

Performance Management as Modern Approach to Employees' Appraisal in Healthcare Entities

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Abstract

The past twenty years are the time of fundamental changes in Polish economy. It transformed from centrally planned economy to free market one. This concerns almost all sectors also the healthcare one, where the changes have become more dynamic within the last decade. The main aims of the sector reform were to commercialize public entities and to increase the role of private healthcare providers. Presently, both of the objectives are almost fulfilled and because of that competition has increased. This requires implementation of modern methods of management, which are in fact concentrated on intangible resources, such as human resources rather than tangible ones. Considering the challenges that are faced by healthcare providers the paper is dedicated to performance management regarded as the strategic and inseparable element of the human resources management system. The aim of the paper is to diagnose the condition of the PM in the healthcare providers and when applicable propose a set of improvements.

Key words: performance management, HRM in healthcare, PM in healthcare, employees' appraisal.

Introduction

Within the past twenty years Polish healthcare system has undergone dramatic changes. The main aim of the changes was and still is to commercialize public entities operating in the sector so they would adjust to free market economy rules. Simultaneously with the changes within public healthcare sector appropriate regulations have been passed in order to stimulate development of the private

healthcare sector. The sector grew very rapidly offering a more diversified scale of healthcare services, from very simple ones to more specialized as a result requiring more investments. Due to the simultaneous bi-dimensional changes the Polish healthcare sector altered fundamentally. At present, the competition among public and private stakeholders is obvious. However, what is also noticeable is that private entities are more willing to adapt modern methods of management, including human resources management. On the contrary, the public healthcare providers concentrate mainly on the financial aspects of management not even considering the implementation of modern methods of management, with no exception to HRM¹. As a result public entities lose their capability to compete in the healthcare market. This situation may have negative consequences since the entities are the only providers of the services which are rarely or never profitable, so called universal services.

Considering the strategic importance of public healthcare providers for the national healthcare system and the fact that these organizations rather administrate personnel function than manage² there are two main objectives of the paper. First is to diagnose the condition of performance management in entities operating in private healthcare sector. Secondly, to indicate the best performance management practices which are executed in private healthcare providers and construct a set of recommendations that can be used in order to create and implement PM within entities which operate inside the public sector. The objectives will be achieved through the following set of actions: review of the adequate literature³, analysis of a survey review and case studies, and elaboration of recommendations for public healthcare providers.

With reference to the objectives and indicated actions it should be stressed that the empirical data investigated in the paper comes from a research project funded by Ministry of Science and Higher Education in Poland entitled "*Human resources management practices in private healthcare sector organizations. Strategies processes and tools of human resources management towards medical*

¹ The conclusion is based on the fact, that the Author of the paper researches the aspects of human resources management in public healthcare providers for the last ten years. During the time two, she performed two research projects which diagnosed condition of human resources management in public healthcare providers. Additionally, the personnel function in the entities is rather administrated then managed.

² U. Sanak, B. Buchelt, *Realizacja funkcji personalnej w samodzielnych publicznych zakładach opieki zdrowotnej województwa małopolskiego*, „Zarządzanie zasobami ludzkimi” 2008, Vol. 2/61, pp. 88–93.

³ It is worth to notice that the aspect of PM is discussed in general HRM literature, little has been written about PM in healthcare sector entities. Due to the fact in order to attain the objective of the paper author will refer to general HRM literature.

personnel". The project lasted from January 2008 until June 2009⁴. There were three research methods used in the projects: the literature review, a survey and case studies.

The concept of performance management

Employees' appraisal is a fundamental element of a personnel function within an organization. It evolved simultaneously with changing approaches to the function. From non-systematic which concentrated on the quantity aspects of employee's performance to a more holistic and complex approach considering not only quantity, but mostly qualitative aspects of employee's performance, called performance management. Performance management can be defined as a formalized and integrated process focused on employees' traits, behaviours, and work effects formation which aims toward value added creation for stakeholders. The process is strategic and vertically, horizontally and functionally integrated. It integrates organizational with individual needs⁵. According to J. Ghorpade and M. Chen performance management is "*the process through which companies ensure that employees are working towards organizational goals*"⁶. Other researchers define PM as "*a broad term that has come to stand for the set of practices through which work is defined and reviewed, capabilities are developed, and rewards are distributed in organizations*"⁷. Finally, M. Armstrong and A. Baron perceive performance management as a natural process of management which contributes to the effective management of individuals and teams aiming towards achievement of high levels of organizational performance. Furthermore, the authors assume that PM establishes a shared understanding of about what is to be achieved and an approach to leading along with developing employees who will ensure that it is achieved⁸. Not only in theory, but also in practice the performance management is understood and defined in various ways. For instance, in an internet survey with response of 507 individuals performance management was

⁴ Even though the results cannot be regarded as recent, since the time there was no research concerning the matter of HRM in healthcare sector the author knows of.

⁵ A. Poczowski, *Zarządzanie zasobami ludzkimi*, PWE, Warszawa 2007, p. 251.

⁶ J. Ghorpade, M. Chen, *Creating Quality-Driven Performance Appraisal Systems*, "Academy of Management Executive" 1995, Vol. 9/1, pp. 23–41.

⁷ A. Mohrman Jr. Mohrman S. *Performance Management is 'running the business'*, "Compensation and Benefits Review" 1995, Vol. 27/4, pp. 69–76.

⁸ M. Armstrong, A. Baron, *Managing Performance. Performance management in action*, CIPD House, London 2005, p. 2.

associated with activities such as: regular review meetings, objective or target setting, regular feedback to individuals, performance appraisal, and assessment of development needs⁹. Furthermore, PM as an approach to employees' appraisal differs from traditional approach to employees' appraisal because of many features and fundamental assumptions [see: Table 1].

Table 1. Characteristics and principles of the performance management

Characteristics of PM	Principles of PM
<ul style="list-style-type: none"> – It is a holistic approach; it means that it takes a widespread view of the constituents of performance, how these contribute to preferred outcomes at the organizational, departmental, team and individual levels, and what needs to be done to improve these outcomes; – It should be based rather on management by agreement than command; – It should be regarded rather as a process than system; the process which main aim is to create the organizational culture where individuals and teams take responsibility for the continuous improvement of an organization and their own competences and behaviours. 	<ul style="list-style-type: none"> – It translates of corporate goals into divisional, department, team and individual goals; – It supports to clarify organizational goals; – It is permanent and evolutionary process, in which performance improve over time; – It creates shared understanding of what is required to improve performance and how to attain this; – It encourages self-management; – It requires a management style that is open and honest and based on two-way communication between superiors and subordinates; – It obliges permanent feedback; – Feedback loops allow the experiences and knowledge gathered on the job by individuals to modify organizational objective; – It measures and asses all performance against agreed goals – It should be apply to all staff.

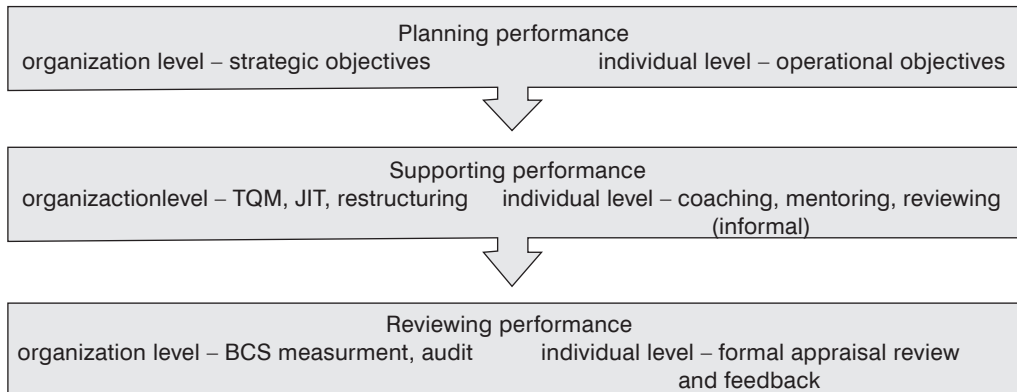
Source: Self-elaboration based on: M. Armstrong, *Performance management. Key Strategies and Practical Guidelines*, Kogan Page Limited, London 2000, pp. 5–20; A., Poczowski, *Zarządzanie...*, op. cit., p. 224.

The performance management process consists of three stages [see: Exhibit 1]: planning performance, supporting performance and reviewing performance¹⁰. The main feature of the process stages is they all are executed on three levels (organization, team, individual) and fully correspond to one another.

⁹ *Performance management in action*, CIPD, http://www.cipd.co.uk/NR/rdonlyres/AC5B3F1D-CA83-4CB2-AD97-9B2333411133/0/Performance_management_in_action.pdf, access date: 12.12.2011

¹⁰ D. Torrington, L. Hal, S. Taylor, *Human resources Management*, Pearson Education Limited, Essex 2002, p. 298.

Exhibit 1. Performance management process



Source: B., Buchelt, *Performance management as the present approach to employee's appraisal*, in: *Performance Management. Concepts and methods*, Ed. J., Nesterak, B., Ziębicki, Cracow University of Economics, Cracow 2011, p. 153

The initial stage of the performance management process is focused on effects panning. The most important activities pursued at this stage are¹¹: establishment of the strategic and operational objectives, decomposition of the objectives to the organizational units (departments, teams), and determination of the objectives for the individual employees. Additionally, the first two activities concern the organizational level, while the last one is concerned with the individual level. During the planning stage the individual level as well as organizational include qualitative and quantitative objectives using the SMART rule. To enable the objectives follow the rule the organization shall specifically define the employee's role, and a set of competences necessary to fulfil that role¹². The formal result of the stage is the set of effects, which are expected from an employee to be achieved. A set of activities is assigned to each of effect¹³. The uniqueness of the stage of the performance management process the performance management process stage is that it is a combination of activities which are applied in the planning stage as well as the implementation stage. This results in the requirement of active participation of both the

¹¹ A., Poczowski, *Zarządzanie...*, op. cit., p. 259.

¹² Ibidem, p. 443.

¹³ The effects can be set also in ethical dimension of a business. For more about the concept see: T.T. Selvarajan, S. Sardesai, *Appraisal of Ethical Performance: A Theoretical Model*, "Journal of Applied Business Research" 2010, Vol. 23/3, pp. 1–8.

supervisor and subordinate. Moreover, both of the process participants should be prepared by the organization, for instance, a training program (psychological training, communication training) should be applied. Due to the complexity of the planning stage one should perform this stage with proper attention considering the fact that the activities executed at the stage possess planning and implementation traits.

The second stage of performance management is stimulation of pro-effective behaviours. Activities that should be performed at the stage are:

- Employees' behaviours monitoring;
- Motivation of employees to work efficiently (tangible and intangible incentives);
- Formation of attitudes and behaviours of employees through: outdated feedback concerning their qualitative and quantitative aspects of work, development of knowledge and skills via on the job training (for instance coaching, mentoring);
- Correction of behaviours, which do not meet expectations.

Taking into consideration the above set of the activities one can assume that supervisors should be regarded as the key success factor of performance management in an organization. This is because they directly influence subordinates' knowledge, skills, attitudes, and behaviours. Therefore, their competences become crucial for the process effectiveness¹⁴.

The last stage of performance management is the effects review. On the one hand the stage closes the performance management cycle, but on the other it opens a new one. The activities that should be performed at the stage are:

- The effects review;
- Establishment of the new objectives (effects and activities) for an employee.

Considering adequate literature one can assume that the effects review can be regarded as a key activity for further performance management execution. It is due to the fact that it directly motivates or de-motivates an employee to work effectively. Successfully executed performance review can stimulate effective behaviours of an employee in a context of newly defined objectives. Amiss execution of the performance review can lead to the employee discouragement. The assumption is correct when one assumes that other circumstances that influence the employee performance have positive influence and they

¹⁴ S.E. Abraham, L.A. Karns, K. Shaw., M.A. Mena, *Managerial competencies and the managerial performance appraisal process*, "Journal of Management Development" 2001, Vol. 20/10, pp. 842–852.

are constant¹⁵. The performance review is nothing more than an appraisal interview which should fulfil the following conditions¹⁶:

- Appraisers should continuously evaluate employees' activities and then basing on the data gathered during the appraisal period prepare themselves for the appraisal interview;
- Employees should evaluate themselves;
- Performance review should be planned with one to two weeks anticipation;
- There should be a proper amount of time dedicated to the performance review, so it would not be executed with time pressure;
- The performance review should be scheduled at the end of a work day, so in case it will last longer the work schedule will not be disrupted;
- During the appraisal interview appraiser should give an opportunity to the employee to speak openly about the activities he or she performed.

The performance review should end with evaluation of previous effects and establishment of new ones. Therefore, it should be managed in such a way that the employee is motivated to attain new objectives and that she or he will engage in their execution.

Thus, it should be noted that implementation of performance management also brings a set of challenges that should be faced by an organization. These are¹⁷:

- Solution of a conflict between development and administrative objectives;
- Chaining an approach to an appraisal process accomplishment from an appraiser's and the appraised point of view – often both do not treat the appraisal seriously¹⁸;
- Solution of a role conflict – judge versus trainer;
- Completion of shortages in a day-to-day communication among the process participants;

¹⁵ M. Brown, D. Hyatt, J. Benson, *Consequences of the performance appraisal experience*, "Personnel Review" 2010, Vol. 39/3, pp. 375–396; D.L. Mathison, V.N. Vinja, *The Annual Performance Review As A Positive Source For Employee Motivation*, "Journal of Business & Economics Research" 2010, Vol. 8, pp. 111–120.

¹⁶ J. Myrna, *Turning the tables in performance reviews: hot to create a better process that empowers, energizes and rewards you employees*, "Business Strategy Series" 2010, Vol. 10/10, pp. 366–373.

¹⁷ J.N. Kondrasuk, *So What Would An Ideal Performance Appraisal Look Like?*, "Journal of Applied Business and Economics" 2011, Vol. 12/11, pp. 57–71.

¹⁸ Difficulties can also arise when a new supporting tool is introduced into an organization, like for example on-line PM appraisal system. For more information on the matter see: S.C. Payne, M.T. Horner, W.R. Boswell, A.N. Schroeder, K.J. Stine-Cheyne, *Comparison of online and traditional performance appraisal systems*, "Journal do Managerial Psychology" 2009, Vol. 24/6, pp. 526–544.

- Imposing the effects by a supervisor rather than establishing them with a subordinate;
- Lack of permanent monitoring of effects – positive and negative – this constrains reliability of the appraisal;
- Unclear division of a team and individual effects;
- Lack of connection between the process, and other HR functions.

In the conclusion it should be underlined that in literature the concept of performance management is commonly analysed simultaneously with a concept of employees' performance; in fact, the circumstances influence employee performance. Taking into consideration the fact, that the main objective of the article is to diagnose the condition state of the art of performance management in the healthcare providers rather than focusing on such a complex issue as determinates of employees performance. However, a strategic importance of the matter requires at least pointing out the major categories of the circumstances and their exemplification:

- (1) Individual circumstances, which are connected with a qualitative structure of human capital (personality traits, knowledge, skills, abilities, motives, health¹⁹) and qualitative aspects of social capital²⁰;
- (2) Organizational circumstances, especially these connected with human resources management system²¹;

¹⁹ For more about the issue see for example: S.S. Ramalu, R.Che. Rose, N. Kumar, J. Uli, *Personality And Expatriate Performance: The Mediating Role Of Expatriate Adjustment*, "Journal of Applied Business Research" 2010, Vol. 26/6, p. 113; W. Arthur, W. Bennett, *The international assignee: The relative importance of factors perceived to contribute to success*, "Personnel Psychology" 1995, Vol. 48/8, pp. 99–114; R.O. Renn, K.O. Prien, *Employee responses to performance feedback from the task: a field study of the moderating effect of global self-esteem*, "Group & Organization Management" 1995, Vol. 20/3, pp. 337–355; A.D. Stajkovic, F. Luthans, *A meta-analysis of the effects of organizational behaviour modification on task performance*, "Academy of Management Journal" 1997, Vol. 40, pp. 1122–1149; A.D. Stajkovic, F. Luthans, *Self-efficiency and work-related performance: A meta-analysis*, "Psychological Bulletin", Vol. 124/2, pp. 240–262; F.K. Pil, C. Leana, *Applying organizational research to public school reform: the effects of teacher human and social capital on student performance*, "Academy of Management Journal" 2009, Vol. 52/6, pp. 1104–1124; S.F. Kavitha, M. Vasugi, S. Murgadoss, *An Empirical study on Employee Core Competences*, "Interdisciplinary Journal of Contemporary Research In Business" 2010, Vol. 2/8, p. 121.

²⁰ For more about the issue see for example: R.L. Sandefur, E.O. Laumann, *A paradigm for social capital, in: Knowledge and social capital*, Ed. E. L. Lesser, Butterworth-Heinemann, London 2000, pp. 69–87; M. Akdere, P.B. Roberts, *Economics of Social Capital: Implications for Organizational Performance Advances in Developing Human resources* 2008, <http://adh.sagepub.com/content/10/6/802.full.pdf>, pp. 802–804, access date:26.04.2011.

²¹ For more about the issue see for example: P.M. Wright, T.M. Gardner, L.M. Moynihan, M.R. Allen, *The relationship between HR practices and firm performance: examining casual order*, "Personnel Psychology" 2005, Vol. 58, pp. 409–466; S. Iamratanakul, M. Sorakraiktikul,

- (3) External factors, the circumstances that slightly or not at all depend on an organization and exist in its environment²².

Performance management in Polish healthcare entities

As mentioned in the introduction the data for the following analysis comes from the research project funded by the Ministry of Science and Higher Education. There were three methods used in the project: survey, case study and literature review. In order to diagnose the shape of the performance management in Polish healthcare entities a following sequence of data analysis was undertaken: first, the results from the survey are considered, and then sample solutions from the case studies are presented.

In the survey 54 units participated, whereas the surveys were sent to randomly chosen 300 non-public subjects offering medical services; consequently, the return rate amounted to almost eighteen per cent. The population was characterized by a set of following traits. First of all, the majority of the researched population were multi-profile units, offering a diverse range of medical services, sometimes even amounting to thirty eight of them. Eight units are mono-profile and seven units are subjects of the day-care. The second trait of the surveyed population was a start-up source. It turned out that twenty eight respondents started up as non-public health care providers from the very beginning. The remainder of the researched population, amounting to almost twenty six, came into existence by transformation of independent public healthcare entities (SP ZOZ) into non-public healthcare providers (NZOZ in the Polish abbreviated version). The third trait of the population was a size analysed through a number of employees. A huge majority of respondents in the examined group, i.e. thirty one units,

S. Siengthai, N.J. Dimmitt, *The relationship of perceived human resources management practices on employees' performance*, "International Journal of Business Strategy" 2010, Vol. 10, pp. 44–55; B. Benkhoff, *A test of the HRM model: good for employers and employees*, "Human Resources Management Journal" 1997, Vol.7/4, pp. 44–60; M.A. West, J.P. Guthrie, J.F. Dawson, C.S. Borrill, M. Carter, *Reducing patient mortality in hospitals: The role of human resources management*, "Journal of Organizational Behaviour" 2006, Vol. 27, pp. 983–1002; C. Harris, P. Cortvriend, P. Hyde, *Human resources management and performance in healthcare organizations*, "Journal of Health Organizations and Management" 2007, Vol. 21/4–5, pp. 448–459.

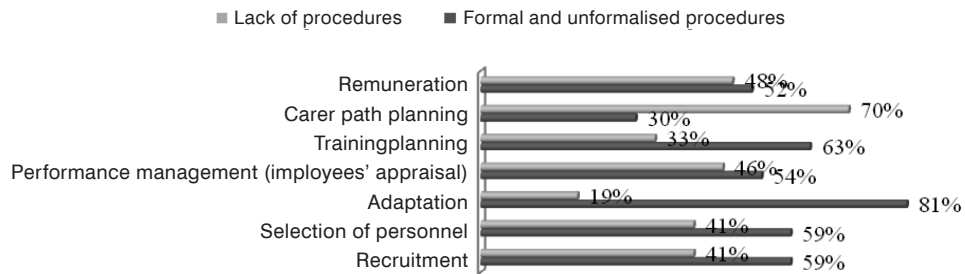
²² K. Bartolomei, *About External Environments that Influence Employee Behaviour*, http://www.ehow.com/about_6313245_external-environments-influence-employee-behaviour.html, access date: 27.05.2011; B. Buchelt, *Performance management as the present approach to employee's appraisal*, in: *Performance Management. Concepts and methods*, Ed. J. Nesterak, B. Ziębicki, Cracow University of Economics, Cracow 2011, pp. 155–159.

were small organizations employing from 1 to 49 workers. Over one fifth of the researched population were large organizations employing over 250 people. Less than one fifth were average healthcare providers employing from 50 to 249 workers. Another trait of the surveyed population was a level of the management education. Most of the respondents declared that the management staff is the physicians who did not complete any courses or trainings in management. The top level management in twenty three providers are university graduates in the field other than medical, including management sciences, as well as physicians who completed courses and/or trainings on management. The substantial share of this particular group in the management team of researched units may be evidence of management professionalization at non-public units offering medical services. People educated in the fields different from the above-mentioned ones constituted the smallest share of the management team. Merely five people managing non-public health centres belong to this group. The last characteristic of the population came from a source of financing, public versus private. Data analysis proves that the largest group of entities participating in the research were organizations whose income comes from a contract with the National Health Fund (NFZ). Thirteen units declared full dependence on the NFZ. Eighteen units declared over eighty per cent dependence on the NFZ contract. There were in total eleven units which declared their NFZ income level to be lower than fifty per cent.

During the survey different aspects of HRM were investigated, for instance: the existence of company strategy, including HRM strategy, the importance of the factors influencing competitiveness, the influence of human capital upon medical services quality, and the application of HRM procedures giving evidence concerning the possibility of forming human capital in accordance with the researched organisation's needs. Due to the fact that the paper is dedicated to performance management, the analysis will be further concentrated on this aspect.

Taking into consideration general data from the survey visualized on Exhibit 2 it can be assumed that performance management is not regarded by the respondents as the integral element of HRM system. This conclusion is drawn from the fact that only fifty four of the surveyed healthcare providers declared the possession of the formal or informal procedure connected with performance management (employees' appraisal). However, it should be also noticed that the aspect of performance management in the healthcare entities is also not the least important area of HRM. Additionally, when considering the number of the entities declaring possession of different HRM procedures, performance management is positioned in the fourth place following such procedures as: (1) adaptation, (2) training, (3) selection and recruitment.

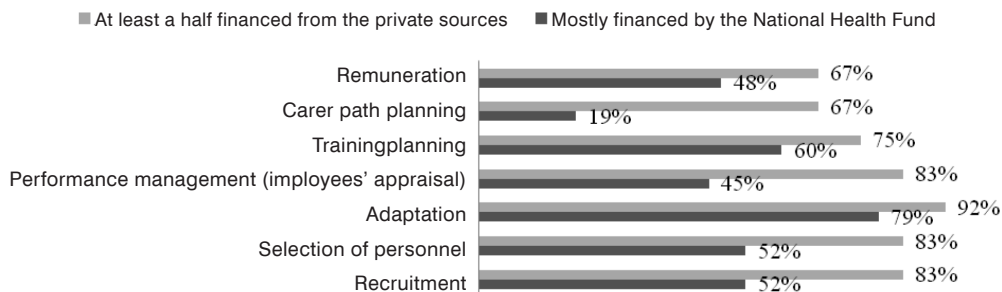
Exhibit 2. Possession or lack of the HRM procedures.



Source: Self-elaboration

Interesting information is delivered by the analysis which takes into consideration the source of financing of the survey respondents. As mentioned before, in Poland healthcare providers can be financed from public and by private funds. The data visualized on Exhibit 3 allows to conclude that the entities which are financed from private sources possess more developed human resources management systems than these which are financed from the public source – National Health Fund. Furthermore, almost all privately financed healthcare providers possess performance management procedures, the number amounted to eighty three. For the organizations performance management ranked the second when considering the number of entities declaring possession of human resources management procedures. Considering the results it can be assumed that the organizations which are more dependent on patients regard human resources as the source of competitive advantage and because of that they implement the system that allows managing the resource. Also, for the organizations performance this becomes the issue of strategic importance and as a result they are more willing to implement the systems which manage employees' performance.

Exhibit 3. Possession or lack of the HRM procedures in the healthcare providers by the source of financing



Source: Self-elaboration

More detailed information about the shape of performance management in private healthcare providers is delivered by the analysis of data from the case studies. In addition, the were four case studies analysis during the research project execution, three nation-wide private healthcare providers and one hospital, the oldest privately own one. However, in the hospital neither PM nor other appraisal system was implemented. Aggregating data gathered from the other three organizations, the following solutions concerning performance management were identified. First of all, both HR actors, a supervisor and a subordinate, take an active part in the performance evaluation process. Yet, a strongest emphasis is given to the supervisor appraisal. In fact in one of the healthcare provider's procedure it was stipulated that *"a supervisor prepares him or herself for the performance review and presents his or her point of view to the subordinate who may or may not agree with the evaluation"*. Additionally, in one of the organizations also patients are also engaged in the PM process. They evaluate such groups of employees as: physicians, nurses and customer-care employees (administration). What is worth noting is that all the employees are part of the process, not only these employed on long-term contracts but also these which are employed on flexible forms of employment.

Secondly, the performance review takes place once a year, which is usually the standard for the organizations with performance management systems. However, what draws ones' attention is that performance management procedures are structured in such a way that they remind the supervisors about the obligation of the formal appraisal, but not about the responsibility to monitor the subordinates' state of knowledge and abilities or behaviours in order to compare them with expected standards and develop them or correct

theirs activities when necessary. In reference, one of the procedures included such a regulation: "...HR Director and HR specialist deliver evaluation sheets to the supervisors. The supervisors are obligated to enlarge their knowledge about evaluation criteria and then evaluate subordinates based on them". Thirdly, all the analysed organizations use qualitative and quantitative criteria. However, the evaluation sheets include only qualitative ones – competences. The standard evaluation sheet includes such elements as:

- Employee's data: name, department, qualifications;
- Supervisor's data: first and last name;
- List of competences required in a position described by a set of behaviours connected with the competences [see: Table 2];
- Evaluation scale [see: Table 2].

In each of the analysed organizations the evaluation sheets were adjusted to a group of employees, such as: physicians, nurses, other medical personnel, customer/patient care, and others. Furthermore, one of the organizations has separate sheets for the top management, middle managers and line managers. In the organization there are nine variants of the evaluation sheets. The solution is administratively complex, but on the other hand it allows to precisely adjust the sheets to a specificity of a group of employees.

Table 2. Sample of a competence, its description and scale of evaluation

Patient orientation					
Diagnosis and reaction to a patient's needs.					
Treats a patient with respect.	A	B	C	D	E
Concentrates on a patient, so he/she will get the feeling of being important to the organization.	A	B	C	D	E
He/she is able to calm down a nervous and irritated patient, knows how to handle the situation.	A	B	C	D	E
Reacts accordingly to a patient behaviour.	A	B	C	D	E
Knows what to advise a patient.	A	B	C	D	E

Evaluation scale:

- A. Extraordinary initiative of an employee is observed.**
- B. Employee exceeds expectations.**
- C. Employee meets expectations.**
- D. Employee not always meets expectations.**
- E. Employee rarely meets expectations.**

Source: Self-elaboration based on the case studies.

Finally, in the analysed healthcare providers the performance review results are embodied mainly into a training policy creation. Rarely, they are connected

with the bonuses or career management. Furthermore, the analysis of the issue exhibited the fact, that the results are not considered in such an area of human resources management like: work conditions, redundancy, or compensation (an increase of the base salary).

Summary and recommendations

Considering the results of the above analysis performed with reference to the literature review the following conclusions can be drawn. First of all, generally the development of the personnel function in the private healthcare providers does not fulfil the standards which are met in the organizations operating in other business sectors. Still there are a lot of the healthcare entities which do not have human resources management systems. Furthermore, a lot of them implemented some of the HRM procedures but did not create a system of the interdependent and interpenetrating activities aiming toward such human capital management so it would become the source of competitive advantage. Additionally, almost fifty per cent of the entities do not possess performance management system, which not only delivers to the organizations up-to-date information about the quality of employees competences but also allows developing human resources management plans and programs adjusted to an actual situation. However, what is noticeable, the fact is better understood by the healthcare providers which are dependent on private funds than these dependent on public one. The conclusion can be drawn from the fact that most of the entities financed by private funds declared the possession of the particular human resources management procedure, including performance management one. At the same time the providers which depend on National Health Fund have higher rate of shortages connected with human resources management procedures, including the performance management one.

Secondly, performance management practices which were identified during analysis of human resources management practices in the chosen healthcare entities can be regarded as modern ones. However, there should be some improvements made, such as:

- Increase in subordinates' engagement in the process (self-evaluation); employees should also have an opportunity to review and evaluate their state of knowledge, skills, abilities, and behaviours with reference to required work effects (objectives); also, due to the strategic role of supervisors in the management processes of the organizations it should be considered whether to implement upward appraisal or not;

- There should be a shift of concentration made from the formal execution of required work effects to informal and process-oriented monitoring of employees' actions; at present, the organizations perceived formal performance review which is executed once a year; on the contrary, effective implementation of performance management requires process-orientation rather than final effect concentration;
- Evaluation sheets should be completed by quantitative criteria.

The diagnosis which was performed in the paper leads to a set of recommendations and further research questions. First of all, there are still too many healthcare providers is supposed to change their management orientation. They shall focus on intangible assets, like human capital rather than just on tangible assets. This requires development of managerial competences necessary to implement the change. On the practical side, the reorientation requires, among other changes, the implementation of an effective and matching to the needs of an organization human resources management system constructed in such the way that performance management would be regarded not only as the inseparable but also essential element of the system.

Along with the diagnosis and recommendations regarding performance management in the private healthcare providers new research questions emerge. These concern such issues as: a state of managerial competences regarding effective management of human resources, characteristics of an organizational cultures within healthcare providers as the key determinant of effective performance management implementation and execution, or ethical aspects of performance management in the context of medical personnel work characteristics (legitimacy of usage of patient mortality as the criteria for physicians' work evaluation²³). The issues should become further investigation areas in order to precisely define the context and process of performance management in the organizations operating in the healthcare sector in Poland.

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²³ For more on the matter see: M.A. West, J.P. Guthrie, J.F. Dawson, C.S. Borrill, M. Carter, *Reducing patient mortality in hospitals: The role of human resources management*, "Journal of Organizational Behaviour" 2006, Vol. 27, pp. 983–1002.

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Резюме

Управление через эффекты, как современный подход к оценке сотрудников в организациях сектора медицинских услуг

За последние годы польская экономика прошла фундаментальную реструктуризацию. Эти изменения в принципе касаются всех секторов, также сектора медицинских услуг. Здесь целью реформ стала во-первых коммерциализация публичных услугодателей, во-вторых увеличение роли, а тем самым и активности частных услугодателей. Намеченные цели уже почти достигнуты, в связи с чем интенсивность конкуренции увеличилась. Это в свою очередь ставит новые вызовы перед поставщиками медицинских услуг, м. пр. адаптировать современные методы управления, что в свою очередь требует стратегической переориентации, т. е. отхода от полной сосредоточенности на материальных ресурсах в пользу нематериальных ресурсов, как напр. человеческие ресурсы. Принимая во внимание вызовы, стоящие перед организациями, действующими на рынке медицинских услуг, прежде всего публичными, целью настоящей статьи стал диагноз состояния управления через эффекты как интегрального и стратегического по своему характеру элемента системы управления человеческими ресурсами, а также предложение улучшений, увеличивающих эффективность управления этим избранным элементом УЧР в организациях, оказывающих медицинские услуги.

Ключевые слова: управление через эффекты, управление человеческими ресурсами в секторе медицинских услуг, оценка сотрудников.

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