# PERFORMANCE APPRAISAL PRACTICES IN HOSPITALITY MMHRC, MADURAI: AN EXPLORATORY STUDY

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#### ABSTRACT

The purpose of this study is to explore performance measurement practices in the context of Meenakshi Mission Hospital and Research Center, Madurai. Performance appraisal (PA) is increasingly becoming a part of strategic approach to integrate HR activities and business policies. PA refers to all those procedures that are used to evaluate the personality, the performance, and the potential of its group members. Performance appraisal is a powerful tool to provide management valuable information regarding the quality of its human resource. Performance appraisal is a key decisive factor of success in service (hospitality) organizations. The reason being that in the service sector there is no tangible output. The service is produced and consumed/sold at the same moment. So, the chances of rejecting or controlling the quality of the service - in contrast to industries producing tangible goods - before it reaches the hands of consumers is very limited. The intangibility of services in hospitality industry, poses a number of problems for the measurement of quality and customer satisfaction. Performance appraisal thus becomes all the more critically important in service industries than in other type of industries. In this paper, we propose a framework for the selection of appraisal methods and compare some performance appraisal methods in order to facilitate the selection process for organizations. The value of this framework lies in its use. Organisations can evaluate their performance appraisal method with respect to the key features of it, before implementing any method as well as expending extra costs.

**Keywords**: Performance appraisal, employee appraisal, Performance Review, performance evaluation, Career Development Discussion, Hospitality Industry.

#### **INTRODUCTION**

In today"s competitive business world, it is well recognised that organizations can only compete with their rivals by innovating. Organizations can be innovative if they manage their human resources well. In this respect performance appraisal (PA) serves a good role. Performance appraisal is a formal and systematic process of identifying, observing, measuring, recording and developing the job-relevant strengths and weaknesses of employees. Performance appraisal is a systematic way of evaluating the standard of a worker"s performance on his job and the potential for development. There arises a critical basic need for any organization to evaluate its employee"s performance continually to ascertain their improvement and to know their situation in the organization. Performance appraisal is a valuable tool that can be used to a) make employment decisions viz., determining pay and promotions, b) identify professional development needs, and c) identify factors in the work environment that help or hinder performance effectiveness.

#### SIGNIFICANCE OF THE STUDY

Meenakshi Mission Hospital and Research Centre (MMHRC), in pursuit of medical excellence has been driving world class treatment and care at an affordable cost with over 800 beds. MMHRC has to be multi-specialty hospital, touching lives in and around Madurai. They extend the traditional Indian hospitality to international patients, combing it with cutting edge technology, clinic excellence and compassion to deliver quality health care to all patients every single day. Have shouldered social responsibility and have pioneered several charity initiatives.

They have fostered an environment in which every person is motivated to continually improve the efficiency and effectiveness in the management of health care services. S.R. Trust is a non-profit organization registered under the Indian trust act (May 9, 1985). It was Mr. Lal Beer, an American Christian Missionary, who taught Dr. N. Sethuraman (Founder President, S.R. Trust) the valuable lessons of ethics, ideas and values to develop into moral person in life. This beacon of light guides the hospital (MMHRC) even today.

For a business initiative, the major benchmark of success is profitability. Whereas in the world of non-profit organization. Like us, success is measured primarily in two ways, first of all the success of a mission hospital is measured in terms of the number of patients served in a year. Last year, more than 86000 they are treated for various illnesses, a landmark achievement in the history of the hospital. Secondly, the satisfaction level of donors who supported our cause with their generous donations. More than 6000 door, 40 colleges, 25 schools, 1400 charity box holders, 3 international organization and several corporations stood with us in accomplishing many of our charity programs. This shows the exceptional confidence the donors have placed on us. Meenakshi Mission Hospital and Research Centre is determined to support the patients by applying "state-of-the-art" medical technologies to effectively tackle health challenges. Ultimately it is our aim for everyone to live a healthy, disease-free life. Of course, none of this exciting progress would happened without the help of our patients, donors, and well-wishers, to whom they are always grateful, I wish to extend special thanks to the district Relief International (DRI) who have offered us a new venture, the rare disease project, for free treatment of LSDSS patients, and also the Lions Club Foundation who donated generously for the construction of the hospice. This year they imitated special services for septic patients, bone marrow transplantation and hospice services. The list will keep growing in coming years too. First to introduce SPECT (Single photon Emission computed Tomograhy) Gammain south Tamil Nadu. First private hospital to introduce HIV/AIDS ward in Tamil Nadu. Start DNB, House surgeons, FRCS course. Successfully accredited laboratory as NABI. Completed 8000 cleft elevated surgeries in Smile train. First hospital in the country to offer linker Microfinance and health service. Perform transplant on a patient with Bombay O blood group. Dr. B.C. Roy award presented to Dr. N. Sethuraman founded chairman in 1998 by the president of India for rendering socio-medical services. Golden peacock National Quality award in 1999. Asian hospital management awards for forming Red Ribbion club. E-Commerce, regional Blood Bank- New Hopkins, Philippines 2003. Accredited by the creditability alliance for the best governance in NGO sector..

#### **REVIEW OF LITERATURE**

**Udemba** (2021) investigated the relationship between selfefficacy and job performance and satisfaction of secondary school teachers in Anambra State. Correlational survey research design was adopted by the researcher. A sample of 485 teachers were selected through stratified random sampling technique. A structured questionnaire was used for collection of data and was analysed using Pearson Product Moment Correlation coefficient. The results indicated that there is very less and low positive relationship between selfefficacy and job performance of Anambra secondary school teachers.

**Sułkowski, Przytuła, Borg and Kulikowski (2020)** identified various tensions between Performance Appraisal (PA) and Public Service Motivation (PSM), by exploring the impact of PA on PSM of academics in public higher education institutions (HEIs). The study revealed that many of the public HEI management and academics have failed to understand the complete purpose of PA activities. The existing rift between PA normative aims of motivation and fair evaluation and its descriptive effects of increasing bureaucracy and dissatisfaction might weaken PSM, an essential driving force that motivates academics to work in public HEIs.

**Wakwoya, F. (2020)** in his research investigated the relationship between Human Resource Management Practice and Teachers" Job Satisfaction in government Secondary Schools. Using random sampling, 150 teachers were selected and 5 school principals were purposively selected for the study. The data collected were analysed and interpreted using simple percentages, means, standard deviation, analysis of variance and Pearson correlation. The study revealed that there was poor teaching staff resource planning

**Dal Corso, De Carlo, Carluccio, Girardi and Falco (2019)** investigated the effects of perceived performance appraisal justice on teachers" well-being, in terms of job performance, job satisfaction, and life satisfaction, hypothesizing the mediation role of performance appraisal satisfaction. Data from a sample of 161 Italian teachers were analysed through structural equation modelling using the Lisrel 8.80 software. Results confirm the mediation role of performance appraisal satisfaction.

### **OBJECTIVES OF THE STUDY**

### Primary Objective

• To study the performance appraisal among employees in Meenakshi Mission Hospital and Research Centre.

#### **Secondary Objectives**

- To study the of performance appraisal method adopted in Meenakshi mission hospital.
- To find out the satisfaction level of employees towards performance appraisal system.

• To offer suggestions to the organization to improve satisfaction of employee towards performance appraisal system.

## HYPOTHESIS OF THE STUDY

It means tentative generalization of the validity of which remains the tested. In short it deals with certain assumptions made in the study.

### Null hypothesis

A hypothesis which assumes that there is significant difference between sample statistics and population parameter is called null hypothesis. It is denoted by Ho

### **Alternative hypothesis**

A hypothesis which assumes that there is significant difference between sample statistics and population parameter is called alternative hypothesis. It is denoted by H1

### **Research Design**

A research design is a plan structure and strategy of investigation conceived. So as to answer research question and control variance, The research design adopted for the study is descriptive research design. It is the information needed to structure or solve the research problem.

## **RESEARCH METHODOLOGY**

Research is a careful investigation or inquiry epically through search for new factors in any branch of knowledge. Research methodology is the process of systematic investigation of any management problems and deals with research design data collection method. Sampling plan, sampling method.

# Method of data Collection

Data collection is a term used to describe process of preparing and collecting data. Systematic gathering of data for a particular purpose from various sources, that has been systematically observed, recorded, organized. Data are the basic inputs to any decision-making process in business. In this survey in order to meet the objectives of the study both primary data and secondary data were collected.

### **Tools for Data collection**

Among the various methods, which can be used to collect the primary data, the researcher has adopted questionnaire method. The researcher has prepared has prepared structured questionnaire, which contained predominately multiple choice questions. The respondent's opinion is gathered with regard to the problem with the help of the questionnaires.

### Sampling Design

A sample is a small representation of a larger whole. When some of the elements are selected with the intention of finding out something about the population from which they are taken, that group of elements is referred as a sample, and the process of selection is called sampling.

### **Sampling Unit**

The respondents of the study are part of population of employees of Meenakshi Mission Hospital and Research Centre. Each employee is considered to be sampling unit.

#### Population

The number of employees in Meenakshi Mission Hospital and Research Centre is above 1000 employees. And 125 employees are selected for the research.

#### Sample Size

The number of item to be selected constitute a sample. 125 employees are selected as sample for the research.

## ANALYSIS OF DATA & FINDINGS

- The research showed that wage and salary in the hospitality industry in Delhi are determined by factors other than performances of the employees. Only 14.5% of the public and private sector managers believed that performance is the determinant of the wages and salaries.
- Collective bargaining by trade union and compliance of labour legislation on wage and salary play a major determinant factor (57.7%).
- 11.8% believe that the wages and salaries are determined as per seniority.
- Private sector managers believe that performance is a major consideration in the wage and salary determination. About 24.7% of the private sector managers say that wages and salaries are determined by performance.
- The study found that in the public sector evaluations are found made by the immediate superior and it is submitted to higher level managers for approval. The higher level managers also write their opinions about the evaluations and pass it upward.
- The performance of 'front line employees' and first line managers' is deemed critical and it is thought that they should be periodically evaluated.
- About 71.7% of the respondents said performances of workers, and 72.8% said the first line managers" performances should be evaluated periodically. This is logical as these people are in high contact with the hotel guests.
- 83.9% of employees and managers opined that their "immediate manager" is their best performance evaluator.
- The managers believe that the customer is not a good alternative for evaluating the performances of employees. Only 6.2% of the managers believe customer can best evaluate the performance of employees.

### CONCLUSIONS AND RECOMMENDATIONS

In this paper, performance appraisal has been explored and its application at the Meenakshi Mission Hospital and Research Center, Madurai has been evaluated. The results of the study indicate that the importance of human resources and the role of performance appraisals in hospitality organizations needs to be better appreciated. In the light of the findings of the research at the hospitality organizations, the following recommendations are made regarding performance appraisal practices at these organizations:

• Job related criteria should be used to evaluate performances of employees, including managers. Use of non-performance criteria be avoided.

- The industry is found mainly using in a routinistic manner old and unrevised performance appraisal methods. They need to be replaced by more contemporary techniques, but before opting the new technique first of all the purpose of the appraisals should be defined by the establishments.
- It is better to customise and use different appraisal methods for different groups in the organization. Employees be conveniently categorised into groups managerial and non-managerial, or as employees with high customer contact and those relatively less in contact.
- A good job description is the prerequisite of a good performance appraisal system. The job descriptions should be properly revised and improved. Every employee should know exactly what is expected from him. The job descriptions should describe the tasks, duties, responsibilities, results to be achieved and the behavioural requirements.
- The survey found that the managers did not favour "customer appraisals".
- However, the comments of the customers on the quality of the service can be used as an input to the appraisals.
- The managers should be trained in the interview techniques. The interviews should be carried out in a friendly atmosphere. Ways of improving the employee performance should be explored.
- The most important part of any performance appraisal system is the use of the results of the appraisal. The good performer should be rewarded.

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