Impact of Performance Appraisal and Work Motivation on Work Performance ofEmployee: With Special Reference to A Multi-SpecialtyHospital in Kerala

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Abstract: *The main purpose and objective of the study is to explore and examine the relationship of work Performance with the performance appraisal and motivation among nurses of a multi-speciality hospital in Kerala. Data was collected through pre tested structured questionnaires. The sample size consists of 100 nurses of the particular hospital. Convenience sample was used to collect the data due to time and resource constraints. For analysis, regression and correlation techniques were used. Reliability analysis was used to check the reliability of the questionnaire. Results of correlation and regression analysis show that there is positive significant relationship between work performance and performance appraisal and a positive but not significant relationship between work performance and motivation of the employees of hospital industry. This will help the other researchers in knowing the relation between them in depth. This will help andguide the organization in implement a good motivation process to motivate employees and helps to improve existing performance appraisal system.*
Keywords: *Work Motivation; Performance Appraisal.*

I. Introduction

Human resource management is a function in organizations designed to maximize employee performance towards employer's strategic objectives. Human resource and management partnership is unique in healthcare industry because many healthcare organizations have a dual administrative structure of clinical managers and health service managers that supervise two distinct group of employees with different responsibilities and training needs. The goal of healthcare industry is to provide highest quality of patient care. The employee performance appraisal is an important career development tool for the manager and employee. The manager can help guide the employee on the path to corporate advancement, and the employee gets a clearer understanding of what is expected from their daily job duties.According to Mullins (2002), the underlying objective of PA, is to improve the performance of the individual employee, thereby leading to improvement in the performance of the organization as a whole. PA is one of the rangesof tools that can be used to manage performance effectively in that it provides data which feeds into other elements of the performance management process. Performance appraisals have a wide variety of effects on employees that managers must identify and understand. Performance appraisals are also crucial for career and succession development. Performance review designed for workforce inspiration, position and conductImprovement, converse directorial aims, along with nurturing optimistic associations between supervision and workforce. (Panagar 2009). Performance evaluation ought to be treated as an enduring developmental progression to a certain extent than a prescribed once-a-year review. It ought to be intimately monitored by both worker and assessor to guarantee that targets are mortalachieved. By preparing physically conscientiously and signifying a keenness to work together with your reviewer to enlarge your responsibility, you will craft an encouraging consciousness. Worker act, in common, submit to behavior with the intention of applicable to directorial goals and with the intention to organize entity workforce (J.P et al. 1993)

Motivation is an important subject area for researchers and practitioners of management all over the world. Motivation is equally relevant to public and private sectors and civil and military establishments. An employee performance appraisal can act as motivation for an employee to improve his productivity. When an employee sees his goals clearly defined, his performance challenges identified and career development solutions in place to help advance his career, the effect is to motivate the employee to achieve those goals. Creating a comprehensive plan for employee development and giving an employee achievements to strive for will inspire a higher level of efficiency.Once employee performance is measured against the set goals and objectives, a need can be identified about the future strategies of employee motivation.

II. Literature Review

Performance appraisal system is not only an important tool of HRM to develop their employees, but is also used by different companies to reward their employees in form of bonuses, promotions, and pay raise etc. Usage of performance appraisal to reward employees is also used by different theories of motivation like reinforcement theory etc. (Talya and Berim, 2010).Feedback richness refers to aperformance appraisal environment where employees receive specific, frequent, andtimely feedback (Kinicki, Prussia, Ben and McKee-Ryan 2004).Perceived accuracy of appraisals is one of the most widely used criteria for effectiveness in appraisal research (Cardy and Dobbins 1994) and is related to various appraisal outcomes such as appraisal satisfaction and motivation to improve performance (Taylor et al. 1995; Findley, Giles and Mosslander 2000; Wood and Marshall 2008;Selvarajan and Cloninger 2009).

The kind of environment that is created by the performance appraisals optimizes the employees' work performance. Individual performance goals that are consistent with organizational goals provide guidelines to the employee on how their effort can lead to organizational improvement. Boice and Kleiner (1997) point out that the organizational objectives must be determined first before embarking on a performance management system in order to make it effective.

Departmental and individual objectives are then formulated which must be consistent with the organizational objectives.In a performance appraisal context, this dimension is related to the perceived fairness of performance ratings received by employees. Procedural fairness focuses on the fairness of procedures employed in deciding the outcomes (Thibaut and Walker 1975; Folger, Knovsky and Cropanzano 1992). Appraisal satisfaction is employee satisfaction with the appraisal system, and is considered the most consequential among all the variables that measure reactions to appraisal feedback (Giles and Mossholder 1990; Keeping and Levy 2000; Levy and Williams 2004). Performance appraisal system is a combination of all the factors like proposed strategies involving performance appraisal, reward and recognition systems are suggested and analyzed in order to improve performance (Marchant, 1999).

Motivation is equally relevant to public and private sectors and civil and military establishments. More and more companies are offering long service bonuses to retain skilled and competent staff and to minimise the rates of staff turnover. More and more companies of all sizes, large, medium or small are offering performance based incentives and rewards to keep their staff motivated. Awork force which is not sufficiently motivated cannot meet the objectives of its organisation whether the organisation is a profit making organisation or a not-forprofit organisation. Motivation is concerned with the human beings working in a particular place and companies all over the world are spending considerable amounts of money to set up an effective human resources (HR) department for their organisation. Ken Lloyd from Performance Appraisals and Phrases for Dummies has tried to establish the relationship and as per his opinion, Motivation is the process that that energizes employees and propels them to pursue their goals. Well-designed and well-executed performance appraisals have a strong motivational impact. Appraisals have the power to motivate employees because they provide a number of interconnected benefits. If employees don't have a clear understanding of how they've been performing, they can't be motivated to make any improvements.

Healthcare establishments have been evidently slow to recognise the importance of human element in their organisations. They have been late to realise that doctors, nurses and paramedical staff are also human beings and need to be motivated. Private hospitals have been first to recognise the fact and have introduced motivation programmes for their staff. However, the government health sector, where patients flow is substantially higher than in private hospitals, have been slow to catch up and implement the concept of motivation. The mostmodern and sophisticated medical equipment and the most effective healthcare procedures become ineffective unless there is a sufficiently motivated team of staff to run the equipment and follow the procedures. A study was conducted between motivation and the performance of the academic staff of IBBUL. 141 people were taken as sample. Questionnaire was used for collection of data. Regression and correlation technique were castoff to analyse the result. Results revealed that there is moderate positive correlation exist between motivation and job performance. It also revealed that motivation exerts significant influence on the job performance.In the research conducted by Kuvaas indicated that performance appraisal was significantly related to the job commitment, intrinsic motivation mediated the relationship of job performance and performance appraisals.This study has been conducted to know the relationship of work performance withperformance appraisal and work motivation in depth in a multi-speciality hospital of Trissur region as no research has been done before on this sector and on this relationship. So this study has been done to fill this gap

Research Objective / Research Question
From the critical review of the literature it is noted that there is a relationship between work performance withperformance appraisal and work motivation. So this research has been conducted with an objective to answer the following question:
(i) To study the performance appraisal and motivation system in the Hospital industry.
(ii) To analyse the impact ofPerformance Appraisal System and Employees motivationon work performance.

Development of Hypothesis
A hypothesis is a preliminary or tentative explanation or postulate by the researcher of what the researcher considers the outcome of an investigation will be. It is an informed / educated guess. It indicates the expectation of the researcher regarding certain variables. It is the most specific way in which an answer to a problem can be stated. Research hypothesis are the specific testable predictions made about the independent and dependent variables in the study. Hypothesis is couched in terms of the particular independent and dependent variables that are going to be used in the study. Based on literature review, all variables included dependent and independent variable are identified, now based on these variables, hypothesis of the study has been developed.

Hypothesis:
H1: Performance appraisal systemhas no significant positive impact on the work performance of the employee.
H2: Motivation has no significant positive impact on the work performance of the employee.

III.   Research Methodology
This study focuses on establishing relationship between Performance Appraisal and Motivation with work performance and our study has been covered the Nursing staffs working in a multi-speciality hospital in Trissur district in the Indian State of Kerala. Quantitative approach was adopted for the research. The population for the study consisted of nurses of the multispecialty hospital in Trissur. Sample consisted of 100nursing staffs. Sample was chosen by using the technique of convenient sample because of time and resource constraints. Regression and correlation analysis were used to analysethe data with SPSS. Reliability analysis was used to check the reliability of the questionnaire.

IV. Findings

Reliability Analysis Interpretation

Work Motivation, Performance Appraisal and Work Performance of the nurses were measured from their opinion above related statements collected in five point Likert scale and the resulted is presented in Table 1. From the table it can be seen that all variables have Cronbach's alpha above .700. So the result indicates that the questionnaire by which data was collected is reliable.

Table 1 Result of reliability test using Cronbach's alpha

No.	Variables	Items	Cronbach's Alpha
1	Work Motivation	7	.713
2	Performance Appraisal	15	.782
3	Work Performance	6	.710

Descriptive: Results of the demographic characteristics of the respondents are interpreted as under:

The majority respondents were of age between 20 to 30 as it comprise of 64.00percent and those between the age group of 31- 40 are 27.00 percent of the total sample. The percentage of nurses in the age group of 41- 50 years and thosein the age group of 51- 60 are seven percent and two percent respectively. The sample consist of 85.00 percent staff nurses, 13.00 percent head nurse and two percent nursing officers. Ninety four percent sample nurses were found to be female and only six percent are found to be males. Majority of Respondent were studied Diploma in Nursing and Midwifery as they comprise of 72.00 percent and 27.00 percent of respondents with Bachelor in nursing and midwifery and one percent with Masters in nursing and midwifery.

Table 2 descriptive statistics of the variables with test of significance

Variables	Mean	SD	t*	Sig.
Work Motivation	3.55	1.52	3.603	0.000
Performance Appraisal	3.40	1.50	2.61	0.009
Work Performance	3.66	1.22	5.390	0.000

* One sample t-test with test value 3.00

Correlation Analysis:

Pearson's Correlation analysis was used to check the relationship between the performance appraisal and motivation on work performance. From the analysis it is found that Pearson's correlation coefficient is 0.242 which is significant at 1.00 percent level of significance. So the result indicates that performance appraisal is positively and significantly correlated to the work performance.

Table 3 correlation matrix related to Work Motivation Performance Appraisal Work Performance

Variables	Statistics	Variables	
		Performance appraisal	Work performance
Motivation	Pearson Correlation	.473**	.170
	Sig. (2-tailed)	.000	.091
Performance appraisal	Pearson Correlation		.242*
	Sig. (2-tailed)		.015

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Performance appraisal system is positively and significantly related to the work performance (r=.473**). Motivation is positively but not significantly related to the work performance (r=. 170). Results showed that performance appraisal and motivation has positive relationship with the work performance.

Regression Analysis

Two bivariate regression analysis were used to find out the effect of motivation and performance appraisal on work performance of the nursing staff.

Table 3Regression of Work Performance on Performance appraisal

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.870	.929		2.014	.047
Performanceappraisal	.588	.238	.242	2.467	.015

Dependent Variable: Work performance

Table 4 Regression of Work Performance on Motivation

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.754	.823		3.347	0.001
Motivation	.360	.211	0.170	1.708	0.091

Dependent Variable: Work performance

Interpretation:

The beta value of performance appraisal is .588(p=.015) which shows that performance appraisal is positively significant to work performance. The result indicates that one unit change in performance appraisal makes 0.588 unit positive change in the work performance of the nursing staffs. Hence the result rejects the first null hypothesis that *Performance appraisal system has no significant positive impact on the job performance of the employee* and accept the alternative hypothesis that *Performance appraisal system has significant positive impact on the work performance of the employee.*

The beta value of motivation is. 360 (p=.091) which shows that one unit of change in the motivations makes 0.360 unit change in the work performance of the nursing staffs. However this relationship is not significant at 5.00 percent level of significance. Hence the result failed to reject the second null hypothesis that *Motivation has no significant positive impact on the job performance of the employee.*

V.   Discussion

From the findings it is clear that performance appraisal inserts significant positive impact on workperformance whereas motivation has insignificant positive impact on work performance. Itis also observed that the nursing staffs have high work performancedue to the existing performance appraisal methodand least by motivation.Both regression and correlation showspositive relationship of work performance with performance appraisal and shows insignificant positive relationship of work performance with motivation due to absence of effective motivational activities in the organization. The study shows that nursing staffs of the particular hospital are not effectively motivated to get high performance.

VI.   Conclusion

The basic purpose of an appraisal system should be to improve the employee performance thatwill leads towards the organization success. It is concluded from above study, that there is an insignificant relationship of work performance with motivation. The system should first of allcontribute to motivate all of the employees. Hospitals should seek to enhance the employee's motivation so that they improve their work performance.It is also concluded that the nursing staffs of multi-speciality hospital have high work performance due to satisfaction towards the existing performance appraisal system.

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