

## **Analyzing the Association between Performance Appraisal and Legal Termination at Private Hospitals in Erbil**

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**Abstract:** The main purpose of this research is to analyze the association between annual performance appraisal at private hospitals and legal termination; the study aimed whether employees are terminated based on their poor performance after being evaluated by performance appraisal management. A quantitative method was used in this research to analyze the gathered data from four different private hospitals to find out whether employees are terminated based on their poor performance after being evaluated by performance appraisal management system. 100 questionnaires have been distributed, however only 68 questionnaires were received. The result of this research demonstrated that there is poor and weak association between the evaluation of performance appraisal and legal termination at private hospitals.

**Keywords:** Erbil, Legal Termination, Performance Appraisal, Private Hospitals

### **1. Introduction**

In today's marketplace, employees' legal termination is almost certainly the most critical decision an organization can make. The main purpose of this research is to analyze the association between annual performance appraisal at private hospitals and legal termination; the study aimed whether employees are terminated based on their poor performance after being evaluated by performance appraisal management. Performance management is defined as a strategic tactic to raise organizational effectiveness by enhancing employees' performance and developing abilities and skills of individual and group contributors (Rasheed, et al., 2011).

### **2. Literature Review**

Toppo and Prust (2012) abstracted work performance as embracing contextual performance and job performance. Furthermore, they showed that job performance associates to the skill, with which individual carries out, while contextual performance is defined as additional duty capabilities that participates mostly to the organizational environment, psychological and social to assist attaining organizational objectives or goals (Khan, et al., 2012). Contextual factors involve features for instance, continuing with additional effort and enthusiasm, volunteering to perform tasks and authorizing and supporting organizational goal or set of goals (Mohsin & Zahid, 2012). Yusoff (2014) defined performance appraisal as a process that defines the way that individual is performing a task and links those facts to the individual back. Also, suggested that performance appraisal provides information for

human resource management activities for instance, terminating, promoting, merit pay and legal termination (Adnan & Al-Adwan, 2012). The information of the performance appraisal could also deliver effort and contribution for employee training and development (Arumugam, et al., 2011). Moreover, performance appraisal offers participation and involvement for the endorsement of selection actions and human resource planning (Khair & Saeed, 2011). Individuals' performance is assessed by their managers and other external sources for instance, stakeholders like customers. There are some approaches for performance appraisal (as shown in figure 1). These approaches are categorized in three main groups. The first group of performance appraisal approaches is (GRS) Graphic Rating Scales; this approach is considered the most common method and tactic to use for performance appraisal. According to this approach employees will be measured or assessed by 5 point scale or 7 point scale. The second group of performance appraisal approach is comparison tactic which includes forced distribution, rank-order and paired comparisons among employees. In this technique employees will be assessed towards each other. In terms of the rank-order technique, individuals will be rated from high-low on a provided performance measurement. Though, meanwhile rank-order technique has ordinal scale features, therefore, performance measurement or evaluation will not be so accurate. Furthermore, in terms of paired comparison technique, each individual within an organization will be compared with other individuals and both individuals will be evaluated to find out which individual is the best. The technique is normally used to evaluate individuals on total capability to perform the task. Finally, forced distribution technique considers an effective technique among all methods, when the amount of individuals being assessed is high. According to this technique, the estimators allocate individuals and measures ranging from poor-good (Hameed & Waheed, 2011).

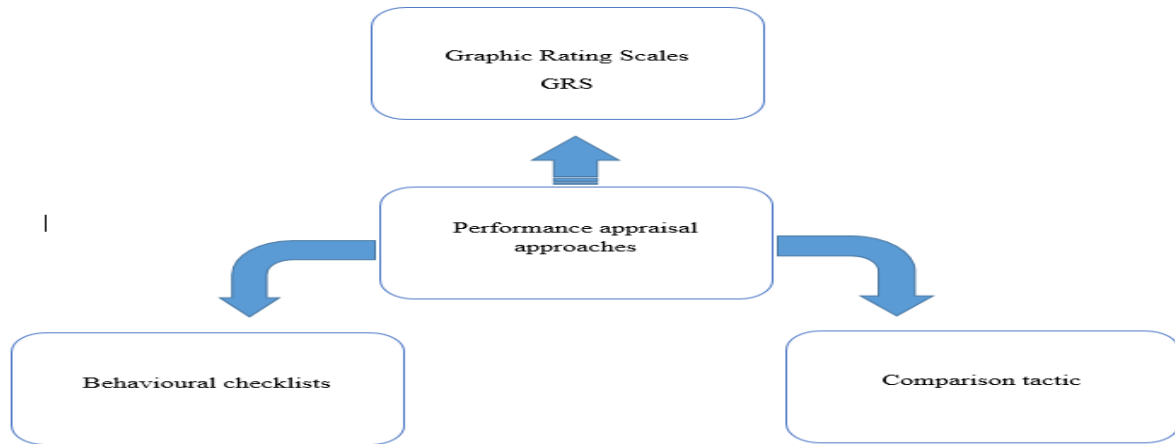


Figure 1-performance appraisal approaches

The third group is behavioral checklists. This group is consisted of the practices (as shown in figure 2) such us (BOS) behavioral-observation scales, (MSRS) mixed standard rating scales and (BARS) behaviorally anchored rating scales. The first group which is BOS is created to enhance BARS. In this case, the evaluators assess an individual on the rate of recurrence of serious incidents or particular individual behaviors.

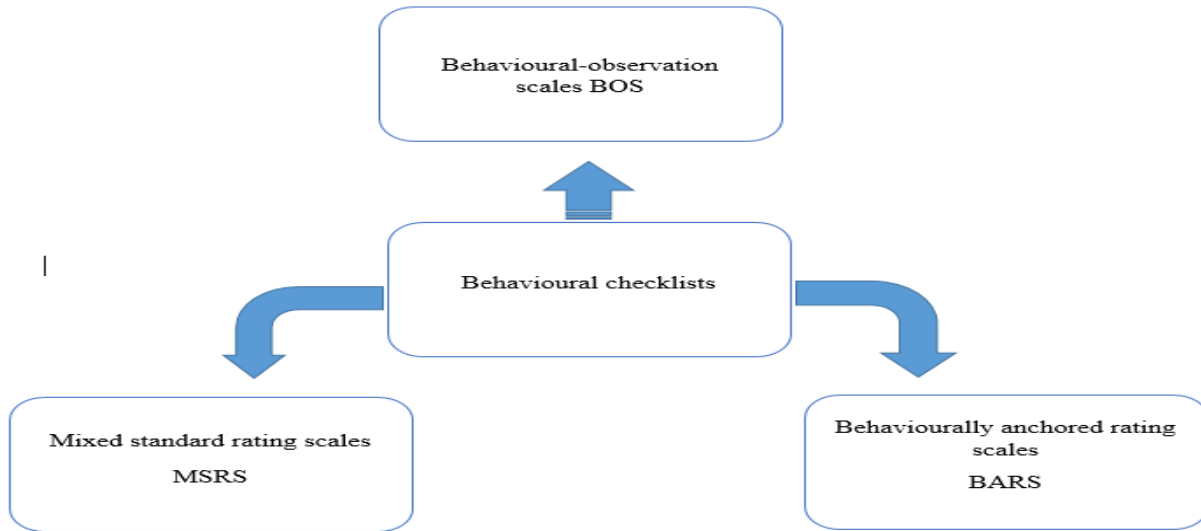


Figure 2-Behavioral checklist

The evaluator perceives the individual for assigned time of period and assesses an individual on a serious event scale. The second group (MSRS), concerns of the nature of performance element and the stages of performance defined. In this case, an individual is rated after evaluators' reaction for performance dimensions. Evaluators react to a specific behavior that illustrates average, low and high for each performance dimension. Finally, the third group which is BARS is a mixture or integration of rating scale methods and behavioral incident. In this case, individuals' performance will be assessed on unanchored scale (Gbolahan,2012).

### 3. Conceptual framework

#### 3.1 Research model:

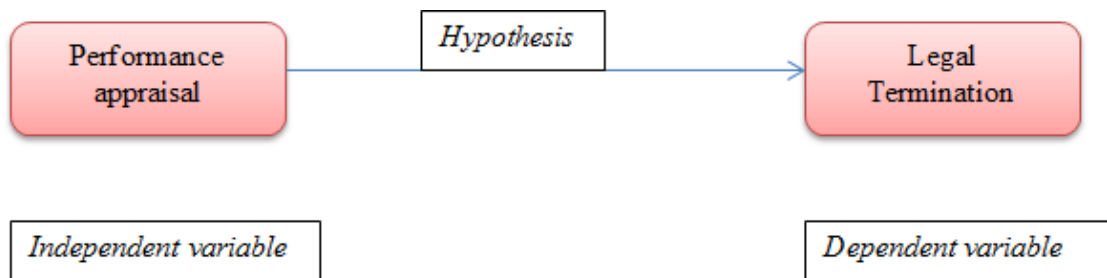


Figure 3- Research Model

#### 3.2 Research Hypothesis:

**Hypothesis:** Higher employee performance level lead to decrease number of employees' legal termination.

**4. Methodology**

The study was carried out at four different private hospitals in Erbil. The main purpose of this research is to analyze the association between the annual performance appraisal evaluation and legal termination at private hospitals. A quantitative method was used in this research to analyze the gathered data from four different private universities to find out whether employees are terminated based on their poor performance after being evaluated by performance appraisal management system. 100 questionnaires have been distributed, however only 68 questionnaires were received.

**5. Data Analysis**

Table 1-Demographic Analysis

Items		Frequency	Percent
<b>Gender</b>	Male	38	55.1
	Female	31	44.9
<b>Age</b>	18-22	11	15.9
	23-26	21	30.4
	27-32	17	24.6
	33-38	8	11.6
	39-44	7	10.1
	45-49	3	4.3
	50+	2	2.9

Table (1) shows the demographic analysis for the current study. As for participants' gender; 38 participants were male and 31 participants were female. As for participants' age; 11 participants fall in a group of 18-22 years old, 21 participants fall into a group of 23-26 years old, 17 participants fall into a group of 27-32 years old, 8 participants fall into a group of 33-38 years old, seven participants fall into a group of 39-44 years old, three participants fall into a group of 45-59 years old and only two participants fall into a group of 50 years old and above.

Table 2- Reliability Analysis

Factors	Cronbach's Alpha	N of Items
Performance appraisal	.874	14
Legal termination	.864	12

Table (2) shows the reliability test for performance appraisal as independent factor and legal termination as dependent factor. The Cronbach Alpha for performance appraisal= .874 for 14 items which is more than .6 accordingly performance appraisal's fourteen items used in this study were reliable and The Cronbach Alpha for legal termination= .864 for 12 items which is more than .6 accordingly legal termination's twelve's items were reliable.

Table 3- Correlation Analysis

Factors	Pearson Correlation	Performance Appraisal	Legal Termination
Performance Appraisal	Pearson Correlation	1	.781**
	Sig. (2-tailed)		.000
	N	68	68
Termination	Pearson Correlation	.781**	1
	Sig. (2-tailed)	.000	
	N	68	68

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table (3) shows the correlation analysis between performance appraisal as independent variable and legal termination as dependent variable. The Pearson correlation value = .781\*\* which is greater than 0.01 this indicates that there is a positive and strong correlation between performance appraisal and legal termination in private hospitals in Erbil, Kurdistan.

Table 4- Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781 <sup>a</sup>	.610	.604	.45479

a. Predictors: (Constant), Performance Appraisal

In table (4) the value of R Square is .610 which means that 61% of the variables are explained.

Table 5- ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.383	1	21.383	103.383	.000 <sup>b</sup>
	Residual	13.651	66	.207		
	Total	35.035	67			

a. Dependent Variable: Legal termination  
 b. Predictors: (Constant), Performance Appraisal

Table (5) shows the value of F for both factors is 103.383>1 which indicates there is a significant association between performance appraisal and legal termination.

Table 6- Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.694	.253		2.738	.008
	Performance Appraisal	.804	.079	.781	10.168	.000

a. Dependent Variable: Legal termination

The value Beta=.781 as seen in table (6) is greater than 0.01 which means that there is a positive and strong relationship between performance appraisal and legal termination in private hospitals in Erbil, Kurdistan.

## 6. Conclusion

Every hospital should document the explanations and assessment for the termination decision. Integrity is improved with documented performance appraisal assessments and cases of poor performance. Hospitals should be able to provide certain procedure of performance evaluator or an effective guidance to help poor performers in enhancing their performance. The result of this research demonstrated that there is poor and weak association between the evaluation of performance appraisal and legal termination at private hospitals.

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