

Research Article**Investigating the Effect of the Performance appraisal Program on
Employee Performance
(Case Study of Yasuj University of Medical Sciences)****Ahmad Alamdari^{1*}, Mohammad Nejati²,****Abolghasem Ahmadizadeh³, Hooshang Mohammadi⁴**^{1*}**corresponding author**, Social Determinants of Health Research Center,
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Yasuj University of Medical Sciences, Yasuj, Iran.⁴The Treatment Management of the Social Security Organization of Yasuj, Yasuj, Iran.**ABSTRACT**

Employee performance appraisal is a relatively new issue in the administrative system which has been implemented in public and private organizations for no more than one decade for specific purposes such as promoting appointment, encouragement and punishment. The evaluation system has faced many ups and downs and has had many advocates and opponents at various levels of administrative management during this short period of time. In this regard, this research aimed at investigating the effect of the evaluation program on the performance of the staff members in Yasuj University of Medical Sciences. This is an applied research in terms of the purpose a descriptive-correlational and cross-sectional study in terms of its nature and research method. The study population consists of all staff members of Yasuj University of Medical Sciences with a total number of 961 employees. We have used Morgan Table in order to determine the sample size, and selected 275 employees as the sample size using the stratified sampling method. The data collection tool used in this study was a questionnaire, the reliability and validity of which was approved in a preliminary study.

To analyze the research data, we have used descriptive and inferential statistical methods such as the mean, standard deviation, median, mode, and the regression test. Data processing was performed using SPSS software. The results showed that all components of the new performance appraisal program have an impact on the performance of the staff members of Yasuj University of Medical Sciences. According to the results of this research, the more emphasis is put on the indicators of the new performance appraisal program in Yasuj University of Medical Sciences, the more the performance of the staff members and, consequently, the overall performance of the organization will improve.

Moreover, the regression analysis showed that improvement of the communication system among employees, with a beta of 0.321, had the highest impact on the employee performance in Yasuj University of Medical Sciences, after which staff training optimization (with a beta of 0.224) and customer satisfaction (with a beta of 0.217) have the next ranks respectively. Therefore, when managers want to design and implement a program at the micro level, they need to design and implement the necessary training for the staff about the considered program before implementation of the program. In addition, they should consider the clients' views on the performance of the staff and their views' feedback and predict the incentive and punitive measures in this regard.

Keywords: communication, evaluation, improvement of innovation, performance, staff training optimization, Yasuj University of Medical Sciences

INTRODUCTION

Today, the experts of management and development emphasize the importance and position of performance appraisal and management models as one of the most important

indicators of development of societies and organizations and also the key to achievement of development goals in both individual and social dimensions (Haji Karimi et al., 2007). Therefore, further and more comprehensive studies need to be conducted in the field of performance appraisal. This is important when it comes to raising the employee performance and understanding its relationship with performance (Safari et al., 2012).

Employee performance is evaluated for two reasons, one for employee development, which is done through providing feedback and informing them of the strengths and weaknesses of their performance, and another for linking the evaluation results to the payment system. However, new researchers have pointed out that to design an effective evaluation system, we should consider not only the evaluation criteria, but also the social context of the organization, which will result in satisfaction of the staff and the success of the organization if taken into account (Askari, 2009). Performance appraisal plays an important role in intra-organizational communication. Many studies have emphasized the importance of performance appraisal in strategic goals. Performance refers to the important and subtle role of behavior feedback. Since one way for performance appraisal is evaluation by the direct supervisor, supervisors tend to have a negative and directional assessment in this type of evaluation, which raises an important issue by itself (Alvani, 2011).

Today's managers of the University of Medical Sciences should have a strategic look at human resources and consider it as a smart and valuable asset and increasingly focus on improving the employee performance and job satisfaction, because lack of attention to evaluating and improving the performance of employees can make it difficult for the organization to achieve its goals. Therefore, the fundamental question raised about Yasuj University of Medical Sciences is whether the performance appraisal program has a significant effect on the employee performance in this university or not.

Importance and necessity of research:

One of the valuable resources of any organization is "human resources". The job satisfaction of human resources will be provided when there is compatibility between their expectations and desires and their work rewards. In all societies, work means an activity which people do in their major parts of their lives and through which they provide their survival and well-being. Today, the division of labor means the specialization of tasks. Regardless of the type of occupation, people have different feelings towards their job and have desirable or undesirable feelings in some aspects of their profession and have a general view about what they are doing (Alvani, 2011).

The process of performance appraisal provides the organization with a way through which the members of the organization realize the effectiveness of their tasks. This is only possible if the process of performance appraisal is carried out correctly and accurately; that is, when the indicators and factors affecting the employees' performance are precisely predetermined and measurable (Seyyed Javadin, 2009).

One of the actions improving employee performance and organizational effectiveness is the development and implementation of an effective employee performance appraisal program. Evaluation in human resource management is one of the key tasks by which the current status of human resources is examined and its weaknesses and strengths are determined. In each organization, each employee needs to be aware of his or her position in order to achieve his or her intended career goals, because this awareness causes one to know about his or her strengths and weaknesses in order to take the necessary measures for the effectiveness of his or her efforts. Organizations, on the other hand, need to know their employees in order to improve their human resources and increase the volume of their production and also create positive changes in their movements (Tabarsa et al., 2008).

Considering the importance and necessity of the role of employee performance appraisal in the success of management and performance of the

staff and the organization, this study attempts to address the issue in Yasuj University of Medical Sciences and answer the following question: what is the extent to which the employee performance appraisal system affects the performance of employees? Finally, the main objective of this study is to evaluate the impact of the employee performance appraisal system on employee performance. This study is important in that we investigate and identify the relationship between the employee evaluation program and the employee performance in Kohgiluyeh and Boyer Ahmad University of Medical Sciences in order to improve the performance of the staff and use them to increase the capabilities, efficiency and effectiveness of the organization and society.

Theoretical foundations of the research

Employee performance

Performance appraisal or performance evaluation is an important tool for giving rewards or compensating for the services to employees, and is a conventional and routine activity that examines the performance of employees, maintaining appropriate relationships, educating the staff and accepting feedback from employees, contributes to the understanding and recognition of employees' competency or incompetence, their current performance and organization of future goals, and creates the opportunity of performing important tasks (Alvani, 2011).

From organizational perspective, performance appraisal is an indispensable and indisputable task for measuring individuals' progress toward achieving the organizational goals and missions. (Seyyed Javadin et al., 2003). A properly-implemented performance appraisal system can be considered as an asset to an organization. It is worth noting that the performance appraisal system may be detrimental to the effectiveness of organizational activities if the goals of the performance appraisal process are inconsistent with the organizational goals; therefore, in a team environment, some believe that evaluating individual performance by group work interferes

with an over-emphasis on the individual (Rahimi, 2006).

Effectiveness of performance appraisal

Effectiveness and efficiency are defined in the management literature as doing the right thing and doing things right respectively. Of course, effectiveness must be defined within the framework of a particular program that is under evaluation. Effectiveness is actually an assessment of the extent to which the actions taken to achieve the predetermined goals are effective. But it seems that we should take a step forward in defining the concept of effectiveness, in the sense that this concept will be achieved during an employee performance appraisal period if:

1. The objectives and needs of the organization are clearly identified,
2. A suitable program is designed to meet these goals and needs by the staff, and
3. The designed program is implemented properly.

An important point about the effectiveness of performance appraisal is that, before the organization seeks to measure how to measure the goals, it needs to ensure that the evaluation process is implemented properly at each stage of the process (Safari et al., 2012).

The effectiveness and quality of performance appraisal should be established and guaranteed during the evaluation process, and this process should be evaluated and measured at the end of the process to ensure that the actions have been implemented and that the objectives have been met (Safari et al., 2012). Considering the above-mentioned points, we can say that the effectiveness of organizations' performance appraisal means:

- determining the goals of the organization,
- determining the created capabilities created as a result of the solutions proposed by performance appraisal to achieve the goals,
- determining the rate of business success indicators,
- determining the value added,
- determining the visible results of the employees' work in the work process,

- determining the degree of adaptation of employees' behavior to the expectations of their organizational role, and
- determining the degree to which the tasks are performed properly as considered by the organization (Safari et al., 2012).

LITERATURE REVIEW

Qazvini et al. (2012) conducted a study entitled "the Performance appraisal of Shahid Rajae Hospital in Qazvin based on the Organizational Excellence Model" in which they showed that the hospital has a moderate status in terms of the excellence model criteria. Having a strong systematic approach and considering the organizational process-based and outcome-oriented management, we can use this model for Iranian hospitals that are usually confronted with serious problems in these areas.

The results of a study performed by Gorgi (2010) showed that the hypotheses of the research were confirmed with 95% confidence level. The results of a study conducted by Barati et al. (2006) showed that customers, financial sector, internal processes, and growth and learning have scores of 41.5%, 16.6%, 36.4%, and 89.1% respectively. Chun et al. (2010) found that the performance appraisal with the fuzzy method can be used in the government and public and even for identifying and solving business problems.

The first advantage of this method is identification of a communication system between the created

distances between the goals set by top managers, and the employees who work in the organization to achieve these goals.

Besides, managers and controllers will find a comprehensive vision of the entire organization. Finally, it emphasizes the differences between true performance and reconsiders and improves the effectiveness and efficiency of state-owned institutions and their accounts with a new focus on the results of service quality, citizen satisfaction, promotion of internal work and growth and learning of staff....

Holt et al. (2008) investigated the performance measurement of organizations in a study and mentioned two points in this regard. First, creating theoretical foundations for the variables examined to measure the performance and their proper selection, and second, providing a suitable research method which is consistent with the selected variables.

They used both objective and subjective criteria to measure business performance from both groups, and emphasized that the measurement of business performance by combining objective and subjective indicators will provide researchers and practitioners with a better understanding of how they actually work.

RESEARCH MODEL

The conceptual model of the research is as follows:

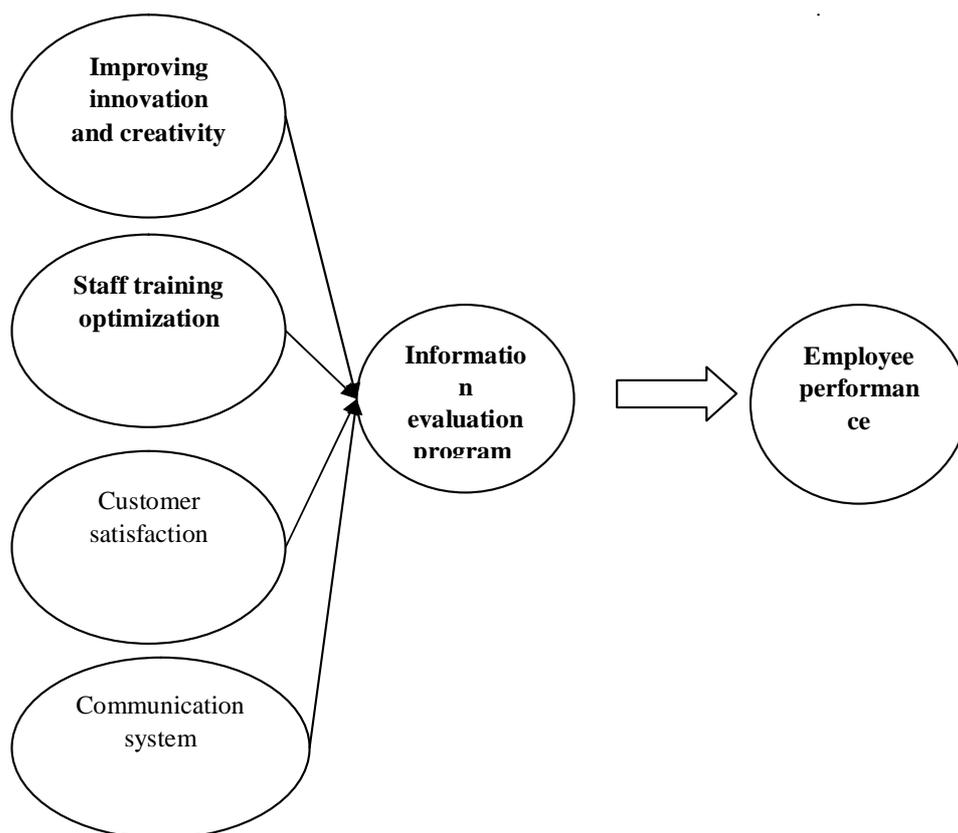


Figure (1). The conceptual model of the research

METHODOLOGY

This is an applied research in terms of the objective, a descriptive-correlational research in terms of the nature and research method, and a cross-sectional research in terms of the time. The study population consists of all of the staff members of Yasuj University of Medical Sciences with a total number of 961 employees and a sample size of 275 employees selected using the Morgan table. The data collection tool used in this study was a questionnaire, the reliability and validity of which was confirmed in a preliminary study. Descriptive and inferential statistics (regression) methods were used for data analysis, and SPSS was used for data processing.

FINDINGS

The fit of the regression model of the research:

As shown in Table (1), correlation coefficient shows the squared coefficient of correlation or coefficient of determination in such a way that the coefficient of correlation between the variables is 0.905. The coefficient of determination also indicates that 0.819 of the performance the staff members in Yasuj University of Medical Sciences is covered by the employee appraisal program dimensions.

Table (1). A summary of the model

Correlation coefficient	Adjusted correlation coefficient	Squared correlation coefficient	Standard error of estimate
0.905	0.816	0.819	9.85831

According to Table 2, the calculated (F) (302.252) is significant at a confidence level of 0.95. Therefore, it can be concluded that the performance appraisal program has a significant effect on employee performance in Yasuj University of Medical Sciences.

Table (2). A summary of the model

	Sum of squares	Degree of freedom	Squared mean	f	Level of significance
regression	11749.898	4	29374.725	302.252	0.001
remainder	26045.915	270	97.186		
sum	143544.813	274			

According to the results of Table (3), we can conclude that all of the research hypotheses were confirmed, since they are significant at 95% level of confidence level. Therefore, it can be concluded that the employee evaluation program affects the performance of the staff members of Yasuj University of Medical Sciences. The results also showed that the improvement of the communication system between employees, with a beta of 0.321 has the highest impact in the employee performance in Yasuj University of Medical Sciences.

Table (3). Regression coefficients

variable	t	Standardized coefficients	Non- standardized coefficients		Level of significance
		BETA	Standard error	B	
fixed value	11.043	**	2.802	31.026	0.001
customer satisfaction	5.580	.0217	0.294	1.642	0.001
Improving the system of communication among the staff	6.491	.0321	0.211	1.367	0.001
staff training optimization	5.259	.0224	0.291	1.531	0.001
Improving the employees' level of innovation and creativity	8.385	0.309	0.259	2.171	0.001

DISCUSSION

The analysis of the findings of the main hypothesis saying that "the new evaluation system has a significant effect on the performance of the staff members in Yasuj University of Medical Sciences" shows that the calculated F (302.262) is significant at a confidence level of 0.95. Therefore, it can be concluded that the new evaluation program has an impact on the performance of the staff members of Yasuj University of Medical Sciences. The findings of this study are consistent with those of the study conducted by Gorgi (2010).

The analysis of the findings of the first sub-hypothesis saying that "the new evaluation system has a significant effect on the performance of the staff members in Yasuj University of Medical Sciences in terms of improving the employees' innovation and creativity" shows that the new evaluation system affects the performance of the staff members of Yasuj University of Medical Sciences with a beta of 0.309 and level of significance of 0.001. According to the results of this research, it can be said that the new employee

evaluation system, through evaluating employees in terms of innovation and creativity, will cause employees to improve their performance in terms of innovation and creativity, which will consequently affect the employee performance. The findings of this study are consistent with those of the research conducted by Barati et al. (2006).

The analysis of the findings of the second sub-hypothesis saying that "the new evaluation system has a significant effect on employee performance in Yasuj University of Medical Sciences in terms of staff training optimization indicates that the new evaluation system affects the performance of the employees of Yasuj University of Medical Sciences in terms of staff training optimization, with a beta of 0.224 and a level of significance of 0.001.

According to the results of this research, it can be said that staff training optimization will lead to a more purposeful and practical use of the training courses for staff members and prevent the implementation of unplanned and aimless training courses, which will result in more productivity of

the employees and will improve employee performance. The findings of this study are consistent with those of the study conducted by Gorgi (2010).

The analysis of the findings of the third hypothesis saying that "the new evaluation system has a significant effect on the employee performance in Yasuj University of Medical Sciences in terms of customer satisfaction indicates that the new evaluation system affects the performance of the staff members of this university in this regard with a beta of 0.217 and a level of significance of 0.001.

Considering the results of this research, we can say that the more the new evaluation system emphasizes customer satisfaction, the more the customer satisfaction indicators will improve and customer satisfaction will increase, which will eventually improve employee performance. Hence, the findings of this study are consistent with the research conducted by Erikson and Garvar (2005).

The analysis of the findings of the fourth hypothesis saying that "the new evaluation system has a significant effect on the performance of the staff members in Yasuj University of Medical Sciences in terms of improving the communication system among employees" indicates that the new evaluation system affects the performance of employees in this university in terms of improving the communication system among the employees with a beta of 0.321 and a significance level of 0.001.

It can be said that the more communication among the employees and the more interaction among them will lead to the exchange of information and knowledge among them, which they can use to improve their performance. Therefore, the findings of this study are consistent with the study performed by Gorgi (2010).

Finally, considering the results of the regression analysis and the calculated beta which determines the effect of the variables without considering the index, improving the communication system among the staff has highest impact on the performance of the staff members of Yasuj

University of Medical Sciences, and improving the employees' innovation and creativity, staff training optimization, and customer satisfaction have the next ranks in this regard respectively.

CONCLUSION

The present study showed that all dimensions of the new performance appraisal program have an impact on the performance of the staff members of Yasuj University of Medical Sciences. According to the results of this research, it can be said that the more emphasis is put on the indicators of the new performance appraisal program in Yasuj University of Medical Sciences, the more the performance of the staff members of this university and, consequently, the overall performance of the organization will improve.

The Regression analysis showed that the improving the communication system between employees has the highest impact on the performance of the employees of Yasuj University of Medical Sciences. In order to improve the employees' creativity and innovation, we need call for their ideas and opinions when we are going to make decisions on specific issues requiring teamwork, then a workgroup of experts review the proposed ideas and opinions and make use of the ideas felt to be helpful in advancing the organization affairs and encourage those proposing the useful ideas.

Given that the communication system between employees is one of the most important factors for the exchange of organizational information and knowledge, the organization should strengthen these communications so that the organizational knowledge and information can be shared throughout the organization and help promote organizational learning.

For example, one of the conditions for employee career development should be that one employee trains another person and provide him/her with his/her experiences. To this aim, attempts should be made to design training courses covering the specific goals for employees' expertise and being in accordance with the goals and vision of the organization.

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