

**AN EXAMINATION OF PERFORMANCE APPRAISAL, EMPLOYEE RELATIONS,  
AND WELFARE PRACTICES IN A HEALTHCARE ORGANIZATION**

**DR. G. Vidya Sagar Rao**, Assistant Professor; Department of Business Management-OU  
**Ganesh Konda**, Research Scholar, Department of Business Management-OU

**ABSTRACT:**

**This study examines the perceptions of employees regarding performance appraisal, career planning, promotion policies, employee relations, and welfare practices within a healthcare organization in Hyderabad. The analysis aims to explore whether these human resource (HR) practices are experienced and perceived consistently across various employee designations. The findings reveal that employees' designations significantly influence their views on the fairness, transparency, and effectiveness of HR practices. While some employees perceive appraisal methods and promotion policies as structured and fair, others view them as inconsistent or biased. Similar disparities are evident in perceptions of career planning opportunities and the implementation of grievance redressal mechanisms. Moreover, participation in decision-making and the perceived support from HR in fostering positive employee-management relations also vary by role. Differences are further observed in views on remuneration, health benefits, and socio-economic welfare provisions. These variations suggest that HR practices, while present, may not be uniformly implemented or effectively communicated across all levels of the organization. The study underscores the need for a more inclusive and transparent HR approach that considers the diverse experiences of employees in different roles, thereby enhancing satisfaction, motivation, and trust within the organization. The findings offer valuable insights for healthcare administrators aiming to improve HR effectiveness and equity.**

**Keywords:** Performance Appraisal; 360-Degree Feedback ; Balanced Scorecard; Management by Objectives (MBO) and Employee Relations

**INTRODUCTION**

Healthcare organizations operate within a complex and dynamic environment, necessitating meticulous human resource management (HRM) to ensure the delivery of high-quality patient care. HRM in this sector encompasses a broad spectrum of activities, including talent acquisition, retention strategies, comprehensive training and development programs, robust performance management systems, and diligent adherence to healthcare regulations and standards. The sector's unique demands require a workforce that is not only technically proficient but also highly adaptable to rapid technological advancements, evolving regulatory landscapes, and the ever-changing needs of patients.

Effective HRM practices are not merely administrative functions; they serve as strategic instruments for attracting and securing top talent, fostering continuous professional growth,

cultivating a positive and supportive work environment, and driving sustained improvements in patient care delivery. This underscores that HRM in healthcare is a strategic imperative. Its influence extends beyond traditional administrative duties, directly impacting core organizational goals related to patient care quality and safety. In a competitive healthcare landscape, characterized by challenges such as manpower shortages, prevalent employee burnout, and the constant need for adaptation, a well-managed human resource function becomes a cornerstone of organizational resilience and excellence. It transforms HRM from a supportive role into a core strategic partner in achieving superior patient outcomes and maintaining institutional stability.

**Performance Appraisal (PA):** This is a systematic process designed to evaluate an employee's work performance and productivity against predefined standards. Its primary functions include providing constructive feedback, establishing clear performance goals, and supporting ongoing professional development. PA is also integral for informing critical organizational decisions such as rewards, promotions, and identifying specific training needs. For employees, it offers a pathway to understanding and enhancing their performance, while for employers, it facilitates effective evaluation and selection for various incentives.

**Employee Relations (ER):** This dimension of HRM focuses on cultivating and maintaining positive relationships between employees and management. A core objective of ER is to build and sustain an environment characterized by trust, mutual respect, and appreciation. ER specialists are tasked with enhancing the overall employee experience by actively soliciting and responding to feedback, offering professional and emotional support, and serving as a vital intermediary between staff and leadership.

**Employee Welfare Practices (EWP):** These refer to the comprehensive services and benefits provided by employers beyond direct wages, aimed at supporting the overall health, well-being, and work-life balance of their employees. Such practices typically include health insurance, paid time off, and various wellness programs. The overarching goal of EWP is to improve employee morale, boost productivity, and significantly reduce staff turnover.

**Table 1: Common Performance Appraisal Methods and Their Efficacy in Healthcare**

PA Method	Description	Advantages in Healthcare	Disadvantages in Healthcare	Overall Efficacy/Conclusion
<b>Pay-for-Performance (P4P)</b>	Links financial incentives to performance outcomes.	Direct impact on performance; potential for innovation.	Risks quantity over quality; disincentives for teamwork; may "crowd out" intrinsic motivation; efficiency not	Requires careful design (incentive size, timely payouts) for potential effectiveness.

			definitively concluded.	
<b>360-Degree Feedback / Multisource Feedback (MSF)</b>	Collects anonymous evaluations from multiple sources (supervisors, peers, subordinates, patients).	Holistic and objective view; assesses multiple components of professional performance; confirmed reliability for physicians.	Requires sufficient participants for anonymity; prone to rating bias ("political coalitions"); time-consuming; may not cover all aspects.	Meaningful multi-rater method, but needs customized indicators for trust and relevance.
<b>Balanced Scorecard</b>	Strategic framework linking financial metrics with customer, internal process, and learning/growth perspectives.	Provides balanced view of corporate performance; links corporate strategies to measurable targets.	Typically organizational-level, not individual PA; complex and lengthy implementation; places less importance on people/culture.	Holistic strategic system, but practical implementation is complicated and may overlook human factors.
<b>Management by Objectives (MBO)</b>	Managers set objectives for employees, monitor performance, and provide rewards based on goal achievement.	Still in use in healthcare.	Detailed efficiency analysis not extensively provided in available literature.	Application in healthcare noted, but specific efficacy details are limited.

### OBJECTIVES

1. To assess the perception of employees in different designations regarding the fairness and appropriateness of performance appraisal methods implemented by the hospital.
2. To examine the extent to which employees across various designations perceive that the hospital follows structured career planning practices to support employee growth.

3. To investigate the perceptions of employees from different designations regarding the HR department's role in fostering a positive relationship between management and employees.
4. To evaluate the satisfaction levels of employees across designations concerning the fairness and suitability of remuneration and benefits provided by the hospital.

#### **HYPOTHESES (H0):**

1. There is no statistically significant association between an employee's Designation and their perception of whether the methods used for performance appraisal are appropriate and fair.
2. There is no statistically significant association between an employee's Designation and their perception of whether the hospital follows structured career planning practices to support employee growth.
3. There is no statistically significant association between an employee's Designation and their perception of whether the HR department fosters a positive relationship between management and employees.
4. There is no statistically significant association between an employee's Designation and their perception of whether the remuneration provided is fair and suitable for employees.

#### **METHODOLOGY**

This study employed a descriptive and analytical research design to investigate Human Resource Management practices and employee perceptions within a hospital setting. Primary data was collected directly from hospital employees through a structured questionnaire utilizing a Likert scale, designed to capture their perceptions on performance appraisal, career planning, promotion policies, employee relations, welfare, and remuneration. Secondary data, comprising academic literature, journals, books, and relevant industry reports, provided contextual background. The target population included all employees of the selected hospital in Hyderabad, with data collected from 427 valid cases across various designations, including Top Management, Middle Management, Doctors, Healthcare Staff, and Support Staff.

The collected primary data was meticulously coded and analyzed using IBM SPSS Statistics (Statistical Package for the Social Sciences). Descriptive statistics, such as frequencies and percentages, were used to summarize the demographic profile of respondents and the overall distribution of responses for each HR practice statement. To examine the association between employee designation and their perceptions of HR practices, the Chi-Square Test of Independence was employed. A p-value of less than 0.05 ( $p < 0.05$ ) was set as the criterion for statistical significance, indicating that observed differences were unlikely due to chance. This rigorous methodological framework ensured a systematic approach to data collection, analysis, and the derivation of reliable conclusions.

**RESULTS**

HR Practice/Question	Null Hypothesis (H0)	Pearson Chi-Square Value	Df	Asymp. Sig. (2-sided) (p)	Result
Performance Appraisal: The hospital follows strict performance appraisal techniques	There is no statistically significant association between an employee's Designation and their perception of whether the hospital follows strict performance appraisal techniques.	106.3	12	0	Reject H0
Performance Appraisal: The methods used for performance appraisal are appropriate and fair	There is no statistically significant association between an employee's Designation and their perception of whether the methods used for performance appraisal are appropriate and fair.	88.09	12	0	Reject H0
Performance Appraisal: Employee remuneration is determined based on performance appraisal	There is no statistically significant association between an employee's Designation and their perception of whether employee remuneration is determined based on performance appraisal.	170.112	16	0	Reject H0
Career Planning: The hospital follows structured career planning practices to support employee growth	There is no statistically significant association between an employee's Designation and their perception of whether the hospital follows structured career planning practices to support employee growth.	80.811	12	0	Reject H0
Promotion Policies: The	There is no statistically	76.81	12	0	Reject

hospital follows fair and transparent promotion policies	significant association between an employee's Designation and their perception of whether the hospital follows fair and transparent promotion policies.				H0
Employee Relations and Welfare: The hospital has an established grievance redressal cell	There is no statistically significant association between an employee's Designation and their perception of whether the hospital has an established grievance redressal cell.	62.352	16	0	Reject H0
Employee Relations and Welfare: The HR department fosters a positive relationship between management and employees	There is no statistically significant association between an employee's Designation and their perception of whether the HR department fosters a positive relationship between management and employees.	100.895	16	0	Reject H0
Employee Relations and Welfare: Employees are encouraged to participate in decision-making processes	There is no statistically significant association between an employee's Designation and their perception of whether employees are encouraged to participate in decision-making processes.	72.725	12	0	Reject H0
Remuneration and Benefits: Salaries and other remuneration are provided on time	There is no statistically significant association between an employee's Designation and their perception of whether salaries and other remuneration are provided on time.	85.42	12	0	Reject H0



Remuneration and Benefits: The remuneration provided is fair and suitable for employees	There is no statistically significant association between an employee's Designation and their perception of whether the remuneration provided is fair and suitable for employees.	79.811	16	0	Reject H0
Remuneration and Benefits: The hospital provides health benefits to employees	There is no statistically significant association between an employee's Designation and their perception of whether the hospital provides health benefits to employees.	44.759	16	0	Reject H0
Remuneration and Benefits: The hospital provides socio-economic benefits to employees	There is no statistically significant association between an employee's Designation and their perception of whether the hospital provides socio-economic benefits to employees.	77.746	12	0	Reject H0
Remuneration and Benefits: The hospital follows structured welfare and fringe benefits policies	There is no statistically significant association between an employee's Designation and their perception of whether the hospital follows structured welfare and fringe benefits policies.	70.956	16	0	Reject H0

### CONCLUSIONS

The findings of the study suggest that employee perceptions of performance appraisal practices are significantly influenced by their job designation. Employees at different levels hold distinct views about whether the hospital follows strict appraisal protocols, utilizes fair and appropriate methods, and links remuneration to performance evaluation outcomes. These results indicate disparities in how appraisal systems are perceived and possibly experienced across designations within the organization. Career planning practices in the hospital are also

perceived differently depending on the employee's designation. This points to the possibility that not all staff experience equal access to structured support for career advancement, which could impact their professional growth and job satisfaction.

Promotion policies are viewed inconsistently among employees based on their designation, suggesting that transparency and fairness in promotions may not be uniformly perceived throughout the organization. This variation could affect motivation and trust in internal mobility processes. In the area of employee relations and welfare, designations again influence perceptions. Whether it concerns the existence and effectiveness of a grievance redressal system, the efforts made by HR to foster healthy relations between management and staff, or the degree to which employees are encouraged to participate in decision-making, the experience of these practices appears to vary across different job roles. When it comes to remuneration and benefits, differences in perception exist among designations regarding the timeliness of salary distribution, the fairness and adequacy of compensation, and the availability of health, socio-economic, and fringe benefits. These insights suggest that the organization may need to reassess how equitably these benefits are communicated and delivered to ensure consistency and satisfaction across the workforce.

Overall, the study reveals that employee designation significantly affects how HR practices are perceived, highlighting a need for more uniform implementation and communication of policies to ensure inclusivity, fairness, and transparency across all levels of the healthcare organization.

### **BIBLIOGRAPHY**

- Oracle. (n.d.). The importance of healthcare human resources. Oracle. <https://www.oracle.com>
- EBSCO Research Starters. (n.d.). Performance appraisal. EBSCO. <https://www.ebsco.com>
- Case IQ. (n.d.). What is employee relations? Definition, role & HR differences. <https://www.caseiq.com>
- BambooHR. (n.d.). Mastering employee relations. <https://www.bamboohr.com>
- Pelago Health. (n.d.). Employee welfare: HR terms explained. <https://www.pelagohealth.com>
- IOSR Journal of Business and Management. (n.d.). Impact of performance appraisal and work motivation on employee performance in healthcare. IOSR Journals. <https://www.iosrjournals.org>
- All Studies Journal. (n.d.). Study of employee performance appraisal methods in hospitals. <https://www.allstudiesjournal.com>
- QEMS Journal. (n.d.). Role of performance appraisal system and its impact on employees in the health sector. <https://www.qemsjournal.org>
- ResearchGate. (n.d.). Human resource management in healthcare: Challenges and perspectives. <https://www.researchgate.net>
- World Journal of Advanced Research and Reviews. (n.d.). Human resources management in healthcare: Recruitment, retention, and workforce development. <https://www.wjarr.com>