

## Special Article

# Human Resources Assessment as a Component of Effective Management- Implications for the Health Sector

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### Abstract

Organizations with long-term strategies and objectives invest in human resources as they constitute an important advantage within a competitive market. The management of human resources in the health sector constitutes a crucial issue, related to the effective performance of the personnel. The effective human resources management (HRM) is linked with the personnel's performance. The HRM aims to improve the performance of the employee and also to promote the competitiveness and the business performance. The meaning of the word "performance" is analysed in accordance with the relevant bibliography as well as the concept of 'reliable and valid method of assessing the human resources'. In the literature the steps for the formation of a reliable assessment method are based on three processes: 1. the analysis of the required job positions, 2. the results, and 3. the methods of measuring achievements. The most common evaluation methods of the personnel's performance are also analysed as well as the advantages and the purpose of the evaluation, along with a reference related to the advantages of the business assessment during the ongoing economic crisis period. In conclusion, a well-organized and a well-structured system which meets the special conditions and goals of every business model plays a significant role, since the performance is improving and the productive work is achieved. The evaluation is a complicated process which follows certain standards and has to take into consideration all the special conditions of each organization.

**Key Words:** health management, human resources, assessment, organization

### Introduction

Every organization with long-term strategies and goals, in order to operate properly within a competitive market, is required to focus on strategic objectives and goals which will ultimately enhance its Human Resources (HR). HR is not restricted to the people employed in an organization, but it extends beyond it to embrace a multidimensional approach of the employees (Inkson, 2008).

Human resources are actually intrinsic to human beings and apply to the various tasks of life, both in workplaces and community. Relationship building, child raising, recreational leisure and community service

are activities related to human resources. They include-but are not restricted to-the knowledge, skills, networks and energies that people may deploy in their various roles. All these features consist a dynamic cascade of virtues, underpinning employees and organization evolution. Employees' physical and emotional health, intellectual capabilities, personalities and motivations are classified under the term "human resources" (Hoare, 2006; Brymer *et al.*, 2011). HR management encompasses all activities and procedures targeting at extracting the best of the organization's most valuable resource, its employees. It is concerned with employee resources within

the workplace. HR mission is to try to meet the organizational needs along with the needs of the employees. HR management is responsible for attracting/recruiting, selecting, training, assessing, and rewarding employees. Other issues of interest is the prevailing organizational leadership style and culture and ensuring compliance with employment and labour laws of the specific jurisdiction.

The terms “human resources” and “human capital” reflect the increasing strategic importance employees have for the organization. The terms actually refer to the traits that people bring to the workplace, such as knowledge, intelligence, enthusiasm, an ability to learn. Employees are no longer seen as an expensive necessity, but they are considered as a strategic resource providing an organization with competitive advantage. Human resources is more expensive in terms of management than other factors of production. A great effort should be made to ensure that employees are bound to organizational goals, remain motivated and maximize their productivity. Humans are complex, emotional creatures, and it is clearly a challenge to get employees to contribute more of their abilities in the workplace (Kabene et al., 2006, McDermott & Keating 2011, Elarabi & Johari 2014).

Strong HRM systems create the enabling environment within which the health workforce can be deployed and utilized effectively. As HRM is demanding and involves many experts from different fields, functions and responsibilities are generally fragmented across a broad range of key stakeholders. This fact may often complicate the approaches needed to strengthen these systems. HRM is the integrated use of systems, policies, and practices that will provide the range of functions needed to plan, produce, deploy, manage, train, support, and sustain the workforce (Elarabi & Johari 2014).

Despite the actual limitations (full workload, no extra time) human resources matters should be addressed professionally and proactively, even in small and medium size organizations, which do not need and cannot justify a full-time human resources manager.

Otherwise, retaining and develop top-notch staff in the cultural community would be difficult.

In countries with an industrial background, the businesses pay a lot of attention to the human resources' role which executes one of the most important operations, the personnel' assessment. In the field of health, the great importance of managing the human resources is proven by the way it affects the effective performance of the personnel (ACCA 2011).

The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more. Recruitment and training is one of the major responsibilities of the human resource team. Plans and strategies for hiring the appropriate personnel are a prerequisite for effective recruitment. A clear job description along with employee obligations and scope of the tasks assigned help prepare the proper contract with the organization. As organization evolution progresses, further training of the employees according to the new requirements of the organization might also be necessary. Training helps sharpening existing skills and develop new roles in the organization. When a dispute between the employees and the employers or a conflict between sectors or groups of employees arise, the HR department acts as a consultant and mediator to offer solutions to those issues in an effective manner. Building up relationships with other business sectors and the community is crucial for the organization survival and evolution. Organizing business meetings, seminars and various official gatherings on behalf of the company contributes to organization's public image and provide opportunities for future development. Maintaining favorable working conditions is a vital aspect of HRM. The performance of an individual is associated with the work atmosphere or work culture that prevails at the workplace. A safe, clean and healthy environment provides the necessary frame for fostering productivity and job satisfaction (Pulakos 2004, Elarabi & Johari 2014).

The purpose of this short review was to present the contemporary trends in human resources assessment and performance evaluation in a context of world economic crisis with emphasis on health sector. Implications for health care workers and stakeholders are discussed.

### **Human resources assessment & performance evaluation**

By reviewing the researches regarding the management of the human resources it is concluded that the importance of the management is linked with the personnel's performance. It is concluded that 245 practices are applying which are divided in 10 different categories such as staffing, work planning, communication, remuneration system and the representation of the staff (Patterson et al, 2010). The assessment of the personnel's performance gained an official status in the last century, although there are historical indications which prove that it first begun in China back to the 3<sup>rd</sup> Century, fact that indicates the importance of the assessment at a political and military level. However, the first formal evaluation of the human resources' performance took place in the US Army in 1813 by using a specific assessment method which in 1890 was used by the public corporations of the country. A century later in 1980, the 80-90% of the American corporations was using a specific method of evaluating the performance of their personnel, which however constituted a controversial method to use since according to relevant research aspects it could have a negative impact on the staff. Even nowadays there is a gap in the relevant bibliography in regard to the practical implementation of the evaluation projects (Smither, 1998), as the evaluation per se constitutes a process which needs to be carried out based on objective criteria, which should be aligned with the specific strategies and the objectives of every business and of every job position separately.

### **Definition and Evaluation procedure**

The evaluation of human resources aims to improve the performance of the employee within a company with the main objective to improve competitiveness and business performance in general. Regarding the businesses nowadays, it is crucial to obtain a

consistent level of high performance in order to survive within a competitive environment (Newstrom & Davis, 2002). The evaluation on its merits constitutes an analysis of the capacities and the defaults of the personnel's performance in a particular position for a given period of time which highlights the issues that needs to be improved. Performance can be defined as the set of results produced in a specific job or activity during a specific time period (Zavranos, 1999). Performance refers to a process where employees have fully understood their objectives and perform effectively, engaging their knowledge and skills. Performance assessment is critical for work force productivity evaluation and represents a collection of communication for a certain period between the manager and the employee, being a part of the performance management process. Performance evaluation is usually applied for a yearly or half-yearly period depending on performance management policy of the organization concerned. Setting reference standards for future evaluation is a key-action for comparing actual performance of employees. The appropriate criteria allow assessing the performance of employees as successful or unsuccessful, as well as their contribution to the realization of objectives of the organization. Standards should be clear, understandable and measurable (Huselid 1995, Pulakos 2004).

The attribution nevertheless it's a complicated concept that its measurement depends upon various factors. According to Demetriadis (2006), the performance should be defined as the result of work and be closely linked to the strategic goals of the business while according to Campell (1990) the results should be distinguished from the performance, as they can be altered by other factors of the system.

A business should implement a trustworthy and valid evaluation method of the human resources that fulfils the conditions and returns practical results. According to Hansen (2002) the procedure must be consisted of interrelated processes, such as the creation and implementation of a common agreed framework for evaluation by the evaluator and the one to be assessed with

respect to the operation and the evaluation process in relation to the initial expectations. Furthermore, a special performance evaluation form should be completed in order to obtain an official analysis statement of the personnel' performance. Among the most common hazards in human resources management are the absence of precise job description, the lack of policies and procedures, the lack of documentation, the preferential treatment of an employee or a group of employees, the lack performance evaluation. People risks include company culture, talent shortages and retention, incompetence, employee performance, unethical behaviour, low morale, grievances and disputes, excessive absenteeism, employee wellness, sabotage, workplace violence, as well as noncompliance with industry and other regulations and laws (Meyer et al., 2011). Due to lack of performance evaluation and documentation, terminating an apparently marginal or unsatisfactory employee might be confounding. Employees should not be terminated without sound arguments (Barret & Kernan 1987).

Xyrotiris and Kouflidou (2001) argue that the establishment of a reliable evaluation method constitutes a rather difficult task and is based on three basic procedures which are the following:

- The analysis of the required job position (job analysis) which defines the responsibilities and obligations. According to these criteria the required knowledge, skills and abilities should be determined. The aforementioned analysis might be referred to the employee or the employer.
- The results as well as the behaviour should be determined and measured in relation to their contribution to success, as far as it is possible.
- Finally, methods of measuring achievements or otherwise assessment methods are to be applied, however prior to this step possible errors that will decrease the evaluation's reliability should be avoided.

The most common methods of evaluating the staff performance are the following (Dobson, 1989):

- Self-Assessment
- The evaluation by colleagues (per rating) which is usually biased.
- The assessment by listing specific facts of excellent or unacceptable behaviour or performance.
- The method of narrative report in which the evaluator prepares a report based on the performance of the evaluated, indicating the weak and strong points and recommending proposals for improvement.
- The check-list method in which the employee is informed from the start of the year about the evaluation criteria and the achievement goals and the evaluator is asked to complete a list of the progress achieved and to comment on possible deviations from the expected.

#### **Benefits and Purpose of the Evaluation**

The evaluation of human resources can offer many advantages for a company such as motivation, productivity improvement and facilitation of the strategic planning (Jakson & Schuler, 2003). This procedure can serve many purposes, if it is aligned with the business' strategy and it is consorted with its culture (Gratton et al, 1999). HRM is of particular importance in health sector, where there is an estimated shortfall of 4.3 million health workers, which impacts access to quality health care. Focusing on strengthening the management of the health workforce is essential for improved service quality and a functional health care system. HRM helps leaders, managers and personnel better prioritize and plan approaches to effectively implement and sustain changes (McCaffery and Adano 2009). In the field of health, the effective operation of the human resources is linked with a lower mortality rate and by this way showing other benefits as well (Harris et al, 2007). It has been found that the incentives, the work motivation and providing bonuses by competencies improve the performance of individuals working in

hospitals (McKinnies, 2011). This policy can make a significant difference between health organizations with good performance and underperforming health organization underperforms (Edgar and Geare, 2005).

Phil Long (1986) published the results of his research in respect with the benefits of the evaluation which also constitute benefits for the future of the company:

- Assessment of the training methods and the development of the personnel.
- Improvement of the procedures and the company's productivity.
- Evaluation of the personnel' past performance and the employments' restructure.
- Decisions as regards to the staffs' career.
- Reassessment of the objectives on behalf of the management and the staff for the next time period.
- Evaluation of the remuneration and the novel salary levels.

### Conclusion

The personnel' evaluation performance constitutes the most controversial management duty. It constitutes an analysis of the capacities and the defaults of the personnel' performance in a particular position for a given period of time. Its objective is not to impose penalties but rather to highlight the issues that are in need of training and improvement. Training and improvement is a continuous process and individuals develop valuable forms of tacit knowledge at work through informal learning processes, including personal engagement in job tasks and subtle forms of role modelling and teamwork (Eraut, 2004). Through employees' education and performance evaluation competitiveness is enhanced and new roles are emerged. The reliable and effective evaluation within a business is a major advantage. Especially, at a time where the most important indicating factor is not only the competitiveness but the economic crisis as well.

The advantages of an organized, fair and reliable assessment model that meets the characteristics and objectives of each business are very important as through it the performance of the employee improves, making the work more productive. Thus, the procedures are improved and the business functions properly. The employee gains advantages and benefits such as reward and a fair working environment. There is a reciprocal relationship between organizations and employees regarding the workforce potential. Individuals have interests in deploying their skills and competencies to secure their livelihood and to develop their potential. The organizations need them for their fundamental viability and may find them a powerful source of competitive advantage.

Although the attraction of an employee is fundamentally economic, as the employee nearly always needs income to survive, non-financial incentives are also important as they offer scope for the satisfaction of a range of psychological and social needs, which ultimately add to the employee's quality of life and organizations outcomes, thus interpreting into economic benefits in the long term.

The staff evaluation is a complicated and difficult procedure that needs to follow certain standards in order to prevent possible errors. This is why each business should adopt assessment methods according to its characteristics and its job vacancies which meet their objectives.

Any organization, without a proper setup for HRM is bound to suffer from serious problems regarding regular activities management. Setting up a strong and effective HRM is not a waste of time and energy, but an investment in the organization future.

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