



Performance Management for Human Resource Development

Developed by





People for Health

This document is a product of the People for Health Project, and developed by Swasti, Health Resource Centre. The People for Health project is jointly implemented by Swasti Health Resource Centre and Public Health Foundation of India with financial support from the European Union.

This document provides an insight into the Capacity Building of health HR in public, private, and NGO-managed health sector and presents recommendations for improvements in the public sector.

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Performance Management for Human Resource Development in India

*A Study of Health Systems in Government, Non-
Government and Private Sectors*

Acknowledgement

This document is developed by Swasti, Health Resource Centre as a product of the People for Health Project.

This study has given us a better understanding of the human resource management practices adopted across the country and helped us get a deeper perspective of the challenges faced in this space. Through this process we have gained an appreciation for all efforts being made both by public and private healthcare players.

We thank all the organisations that have shared information on their HR practices to help us complete this study. Given the sensitive nature of human resources, we appreciate the honesty and willingness displayed by them. We also thank representatives from the Department of Health & Family Welfare, Madhya Pradesh, Kerala, and Jammu & Kashmir as well as the Indian Railways for being forthcoming in sharing their HR practices and for spending their valuable time with us despite their busy schedules. We also thank participants from Chirayu Medical College & Hospital, Jawaharlal Nehru Cancer Research Centre, Lourdes Hospital, and Kerala Institute of Medical Sciences for sharing HR practices from the private sector. We understand their difficulty in sharing this information and we truly appreciate it, as without their inputs, this report would be incomplete. We consider ourselves lucky to have had the opportunity to capture civil society contributions in this report by documenting practices at Aravind Eye Care System, Karuna Trust, and IntraHealth. We would like to thank their representatives for supporting us. We also acknowledge Public Health Foundation of India, whose contribution through the literature review was well appreciated.

We must make a mention of Mr. Shiv Kumar, President and Chief Executive Officer of Swasti, for his advisory support in designing the study in the limited time available.

We hope readers of this report will find the analysis presented here useful and also sincerely hope that healthcare organisations will adopt some of the recommendations detailed in this report. We were delighted to conduct this survey and hope it will guide organisations move towards better HR practices and eventually towards delivering better health outcomes.

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Introduction

Swasti, is a Health Resource Centre working in South and South East Asia. The Public Health Foundation of India (PHFI), is an Indian network of institutions responding to India's public health challenges through education, training, research, communication, and advocacy. Together, Swasti and PHFI are partnering to implement this initiative within a time frame of 2011–14, to advance Human Resources for Health in India, funded by the European Union. This initiative seeks to engage civil society organisations and other non-state actors (including the private sector), and networks to strengthen health workforce policies, strategies, and practices through effective knowledge management and capacity building at the national level and in two Indian states, Madhya Pradesh and Kerala.

This document details the study and the findings of HR planning in public, private, and NGO-managed health sector and presents recommendations for improving HR planning in the public sector.

Objective

The People for Health (P4H) team undertook a study of the performance management systems of health departments in public, private, and NGO sectors with the aim to understand and analyse the existing systems, document areas of learning, and provide recommendations for improvement.

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Acronyms

ANM	Auxiliary Nurse Midwife
AYUSH	Ayurveda, Unani, Siddha, and Homeopathy (Alternate systems of Medicine)
AFMS	Armed Forces Medical Services
CHC	Community Health Centre
CMD	Chief Medical Director
DHS	Director of Health Services
DMO	District Medical Officer
FBO	Faith Based Organisation
Gol	Government of India
GoMP	Government of Madhya Pradesh
HR	Human Resources
HRH	Human Resources for Health
HRMIS	Human Resource Management Information System
HRM	Human Resources Management
KIMS	Kerala Institute of Medical Sciences
M&E	Monitoring and Evaluation
MIS	Management Information System
MLOP	Mid Level Ophthalmic Personnel
MO	Medical Officer
MP	Madhya Pradesh
NGO	Non-Governmental Organisation
NRHM	National Rural Health Mission
P4H	People for Health
PG	Post Graduate
PHFI	Public Health Foundation of India
PHC	Primary Health Care Centre
PM	Performance Management
SC	Sub-centre
SC	Scheduled Castes
SIHFW	State Institute of Health and Family Welfare
SIHMC	State Institute of Health Management and Communications
ST	Scheduled Tribes

1. Performance Management for Human Resource Development

Performance Management is the process of creating a work environment or setting in which people are able to perform to the best of their abilitiesⁱ and helping your team perform well and remove the obstacles that are encountered.ⁱⁱ It is not a one-time event but a continuous process. Armstrong and Baron define it as both a strategic and an integrated approach to delivering successful results in organisations by improving the performance and developing the capabilities of teams and individuals.

The main aim of a performance management system is to bring forth the maximum potential of employees and help the organisation achieve its goals and targets. The objectives of performance management pertain to

individuals, as well as the system and are as follows:ⁱⁱ

- Achieving good standards in performance
- Identifying capacities of individuals
- Boosting performance through motivation
- Promoting communication both ways
- Identifying barriers to effective performance
- Linking performance to promotions and incentives
- Promoting personal growth and career

The process of managing performance benefits the organisation, the manager, and the employee; and helps promote effective use of time and resources.ⁱⁱ

Benefits to the Organisation	Benefits to the Manager	Benefits to the Employee
<ul style="list-style-type: none"> • Improves organisational performance • Promotes employee retention and loyalty • Improves productivity • Facilitates communication • Increases accountability • Provides a cost advantage 	<ul style="list-style-type: none"> • Saves time and reduces conflicts • Ensures efficiency and consistency in performance 	<ul style="list-style-type: none"> • Clarifies expectations • Provides opportunities for self-assessment • Clarifies the accountabilities and contributes to improved performance • Clearly defines career paths and promotes job satisfaction

Components of Performance Management

There is a proven link between the performance of health workers, the productivity, and quality of care in health institutions. Some of the factors which negatively affect performance are:

- Lack of recognition for well-performing employees
- Quality of performance outcomes
- Absence of a formal performance appraisal system
- Poor working conditionsⁱⁱⁱ

A robust performance management system should aim to assess and monitor the work of the employees, and provide them the required feedback to address gaps. It is essential for the system to incorporate the following components of performance management to maximise its benefits:

- Planning work and setting expectations
- Monitoring performance continuously
- Developing the capacity to perform
- Rating performance periodically, and

- Rewarding good performance

Tools for Performance Appraisals^{iv}

Performance appraisal is a method to evaluate an employee's performance in the roles designated by the job description. Companies and institutions use various tools to conduct appraisals. Some of them include:

- **Critical incident method:** Is a format where certain incidents are selected to assess where the employee performed well or requires improvement
- **Weighted checklist method:** Is a descriptive method where effective and ineffective behaviours while performing the job is evaluated
- **Paired comparison analysis:** This method uses a list of relevant options where each option is compared to other, results are calculated, and the option with the highest score is chosen
- **Graphic rating scales:** These are the most popular method of performance appraisal. The management evaluates the performance level of the employee against a checklist
- **Essay evaluation:** Is a non-quantitative method where the supervisor identifies the strengths and weaknesses of the staff being appraised
- **Behaviourally-anchored rating scale:** Is a mix of rating scale and critical incident method. It has a set of indicators to determine effectiveness of the performance
- **Performance rating method:** This method involves comparison between employees by the supervisors and ranking from highest to lowest
- **Management by Objectives (MOB) method:** This method assesses performance regularly against a set of objectives. The results achieved determine the rewards. It does not take the process into account, only the outcomes
- **360 degrees performance appraisal:** Requires that employees are assessed by their colleagues and give an anonymous and confidential feedback
- **Forced ranking or forced distribution:** This system categorises employees by default as top

performers (for example top 10-20%), middle (70-80%), and lowest

- **Behavioural observation scale:** Involves using observation of staff behaviours to assess performance.

2. Performance Management in the Health Sector – Situation in India

A critical ingredient for building an effective and responsive health system is the health workforce which includes medical, paramedical, managerial, and administrative staff. The National Rural Health Mission (NRHM) therefore, underlines the importance of systemic reforms, especially reforms to improve governance and human resource management.

India's human resources in health have significant problems such as quantity, quality, skill sets, productivity, and motivation. HRH planning and management is largely limited to administrative functions of recruitment, posting, and transfers with little or no role focus on quality, motivation, productivity, and incentives, among others. Work culture remains poor. Studies have shown that 'free riders' and overworked individuals co-exist, leaving the latter de-motivated.

Measuring the efficiency in healthcare delivery is very complex and difficult. Most health departments in India lack systematic efforts for measuring changes in healthcare service delivery either at institute level or individual level. Currently, most performance appraisals are done through the ACR (Annual Confidential Reports) process. The ACR forms are very basic in design and allow the supervisor to write his/her comments about employees under few very general and broad headings.

Experience reveals that the ACRs are not an ‘annual’ feature and are developed only while being considered for promotion. For instance, if an employee’s name has been shortlisted for promotion, his/her last three-five years’ appraisal forms would be prepared and reviewed as procedural requirement by the selection committee. Often, the current supervisor is required to fill in the details for past work done, which he/she did not supervise.

In many cases, an appraisal form’s role in an employee’s promotion has been restricted to ensure that the employee does not have any adverse remark in his appraisal. Furthermore, the appraisal ratings are mostly given within the range of ‘satisfactory’, except in extreme cases. Critical link between performance and rewards is missing in the current system and the promotions are time-bound (seniority-based). Every year’s annual increments are predetermined as per their pay scale, and are already known to every employee in advance. The current system has failed in making the performance of employees comparable, or in other words, rewarding better performing employees appropriately. Often, this has been attributed as a prime reason for the slack attitude of the employees in the government sector.

Performance of an employee has little or no impact on his/her career progression. In a typical government organisation situation, promotional avenues are limited for entry-level officers-some of them get their first promotion only after putting in 12–15 years of service. As a result, the employee’s performance in the first seven-ten years becomes irrelevant while being considered for promotion to the next post as only his/her performance in the last five years would be considered.

It is within this context, that the People for Health team undertook a study of the performance management systems of health departments in public, private, and NGO sectors with the aim to understand and analyse the existing systems, document areas of learning, and provide recommendations for improvement.

3. The People for Health Project

The People for Health Project, implemented by Swasti and its partners, aims to build an evidence base of good HR practices and systems from the different sectors, from different Indian states. This knowledge will be used to build capacities of health managers, advocate management systems and practices at national and state levels.

Objectives of the People for Health Project:

- Construct a comprehensive knowledge base on key human resource issues
- Build capacities of key stakeholders to advocate, absorb, and learn from each other
- Build and operate cross-learning platforms

The Project specifically targets:

- Government: National Ministry of Health, GOI, two State Governments — Madhya Pradesh and Kerala
- Civil Society Organisations
- Other non-state actors (private for profit and not-for-profit)

4. Scope of the Current Study

Performance Management (PM) is about aligning the organisation's objectives with the employees' agreed measures, skills, competency requirements, development plans, and result delivery. The emphasis is on creating a work environment or setting in which people improve, learn, develop, and are enabled to perform to the best of their abilities.

The P4H team carried out an in-depth study of the performance management systems in the

health sector. State health departments of Madhya Pradesh, and Kerala were selected, as these are the focus states for the People for Health project. In addition, the Indian Railways and the Armed Forces Medical Services were included in the study to understand the central government HR practices.

The PM systems were critically analysed in the following private, corporate, and NGO-managed hospitals.

Private Sector Hospitals	NGO Sector Hospitals
Chirayu Medical College and Hospital, Bhopal	Lourdes Hospital, Kerala
Jawaharlal Nehru Cancer Hospital & Research Centre, Bhopal	Aravind Eye Care System, Tamil Nadu Karuna Trust, Karnataka
Kerala Institute of Medical Sciences, Thiruvananthapuram	Karuna Trust, Karnataka

This study explored the following aspects of the capacity-building process:

PM Processes	Implications of PM	Micro Planning
<ul style="list-style-type: none"> • What is the system for PM - flow of information, frequency, timing, etc. • What are the organisational levels of PM and who carries out PM for whom? • Do formal job descriptions exist? Clarity of roles? • What is the technique/type of PM followed? • What are the targets given to employees for PM? • What are the parameters for measuring individual and team performance? • How is the performance rated/assessed? • What is the process of giving performance feedback? 	<ul style="list-style-type: none"> • What are the implications of the process? (link to promotions, transfers, incentives/disincentives, career development) • Are there any mentoring/training provided by seniors to juniors to improve their performance and accomplish day-to-day tasks? (supportive supervision) • Any changes made in performance management system of the organisation in the recent past and its impact? 	<ul style="list-style-type: none"> • What are the challenges faced in developing and implementing the plan? • What are the steps introduced to address these challenges?

Details of methodology are presented in Annexure 1.

Documentation was limited in most of the institutions that the study covered. While there were no manuals in the health departments of the government of Madhya Pradesh and Kerala, the private hospitals

including NGOs could not share their documentation, as it was confidential. Hence, the findings are limited to the responses during the interviews.

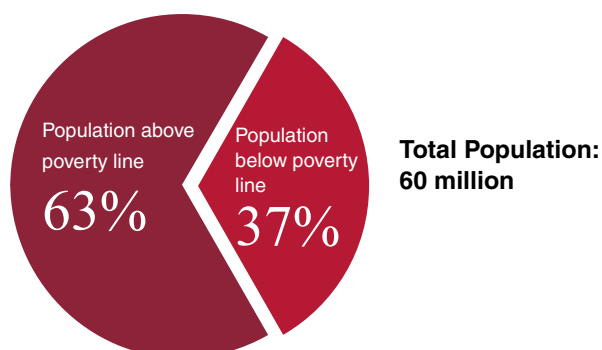
5. Findings From the Government Sector

Performance Management in the government health departments of Kerala and Madhya Pradesh are similar, and are discussed here together.

5.1 Department of Health and Family Welfare, Government of Madhya Pradesh and Kerala

Madhya Pradesh

Madhya Pradesh (MP) is one of the poorest states in India with over 37% of its total population of 60 million living below the poverty line. MP is a large state and is divided into 50 districts.



The performance of the public health delivery system in MP has faced several constraints such as:

- Staff vacancies and infrastructure gaps, particularly in the poorest 10 districts and tribal areas

- Lack of drugs and other essential supplies at local levels
- Weak implementation and monitoring systems
- Poor accountability of staff and low staff motivation
- Low management capacity

The Government of Madhya Pradesh (GoMP) has taken a number of steps in the recent past to improve the functioning of the health system and facilities through increasing public expenditure on health, decentralisation and community participation, providing funding for community-level health workers and granting functional autonomy to local health facilities.

Kerala

Kerala is a relatively smaller state than MP and is divided into 14 districts. Kerala has achieved good health indicators compared to other Indian states. It has become important to sustain the achieved levels of success at a time, when the State is facing the emergence and re-emergence of some of the communicable diseases along with problems resulting from the epidemiological and demographic transition. Kerala became the first state in the country to initiate administrative decentralisation in an extensive way, including that in the health sector. All healthcare institutions

except general hospitals, women and children hospitals, and speciality hospitals have been transferred to the three-tiered *Panchayati Raj Institutions*. Up to 40% of the plan fund of various sectors, including that of the health sector has led to gaps in administration. This is being addressed by the establishment of public health cadres in the State.

5.1a Processes of Performance Management

The PM system

The existing PM systems in these States are limited to the traditional methods of appraisals and promotions. Accountability as an element is almost entirely missing in the performance management system, although the review meetings provide some opportunity to induce and maintain accountability.

The respondents in both States were knowledgeable and articulate about concepts of performance management and expressed the need for strengthening the PM systems. They however, informed that an apprehension of political interference forms a barrier to PM reforms.

To promote public sector careers among graduating doctors, the State Health Department of MP has introduced incentives such as permission to maintain private practices during off-duty hours and reservation for post graduate seats for in-service doctors, even though there are no financial incentives given for working in rural/remote area.

Both States have some forms of performance incentives. Kerala provides a duty allowance for doctors performing 'stay duty' and 12-hour duties in casualty (Rs. 200-Rs. 2,000 for 20 duties per month). MP has instituted an award of Rs. 1,00,000 and sponsored family vacation to the in-charge doctor, and surgeon of five best-performing Basic Emergency, Obstetric and Newborn Care (BEmONC), Comprehensive Emergency, and

Obstetric and Newborn Care (CEmONC) facilities which undertake family planning operations.

The mechanism of performance appraisal is called Confidential Report (CR) in Kerala and the Annual Confidential Report (ACR) in Madhya Pradesh. It is done annually in the departments of health in Kerala and MP. The NRHM has a streamlined reporting system and programme performance is adjudged using the Human Resource Management Information System (HRMIS) reporting format, which compiles facility-wise and district-wise reports for programmatic achievements on monthly basis. Performance is linked to promotions or selected transfers for the staff.

Levels of PM

Every staff from the level of the medical officer and above undergoes a performance appraisal. In Kerala, performance appraisal is mainly carried out for the gazetted officers. The performance of the other cadres is mostly an evaluation based on service delivery and programmatic outputs. The HRMIS reports are used as an adjunct to the performance monitoring. This is the same across all government departments. Accountability and performance appraisals are currently limited to individuals and not to teams, departments, and facilities as a whole and do not include the communities. Performance appraisals are conducted by the reporting officer.

Role clarity

An essential feature missing in the departments is the job description of each cadre of staff. It is either:

- Absent
- Present, but not detailed or updated
- Updated and detailed, but not communicated to the staff in question

Though vacancy announcements for all posts are accompanied with a government order stating the job description, the job responsibilities are brief summaries and lack clarity. Consequently, there are overlaps or lacunae in roles and responsibilities especially between the lower cadres, and the onus of the tasks and services rests on none. This breeds

a lack of accountability amongst the staff and creates shortfalls in service provision for the patients and public.

Another important feature is the addition of responsibilities over and above the existing ones. There may be addition of new assignments as per programme priorities and departmental needs. Clinical cadres are also deputed to other facilities to tide over temporary vacancies. Furthermore, additional specific responsibilities may be introduced by the District Collector as well.

PM techniques and performance targets

The one-to-one appraisal mechanism is the sole method of performance management. No other tools for assessing performance are in use. The confidential report tool is used for the higher cadres of staff in both the States. For all the lower categories of medical staff, the supervisor's feedback is designated as the appraisal reports of the employees. There are no specific targets determined to monitor job functions other than those set through programme needs such as population coverage, targets for immunisation, family planning, outreach of maternal and child health services, and number of malaria slides for detecting cases.

Parameters for assessment/rating

HRMIS reports of sub-centres and primary health centres are generally used to assess gaps in service delivery and are labelled as performance gaps for Auxiliary Nurse Midwife (ANMs) and Primary Health Care Centre (PHC) staff. There are no predetermined parameters for rating.

Feedback process

The District Medical Officer's (DMO) monthly meeting is an important platform for sharing views on performance of the health workers of the district. This monthly conference is a congregation of all key health officials and is led by the DMO. While unsatisfactory performances are reviewed, good performances of staff are also lauded at this forum.

Several districts, particularly in Madhya Pradesh, reported instances of good performers

and achievers being formally and publically acknowledged during the monthly meetings at the district. In MP, an instance was reported where two ANMs of a PHC which conducted more than 10 deliveries in a month in the absence of a doctor were recommended for an award. The ANMs were presented certificates at an annual function.

5.1b Implications of Performance Management

Outcomes and gaps

Good performance is usually acknowledged verbally or through incentives and promotion, though there is no systematic and regular process for the same. This is also not uniform across all levels. This gap in the system leads to lack of motivation and enthusiasm in the staff, who do not feel the urge to perform better. This is the stated need in both departments, which believe that both financial and nonfinancial rewards would lead to improved performance. Some suggestions include best performer awards, a mention in the newsletters, trophies, financial incentives, promotions, reward postings, international trainings, and conferences, etc.

Non-performance too, is not addressed appropriately and adequately. There is no or limited action taken for failures, absences, and poor performance. Exceptions to this are cases of profound malpractices, which incur suspension from duty or a charge sheet. Again, these situations and consequences can be influenced and bypassed by intervention of higher political ranks. Suspensions and transfers to another location are the maximum penalties faced in such instances.

Opportunities for improvements

A broad performance management system within the government system is missing. Elements that are in practice are not robust, need relevance as well as updates and strengthened implementation. Largely, there is leadership and willingness for reforms in performance management systems within health department. Health facilities can be further improved by applying for accreditation.

Currently, the senior officers in the MP health department such as the Mission Director, Principal Secretary, and other directors, conduct regular field visits in the districts, blocks, and even at the sub-centres, where they evaluate facilities by observation and provide feedback directly. The officials of the health departments of both the States have expressed the need for a strong HR policy including a well-formed department and system and a detailed job description of all the categories of staff.

Impact of changes

Kerala has introduced mandatory induction training for medical officers within the first year of recruitment. This has been stated to ensure a clear understanding of the jobs and responsibilities among the new recruits leading to better performance. In MP, regular field visits by State officials has significantly enhanced the motivation levels of health workers and improved the quality of work. The 'Swablaban Yojna', a financial support scheme to motivate government nurses to pursue further education in private nursing colleges, was introduced to address the requirement of a large number of nurses in the State and has reportedly been appreciated by the cadres.

5.1c Challenges

- In MP, recruitments are mostly on an ad-hoc basis and deprivation of benefits is the main reason for dissatisfaction, de-motivation, and consequently high attrition.
- The absence of any formal system of performance appraisals for the lower categories of staff except the supervisor's report may lead to biases in opinion and personal favouritism. This may lead to de-motivation and unfair promotions and incentives.

There are more than 150 cadres of staff members in the health departments. The human resource systems in both the government health departments are not very functional. The task of establishing strong performance management systems for all cadres of staff and regular monitoring of their work delivery is very essential and also very daunting. But once established it would bring about better service

delivery, accountability, and improvement in the quality of care. The respondents further revealed, that a small proportion (10-20%) of employees are performing as per requirement, and are satisfied and there is an urgent need for positive reinforcement and robust leadership to improve performance. They further underlined the need for promoting a sense of belonging to the organisation.

5.2 Health Directorate, Ministry of Railways

The Health Directorate of the Railway Board controls and supervises the Medical Department of the Indian Railways. The Indian Railways is divided into 16 zones. Each zone is under the administrative control of the Chief Medical Director (CMD). The CMD is supported by the Chief Health Directors in some zones, about two to three Deputy CMDs and few Group B officers. The zones are further divided into divisions and headed by the Chief Medical Superintendents. In some places however, Senior Medical Superintendents are incharge.

Indian Railways has a huge independent healthcare infrastructure which caters to its employees. There are 125 Railway Hospitals and 133 private recognised hospitals under the Railways. These hospitals have a total bed-capacity of 13,969 beds. The workforce consists of 2,506 Medical Officers, 194 Group B officers and 54,337 non-gazette cadre staff members. The Health Directorate under Railways has an independent budget of a Rs. 100 crores.

5.2a Processes of Performance Management

The Health Directorate of the Railways is a government organisation and has a definite and well-organised performance management system. The system reviews and improves performance and addresses positive as well as negative outcomes through structured mechanisms.

The PM system

The Health Directorate of the Railways acknowledges the importance of performance management. As a result, the PM system here is comprehensive. It includes structured mechanisms for selection of candidates, defining and disseminating job descriptions, conducting appraisals, providing feedback, reviewing, and building capacities based on gaps in performance. The Railways department has a very stringent process of recruitment and selection. Pay scales are defined for part-time and full-time staff. Full-time doctors receive accommodation and non-practicing allowance. Contracted Medical Practitioners (CMP) are also eligible for first-class complimentary railway passes for themselves and their families, free medical treatment, and leave of absence.

Regular monitoring occurs in the form of reviews and audits. These include mortality reviews, medical audits, document reviews, accident preparedness assessments, review of super speciality services, audit of implementation of national health programmes, and water and food safety. In addition, Quarterly Performance Review of Medical Department of Zonal Railways and Quarterly Performance Review meetings with CMDs of zonal railways are conducted. Annual Confidential Reports or the Annual Performance Appraisal Reports (ACR/ APAR) are prepared for all contractual doctors through self-assessments, and an independent three-tier assessment of reporting and reviewing and accepting authority. The medical and health services are evaluated through medical audits and by assessing accident preparedness.^{vii}

Levels

Performance appraisals are done for all levels of staff. Confidential Reports (CR) are prepared for railway employees in Group A, B, C at the end of each Financial Year (FY). The reports are written by the immediate superior who takes into account the annual performance of the employee. Every performance entered into the CR is based on an actual report of performance. The reporting officer submits the report to the reviewing officer who adds his own assessment and records changes if necessary. The report is finally submitted to the accepting authority.^{viii}

Role clarity

All employees are given elaborate job descriptions which are updated from time to time, and used to assess individual and team performance. The railway manual carries an extensive list of job responsibilities and guidelines of all categories of staff including specialists, nurses, superintendents, and group D employees.^{ix} The manual also states that if there is a need, employees may have to perform duties other than those given in the list and delegated by the superiors. Employees are informed that they may have to perform 'all activities directly or indirectly related to the delivery of healthcare to the beneficiaries, including multi-skilling, and multipurpose activities with due approval of the competent authority'.

It has been observed that specific job descriptions reduce non-performance emerging from ignorance or lack of accountability. The manual details rules about private practice for doctors, designates judiciary responsibilities, and delineates officiating duties for the employees sent on training. Doctors at the Health Units which are located 75 kms away from railway hospitals are informed of the provision to access essential blood and other investigations from other hospitals, and inviting specialists from private hospitals for specific cases, in the absence of specialists in the railway hospitals. The Code of Medical Ethics apply to all railway doctors and the Railway Services (Conduct) Rules and local legal laws like Drugs Act, Pharmacy laws, etc. apply to all staff categories.

PM techniques and performance targets

Several performance appraisal techniques are applied for individual employees, teams, and facilities. These include the mechanisms detailed below:

- **Annual appraisals:** Each employee receives an annual appraisal through fixed formats developed for the purpose. The form is reviewed and endorsed by both the appraiser and appraised after completion. The performance appraisal and confidential report is then used for feedback
- **Fortnightly meetings:** These are conducted at headquarters and issues affecting employees' seniority and pay, are discussed and settled

- **Permanent Negotiating Machinery (PNM):**

PNM was set up in the year 1952 with the aim to maintain contact between employees (labour) and management, and to resolve disputes and differences. Collective bargaining, across the table negotiations, and a give-and-take policy are the main principles behind PNM. The discussions are held at three levels: Railway, Railway Board, and Tribunal. Subjects such as disciplinary matters, salary, and pay scales, are included in the discussion

- **Participation of Railway Employees in Management (PREM):**

The Railway Ministry constituted the Corporate Enterprise Group (CEG) of Management in 1972, as a first step towards labour participation in the Management. This consisted of leaders of National Federation of Indian Railwaymen (NFIR) and All India Railwaymen's Federation (AIRF). The labour organisations were given the opportunity to highlight their view points on work-related issues and suggest measures needed to be taken for improving the efficiency of the Railways. The CEG at Railway Board, Zonal, and Divisional levels was restructured during the year 1994 and is now known as Participation of Railway Employees in Management (PREM), and is constituted to facilitate meaningful and effective participation of workers in the management process

- **Awards and rewards:** The railways system recognises individuals and teams. Individuals are publicly acknowledged and awarded for their service to the community. The Comprehensive Health Care Shield and Cup are awarded at Railway Week Central Function. Divisional hospitals receive the prestigious Health Care Shield awarded annually for best performance in disease prevention, health promotion, and curative care. These awards are prestigious and are widely communicated. Targets are based on the programme implementation and services offered at the different railway hospitals. Senior subordinates and officers are given targets in advance and work is then reviewed periodically

Parameters for assessment/rating

Assessments of facilities are based on Key Performance Indicators pertaining to the following:

- OPD attendance
- Indoor admissions
- Referrals to railways hospitals of other zones
- Government hospitals and private hospitals
- Number of surgeries of different specialities
- Proportion of low birth weight deliveries, maternal death rate
- Medical examinations done
- Absenteeism, procurement of drugs
- Water quality and food safety
- Family welfare
- Immunisations
- Hospital-acquired infections

In addition, performance indicators also include community-based health activities, school health and national programmes, trainings, scientific papers, and conferences. Best performers are recommended for Comprehensive Health Care Shield and Cup. Self-assessments evaluate the work done and reasons for shortfalls and also assess general qualities, professional abilities, integrity, intelligence, tact, industry, keenness, attitude towards SC/ST (Scheduled Caste/ Scheduled Tribe), to superiors, equals and subordinates, general conduct and character, sociability, aptitudes, and shortcomings.

Feedback process

The Confidential Report (CR) consists of two parts of which the second part is not communicated to the employee. Employees and their representatives are informed if there are any adverse entries in the CR. The accepting officer passes a speaking order if the representation is not accepted. If accepted, the adverse remarks are removed. Good performances are recognised at public forums and team performances are appreciated by awards.

5.2b Implications of Performance Management

Outcomes and gaps

Decisions for placements, promotion, deputation, training, career planning, and growth are based on the employees' performance assessments. Employees are also required to periodically review targets and performance. Institutionalisation of regular assessments, system of incentives, recognition for good performance, and appropriate penalty for non-performers has strengthened the Health Directorate of Railways and provided it a strong motivated health work force, which is the mainstay of its high quality of service and care at the different levels of health facilities. The system of performance reviews by supervisors and monitoring by senior management personnel, regularly updating the payment structure of health staff, providing support services to its employees are some productive strategies identified within the Railways. No PM gaps could be ascertained during the interviews.

Impact of changes

The Railways Health Directorate regularly monitors gaps in service delivery and introduces measures to maintain performance. Some examples are shared here. The sanitation of all major stations was been entrusted to the medical department and the Chennai Division managed this by creating additional posts of Health Inspectors and recruiting them to address the additional work. Doctors in hospitals which lack specialists have been connected through telemedicine mechanisms to specialists in larger hospitals to bridge the gap.

5.2c Challenges to Performance Management

New directives and responsibilities have to be continuously addressed. The department faces difficulties such as staff vacancies, especially

specialists in remote areas. Maintaining the performance and quality of care at such a large scale is acknowledged to be a constant challenge.

5.3 Armed Forces Medical Services

The Army is a good example of a well-functioning health system. The Armed Forces Medical Services (AFMS) is unique to the Army, as the Navy and the Air force do not have similar units. The AFMS consists of the Army Medical Corps (AMC), the Army Dental Corps (ADC), and the Military Nursing Services (MNS) and provides comprehensive healthcare to 66 lakh people including the army personnel, their families, and dependents. The AFMS also provides medical support in civil situations such as epidemics, disasters, and internal security duties, especially in inaccessible and difficult areas. AFMS is a network of Regimental Aid Posts aided by 87 field ambulances, facilities in combat zones, 127 hospitals across the country with peripheral hospitals, and eight Command/Army super specialty hospitals. It has a functioning human resource unit which looks after the performance management of the health workforce.

5.3a Processes of Performance Management

The PM system

The doctors in the AFMS are recruited for either the short service commission (SSC) or the permanent commission. The doctors recruited for SSC receive the rank of Captain initially. The emoluments include a good pay, non-practicing allowance, ration, subsidised accommodation, and allied facilities. Doctors with a post-graduation degree are eligible for Post Graduate (PG) allowance of Rs. 1000p.m. or a specialist pay, as permitted by the policies. They can avail leaves, leave travel allowance, free medical services for themselves and family members, including dependent parents, a group insurance of Rs. 40 lakhs, and the Canteen Store Depot (CSD) facility. Recruitment is for a period of five years, extendable

by another nine years. On completion of two years of service, SSC officers can apply for Departmental Permanent Commission.^{xi-} Officers are eligible for PG entrance after four years of tenure, with an undertaking to serve for 14 years. The career progress opportunities are as follows:

- Major - four years of reckonable commissioned service
- Lieutenant Colonel - 11 years of reckonable commissioned service
- Colonel - by selection (Approximately 20 to 22 years of service)
- Brigadier - by selection
- Major General - by selection
- Lieutenant General - by selection

The high motivation levels among employees is attributed to the system of inclusive management, sense of ownership towards self's capacity building, recognition of efforts, leadership, and monetary incentives (capacity building funds, financial incentives, and rewards). Inclusive management connotes that issues and problems are discussed across a section of staff members or whole units to arrive at solutions for problems and resources allocated through a consensus. This generates a sense of contribution, commitment and instils confidence in the employees.

The AFMS follows the 'Dual Trade' concept of organisational development, where each group behaves like an organisation. Each team member is trained in an alternate skill apart from his/her core skill. The objective of this is to create a backup of personnel, in terms of capacities and roles, flexibility in operations, and deployment. It also enhances the scope of job and promotes an understanding of multitasking teams.

Levels of PM

All categories of staff undergo performance assessments through a structured system. Officers (doctors) have a dual reporting system. Their performance on task completion,

behaviour, moral, and ethics are gauged by the commanding officer who may be non-clinical. The technical/clinical aspects of performance are evaluated by the medical superiors. The assessments of other cadres are done by the supervising officer.

Role clarity

All staff positions are made aware of their job responsibilities and tasks corresponding to their positions through clearly stated job descriptions. The Key Performance Indicators and the Key Result Areas are well defined and aid in monitoring the performances and outcomes of the staff. Every staff has clear reporting lines. Roles in deputation situations too, are well defined.

PM techniques and performance targets

Performance of each employee is assessed for a working duration of 90 days or more. This is not so if the duration is interrupted due to sickness, other duties, or study leaves. The Annual Confidential Report is prepared for all employees after assessing them over a period of one year. This is accompanied with a 'pen picture' or a descriptive note to explain the report.

Parameters for assessment/rating

The parameters for assessment include behaviours, attitudes, morals, technical work, and knowledge. Officers are rated on a scale of one to nine, one being the lowest. Other staff members are rated on a scale of one to four. The 'pen picture' is a subjective description to qualify the ratings. The employees' potential to take up higher roles is also evaluated to provide recommendations.

Feedback process

Feedback is provided in a mixed manner. For officers it is partial, while some feedback for performance is provided openly, assessments of

potential are kept confidential. The other ranks do not receive open feedback. The army, including the AFMS has an institutionalised reward system. Good performance is recognised through publically communicated methods. These may be at the unit level and at the institutional level. The highest institutional awards may be even at the national level. Within the unit, performers are promptly lauded in public. They sometimes receive non-institutionalised monetary awards. Deserving candidates are also rewarded with foreign postings and good assignments. Conversely, poor performances receive penalty.

5.3b Implications of Performance Management

Outcomes and gaps

Performance management has a direct bearing on promotion and deployment of employees. It also helps determine their postings and consideration for any special assignment and courses. Well-defined job responsibilities help in better performance and structured systems for motivation add to the quality of work done.

Opportunities for improvements

A measured system for assessing medical/technical performance does not currently exist in AFMS. Lessons from private institutions might be promoted in the AFMS to evaluate medical knowledge and skills.

Impact of changes

There was no information about any recent changes in the human resource.

5.3c Challenges to Performance Management

The respondents did not make any information available about challenges faced in performance management.

6. Findings From the Private Sector

The performance systems were explored in the private/corporate sector by studying the following hospitals:

- Chirayu Medical College and Hospital, Bhopal
- Jawaharlal Nehru Cancer Hospital and Research Centre, Bhopal
- Kerala Institute of Medical Sciences (KIMS), Thiruvananthapuram

The P4H team found that the private institutions were not open to sharing internal data and therefore, this section is limited by this constraint. Information was not forthcoming from the respondents. Consequently, the team could not develop a clear understanding of the HR and PM systems.

6.1 Chirayu Medical College and Hospital, MP

The Hospital was established 15 years ago and has been operational since. It has a capacity of 100 beds. In the light of the government's interest in expanding medical education facilities in the State, and the resultant invitations to the private sector to establish medical colleges, the Chirayu group has started a medical college as well.

6.1a Processes of Performance Management

The PM system

The hospital has a well-organised system of regularly monitoring the staff and their performances. In addition to monthly monitoring of the job output, a check list developed by the HR cell is filled by the Head of Department (HOD) for each staff member. Timely performance appraisals are carried out through bi-annual self-appraisals.

Positive performance appraisals are supported by promotions and salary incentives. The nursing staff has been provided with a twin-sharing accommodation facility with dining options. Staff members receive free treatment for any illness, a policy which is entirely new for private hospitals and not followed elsewhere. Very few performance-based rewards and recognition were reported.

Levels of PM

All categories of staff members at the hospital are assessed for their performance by their reporting officers. Regular weekly assessments are done by the supervisors. This information is collected by the HR department.

Role clarity

Staff members are provided with clear job descriptions when they join their posts. Every employee receives induction training. Both these processes reportedly ensure that each member is fully aware of her/his responsibilities.

PM techniques and performance targets

Appraisals are completed using checklists and a performance appraisal tool, which is designed specifically for conducting appraisals. Employees complete self-assessments which are followed by assessment by the reporting officer. The report is then verified and signed by both the staff concerned and the appraiser. Good performance in the hospital is rewarded with awards and recognition, an example of which is the 'Employee of the Month' award. The name of the awardees is publicised through wall posters in the hospital campus. An employee receiving the award more than once also gets a financial award.

Parameters for assessment/rating

The criterion for assessing an employee includes service delivery, communication with others

including patients, respect to seniors, and attitude.

Feedback process

In instances of poor performance, the supervisor discusses the situation with the employee before issuing a personal warning. Further action is taken if the performance does not improve. Any demonstration of indiscipline with patients or similar serious offence is reported to the HR department and is addressed promptly, and in some cases leads to termination of employment.

6.1b Implications of Performance Management

Outcomes

The management believes that satisfied and motivated staff members lead to better performances. Celebrating birthdays and anniversaries are some of the means of motivating staff and fostering team spirit. Food, accommodation facilities, and free medical treatment have been instrumental in retaining staff members. The employees are followed up actively, upon completion of training, to assess changes in performance. Furthermore, prompt response to unsatisfactory work or misdemeanour creates a sense of confidence and accountability among the employees.

Opportunities for improvements

No new developments have been reported as of now. The management has articulated the need for additional funds for a grievance redressal cell.

Impact of changes

The respondents did not provide any information about recent changes or their impact on the HR management.

6.1c Challenges to Performance Management

Since the hospital is run by a trust, the management finds it difficult to match the salaries of the staff with other private hospitals. As a result, there is attrition among the staff. The management also expressed a need for a redressal cell to handle complaints from the staff or the public. Respondents felt that the hospital's performance and reputation would increase if it incorporates such a cell.

6.2 Jawaharlal Nehru Cancer Hospital, MP

Jawaharlal Nehru Cancer Hospital in Bhopal specialises in cancer treatment and has a capacity of 100 beds. The hospital is headed by a senior journalist and managed by a Trust. The organisation is driven by the motto to serve people.

6.2a Processes of Performance Management

The PM system

The staff members of the hospital are well aware of their roles, responsibilities, and the importance of delivery in healthcare. They deal with patients and attendants with due respect and sensitivity. Performance of every individual staff member is gauged by the overall performance of the entire department. Performance is taken into account while planning for promotions and increments. Staff members are trusted with higher job responsibilities as a form of career advancement.

The senior staff members reside in the staff quarters within the hospital campus. This enables them to regularly monitor staff performance. The Director of the hospital personally makes regular rounds daily and interacts closely with the staff. This inculcates a sense of discipline and

accountability in the health workforce and improves their performance.

Levels of PM

All staff members are evaluated for their performance. Assessment of work is done by considering the individual as a part of the larger team rather than considering the individual as a single entity. Respondents reported that this helps cultivate team responsibility, programme ownership, and instils pride in the work done. The employees feel empowered and motivated.

Role clarity

Employees are oriented to their jobs and deliver as per the requirement of the post. This is evident from the outlook of the dedicated staff of this hospital towards work.

PM techniques and performance targets

Not much information could be gathered on the techniques used for performance assessment and evaluation. The performance is generally adjudged as per the daily tasks assigned and accomplished, rather than set targets.

Parameters for assessment/rating

Rating the performance of staff members is confidential. Feedback from the Head of the Department and the performance report are considered while staff promotions are reviewed and decided on.

Feedback process

Employees receive incentives and certificates for good performance. In addition, best performers are acknowledged at staff meetings. Negative feedback is given to employees individually, at first verbally, followed by penalising actions, if improvements in performance are not evident.

6.2b Implications of PM

Outcomes and gaps

All employees are assessed for performance. Performance is linked to planning for promotions and incentives. The staff members seem to be

Opportunities for improvements

The research team could not get any information regarding recent improvements in the performance management.

Impact of changes

There was no information to suggest that any changes had been introduced that could potentially impact performance.

6.2c Challenges to PM

The challenges to the PM system could not be ascertained owing to lack of information.

6.3 Kerala Institute of Medical Sciences (KIMS), Thiruvananthapuram

KIMS is a 600-bed, multi-disciplinary, super-speciality hospital. The staff members include experienced doctors and consultants, nursing personnel, and paramedical workforce.

6.3a Processes of Performance Management

The PM system

The hospital has well-defined monitoring processes to assess and determine the performance status of its employees. Recruitment is followed by a systematic induction system. Appraisals are done through checklists and specific tools. Performance appraisals are linked to promotion and salary incentives, but not as much to rewards and recognitions. The hospital clinical staff consists of specialists and highly-experienced nursing and para-medical staff. High level of professional attitude and efficient services attract many patients to this hospital. The hospital supports this by recognising the performances of these employees.

Levels of PM

The performance management system is applicable to all employees and includes senior/

junior specialists and support staff members. Appraisals are, in general, conducted by the Head of the Department.

Role clarity

All the staff members are oriented to their responsibilities in the departments through the induction process and clear job descriptions.

PM techniques and performance targets

The appraisals are completed through self-assessments which are complemented by the supervisor's assessment. The 'Forced Ranking Tool' is used as the appraisal tool. The response report is signed jointly by the respondent and the appraiser.

Parameters for assessment/rating

Performance of the employee is evaluated by considering her/his levels of knowledge, skills, care of entrusted material, ability to take initiatives, reliability, and leadership skills. The work output is measured for the amount of time dedicated and quality of work. The employee's compliance to policies and guidelines is also evaluated. Scores of 65 and above are considered excellent, 54 to 64 as very good, and 44 and above is rated good.

Feedback process

Employees considered to be performing weakly are provided verbal feedback, followed by a warning and consequential action, if required.

6.3b Implications of Performance Management

Outcomes and gaps

The KIMS hospital recognises good performances of its employees by conferring awards and titles such as 'Employee of the Month'. The staff members also receive sponsorships to conferences and trainings, as incentives for performing well. The Head of the Department identifies deserving employees and confers them

Impact of changes

The hospital has recently introduced a new format for performance appraisal. This format facilitates the assessment of performances and determination of gaps.

Respondents reported that the performance management system has become easier to

implement with the use of the appraisal format.

6.3c Challenges to Performance Management

The management has to frequently deal with staff attrition, as many leave the hospital to pursue international careers.

7. Findings from the NGO Sector

This study reviewed the PM practices of three NGO/FBO-managed hospitals as well. The respondents were more forthcoming in sharing information and offered several positive experiences which can serve as a model for the public sector.

7.1 Aravind Eye Care System, Tamil Nadu

Aravind Eye Care System is an assemblage of facilities which includes eye care hospitals, research institutes, manufacturing labs, and eye banks among other structures. Established three decades ago with the mission to eliminate preventable blindness, the System offers free and low cost care. The organisation has a network of 10 hospitals, with the main hospital based in Madurai, Tamil Nadu.

7.1a Processes of Performance Management

The PM system

The institution has a well-functioning performance management system which comprises regular

monitoring, appraisals, recognition, and feedback. Staff members are evaluated on the job and at least biennially. Both medical and paramedical staff is appraised on work outputs and quality of care provided by them. Well-performing employees are given due recognition through non-financial incentives like awards, public recognition, sponsorships, and opportunities for career enhancement.

The Aravind Group runs a programme for nurturing Mid-Level Ophthalmic Professionals (MLOP). It recruits young rural girls into a MLOP course and grooms them to be future employees of the hospital. This programme is a good example of a performance management system. The system is based on the premise that about 20% 30% of any job does not require high levels of skill. Thus, creation of a cadre of staff members to manage those aspects of the job which require lower skills increases the efficiency of highly skilled staff (specialist) and brings down the cost of care.

The organisation believes that inculcating a higher purpose in people influences how people behave and perform. Doctors joining the Aravind Group have a delineated career path. A person joining as a

trainee can become a medical officer, then a senior Medical Officer (MO), and finally, the Head of the Department. A doctor completing 10-15 years can aspire to be the Chief Medical Officer (CMO) of the hospital as well. Though there are fewer chances for promotion, doctors get opportunities for publications and research. Attrition among doctors is less than 5%. Doctors who enrol into Aravind's postgraduate programmes are under a bond to serve in the hospital for at least for three years.

The MLOPs progress to the position of supervisors following completion of five years of service. At the completion of seven years, they undergo an assessment and well-performing MLOPs are provided nominal incentives. Upon completion of eight years, the MLOPs can aspire to become Ophthalmic Assistants and after 10 years, head of the Department or a clinical coordinator. However the administrative cadres do not have delineated career path/opportunities.

Levels of PM

Performance appraisal is conducted for all levels of staff and is, in general, headed by the reporting officers. The performance appraisal of the MLOPs is done by the respective supervisors. Supervisors are also responsible for their capacity building based on gaps and potential identified. The performance reports are collated at the level of each department and later submitted to the HR manager, who is the overall in-charge for the system of assessment.

Role clarity

All employees receive a written document detailing their job responsibilities. They are also made aware of the available career paths. They receive an offer to change paths or get upgraded to administrative or technical posts depending upon their capacities. The job descriptions are updated following the change of jobs.

PM techniques and performance targets

Performance targets are made available to teams as well as individuals. Specific formats are used to conduct annual appraisals of the staff members. Employees are required to complete their designated hours of work. Teams receive specific targets for service delivery. An example of this is

the number of outreach camps that the team has to implement in a specific time period, catering to specific number of beneficiaries. Team performance is tracked to evaluate outputs.

Parameters for assessment/rating

Highly productive doctors receive increased responsibilities, opportunities, and non-financial incentives. The performance of doctors is measured on the following parameters:

- Number of patients seen
- Quality of clinical outcomes
- Outcome of surgeries done
- Number of post-operative infections
- Output and years of experience

The performances of the outreach camps are measured on the following parameters:

- Post-camp report for the expected and actual number of attendees
- Analysis of the difference in the expected and actual numbers
- Number of people who had problems
- Number of people who were recommended surgery and who were operated on -surgery acceptance rate

Feedback process

The non-performing employees are managed by providing timely feedback and supportive supervision to address the gaps in performance. In difficult cases, the management resorts to reprimanding and ultimately dismissing the employee from service.

7.1b Implications of PM

Outcomes and gaps

The employees are nurtured in the philosophy embodied by the Aravind Group of Hospitals and about 70%-80% of them are considered to be good performers. The hospitals have introduced measures such as life skills, cooking, housekeeping, and tailoring to retain MLOPs and the young female

trainees, who form the major proportion of HR. This strategy encourages the parents of these employees to allow them to work for at least three years as the girls get prepared to become responsible housewives, along with their job responsibilities.

Opportunities for improvements

The team could not collect any information on recent improvements in the performance management system.

Impact of changes

There are no reported changes in the performance management system.

7.1c Challenges to PM

The hospitals face a 17%-18% turnover for the paramedical posts. The human resource unit expresses a need to evaluate motivation and satisfaction levels among these cadres of staff and support their performance and grievances.

7.2 PHC Hospital managed by Karuna Trust, Karnataka

Karuna Trust is a Public-Private-Partnership (PPP) model that helps leverage the government's significant investment in public healthcare infrastructure, by complementing it with a socially-committed, not-for-profit, and professionally-competent management team.

The Trust manages 72 Primary Health Care Centres (PHC) in eight states - Karnataka, Andhra Pradesh, Orissa, Arunachal Pradesh, Manipur, Maharashtra, Meghalaya, and Rajasthan. Through these PHCs, it manages more than 1,000 healthcare professional, doctors, nurses, and staff who are reaching out to over one million beneficiaries.

7.2a Processes of PM

The PM system

The PHCs managed by the Karuna Trust follow

government guidelines for functioning. The Trust follows a defined system for performance management and has a strong internal evaluation system. Annual appraisals are carried out and the Annual Confidential Reports are submitted. In addition, for certain cases, mid-term assessments are also done. Performance of divisional employees is recognised by the *Rogi Kalyan Samiti*. Employees also receive monetary and non-monetary incentives. Programme-related cash incentives are available under national programmes such as the family planning and immunisation programmes and employees are eligible for these rewards. There is a functional grievance redressal mechanism, wherein employees can file a written or verbal complaint to their supervisor. The complaints are addressed by the Ayush Medical Officer. If unresolved, the complaints are escalated to the medical officer and the superiors in the management. The complaints are documented and addressed within three months. Good performance is rewarded through awards and recognition at the district level. The system works within the allocated government budgets by ensuring that the Trust's overheads are limited to 7%.

Levels of PM

Staff members of all levels undergo performance evaluation. Local-level appraisal reports are received at the central level where they are viewed to plan future activities like recruitments, contract renewals and trainings.

Role clarity

The job descriptions of the PHC staff are elucidated in the PHC manual. The medical officer's duties include curative work at the PHC, promotion work pertaining to programmes such as RCH, Malaria, family planning, immunisation, Tuberculosis, and managerial work. Job activities of the Ayush Medical Officer, staff nurse, pharmacist and laboratory technician, cleaners, and drivers are also delineated in the manual. The clarity about individual responsibilities fosters confidence and accountability among staff members. Staff members are trained to be multi-skilled as Karuna Trust PHCs do not hire specialists and managers perform additional tasks pertaining to finance and HRM.

PM techniques and performance targets

Performance appraisal forms are used by supervisors to assess performance. Good performance is rewarded with non-financial incentives. However, the type and quantum of incentives vary from programme to programme as the government budgets, which the Trust is mandated to operate within, do not allow for additional incentives. Staff members working in difficult/remote areas receive incentives in the form of additional insurance. Positions are held for a period of three years and are renewed after each term. Poorly-performing employees receive support from their supervisors. Employees indulging in indiscipline such as absenteeism are removed from their posts.

Parameters for assessment/rating

There are no set indicators for assessing performances; however, performance is linked to capacity building. Gaps in performances are addressed through capacity building exercises.

Feedback process

The PHC staff members provide their feedback to the medical officer, who in-turn shares it with the supervisor. The supervisor is the conduit between the PHC and the management and is also responsible for providing individual feedback to the staff concerned.

7.2b Implications of PM

Outcomes and gaps

The Karuna Trust PHCs exemplify institutions which are self-driven and monitored through internal systems. They portray a good example of performance management, though there are several sections where improvements are required. Having incentives tailored for different geographical regions is a good practice. Though building staff capacities in multiple tasks is a step in resource management, care needs to be taken that one person is not burdened by unmanageable work load.

Opportunities for improvements

The process of creating and using performance indicators for assessments is afoot and the formats are already in place. This is expected to strengthen the appraisal system. A management information system is being developed to track the performance and will improve the process by making performance management evidence based.

7.1c Challenges to PM

The management finds it difficult to retain staff at the PHCs, owing to better opportunities in the private sector. Recruiting staff for placement in remote and difficult areas and maintaining motivation levels are some of the key challenges faced by the Trust. Lack of additional funds hampers the introduction of cash-based incentives.

7.3 Lourdes Hospital , Kerala

Lourdes Hospital is a faith-based Hospital and presents an opportunity to review the HR practices which are driven by a different set of ideals of management and planning. Established in 1960, the hospital has a capacity of 650 beds and has a traditional 'Missionary Hospital' approach to management. Keeping with the changing times, however, the hospital introduced systemic reforms in the last decade which resulted in the establishment of a personnel department.

7.3a Processes of PM

The PM system

The Lourdes Hospital believes in participative management and decision making to facilitate employee empowerment. All staff members are under a contract for one year. The system of performance management is meticulous and performance is linked to salary increment, promotion, and renewal of contract. The retention rate is low and at the end of one year, staff turnovers are frequent. Those working for more than five years receive long-term contracts with

additional benefits. The motivational strategies employed in the Lourdes hospital for the staff include a good working environment and service orientation, in addition to the experience of working in a reputable organisation. Timely-grievance redressal and availability of numerous learning opportunities are other motivating factors.

Levels of PM

All senior and junior staff members are required to undergo performance appraisals. These are conducted annually by the supervising officer. The appraisal reports are sent to the personnel department from where it is sent to the management with specific comments and recommendations.

Role clarity

The hospital has clear job descriptions for the medical, non-medical, and for all the support staff. These are updated regularly, so that any new tasks and revisions are incorporated promptly. The job responsibilities are fairly divided amongst the cadres and all tasks are accounted for.

PM techniques and performance targets

Each staff member completes a self assessment form which is supplemented by an in-depth discussion with the reporting officer. Issues and challenges are clearly discussed and plans for improvement are articulated in these discussions. The staff member is required to work for specified period of hours during the designated shift duty. However, employees are not required to meet any set targets. The supervisor monitors the quality of care provided by the employee.

Parameters for assessment/rating

The appraisals are conducted using structured appraisal forms. These are different for doctors and nurses. There is an established scoring system based on job responsibilities and services.

Feedback process

Unsatisfactory performance is supported through increased supervision. Feedback includes verbal communication, disciplinary action, and in extreme cases termination of employment.

7.3b Implications of Performance Management

Outcomes and gaps

The performance of the hospital and its reputation is a reflection of the dedication of staff members in providing health services that are synchronous with the vision and mission of the hospital. The decade old human resource management system of the hospital is strong, capable, and empowered to handle the needs of the personnel. It includes systems for expedited grievance redressal, supportive supervision, and opportunities for learning.

Opportunities for improvements

The hospital has undergone several improvements in the last four to five years. This includes considerable changes to the infrastructure as well as reorganisation of several systems. The hospital has a highly functional public relationship office and the personnel department has four capable professionals to address HR issues.

Impact of changes

Improvements made in the human resource department have further enhanced the performance and reputation of the hospital and added professionalism to all the cadres of staff.

7.3c Challenges to Performance Management

The managing authorities did not cite any current challenges to HRM including the performance management system.

8. Summary of Lessons Learned

The research study identified several practices which strengthen performance management systems and can be adopted as lessons by other organisations. These include:

PM is a critical function of HRM: High-performing individuals and teams contribute to quality delivery of healthcare service. Investing in the management of performance of human resources should therefore be considered a critical function of institutions and organisations.

The organisations considered for this study reported past instances of poor health outcomes arising from employee grievances and poor performances. This was attributed to the fact that the performance management systems were not fully evolved or there were no clear motivation and retention strategies. Independent self-sustaining and profit-making entities such as private health systems explored under this study are conscious of the impact of poor performance management systems on healthcare and therefore allocate adequate resources to manage performance. While profit is not a motive for the government health systems, a clear linkage to programmatic outcomes does drive performance as demonstrated by incentives instituted for certain programmes. This anecdotal management of performance within the government system has to be expanded and needs to become all-pervasive to achieve the overall goal of health in the states.

Presence of five critical elements enhances individual performance: The dimensions of health workers performance, availability, competence, responsiveness, and productivity are linked to workforce performance. While the government health systems studied here recognise the need for clear cut job descriptions, they are often not available or updated. Literature also reveals that doctors with surgical skills may be posted in non-surgical facilities in

the government sector. Critical elements for enhancing individual work performance include clear job description, professional norms, establishing of a code of conduct, appropriate matching skills, and supportive supervision. A good example of promoting professional norms and code of conduct can be seen in the Aravind Eye Care System, where an employee is inducted into the philosophy of the organisation at the very beginning and sustained through regular supervision.

Supervision enhances accountability: Supportive supervision which is emphasised in the private and non-profit sector is largely missing in the government health systems, undermining productivity. The incremental level of feedback witnessed in the private-sector and NGO-sector hospitals clearly reveals how the onus for improving performance rests first with the supervisor, promoting immediate corrective actions. Performance improves when supervision is an extension of training and supports its content, when feedback is provided as part of supportive supervision, and when catalytic and facilitative support is received from outside the routine public health system. Holding supervisors and those above them responsible and accountable for supporting the work of frontline health and nutrition functionaries can improve health results. Community Level Workers need effective and responsive linkages to the rest of the health system, including technical support and a referral system.

Presence of performance indicators makes PM objective: The process of writing Annual Confidential Reports in the public sector is generally subjective and generalised in the absence of any output indicators as opposed to objective, customised indicators reflective of the individual's capability. Absence of performance indicators further reduces accountability and

The Indian Railways and AFMS are good examples of setting comprehensive performance parameters for the employees.

Comprehensiveness of assessment parameters determines levels of performance:

While evaluating individual performance, it is important to assess both technical as well as personal skills. Factors such as negative behaviours, attitudes, and inability to work with teams are critical barriers to achieving improved performance and cannot be overcome unless identified as gaps. A checklist of skills that identifies a competent worker may include relationships, communication, knowledge, judgment, teamwork, attitude, effectiveness, initiative, prioritised decision-making, and accuracy in achieving work objectives on time. Both the Indian Railways and the AFMS use comprehensive parameters for performance management leading to consistency of the quality of care across the board. Outcome measures such as beneficial changes in quality, standards of service, behavioural effects, and innovation are equally important.

Include PM of individuals, teams, and facilities to improve services:

While assessment and improvement of individual performance strengthens service delivery, systemic factors which influence performance are not identified in this process. Organisations which monitor, evaluate, and manage performance of teams and service delivery units, complement quality enhancement by providing a productive work environment to the individual performer.

Performance can be enhanced by rewarding improvements and addressing shortfalls:

Performance is improved when employees understand that good performance leads to professional growth as seen in the cases of AFMS and Aravind Eye Care System. Employees seek opportunities to enhance skills and take on higher responsibilities and are supported and encouraged by their organisations in the process. Linking performance to promotions, incentives, recognition, and rewards creates a positive environment for productivity. In addition, departmental support to performers creates an impetus for learning. Similarly, prompt action to address shortfalls in performance and penalising extreme negligence deters lackadaisical attitudes and promotes accountability.

Quality of performance management can be enhanced through robust M&E:

Existing programmatic data can be utilised to identify performance parameters in health systems which have rudimentary management information systems. The health systems in both the government and private sectors studied here are using programmatic data for measuring performance. However, while it is used comprehensively in the non-government sectors, it is restricted to certain programmes within the government health systems. While setting targets, an understanding of the goal that needs to be reached as it provides clarity on levels of performance required.

9. Recommendations for Strengthening Performance Management

9.1 Overall Recommendations

Correlate organisational mission with performance expectations

In order to reach articulated organisational goals, the public sector enterprises will have to prioritise HR practices that enhance organisational efficiency and effectiveness. Efficiency and effectiveness are functions of higher systemic and individual performances and therefore, it is important that employees are sensitised to the correlation between personal growth and organisational success.^{xii}

The organisational goals need to be broken down into understandable, achievable goals for individuals and teams at all levels, after which skills, activities, and behaviours need to be identified to transform the organisation's mission into action.

There is a need to clearly delineate the roles and responsibilities for medical/clinical and non-medical/non-clinical personnel and paramedical staff members. It has been suggested to establish a committee to take this forward.^{xiii} There is need to review the Performance Indicators and introduce meaningful and logical indicators, after full consultation with staff members at all levels.^{xiv}

Critical success factors to promote performance culture in the Health Departments

- Enabling policy environment and support from the leadership
- Clearly defined job descriptions and specifications
- Relevant performance Indicators (both institutional and individual levels) and mechanisms to capture them
- Well-designed appraisal system to capture, compare, evaluate, manage, and reward the performance
- Well-established linkages of rewards with performance

Objectively measure performance

The defined performance expectation must be measured using structured mechanisms. A robust Performance Appraisal System is one which objectively captures the performance data at regular intervals. Further, the departments have to provide clear guidelines on appraising authorities, ratings/rankings, counselling, formats, frequency, linkage with rewards/incentives/promotions etc. so that the processes become entrenched in the organisation promoting a performance-based work culture.

Develop structured feedback mechanism

Frequent, comprehensive, two-way dialogues between supervisors and workers helps organisations eliminate the lag in productivity. Supportive supervision becomes critical to achieve gaps in performance and forms a vital element of feedback. Ongoing feedback allows high-performing employees to take on more challenging assignments and enables underperforming employees to identify and fix problems. Incorporating client feedback has been utilised by high-performing organisations to improve employee performance as well.

Introduce mechanisms for motivation to improve performance

A well-designed reward system motivates employees to deliver superior performance consistently, thus increasing productivity. Health departments should consider allocating specific budgets for rewarding employees. While designing reward mechanisms, care should be taken to ensure that all employees are rewarded for reaching predetermined goals and the chosen few are rewarded for performances beyond expectation.

Create local mechanisms for accountability

Accountability to local communities and *Panchayats* would also have a positive impact on performance on health workers.^{xv}

9.2 Long-Term Measures to Strengthen PM

In a nutshell, the systemic reforms to strengthen performance management in the long-term include:

- A full-fledged HR department with specialised staff and dedicated budget
- Training professionals to provide leadership and direction and strengthen the health workforce
- Reviewing existing recruitment process and modifications based on changing job requirements and the improvement in overall education level
- Regularising of ad-hoc posts to bring equity
- Recruiting people with the right skills for the right post
- Introducing time-bound transfer policy with a clause for rural service
- Introducing definite career paths
- Introducing better incentives for rural postings
- Improving working and living conditions of the qualified health workforce
- Improving quality of HR through systems of continuing education, accreditation, and regulation

- Developing a database for monitoring key HR information
- Ensuring external monitoring through cross divisions and peer review

9.3 Short-Term Measures to Strengthen Performance Management

While it is desirable to define and commit to comprehensive PM reforms, states which are resource constrained can consider introducing PM measures in a phased-manner as well.

Establish a HRM Cell within the department:

To expand the scope of performance management, states will need to establish a dedicated HRM cell which includes a designated person responsible for performance management. Care should be taken to designate a person with HRM skills or such a person should be first trained in HRM. This ensures that the PM efforts of the state receive attention.

Prioritise key institutions; cadres of functionaries:

Performance measures such as health outcomes do not provide insights into individual performance and are often a reflection of team effort and the success could be attributed to the system in place or outside the system as well. It is imperative the state governments short-list key facilities/institutions and cadres of workers whose performance, if managed effectively, will lead to major shifts in service utilisation and health outcomes.

Select the model for performance

management: Based on the priorities articulated by the state, the state can make an informed decision to adopt a model of performance management that is a system-imposed, community-facilitated model, or a combination of these models. Efforts to focus on staff performance may be limited if these are not supported by appropriate organisational design and management systems. There are a suggested series of pre-requisites without which performance management will be ineffective. These pre-requisites are organisational or internal and relate mainly to the structural, cultural. Management systems and environmental or external prerequisites relate to the policy environment where the organisation operates.

Organisational pre-requisites	<ul style="list-style-type: none"> • Adequate pay levels • Staff have the equipment, tools, and skills to do their job • Achieving the right balance of incentives for staff to perform well • Local autonomy and decision-making • Familiarity with planning methods • Effective communications • Leadership and effective management systems • A culture of accountability and openness
External pressures and triggers	<ul style="list-style-type: none"> • Political pressure and healthcare reforms • Financial pressures • Introduction of purchaser/provider split and service agreements • Decentralisation • Pressure from service users and quality assurance

Design, adapt, and implement the model: The process of designing a measurement mechanism for performance starts with delineating the expected roles and responsibilities of individuals and the expected services of a facility. Therefore, it is important to articulate the job descriptions of cadres. It is also important for the states to decide whether they will follow the Indian Public Health Standards for their facility and revise the norms-based on

current capacities or follow an alternate means of service delivery. For example, a state which has a strong network of emergency transport system may decide to opt for making delivery services at the community health centres as opposed to making them available at the PHCs. Finally, states will have to build capacities of staff members to manage a performance management model, before scaling it up across the state.

Annexure 1: Methodology and Discussion Guide

The study was planned in four stages.

Stage 1: Inventory of existing best practices in the country

A detailed listing of various initiatives that are relevant to the study was carried out. The list was created with the help of literature review, and consultations with stakeholders and HRH experts. Four regional workshops were conducted as part of the People for Health Project across India from June 2011–12, with stakeholders representing the government and the NGO sector. An inventory was developed consisting of all the policies and government orders, key organisations, and programmes from government and non-government sectors, and successful employers (such as the Railways, Military, Wipro, and Accenture, among others).

Best practices were shortlisted from within the inventory based on a set of criteria to select areas for field visit and further learning. The criteria ensured that the sample would be representative of a range of players such as the type of sector, stage of reforms, geography of operation, and government or non-government led programme. The study employed the convenience-sampling technique to select the institutions.

Stage 2: Field level documentation of the selected best practices

The study team visited the selected organisations and programmes between August and October, 2012. The team met with organisation leaders, programme managers and interacted with various stakeholders within the institution to better understand the practices related to HR. A semi-structured interview protocol was used to collect data.

The study used key informant interviews, group discussions, and report reviews as key tools of qualitative methodology. Following the field visits, a detailed analysis of various learning points was carried out and these were synthesised to arrive at major learning from each initiative. This led to the identification of challenges of each programme and distillation of best practices that could be recommended to other institutions.

Stage 3: Presentation to Partners for Health Team and Project Advisory Committee

The key analysis of the visits will be presented to the Partners for Health (P4Health) Team and the Project Advisory Committee. It will focus on the evolving patterns across the best practices and the recommendations to improve HR practices. This is scheduled to be held in August 2013.

In joint consultations with the Partners 4 Health (P4Health) Team, preliminary strategies will be evolved on what practices work and which ones can be taken forward by other institutions. The team will also look at applicability of these recommendations in the context of different states.

Stage 4: Dissemination and the way forward

The report will be disseminated by the P4Health Team at the national level to Government of India and multilateral and bilateral donors. The emerging strategies for improving HR will be presented and discussions will be held in that meeting on devising short, medium and long term strategies for HR for Health.

Data Management and Analysis

With participants' consent, the study team recorded the interviews on tape and also took notes to understand emerging themes and patterns in the data. The recorded data was transcribed verbatim. The team conducted a thematic data analysis manually, which aided in systematising and structuring the data under codes and themes.

Limitations of the Study

Following are the limitations encountered during the course of this study:

1. **Time:** It took a long time to finalise interview appointments with organisation leaders and managers. The team was left with little time to conduct the interviews. Even during the interactions, the interviewees could spare very limited time
2. **Sensitivity of HR issues:** Given the sensitive nature of HR issues, most corporate and private-run hospitals were unwilling to share their information with the team. This was also true for the non-health corporate sectors
3. **Verification of facts:** Due to shortage of time and resources, all the facts that were shared during the interview could not be verified. Furthermore, documented information on human resources was very limited
4. **Sampling:** The team could not meet with organisations that would have benefited this study as the selection of organisations was done largely based on the social capital of the existing team. Collaborating with organisations where the team did not have direct contacts was difficult and hence, some such organisations could not be included in the study
5. **Government information:** The HR data received from government departments was disaggregated owing to the involvement of multiple sub-departments in the process of recruitment and management of medical staff. Also, loss of institutional memory resulted in dearth of information (following the changes in informed staff)
6. **Meeting with Medical Council of India (MCI):** MCI could not be met due to various reasons. Hence, the inputs from MCI on medical education could not be included in this study

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