validity was determined through exploratory factor analysis by principal component analysis method with Varimax rotation using SPSS19 software. Its reliability was also confirmed by test-retest and internal consistency method using Cronbach's Alpha (99.7%). To determine construct validity, the questionnaire was sent to 385 employees of the health networks in Hamedan Univesity of Medical Sciences in a cross sectional study and finally determination of the construct validity was performed using the data from 385 personnel for exploratory factor analysis by principal component analysis method with Varimax rotation using SPSS19 software. Exploratory factor analysis was performed considering the eigenvalue and the value of the two measuring indicators of Kaiser-Meyer-Olkin (KMO) which was 0.923 and significance of Bartlett's Test of Sphericity with P =0.00 and the most important factors affecting the employees' performance evaluation were identified through path analysis and structural equation modeling using SPSS19 software.

RESULTS AND DISCUSSION
Fifty-seven percent of the respondents (n = 221) were female and 43% (n = 164) 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 28 (7.3%), 149 (38.8%), 175 (45.4%) and 33 (8.5%), respectively. The mean age at their current organization was 39.8 years (S.D =6.96). Their educational levels varied to a large extent. The sample comprised 25 (6.5%) under high school graduates, 112 (29.1%) high school graduates, 38 (9.9%) two-year college graduates, 169 (43.9%) four year college graduates , 20 (5.2%) master, 15 (3.9%) physician and6 (1.6%) Ph.D.

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 H0: ß=0 and H1: ß= 0 as a way/to examine the hypotheses and we used One- Way ANOVAs to do this test.

The results of ANOVAs-test presented in Table 3. Table 3 ANOVA table presented shows the regression factors. Because a significant amount of test (0.000) is smaller than 5% , we conclude that the null hypothesis is rejected with 95% confidence; In summary, Factors significantly affect employee performance evaluation in Hamedan health net.

After reviewing the domestic and foreign literature and researches, 7 main components were identified with 29 variables, 61.484% variance.

Results presented there is positive relationship between performance evaluation and employee's performance, occupational factors, behavioral factors and personal factors. Personal factors with the path coefficient= 0/661 and performance factors with the path coefficient= 0/388 had the highest effect on the personnel's performance evaluation.

In Exploratory Factor Analysis was Identified 7 main Components witch order of importance are included, Performance factors with 9 Variables and Variance %17/61 and Special Value 34/05, Innovation and Creativity with 5 Variables and Variance %15/27 and Special Value 8/19, Occupational factors with 4 Variables and Variance %14/30 and Special Value 4/93,

Organizational criteria with 3 Variables and Variance %7/62 and Special Value 3/96, personal factors With 3 Variables and Variance %6/91 and Special Value 3/79, behavioral factors with 3 Variables and Variance %6/14 and Special Value 3/49, Professional Development factors with 2 Variables and Variance %0/83 and Special Value 3/06. After Path Analysis, personal factors and performance factors with Standardized path Coefficient 0/661 and 0/388 as the Most Important factors and Professional Development factors with Standardized path Coefficient -0/009 as the Least Important factors , were Explained employee performance evaluation (Table 1).

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Table 1: Factors obtained from exploratory factor analysis

Factors	Variables	Variance	Eigenvalues
Performance	9	17.61%	34.05
Creativity	5	15.27%	8.19
Occupational	4	14.30%	4.93
Organizational	3	7.62%	3.96
Personal	3	6.91%	3.79
Behavioral	3	6.14%	3.49
Professional Development	2	0.83%	3.06
Total	29		61.48

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.923
Bartlett's Test of Sphericity	Approx. Chi-Square	6119.307
	df	528
	Sig.	.000

Table 3: One- Way ANOVAs to test the hypothesis Factors affecting employee performance evaluation

Factor	Sum of Squares	df	Mean Square	F	Sig.
Regression	181.354	7	25.908	276.250	.000
Residual	35.356	377	.094		
Total	216.710	384			

Table 4: Regression coefficients between Factors affecting employee performance evaluation and its employee performance evaluation

Factor	Unstandardized Coefficients		Standardized Coefficient			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	-.188	.120		-1.559	.120		
Performance	.442	.038	.388	11.548	.000	.383	2.609
Creativity	-.028	.026	-.029	-1.076	.283	.589	1.697
Occupational	-.102	.028	.099	-3.618	.000	.576	1.737
Organizational	.046	.028	.044	1.607	.109	.581	1.723
Personal	.651	.025	.661	26.368	.000	.690	1.450
Behavioral	.060	.027	.059	2.243	.026	.615	1.626
Development	-.007	.019	-.009	-.374	.709	.740	1.351

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The results of examining the hypothesis are presented in Tables 3 and 4. Table 3 indicates the results of One- way ANOVAs test.

The results of Regression coefficients between Factors affecting employee performance evaluation and its employee performance evaluation presented in Table 4. Table 4 indicates that Results presented there is positive relationship between performance evaluation and employee's performance factors, occupational factors, behavioral factors and personal factors.

Because the significant is smaller than 5% and thus inactive, in the 95% confidence interval, these factors are significant effect on performance evaluation.

The study focus on the relationship between Performance evaluation and employee's Performance factors, occupational factors, Organizational factors, behavioral factors and personal factors, Innovation and Creativity, Professional Development factors. The obtained results show that there is a significant relationship between Performance evaluation and employee's performance, occupational factors, personal factors and behavioral factors. If Performance evaluation system is successfully used in the health networks in Iran, the employees would be able to know how well they are performing and what is expected from them in future in terms of their work performance. For instance, in studies done by Fakharyan *et al.,* (2012), Lillian and Mathooko (2011) and Peti Johann et al. (2001), the relation between Performance appraisal and employee's performance has been confirmed too (Nadeem, 2013; Fakharyan, 2012; Peti, 2001).

The basic purpose of an evaluation system should improve the employee performance that will lead toward to the organization success. The system must be seriously observed the people and recognize that employees are the most important resource. The findings of this study conducted from the 385 employees of health networks in Hamedan University of Medical Sciences.

From the correlation matrix, the highest positive value of correlation between personal factors and employee's performance factors with employee's performance evaluation clarifies that the authorities of health networks are required focus mainly on personal factors and employee's performance factors in order to get fabulous employees' performance. In a study conducted by Mohammad *et al.,* (2013) have shown that a strong positive relation between Individual Related Factors and Evaluation Performance spells out that the garment industries cannot ignore employees' individual factors to achieve satisfactory performance(Zahargier, 2011).

The minimum standard deviation (0.54528) shows that attributes within individual related factors are interconnected. So if any one of the attributes in Individual Related Factors is neglected, employees' performance will be severely hampered. Considering the coefficients of Evaluation Performance correlation with other factors, Job Related Factors is the final factor according to the priority basis but the employees cannot deny it due to its statistically significant association with Evaluation Performance.

Health networks should seek to enhance the employee's motivation, so that they become satisfied toward the appraisal system. They should provide the qualifications and equipments for employee so that they improved their performance. Employees should access to technology so that increase personal factors. The study concludes that all the fore factors investigated that include the employee's Performance factors, occupational factors, behavioral factors and personal factors all influence the employee's performance evaluation. In 2012, a study conducted by George *et al.,* have shown that all the five variables investigated that include the implementation process, rater and ratee interpersonal relationship, psychometric rater accuracy, informational factors and employee attitudes all influence the Performance Appraisal System.

The factors under these variables have shown the influence of the implementation process of the PAS and the quality of treatment that the ratee receives in the hands of the rater. It has also been shown that elimination of rating errors increases system efficiency. Communication between the rater and ratee is crucial as understands the employee attitudes towards the Performance Appraisal System. However, according to the findings, the implementation process has a relatively high influence on the performance appraisal systems as compared to the other factors. If all these factors are taken into consideration, then PAS has the potential of being a good performance management tool (George, 2012).

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Performance Appraisal System should link individual performance with reward (Townley, 1999). It is assumed that linking performance with reward increases the levels of performance. Such schemes have been used in both public and private sectors (Armestrong, 2005). Linking employees with reward motivates employees and commits them to the appraisal process. It will also show the employees that the completion of the performance targets and objectives will affect them directly (Prowse, 2009).

Conclusion

Due to the influence of employee's Performance factors, occupational factors, behavioral factors and personal factors, the types of evaluation forms should be design in basis of the level personnel's and pay attention to criteria and some status.

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