Assessment Of The Performance Management System Of Ghana Health Service In The Central Region Of Ghana

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Abstract: Performance management system renders numerous benefits to the implementing organisations. Ghana Health Service is one of the public sector institutions that practices PMS for higher productivity and effective service delivery. The purpose of this study was to assess the PMS at Ghana Health Service in the Central Region of Ghana. Simple random sampling technique was used to select health directorates for the study. Questionnaire was distributed to and collected from ninety-three respondents from the selected Health Directorate in the Central Region. The findings indicated that most employees performed their duties based on set objectives. The category of workers who sometimes had targets were the Community Health Nurses and Disease Control Officers. It was revealed that performance review as an aspect of PMS was intermittently organised. Meetings were held to review the performance of workers, challenge under performance and set new performance targets given the various health indicators. Performance appraisal, as an element of PMS, was somewhat conducted in Ghana Health Service. Employees of the service were sometimes appraised annually. But then thorough appraisal was done only when a staff was due for promotion. The results also indicate that employees were not rewarded based on their outputs. Reward was the usual compensation packages designed for the staff of the service. Extra hard work does not merit any other motivation or remuneration than the monthly salary. The study recommends that managers of Ghana Health Service should take appropriate steps to ensure all the elements of PMS are linked for the realization of its fullest benefits in Ghana Health Service. Employees should be appraised based on their given targets and rewards should be based on performance appraisal outcomes. Performance review should also be based on the set objectives. Health Service Council should have a clear Human Resource Policy on the conduct of PMS: Target setting, performance appraisal, performance review and administration of appropriate rewards for deserving, hardworking and committed employees.

Keyword: Employee rewards (ER), objective setting (OS), performance appraisals (PA) performance management system (PMS), performance review (PR).

1. Introduction

Over three decades there has been an increase in the use of PMS in the public and private sector organisations internationally [29], [28] because of the quest to offer quality products and services. PMS has gained strong attention of stakeholders and policy makers because it is implemented to improve results in the midst of challenging conditions. Many organisations instead of waiting for external improvements such as market growth and technological advances, looked into their internal capabilities and implement PMS for performance and productivity gains [11], because it is one of the tools for enhancing the performance of public executing organisations [21] Ghana Health Service, as one of the Public Service bodies established under Act 525 of 1996 as required by the 1992 constitution, is an autonomous Executive Agency responsible for implementation of national health policies, under the control of the Minister for Health, through its governing Council - the Ghana Health Service Council, for a more equitable, efficient, accessible and responsive health care system. The Ghana Health Service's vision is to provide quality driven, results oriented, client focused and affordable health services. To achieve this vision, there is a need to implement an efficient performance management system. The main aim of this study was to assess the PMS of Ghana Health Service, describe how each PMS element was carried out and identify problems of implementation. In order to achieve the aim of the study, the following specific objectives were set:

1. Ascertain the nature of objective setting in the Ghana Health Service.
2. Describe how performance review is conducted in the Ghana Health Service.
3. Examine the nature of performance appraisals and how it is carried out in the Ghana Health Service.
4. Ascertain the nature of employee’s rewards in the Ghana Health Service.

The following hypotheses were tested.

H1: There is no significant relationship between objective setting and employee performance appraisal.
H2: Performance appraisal outcomes has no significant effect on employee rewards at Ghana Health Service.

2. Research framework

The concept of performance management is theoretically underpinned by the theory of motivation [8]. Similarly, [11] argued that a typical PMS involves goal setting, monitoring and feedback, appraisal and rewards. This points out that PMS of any given organisation will have similar elements. PMS provides a basis for regular and frequent dialogues
between managers and individuals' performance and development needs. [3] elucidated that PMS involves creating work environment or setting in which employees are enabled to perform to the best of their abilities. Therefore to attain the work environment needed by employees [50] outlined basic elements that PMS must be made up of: alignment of employee's goals with organisational goals by setting appropriate performance objectives, holding regular performance review meetings with workers and providing adequate feedback to the employees to enable workers improve upon their performance if the need be. From another perspective, [2] posits that PMS is a matter of not only what employees achieve but how they achieve the stated objectives because PMS can be seen as an on-going process of identifying, evaluating and developing the performance of staff. As an aspect of PMS, goal setting is very relevant [32], the set goals are supposed to be challenging [37] in order to become motivating to employees as they strive to achieve them. According to [16] implementing PMS requires organisations to initially set targets for managers who are receptive to change and are good at managing people for initial training and implementation, since they are more likely to support the system and ensure its success. PMS that has been advocated recently is to establish a hierarchy of goals where goals at each organisational level support goals directly relevant to the next level. Organisations that implement effective PMS are able to sustain change and continue to grow in an environment and a culture that values performance. These organisations are able to maintain high level of employee involvement in objective setting and establish an atmosphere of regular review of employee's performance. They have a positive influence on their staff, as well as on their productivity level [19] because PMS creates avenues for top management and employees to get feedback on work performance in the organisation. Performance management system involves effective goal or target setting, appraisal processes at individual and organisational levels, and provision of approved rewards and sanctions schemes to provide the needed motivation to enhance employee's performance and service delivery. Therefore, [43] added that a well-designed and consistently implemented PMS can be rewarding. Managers implement PMS in order to ensure that services are improving, and that these services are more efficiently delivered. In the view of [28] many PMS do not have an objective measurement system, rather the system relies on opinions of supervisors, and in some cases peers, which are notoriously subject to bias. Conducting performance reviews, regular appraisal of employee's performance, provision of feedback and administering of appropriate rewards to deserving employees, have still not yielded the required improvement in service delivery because most employees have negative feelings about their performance management system. Employees feel the system manipulates, without rewarding their efforts [25] because appropriate performance objectives are not jointly determined by both management and employees [44] and these objectives are not constantly reviewed. The general perception, however, is that public sector employees do not perform effectively and efficiently because either the elements of PMS are loosely implemented or even if well implemented, they are not done comprehensively. In most instances, PMS tends to be documentation, justification of decisions about rewards and promotion, rather than a mechanism to deliver high quality feedback and coaching, to get status check that can help improve performance and further careers [50]. After employees' tasks have been reviewed new goals and objectives are to be set [18] and coaching is given to employees [30] for improved performance. Performance management system is about putting in place mechanisms that ensure that the employee’s efforts and performance are being directed and managed in a way that improve organisational productivity (Kalayane, 2009). Setting employee’s performance objectives, assessing the performance of the employees and reviewing their performance are all activities that come under goal setting theory or control theory. What employees expect as rewards for their efforts serve as motivation. The system is mainly concerned with individual performance but can also be applied to teams or groups. In the view of Hughes (2003), PMS links organisation's vision, mission, values and strategic goals to divisions, departments and individual's goals, objectives/targets. There is a vast array of relevant motivational theories that can be utilised in the improvement of performance management system. Among the modern motivation theories of consideration were: Goal Setting Theory [31] Expectancy Theory [51], [25] Control Theory [20], and Social Cognitive Theory [8]. These theories have relations with performance management and are those that have received the most attention recently [11]. For the purpose of this study, the researchers concentrated on these theories and explored their applications and implications on PMS. In order to attain performance management system, there must first be a goal to serve as a yardstick for performance because goals trigger performance. According to [41] when goals are specific and challenging, they function more effectively as motivating factors in both individual and group performance. To support this assertion [31] pointed out that properly conceived goals activate motivational process that improves performance. The basic premise of Goal Setting Theory is that people’s goals or intentions play an important role in determining their behaviour on a given job, in that, employees keep following their goals and if these goals are not achieved, they are challenged to improve performance or modify the goals and make them more realistic. In view of [37] and [39] not only does the assignment of specific goals result in enhanced performance but also leads to increased motivation and increased performance, this supports the view of [31] It is expected that the performance objectives of employees should be clearly spelt out so that employees are aware of exactly what is expected of them. The practice whereby superiors and subordinates of Ghana Health Service set performance objectives together signifies there is PMS in place. Control Theory focuses attention on provision of feedback as a means of shaping behaviour of employees for job performance. In the view of [13] control theory is described in self-regulation terms as an ongoing comparative process aimed at reducing the discrepancy standards of behaviour and the observed effect of the actual behaviour which will arise as a result of feedback that have been obtained from a given task. As people receive feedback on their performance, they appreciate the discrepancy between what they are doing and what they are expected to do and take corrective action to overcome the discrepancy. This is done in the form of performance appraisal – assessing the performance of employees within a given period of time and providing feedback to the employee. On the contrary, [10]
posits that feedback can be seen as not always accurate or useful, but in some cases, feedback potentially leads to feelings of discouragement and anger that when feedback results were undesirable. [24] provided empirical means for providing effective feedback, as delivering feedback in an informational rather than in a controlling way. As doing so makes a person’s subsequent performance more likely to improve and that greater feedback specificity is always preferable. This was supported by study at the [42] that feedback should always be specific to offer constructive information on how to meet set objectives. Therefore, in the view of [40] PMS ensures that in today’s globally competitive industrial environment, every employee’s efforts must focus on helping the organisation to achieve its strategic goals.

Conceptual framework

The conceptual framework of the study is illustrated in Figure 1. The relevant literature on performance management system was reviewed and subsequently a conceptual framework was crafted for the study. Figure 1 depicts the elements of performance management system and the relationship that exist between all the variables: objective setting, performance review, performance appraisal and employee rewards and the moderating variables. The conceptual framework was used as a benchmark for assessing the performance management system of Ghana Health Service in the Central Region.

![Figure 1: Conceptual framework crafted for the study](Source: Researcher’s construct (2013))

Objective setting plays a major role in the determination of employee’s performance. All the responsibilities/activities of employees are target oriented. “Employees do not work in a vacuum” that is they cannot do effective work without performance objectives. When performance objectives are set, these objectives give the focus for employees and tend to influence their attention in order to attain the desire level of performance. The performance objectives also become the yardstick or the benchmark upon which performance reviews and appraisal is conducted with appropriate feedback provided to the employees on how well they are discharging their roles. Arguably, incentives and rewards are then administered to the deserving employee for properly meeting the desire performance outputs. An effective implementation of all these four elements will result in a good and effective PMS. Therefore, the conceptual framework looked at how the elements of PMS are individually implemented and the linkages between the four elements and how these elements were conducted in Ghana Health Service. The performance management system of Ghana Health Service was assessed against the conceptual framework of the study.

3. Research methodology

For the purpose of the study to be realised, the researcher adopted descriptive survey strategy. According to [15] descriptive survey enables the researcher to scan a wide range of issues, population and programmes in order to measure and generalize findings. Survey research allows the selection of a relatively large sample of respondents from a population, followed by collection of some amount of data from those respondents. When survey strategy is adopted, data are often obtained by the use of questionnaires, interview guide and personal observations. Also, the data gathered are standardized, allowing easy comparison. [48]. The units of analysis were all the permanent staff of Ghana Health Service from randomly selected Health Directorates in the Central Region of Ghana. Descriptive research was adopted to appropriately describe the current nature of PMS at Health Sector in the Region [48]. In the view of [7], descriptive research is probably the best method available to the social scientist interested in collecting original data from a population which is too large to observe directly. [47] added that descriptive research design is a report of the way things are, what is or what has been. This allows researchers to describe the events, organise, tabulate and depict data collected. In a different perspective, [7] posit that descriptive survey is appropriate when a researcher wants to scan a wide range of issues, populations or programmes in order to measure or describe and generalised features. The list of all directorates was obtained from the GHS, Cape Coast Regional Health Directorate – Human Resource Department. Central Region has eighteen health directorates for execution of health service delivery in the Region. The researcher adopted simple random sampling and stratified random sampling techniques to select ten directorates for the study. This was to ensure that all the directorates were given equal chance of being selected. The researcher divided all the eighteen directorates in the region into two strata. The regional health directorate, metropolitan health directorates and municipal health directorates as one group - one stratum, and all district health directorates were also grouped as another stratum. Stratum one was made up of bigger eight directorates and stratum two was made up of ten smaller health directorates out of which ten health directorates were
randomly selected, five from each stratum. Using census technique, questionnaires were distributed to all the permanent staff at the selected directorates. The selected directorates were Abura Asebu Kwamkese, Ajumako Enyan Essiam Denkyira, Awutu-Efutu Senya - Winneba, Cape Coast, Komenda Edna Eguado Abrem - Elmina, Mfantseman, Assin South, Assin North, Gomoa West and Twifo Hemang Lower Denkyira.

4. Results and discussions

4.1 Demographic characteristics of the respondents

The directorates that were selected for the study consisted of both metropolitan, municipal and districts. Table 1 presents descriptive statistics on the frequencies and percentages of responses received from the various directorates from which the study was conducted.

<table>
<thead>
<tr>
<th>Directorate</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEeea MHD</td>
<td>9</td>
<td>9.70</td>
</tr>
<tr>
<td>Cape Coast M HD</td>
<td>13</td>
<td>14.0</td>
</tr>
<tr>
<td>Mfantseman MHD</td>
<td>20</td>
<td>21.5</td>
</tr>
<tr>
<td>Assin North MHD</td>
<td>3</td>
<td>3.20</td>
</tr>
<tr>
<td>Efutu MHD</td>
<td>7</td>
<td>7.50</td>
</tr>
<tr>
<td>Gomoa West DHD</td>
<td>8</td>
<td>8.60</td>
</tr>
<tr>
<td>AEED DHD</td>
<td>9</td>
<td>9.70</td>
</tr>
<tr>
<td>Assin South DHD</td>
<td>7</td>
<td>7.50</td>
</tr>
<tr>
<td>AEK DHD</td>
<td>8</td>
<td>8.60</td>
</tr>
<tr>
<td>THLD DHD</td>
<td>9</td>
<td>9.70</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>93</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Source: Fieldwork (2013)*

The Table shows that Mfantseman Municipal Health Directorate gave the highest respondents of twenty (22%). Cape Coast Metro Health Directorate was the second highest giving a frequency of 13 which represented fourteen percent. The least response of three percent was obtained from Assin North Municipal Health Directorate. Komenda Edna Eguado Abrem, Ajumako and Twifo Praso response rate was approximately ten percent each. Gomoa West and Abura Asebu Kwamkese gave a response percentage of approximately nine respectively. Efutu and Assin South health directorates were approximately eight percent each.

4.2 Nature of objective setting in Ghana Health Service

Objective setting is a major activity at various Health Directorates of the Ghana Health Service. Roles and responsibilities of the staff of GHS are based on targets, especially for Disease Control, Public Health, Health Information and Community Health Nurses categories. These categories of staff were usually given targets in the delivery of their services. The study ascertained how targets were set, as to whether specific, measurable, achievable, realistic and time bound (SMART) targets were set and achieved and whether all staff who must contribute to the attainment of the objectives were involved in target setting. Questions were generated from the literature which was supposed to measure objective setting at the Ghana Health Service – Health Directorates. In the questionnaire, 1 represented low agreement whilst 5 represented high agreement. The results are presented in Table 2.

**Table 2: Nature of objective setting - Target setting**

<table>
<thead>
<tr>
<th>Objective Setting</th>
<th>Me</th>
<th>Md</th>
<th>Mo</th>
<th>Std. Dev</th>
<th>Skewns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly defined objectives for the job I perform</td>
<td>3.96</td>
<td>4</td>
<td>4</td>
<td>0.77</td>
<td>-0.23</td>
</tr>
<tr>
<td>Mutually decided objectives by me and my superior</td>
<td>3.98</td>
<td>4</td>
<td>4</td>
<td>0.91</td>
<td>-0.85</td>
</tr>
<tr>
<td>Guidelines to achieve targets were given</td>
<td>4.33</td>
<td>4</td>
<td>4</td>
<td>4.16</td>
<td>8.84</td>
</tr>
<tr>
<td>Team and individual targets were aligned to organisation vision and mission</td>
<td>4.06</td>
<td>4</td>
<td>4</td>
<td>0.85</td>
<td>-0.86</td>
</tr>
<tr>
<td>Targets were supposed to be achieved within specific time</td>
<td>3.67</td>
<td>4</td>
<td>4</td>
<td>0.86</td>
<td>-0.22</td>
</tr>
<tr>
<td>Challenging targets were set</td>
<td>2.94</td>
<td>3</td>
<td>4</td>
<td>1.25</td>
<td>-0.27</td>
</tr>
<tr>
<td>I do well to achieve my targets because I will be appraised</td>
<td>3.86</td>
<td>4</td>
<td>4</td>
<td>0.87</td>
<td>-0.79</td>
</tr>
</tbody>
</table>

*Source: Fieldwork (2013)*

The results indicate that at Ghana Health Service there were guidelines for employees to follow for the attainment of their set performance objectives. This implies that workers were not left to their fate in the discharge of their duties, rather they were given specific targets and expected to achieve them. The results revealed a mean score of 4.33 and a standard deviation of 4.16 with skewness of 8.84 which suggests wide disparities in the views of staff of GHS and many were not sure the guidelines could result in performance. The results also indicate that the objectives/targets that were set at the various Directorates were aligned to the overall corporate vision and mission of Ghana Health Service with a mean of 4.06, a standard deviation of 0.85 and a skewness of 0.86. This implies half of the staff of Ghana Health Service were of the view that targets were derived from corporate vision and mission statements. This implies that if employees are able to achieve their set objectives ultimately organisation’s strategic goals and vision could be achieved. This confirms the findings of [1] that each individual performance objectives must be linked to the organisation’s overall mission and goals in order to realise productivity in the organisation. The results also corroborate [3] that the objectives of individuals and departments and are as a whole expected to lead to the achievement of the vision of the organisation. The median of 4.00, mean of 3.98, a standard deviation of 0.91 and skewness of 0.85 indicates that performance objectives were set by both subordinates and their supervisors. This indicates that the setting of performance objectives was mutually done. The finding confirms the view of Quigley, Tesluk, Locke and Bartol (2007) that goals should be agreed upon by superiors and subordinates. This finding therefore suggests that in GHS responsibilities or objectives are not imposed on employees.
instead responsibilities/objectives were discussed together to ensure attainable objectives were set both by the superior and subordinates. From a mean of 3.96 and a standard deviation of 0.77, it can be could from the results that each employee has clearly defined objectives to achieve. This implies that the duties of staff of GHS were not ambiguous rather clearly stated. The finding is in similar view with [14] that organisation should clearly set out the objectives of employees and employees should understand what objectives are supposed to be achieved. The result also confirms [12], that there should be clearer goals or objectives for employees because if employees know exactly what they are to do, and they discharge those duties, there will increase job performance. Also, the results corroborate with the study of [2] that performance objectives should be specific that is, clearly determined to avoid ambiguity in the mind of the employees. Another remarkable result is a mean of 3.86, median of 4.00 and standard deviation 0.87. When employees know that they will be appraised at the end of a given period, they strive to achieve their set performance objectives. This finding supports the study of [43] which concluded that the underlying reason for performance management is to ensure that a person’s overall capabilities and potential are appraised, so that relevant strategies are set for work and development. Another aspect of results worth discussing is whether GHS engaged in setting challenging objectives. The results revealed a low mean score of 2.94, median of 3.00 and a standard deviation of 1.25. This indicates that employees were of the view that objectives were not challenging enough. This finding is contrary to the study of [53], [39] and [42] which suggested that goals of employees should be to some extent difficult or challenging because easy goals or objectives may not motivate some categories of employees (Theory-Y workers) who are always looking for challenging objectives [36]. Generally, it can be concluded that staff of GHS especially CHN, DCO, HIO and PHN at various Health Directorates were guided by set targets in the performance of their duties.

### 4.3 Nature of performance review in Ghana Health Service

Another element that constitutes PMS is performance review. The descriptive results presented in Table 3 show the nature of performance review at Ghana Health Service.

<table>
<thead>
<tr>
<th>Table 3: Nature of performance review</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
<th>Std. Dev.</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled PR meetings are most at times cancelled</td>
<td>1.97</td>
<td>2.00</td>
<td>1.00</td>
<td>1.05</td>
<td>0.82</td>
</tr>
<tr>
<td>Staff inputs are solicited during PR meetings</td>
<td>3.95</td>
<td>4.00</td>
<td>4.00</td>
<td>0.73</td>
<td>-0.27</td>
</tr>
<tr>
<td>Enough data is not collected for performance review sessions</td>
<td>4.03</td>
<td>4.00</td>
<td>4.00</td>
<td>5.70</td>
<td>4.35</td>
</tr>
<tr>
<td>Mgt takes appropriate steps to organize performance review meetings</td>
<td>4.90</td>
<td>4.00</td>
<td>4.00</td>
<td>4.43</td>
<td>5.45</td>
</tr>
<tr>
<td>PR meetings were based on set targets</td>
<td>4.10</td>
<td>4.00</td>
<td>4.00</td>
<td>0.79</td>
<td>-0.71</td>
</tr>
<tr>
<td>Adequate notices and preparation are made for PR meetings</td>
<td>4.07</td>
<td>4.00</td>
<td>4.00</td>
<td>0.84</td>
<td>-1.05</td>
</tr>
</tbody>
</table>

PR meetings are organized to measure and evaluate employee performance objectives

### 4.4 Nature of performance appraisal in Ghana Health Service

In order to ascertain the performance appraisal system of GHS, data was gathered, analysed and the results presented in Table 4. The performance appraisal system of GHS was assessed to determine how well it is being conducted.
Respondents gave different opinions to the questions that were posed, measuring the performance appraisal system of GHS. The result is presented in Table 4.

<table>
<thead>
<tr>
<th>Table 4: Nature of performance appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PA indicator</strong></td>
</tr>
<tr>
<td>PAS is fair and objective</td>
</tr>
<tr>
<td>Hindrances to performance are considered</td>
</tr>
<tr>
<td>Performance appraisal</td>
</tr>
<tr>
<td>based on my performance objectives</td>
</tr>
<tr>
<td>I express my views during</td>
</tr>
<tr>
<td>My supervisor runs through</td>
</tr>
<tr>
<td>Long since PA was conducted in the</td>
</tr>
<tr>
<td>organisation</td>
</tr>
<tr>
<td>PA has positive influence on my</td>
</tr>
<tr>
<td>performance</td>
</tr>
<tr>
<td>Feedback on my performance after PA</td>
</tr>
</tbody>
</table>

Source: Fieldwork (2013)

The results reveal that all factors hindering employee’s performance are taken into consideration and appropriate mechanisms were designed to improve performance. This had the highest mean score of 4.29, a median of 3.00, with corresponding standard deviation of 6.14 which shows that responses were dispersed from the mean. Another indicator revealed a mean of 3.61, a median of 4.00 and a standard deviation of 1.16 indicating that performance appraisal is based on employee’s performance objectives. This encourages the employees to perform their assigned objectives effectively because their performance would be appraised. This result corroborates with finding of [22] that performance appraisal is about assessing employee and developing their competencies and eventually enhancing performance for the growth of an organisation. It also corroborates [43] findings that performance appraisal is good for career development. Therefore, the result implies that employee performance and career development would improve performance. With a mean of 3.53, mode of 3.00, and a standard deviation of 1.09, it can be concluded that in the conduct of performance appraisal in GHS, employees were given the chance to express their views on issues pertaining to their performance. Performance appraisal was not solely the judgement of the superior rather both the superior and the appraisee. It can be observed from the results that PA had positive influence on the employee’s performance objectives giving a mean of 3.53, mode of 3.00 standard deviation of 0.93. Another finding that was remarkable is that feedback was provided to employees anytime performance appraisal was conducted. This gave a mean score of 3.54, and median of 4.00. This implies that employees, out of the performance appraisal feedback, were able to determine their strengths and weaknesses to better improve upon their performance. This finding is similar to the concept of the control theory propounded by [13] and supported by [11] argues that provision of feedback to employees is important because it makes employees aware of their strengths and weaknesses. Another interesting revelation from the analysis was that the performance appraisal system in Ghana Health Service is fair and objective at a mean of 3.52 and deviation of 0.85. This therefore means that the performance appraisal system in Ghana Health Service overcomes barriers to effective performance appraisal. These barriers include halo effect, recency, leniency, personal preference and leniency and central tendency. From analysis Table 4 above, the results reveal a mean score of 2.45, a median of 2.00 and a corresponding standard deviation of 1.28 which indicates that employees were of low agreement that superiors run through the PA process to get it done. This implies that superiors take the needed steps to assess their subordinates, they do not rush in the exercise. Therefore, it can be concluded that management does well in performance appraisal. Management intermittently evaluate the performance of workers to ascertain whether performance indicators were met or otherwise. The results corroborated the empirical studies of [49], [35] and [17] that performance appraisal is the process of evaluating employee’s performance using all appropriate mechanisms.

4.5 Nature of employee rewards in Ghana Health Service

The last element of PMS that was assessed was the employee reward system of GHS. Staff of Ghana Health Service gave independent responses to items that measured the nature of employee rewards (ERs). The descriptive results are presented in Table 5.

<table>
<thead>
<tr>
<th>Table 5: Nature of employee rewards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Rewards</strong></td>
</tr>
<tr>
<td>Motivation through other allowances in addition to basic salary</td>
</tr>
<tr>
<td>Rewards for staff is the same irrespective of their output</td>
</tr>
<tr>
<td>Staff of GHS are rewarded based on performance appraisal outcomes</td>
</tr>
<tr>
<td>Rewards for employee’s performance go beyond annual increment</td>
</tr>
<tr>
<td>GHS has award schemes as a means of rewarding hard work</td>
</tr>
<tr>
<td>In Ghana Health Service rewards are fair and transparent</td>
</tr>
</tbody>
</table>

Source: Fieldwork (2013)

Respondents were of the opinion that less attention is given to employee’s rewards at Ghana Health Service, this could be both financial and non-financial. Employee rewards was assessed in six areas that were critical for the study. Among the six areas, the lowest mean score of 2.39, median of 3.00, with a corresponding standard deviation of 3.42 shows that
employees of GHS perceived that the rewards system of service was not fair and transparent. Workers were not rewarded based on the degree of contribution to the organisation. It can be realised from the results in Table 5 that all the indicators of employee rewards yielded low figures. The results contradict research findings of Armstrong and Stephens (2006) and WorlddatWork (2007) that total rewards are all the tools, both financial and non-financial, available to an employer which should be used to motivate and retain employees. The results are also incongruent with that of [9] that people should be rewarded based on their contributions or efforts so that they will have greater acceptance of the appraisal process, and feel more satisfied with it, because the process is directly linked to rewards and reasons for punishment. However, with a mean of 2.76, median score of 2.00 and a standard deviation of 3.09, it implies that there were wide variety in view that employees in GHS were rewarded based on their efforts. The results failed to support the findings of [4] as well that financial and non-financial rewards provide a tangible form of recognition and therefore serve as indirect motivators, as long as people expect that further achievements will produce worthwhile rewards. The overall results show that Ghana Health Service does little in ensuring her workers are better rewarded based on performance appraisal outcomes. There are no any other incentive or reward schemes apart from the monthly salaries of workers.

4.6 Effects of performance appraisal outcome on employee rewards

To establish degree of association between the set objectives of employee and performance appraisal and also establish the relationship between performance appraisal (performance appraisal outcomes) and employee rewards, hypotheses were set as follows:

\[ H_1: \text{Performance appraisal outcomes has no significant effect on employee rewards at Ghana Health Service} \]

The results show that the coefficient is insignificant at \((\beta=0.113; \ p=0.073)\). The results provide information on the confidence with which the statement can be accepted or rejected. Since the p-value of 0.073 is more than the alpha level of 0.05, it can be assumed that the 0.113 estimated coefficients is statistically insignificant. The regression produced an R\(^2\) of 0.143 and an adjusted R-square of 0.132 which measures the proportion of the variance in the employee rewards that was explained by variations in performance appraisal outcomes. The results show that 14.3 percent of the variation in the employee rewards was explained by the variation of performance appraisal outcome. The result indicates that performance appraisal has no significant effect on employee rewards. This implies that performance appraisal outcomes do not affects employee rewards at Ghana Health Service. In Ghana Health Service, the outcome of performance appraisal does not necessarily lead to an increase or decrease in the employee rewards. Management of Ghana Health Service does not reward employees based on their performance appraisal outcomes. In Ghana Health Service whether an employee meets his or her set targets, his or her monthly remuneration remains constant. Excellent and higher performance does not attract any extra reward. The result contradicts the study by Armstrong and Baron (2002) that performance management system creates the opportunity to appraise employee current competency level and link the system with rewards and compensation. It is also not consistent with the findings of [22] that workers seem to have greater acceptance of the appraisal process and feel more satisfied with it, when the process is directly linked to rewards and reasons for punishments. The result does not also support what [27] that the key factors contributing to the success of the organisation’s performance management system is linking the system to “What's in it for me” (WIFM) motivation factor - employee rewards.

4.7 Effects of performance appraisal on objective setting

The researcher used regression analysis to examine the effect of performance appraisal on objective setting at the Ghana Health Service

\[ H_1: \text{Performance appraisal has significant effect on objective setting} \]

The regression analysis produced standardised coefficients and significance level. The results predicted that performance appraisal affects the achievement of set objectives. The coefficient was positive and significant at \((\beta=0.250; \ p<0.016)\). The results indicated that performance appraisal has positive effect on objective setting. The results provided information on the confidence with which the results can be accepted or rejected. Since the p-value 0.016 was less than the alpha of 0.05 it can be assumed that the 0.250 estimated coefficients was statistically significant. The regression further produced an R\(^2\) of 0.501 and an adjusted R-square of 0.495 (49.5 percent) which measures the proportion of the variance in the objective setting that was explained by variations in performance appraisal. The results show that 50 percent of the variation in objective setting was explained by the variation in performance appraisal. The finding was consistent with the study of [45] that once a goal is set and corresponding objectives are set, they need to be monitored and progress needs to be evaluated on a regular basis so that changes can be made when appropriate. This means that for an effective and improved productivity, performance appraisal needs to be conducted based on the set objectives.

5. Summary and conclusion

The study assessed the PMS of GHS in the Central Region. Specifically, the study looked at the nature of objective setting, performance review, performance appraisal system and employee rewards in Ghana Health Service. A descriptive survey was adopted to describe the elements of PMS in Ghana Health Service. The first objective of the study was to ascertain the nature of objective setting in Ghana Health Service. The main findings were that: The Management of GHS takes appropriate steps to ensure both superiors and subordinates set employees performance objectives or targets which are SMART. Findings indicate that the set objectives are aligned with the strategic vision and the mission of Ghana Health Service. For the purpose of
facilitating the achievement of the set objectives, guidelines and support were provided by superiors. The results also revealed that some of the employees of Ghana Health Service were of the view that the set objectives are not challenging enough. The second objective was to describe the nature of performance review at Ghana Health Service. The study revealed that PR was vigorously conducted in GHS. Management of GHS ensured appropriate mechanisms were in place to regularly review employee's performance and constructive feedback given to the employees. Adequate time was allowed for both management, superiors and subordinates to prepare for performance review meeting. As part of the preparation towards performance review, relevant and adequate data were gathered for performance review exercise. The findings were that PR was based on objectives that were set for employees at the beginning of the performance management cycle. Findings were that during every performance review meeting, employees were given the opportunity to discuss the challenges encountered in the cause of the year and got suggested solutions. The results however revealed that much time was spent at most review meeting. The third research objective was to ascertain the nature of employee rewards in Ghana Health Service. The study revealed that apart from the statutory monthly salary of employees, there were no other reward incentives for employees who performed their duties excellently and always exceeded their performance targets. The study found out that employee rewards in GHS leaves much to be desired. Rewards for employees were the same irrespective of employee’s output. Employees who perform well are given the same monthly salary as those who do not meet performance objectives.

6. Policy recommendations

Based on the findings and conclusions of the study, the following recommendations are made to the Employees, Management, Stakeholders of Ghana Health Service, The Regional Health Directorate and as well as public sector organisations. The study recommends that the staff of Ghana Health Service should make conscious efforts to set challenging objectives. Employee’s objectives should not be too easy but rather should be challenging but within the reach of the workers. The objective setting process should be strengthened by adopting Management by Objectives technique, whereby the views of both superiors and subordinates are solicited in the cause of the objective setting. In addition, more efforts should be made to continuously base performance appraisal on employee’s objectives that were set. This makes employee to be fully committed to ensuring the set objectives are always achieved. The study recommends that performance review should not be prolonged. This can be attained by ensuring review meetings are brief and touching on the relevant areas. All Staff of Ghana Health Service should make a conscious effort to ensure that scheduled review meetings were not cancelled. There should be adherence to the performance review meeting schedules that will be agreed upon within the year. Unnecessary postponement or cancellation can put employees off and get them not to prepare enough for the meeting. Management and Staff should be encouraged to ensure that the conduct of performance appraisal is strengthened. Continuous efforts should be made to conduct appraisal based on employee’s performance objectives. It is recommended that the outcome of the performance appraisal should form the basis of human resource decisions such as transfers, promotions, demotions, training, human resource planning and employee rewards. Rewards of employees for good performance should go beyond annual increment. Ghana Health Service should step-up appropriate measures such as promotions, end of year party, best worker awards, housing schemes, study leave with pay, etc to ensure rewards covers broad spectrum. Ghana Health Service should improve upon the rewards system of the staff by rewarding employees based on their ability to achieve set objectives.

References


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