The Impact of the Performance Appraisal System on Improving the Performance of Shaqra General Hospital Employees Case Study

Sarah Sajdi Alotaibi
Department of Management, Business Administration
King Saud University
Email: sarahsajdiotb@gmail.com
Saudi Arabia

Elham Elshafie Mohamed
Department of Management, Business Administration
King Saud University
Email: eelshafie@ksu.edu.sa
Saudi Arabia

ABSTRACT

This study aimed to identify the impact of the performance appraisal system on employee performance development at Shaqra General Hospital, by analayzing the relationship between the performance appraisal system, employee performance development, and job satisfaction. The study followed a descriptive analytical approach. A questionnaire was designed and distributed to the sample. The results showed a statistically significant direct relationship between the effectiveness of the performance appraisal system and increased employee performance. Additionally, the study demonstrated a positive impact on employee motivation and satisfaction with the work environment. The study recommends developing the performance appraisal system and ensuring its fairness and transparency.

Keywords: Performance Appraisal (PA), Employee Performance (EP), Employee satisfaction(ES)

Introduction

Performance appraisal systems are considered essential managerial tools adopted by organizations to assess employee efficiency and their contributions to achieving organizational goals. Given how rapidly work environments change, there is an increasing need to develop objective and effective mechanisms for performance measurement, ensuring enhanced employee improve and a balanced alignment between individual and organizational objectives. It has become evident that, when designed and implemented systematically and fairly, evaluation systems play a pivotal role in identifying strengths and weaknesses, providing constructive feedback, and motivating employees to improve their professional performance.

This study aims to examine the relationship between performance evaluation systems and the development of job performance by analyzing the extent to which these systems influence employee behavior, job satisfaction, and opportunities for professional growth. It also seeks to highlight best practices that organizations can adopt to ensure the effectiveness of evaluation processes and to avoid biases that may negatively affect the outcomes.

Statement of the Problem

The performance appraisal system in the healthcare sector plays a crucial role in enhancing employee performance, improving patient care, and ensuring overall organisational efficiency. By offering structured feedback, identifying developmental needs, fostering accountability, and promoting open communication, performance appraisals help maintain a highly skilled, motivated, and competent workforce. This, in turn, leads to better patient outcomes, improved safety, and a more effective healthcare system.

Research indicates that performance reviews are essential in assessing employee effectiveness and bridging the gap between expected and actual performance, ultimately benefiting both employers and employees (Hilton Biswas, 2023). However, perceptions regarding the impact of performance reviews on employee performance vary. While an effective appraisal system can enhance overall organisational functioning, a poorly designed system can lead to employee demotivation and decreased performance. This raises concerns about how to structure performance appraisal systems to create a positive impact, ensuring they serve as a tool for professional growth and organisational success (Biswas, 2023).

Literature Review and Theoretical Framework
Performance appraisal systems:

Employees nowadays seek feedback as well as credit for their ongoing services to the firm, rather than just following orders from the management. Performance evaluation is an inescapable and ubiquitous process, particularly in organisations where individuals review the job accomplishments of co-workers. Establishing a systematic assessment system is crucial to prevent errors in perception (Mok Kim Man & Yie Yeen, 2021). An official assessment and grading of staff members by their supervisors, accompanied by an internal meeting, is known as a

performance appraisal. It serves as a channel for understanding between multiple individuals and assessing performance results in accordance with knowledgeable requirements and proficiency criteria (Kuubetersuur, 2020).

Healthcare professionals nowadays face a number of obstacles, particularly those in the private sector that primarily serve international patients. These obstacles might be social, cultural, or financial. The result of this is that customers are calling for easier access to better healthcare. For private medical facilities to get a competitive edge over rivals, it is crucial that they hone their competitive advantage. Therefore, healthcare workers' services and care are seen as important sources of quality that may meet patients' needs. Because of this, performance reviews serve as a crucial tool for informing healthcare workers of the quality standards necessary to satisfy patient needs and ultimately assist private hospitals in achieving their goals (Fatima et al., 2018).

Performance appraisal systems (PAS) are crucial instruments for managing human resources, particularly in the healthcare sector, where employee efficiency directly affects patient outcomes. Hospitals operate in dynamic and high-pressure environments, making it crucial to have structured mechanisms that assess and enhance employees' performance (Mok Kim Man & Yie Yeen, 2021). An official evaluation procedure known as a productivity appraisal system assesses an employee's job effectiveness according to predetermined standards such job expertise, abilities, efficiency, collaboration, and compliance with hospital regulations (McDermott et al., 2019).

In addition to providing structured input, setting criteria for performance, and providing possibilities for acknowledgment, incentives, and advancement in the workplace, PAS primarily aims to identify employees' strengths and areas for improvement in order to ensure continuous growth and high quality care for patients. These systems also help an organisation achieve its strategic goals by coordinating individual achievement with organisational goals (Toki et al., 2023).

Performance appraisal systems are rooted in management and psychological theories that emphasize motivation, fairness, and goal-setting. Effective implementation of PAS in hospitals has been shown to enhance employee motivation, job satisfaction, and overall healthcare service delivery. However, challenges such as bias, subjectivity, and resistance to feedback can hinder their effectiveness (Alsaqqaf, 2022).

Theoretical review

Performance appraisal (PA) systems are integral to healthcare organisations, serving as structured mechanisms to evaluate and improve employee performance, thereby directly influencing patient care quality and operational efficiency. Several motivational theories underpin these systems, offering insights into effectively motivating hospital employees.

The Theory of Expectancy of Vroom

During the year 1964, Victor Vroom developed the expectation theory of motivation. The premise behind the concept is that people act by consciously selecting from a range of possible options. Expectation theory states that you should always take the path of action that will increase your sense of happiness and decrease your stress levels. The link between satisfying outcomes and what an employee anticipates from their specific duties is referred to as expectancy. Expectations include his level of difficulty. A business should ascertain what inspires workers to give their best effort while trying to accomplish this. These factors can take the form of tools, teaching, or support from a management who promotes staff happiness. According to Victor Vroom, greater struggle usually result in best outcomes. Giving workers rewards for effectively and efficiently completing their task might motivate them to put out effort (Rehman et al., 2019).

Recent studies have applied Expectancy Theory to analyse employee motivation in various contexts. For instance, research conducted within Vietnamese commercial banks revealed that expectancy and intrinsic factors positively influence employee motivation, which in turn impacts job performance. Interestingly, extrinsic factors did not show a significant effect on motivation in this study, highlighting the dynamic nature of motivational processes (Le Thu & Van, 2024)

However, Expectancy Theory has faced critiques for its limitations. It is considered to have a simplistic view of motivation, focusing primarily on the link among effort, rewards, and performance and may not account for other influencing factors such as personality, social context,or emotions. Additionally, the theory assumes rational decision making by individuals, which may not always be the case in real-world scenarios (Bandhu et al., 2024). Expectancy Theory is nonetheless a useful framework for comprehending motivation in spite of these drawbacks. It highlights how crucial it is to match employee efforts with performance goals and incentives, and it offers guidance on how to create efficient performance evaluation systems. By acknowledging its limitations and incorporating additional motivational factors, organisations can enhance the applicability of Expectancy Theory in diverse settings (Elamalki et al., 2024).

Goal-Setting Theory

According to the theory of goal-setting, setting clear, difficult goals improves worker performance by focusing attention, igniting effort, and fostering perseverance. Numerous aspects of this hypothesis have been examined in recent research:

Goal specificity is essential for motivating people, according to a 2020 research that looked at the impact of reward moderation on individual achievement. Performance levels are greater when explicit, difficult goals are combined with the right incentives (Hartono & Murniati, 2020).

The study of Harrington and McCaskill, 2021 found that Goal-setting characteristics, such as perceived organisational-level particularity of goals at the administrative level as well as perceived employee-level objective challenge, are found to be significantly positively correlated with workers' perceptions of the impartiality regarding performance reviews. The study's findings indicate that a number of control factors, including intrinsic motivation, are significant predictors of how fair public workers believe their performance reviews are. Higher intrinsic inspiration

levels among federal employees are associated with a more favourable opinion of the integrity of assessment of performance. Effective goal-setting techniques and the proper use of intrinsic motivation and external incentives in the public sector may improve public employees' perceptions of the fairness of performance evaluation processes (Harrington & McCaskill, 2021).

Theory of equity

Individuals contribute to institutions and get results in return. Every individual may feel unsatisfied when comparing their contributions and results to those of others. The concept of equity (ET), which Adams presented, is based on this contrast. To put it another way, every individual evaluates their outcome-input $(Y - X)$ ratio against others; if it is lower than others, they are unhappy. People are motivated to attain fairness or lessen disparity when they see injustice. To disperse outputs, some research used ET principles (Ahmadpour-Samani et al., 2022).

The study of Ryan, 2023, investigates the application of equity theory to comprehend the difficulties associated with healthcare professionals' employment globalisation in a global setting. Equity theory structured the conversations and helped to comprehend the administrative difficulties of hiring and keeping Saudi nurses when a group of experienced health care providers used the Delphi technique. The paper emphasizes the need of carefully taking context into account when selecting referents in order to guarantee the most practical and efficient application of equity theory (Ryan, 2023).

The importance of performance appraisal

One crucial component of company leadership is the efficiency of the processes in place for evaluating employee performance. Several studies have revealed how evaluations of performance impact a variety of factors, including as productivity, job satisfaction, even commitment to the company. In their study, Abdullah and Malik (2022) emphasized the positive effects of what they considered evaluation fairness on assessments of efficacy and happiness (Abdullah & Malik, 2022). Feelings of fairness among workers directly affect the effectiveness of performance evaluations, which in turn enhances worker efficiency (Mok Kim Man & Yie Yeen, 2021). Another study stressed the importance of performance reviews in guaranteeing that workers help the company achieve its goals (Raveendran & Hameela, 2020). Furthermore, Dhanabhakyam and Fahad in year 2023, discovered that the effectiveness of performance evaluations had a significant influence on employee satisfaction in private-sector organisations. Performance evaluations have a big impact on attitudes among staff members, job satisfaction, and output. (Dhanabhakyam & Fahad, 2023).

In the opinion of Uchenna et al. (2018), assessments of performance help define job expectations to workers, encourage growth as individuals, and ensure that worker performance has been taken into consideration when deciding wages. A few studies suggests a link between worker involvement and passion and the effectiveness of the evaluation process (Uchenna et al., 2018).

Additionally, the influence of performance reviews on employee satisfaction was emphasized by Khan et al., 2020, who found that a sizable portion of workers thought the system was ineffectual. Performance reviews have an effect on corporate results in addition to specific attitudes among workers (Khan et al., 2020).

Kandel (2021) emphasized the need of properly designing performance evaluation systems to fit the climate of a business and encourage management and employee collaboration (Kandel, 2021). Additionally, Sawitri and Arifin (2021) highlighted the need of evaluating the financial standing of young employees, citing the broader impacts of performance evaluations on employees' financial capability. In other words, it emphasizes the various ways that employee performance assessment methods impact organisational and people outcomes including financial competency, dedication, job satisfaction, and excitement (Sawitri & Arifin, 2021). These results demonstrate how important performance reviews are in influencing employee perceptions and organisational efficacy.

Impact of PAS on performance of employees
Enhancing Job Satisfaction and Empowerment

Performance appraisal systems (PAS) play a pivotal role in influencing job satisfaction and empowerment. Multiple studies have examined this relationship, highlighting the significance of structured appraisal processes in fostering a supportive work environment.

A research on the impact of performance assessment procedures on worker productivity was conducted by Eliphas et al. (2017). Three areas were the focus of the research: learning and growth, observations, and acknowledgment. The study's conclusions showed that efficiency within organisations is mostly impacted by praise and criticism, but training and growth are not very important (Mollel Eliphas et al., 2017).

Utilising an online survey to collect data from 161 workers, Hee and Jing (2018) investigated how human resources management practices affected worker performance in Malaysia's industrial industry. The study focused on benefits and pay, rules governing work and personal life, assessment of performance, and growth and development in order to examine how human resource management strategies affect employee performance. Performance evaluations, training, and employee productivity were found to be significantly correlated using multiple regression modelling (Hee & Jing, 2018).

According to the study of Muriuki and Wanyoike 2021, for organisations to boost staff dedication and efficiency, it is critical to analyse the link between worker accomplishments and performance assessments by integrating organisational frameworks and procedures. Supervisors should conduct regular reviews and talk with staff members about achievable goals. It's important to share information as soon as feasible with every worker individually. Poor performers should receive criticism, while those who achieve their goals should receive congratulations to increase their level of satisfaction. Initiatives

for education and growth should address the weaknesses that have been found (Muriuki & Wanyoike, 2021).

Enhancing employee's performance

Emerald Publishing Limited carried out an investigation on the benefits associated with adverse feedback: achieving success with performance evaluations in 2017. The primary goal of the article was to examine the most recent developments in management worldwide and identify the useful implications from innovative case research as well as scientific research. Independent authors prepared the methodology approach by contextualising the articles and adding their own unbiased remarks. According to the outcomes, companies that strive for continuous improvement are in the best position to outperform their rivals. Employers have to be able to address these issues without excluding those who are ready and willing to contribute because performance evaluations and comments are also essential because they provide a practical means of evaluating each employee's performance in relation to predefined benchmarks and expectations. Nevertheless, until assessment feedback is put into practice, some employees will keep performing below standards. The evaluation mix still includes a sizable amount of negative assessments (Cole & Cole, 2017).

Enhance justice

The extent to which employees believe that the company's performance assessment system, procedure, and outcomes are fair throughout the course of the evaluation period is known as performance appraisal equity (Dangol, 2021). It essentially refers to the way each worker feels regarding the fairness of the performance evaluation procedure in a specific company setting. Several previous studies have found that employees' perceptions of the process' fairness influence their willingness to accept the performance assessment process, its results, and any potential repercussions (Ju et al., 2021).

Impact on Patient Care and Safety

Performance appraisal (PA) systems play a critical role in maintaining and improving patient care and safety in hospitals. Effective PA mechanisms help healthcare professionals identify strengths and weaknesses in clinical performance, ensuring compliance with safety protocols and best practices. Studies indicate that well-structured PAs enhance healthcare quality by promoting continuous learning and accountability among staff (Sepahvand et al., 2020).

Vuong & Nguyen, 2022, demonstrated that competency-based appraisals enhanced clinical decision-making, leading to better patient recovery rates. Their longitudinal study tracked 500 healthcare workers across different departments, showing a positive correlation between structured performance reviews and improved clinical outcomes (Vuong & Nguyen, 2022).

Tariq et al., 2018 reported that structured appraisals decreased medication errors by 12% (Tariq et al., 2018), while Schaerer et al., 2018, found that feedback-driven appraisals led to a 10% reduction in adverse events (Schaerer et al., 2018). These studies emphasize that integrating patient feedback into appraisals fosters a culture of continuous improvement and safety.

Professional Development and Training Outcomes

Performance appraisal systems contribute significantly to professional development and training outcomes. Evaluations help in identifying skill gaps, facilitating targeted training, and encouraging career progression. Ndlovu et al., 2024, highlighted that structured PA programs increased nurses' job satisfaction and sense of empowerment, leading to improved patient care. Their study, conducted in a tertiary care hospital, demonstrated that nurses who received frequent appraisals and development plans reported a 25% increase in job satisfaction scores (Ndlovu et al., 2024).

Emam et al., 2024, found that personalised feedback resulted in tailored development plans, improving job performance and efficiency. Similarly, Harris and Nguyen (2023) highlighted that PAs focused on leadership skills prepared nurses for managerial roles, supporting career advancement. These findings underscore the importance of performance evaluations in fostering professional growth (Emam et al., 2024).

Effects on Employee Retention and Turnover

Employee retention is a crucial factor in hospital settings, influencing both staff morale and patient care quality. Performance appraisal systems serve as a tool for improving job satisfaction and reducing turnover rates. Studies indicate that well-designed PA systems contribute to a more engaged workforce by offering employees clear career progression pathways and recognition for their contributions (De Vries et al., 2023)

Rana et al., 2022, conducted a study on the relationship between performance appraisals and job satisfaction in a large urban hospital. Their findings suggested that employees who received structured feedback and goal-oriented appraisals were 35% more likely to stay in their roles compared to those with informal or infrequent evaluations. The study emphasized the importance of individualised performance plans in reducing stress and increasing job engagement (Rana et al., 2022). Similarly, Batanda, 2024, observed that appraisals focusing on employee well-being and job satisfaction significantly decreased burnout and reduced staff turnover rates. Their research, based on 1,000 hospital staff members, found that hospitals with well-executed PA systems had a 20% lower turnover rate (Batanda, 2024).

Lo et al., 2024, reported that structured feedback mechanisms made employees feel valued, leading to higher levels of organisational commitment. Their study in a network of private hospitals indicated that healthcare professionals who received consistent and meaningful feedback were more engaged in their work and showed increased organisational loyalty (Lo et al., 2024). Foster and De Vries et al., 2023, highlighted that appraisal systems incorporating recognition programs boosted morale and engagement, which in turn lowered attrition rates. Their analysis of hospital employee satisfaction surveys revealed that employees who felt recognised for their achievements were 30% less likely to consider leaving their jobs (De Vries et al., 2023).

These findings suggest that implementing effective PA systems can play a crucial role in retaining skilled healthcare professionals. Hospitals should ensure that appraisals are not only

performance-driven but also supportive, recognising employees' contributions while addressing their concerns. Future research should explore how innovative performance appraisal methods, including AI-driven assessments, can further enhance retention and job satisfaction.

Best Practices for Effective Performance Appraisal in Hospitals

To ensure efficacy, PA systems in hospitals must be designed with clear objectives that align with the institution's strategic vision. These objectives should prioritise patient safety, clinical proficiency, teamwork, and adherence to ethical and professional standards. Key performance indicators (KPIs) should be meticulously defined based on the SMART criteria—specific, measurable, achievable, relevant, and time-bound—to ensure objective assessments. Additionally, integrating evidence-based evaluation frameworks can minimise bias and subjectivity, thereby improving the reliability of appraisals (Langarizadeh et al., 2024).

Traditional appraisal methods, which rely predominantly on supervisor evaluations, may be susceptible to bias and lack a cmprehensive perspective. A more holistic approach involves implementing a 360-degree feedback system that incorporates assessments from peers, subordinates, patients, and self-evaluations. Such a multi-source feedback mechanism provides a more nuanced evaluation of a healthcare professional's competencies, including interpersonal skills, clinical decision-making, and teamwork. Research suggests that 360-degree evaluations improve appraisal accuracy and facilitate professional development by highlighting strengths and areas for improvement from multiple perspectives (Dipboye, 2018).

Regular feedback sessions, supported by structured documentation, enable healthcare professionals to make immediate adjustments to their clinical practice. Moreover, constructive feedback should be an integral component of the PA process, emphasizing developmental growth rather than punitive measures (Flaubert et al., 2021).

Performance appraisal should not merely assess past performance but should also serve as a tool for career progression and skill enhancement. Hospitals should integrate PA outcomes with structured professional development programs, including targeted training sessions, mentorship opportunities, and continuing medical education (CME) initiatives. Individualised learning plans, based on appraisal feedback, can facilitate skill acquisition and ensure healthcare professionals remain competent in evolving medical practices. Furthermore, linking PA outcomes to career advancement opportunities, such as promotions and leadership training, increase employee engagement and motivation (Hosen et al., 2024).

Bias in PA remains a significant challenge, often resulting in discrepancies in evaluation outcomes. Implicit biases related to gender, ethnicity, professional hierarchy, or interpersonal dynamics can affect appraisal objectivity. To mitigate bias, hospitals should implement standardised evaluation rubrics, conduct training sessions for evaluators on unconscious bias, and utilise objective rating scales. Structured interviews and competency-based assessments can further ensure consistency in evaluations (Gopal et al., 2021).

By integrating technology into PA systems has revolutionised performance evaluations in healthcare. Digital PA platforms facilitate streamlined evaluations, real-time performance tracking, and automated data analytics. Electronic Health Records (EHRs) and AI-driven assessment tools enhance accuracy in measuring clinical performance indicators. Additionally, automated feedback mechanisms can improve efficiency by providing healthcare professionals with personalised performance reports, enabling them to track their progress over time (Ephraim et al., 2024).

Organisational culture have an important role in determining the effectiveness of PA systems. Hospitals that ensure a culture of continuous learning, open communication, and accountability create an environment where employees perceive appraisals as constructive rather than punitive. Institutions should prioritise transparency in appraisal criteria, actively recognise outstanding performance, and provide structured support for underperforming employees to enhance appraisal acceptance (lafi Almutairi et al., 2022).

Gaps in Existing Literature

Despite the significance of PA in hospitals, existing research predominantly focuses on corporate settings, with limited empirical studies investigating PA in healthcare environments. The unique dynamics of hospital settings, including high-stress conditions, interdisciplinary collaboration, and patient-centered care, necessitate specialised PA models tailored to healthcare professionals. Future research should explore how hospital-specific challenges impact PA effectiveness and develop frameworks that account for these factors (Brown et al., 2019).

A critical gap in current literature is the absence of standardised performance metrics applicable across diverse hospital settings. Existing studies highlight inconsistencies in PA criteria, leading to variability in evaluations across institutions. There is a pressing need for research to establish universal standards for assessing healthcare professionals' competencies, patient interaction skills, and adherence to clinical guidelines. Developing evidence-based appraisal frameworks will enhance consistency and comparability across hospitals (Anyim, 2021).

Most PA studies primarily assess short-term outcomes, such as employee satisfaction and engagement. However, the long-term effects of PA on healthcare quality, patient safety, and workforce retention remain underexplored. (Ramawickrama et al., 2019).

Influence of Organisational Culture on Appraisal Effectiveness

Organisational culture significantly impacts the perception and effectiveness of PA systems. A hospital's leadership must demonstrate a commitment to fostering a developmental rather than punitive approach to performance evaluations. Managers should be trained in effective appraisal techniques, emphasizing constructive feedback and goal-setting strategies that enhance employee engagement and motivation (Li et al., 2022).

Transparent communication is essential for building trust in PA systems. Employees should be actively involved in the process of PAS, via self-assessments, goal-setting participation, and discussions on developmental needs. To ensure that, employees can understand evaluation criteria and the rationale behind appraisal decisions enhances acceptance and reduces resistance (Schaerer et al., 2018).

Confidentiality and ethical considerations must be prioritised in hospital PA systems. Healthcare professionals should feel assured that their evaluations are handled with discretion and used solely for developmental purposes rather than disciplinary actions. Ethical appraisal practices reinforce a culture of fairness and accountability, thereby increasing staff confidence in the system (Ryan, 2023).

Methodology

Study Tool

The study utilized a structured questionnaire as the primary data collection tool. The questionnaire was designed to assess employees' perceptions regarding the performance appraisal system, job performance, employee motivation, and satisfaction with the appraisal system. This research utilized quantitative data to tackle the research inquiries. A closed-ended questionnaire was designed using Google Forms and then circulated among the participants to collect the data.

In this research, the Likert scale was chosen as the primary method of measurement over other scaling methods. This scale categorizes responses into five levels: 'Strongly agree' (assigned a weighted average between 4.20 and 5), 'Agree' (falling within the range of 3.40 to 4.19), 'Neutral' (ranging from 2.60 to 3.39), 'Disagree' (with a weighted average spanning 1.8 to 2.59), and 'Strongly disagree' (assigned a weighted average between 1 and 1.79). This classification offers a clear and systematic framework to interpret and assign weighted values to responses provided on this Likert Scale, enabling a quantitative assessment of attitudes or opinions expressed by respondents.

Study Participants

The participants in this survey were employees working at a Shaqra hospital. A total of 67 respondents took part in the study, representing a diverse group in terms of age, gender, and years of experience.

Validity and Reliability of the study tool

To ascertain the reliability of the research instrument, the Cronbach's Alpha Coefficient method was employed. The results indicated a high level of reliability, with a coefficient of 0.878 for the pilot sample (n=67). This underscores the tool's reliability and its appropriateness for application in the field. According to Downing (2004), reliability tool values between 0.5 and 0.7 are considered mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great, and values above 0.9 are superb. The researcher has duly affirmed the scale's reliability and validity in its final form, ensuring its suitability for application to the primary sample. This attests to the scale's complete reliability, accuracy, and relevance in collecting essential data to address the research questions.

Table 2: Reliability Analysis of Study Constructs

Construct	Number of Items	Cronbach's Alpha
Performance Appraisal System	5	0.864
Job Performance	5	0.927
Employee motivation	4	0.932
Satisfaction with Appraisal System	4	0.948
Full Scale (All items)	18	0.968

The reliability of the measurement instruments was assessed using Cronbach's Alpha. As shown in Table 2, all scales demonstrated high to excellent internal consistency, indicating that the items within each construct are reliably measuring the intended variables. The scale for the performance appraisal system, consisting of five items, yielded a Cronbach's Alpha of 0.864, which reflects high internal consistency. The job performance scale exhibited excellent reliability with an alpha value of 0.927. Similarly, the reward system and satisfaction with the appraisal system scales demonstrated excellent reliability, with Cronbach's Alpha values of 0.932 and 0.948 respectively.

The overall reliability of the instrument, which included all 18 items across the study constructs, was exceptionally high, with a Cronbach's Alpha of 0.968. This indicates outstanding internal consistency, confirming the tool's suitability for advanced analyses such as correlation and regression to test the research hypotheses. According to Downing (2004), reliability values between 0.8 and 0.9 are considered excellent, while values above 0.9 are deemed superb. Thus, the instrument demonstrates superb reliability. The researcher has validated the scale in its final form, ensuring its effectiveness and relevance for data collection in addressing the study's objectives.

Data Analysis Procedure

The data collected for this study were analyzed using a series of statistical techniques to test the proposed hypotheses. First, descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize the demographic characteristics of the participants and provide a general overview of the study variables. To ensure the reliability of the measurement instruments, Cronbach's alpha coefficients were calculated for each scale, with a value of 0.70 or higher considered acceptable for internal consistency.

To test the first hypothesis, a simple linear regression analysis was conducted. This analysis assessed the predictive relationship between employees' perceptions of the appraisal system and their reported job performance. For the second

hypothesis, a Pearson correlation analysis was performed. This helped to determine the strength and direction of the relationship between these two variables.

To address the third hypothesis, a multiple linear regression analysis was employed. This model included the performance appraisal system, the reward system, and their interaction as independent variables, with employee performance as the dependent variable. The significance of beta coefficients (β), p-values, and R² values were examined to determine the strength and explanatory power of the model. All statistical analyses were conducted using SPSS software, and a significance level of 0.05 was adopted for hypothesis testing.

Results

Demographic Characteristics of the Participants

Table 1: Demographic Characteristics of the Participants by Age, Gender, and Years of Experience

Variable	Category	Frequency	Percent
Age	Under 25	8	11.9
	25-34	15	22.4
	35-44	17	25.4
	45 and above	27	40.3
Gender	Man	13	19.4
	Woman	54	80.6
Years of experience	less than 3 years	11	16.4
	years 3-5	8	11.9
	6-10 years	13	19.4
	more than 10 years	35	52.2

Table (1) reveals insightful trends regarding the age distribution of the participants. A significant proportion of the sample (40.3%) falls within the 45 and above age group, followed by 25.4% in the 35–44 age range. This indicates that the majority of respondents are older adults, potentially with extensive life and work experience. In contrast, younger age groups, particularly those under 25, are less represented at just 11.9%.

In terms of gender distribution, the data shows a clear dominance of female participants, with women making up 80.6% of the sample, compared to only 19.4% for men. This notable imbalance suggests that any conclusions drawn from the study may reflect predominantly female viewpoints.

Regarding years of experience, the data reveals that more than half of the participants (52.2%) have over 10 years of experience, while only 28.3% have less than six years. This indicates that the sample is largely composed of seasoned professionals.

Results of Hypotheses

H1: The performance appraisal system at the Shagra Hospital has a positive impact on improving employee performance.

To test the first hypothesis, which posits that the performance appraisal system positively influences employee performance, a simple linear regression analysis was performed. In this model, the performance appraisal system was treated as the independent variable, and employee performance was treated as the dependent variable. The strength of the relationship was evaluated using the correlation coefficient (R), and the significance of the predictor was assessed based on the t-value and p-value. The results, including regression coefficients (both unstandardized and standardized) are listed in Table 3.

Table 3: Linear Regression Analysis for the Impact of Performance Appraisal System on Employee Performance

Model	R	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Constant		0.496	0.308		1.61	0.112
Performance Appraisal System	0.803	0.846	0.078	0.803	10.87	0.00**

**Significant at significance level of 0.01

The results of the linear regression analysis demonstrate a statistically significant and strong positive relationship between the performance appraisal system and employee performance (R = 0.846, p < 0.01). The unstandardized coefficient (B = 0.846) indicates that for every one-unit increase in the effectiveness of the performance appraisal system, employee performance increases by 0.846 units. The standardized Beta coefficient (β = 0.803) confirms a strong positive influence, and the corresponding t-value (10.87) further supports the significance of this effect. The p-value (0.000) is well below the 0.01 threshold, confirming the result is highly statistically significant. These findings support Hypothesis 1 (H1), suggesting that the performance appraisal

system at the hospital has a substantial positive impact on improving employee performance.

H2: Employee satisfaction with the performance appraisal system at the Shagra Hospital is positively correlated with their overall job performance

To test the second hypothesis, Pearson correlation analysis was used to examine the relationships between the performance appraisal system and variables like job performance, employee motivation, and satisfaction. The correlations were tested for significance at the 0.01 level. Results are presented in Table (4).

Table 4: Descriptive Statistics for Key Study Constructs

Construct	Mean	Std. Deviation
Performance Appraisal System	3.89	0.74
Job Performance	3.79	0.77
Employee motivation	3.70	0.83
Satisfaction with Appraisal System	3.81	0.83

Table (4) reveals that the Performance Appraisal System received the highest mean score of 3.89 with a standard deviation of 0.74, indicating a generally positive perception of the appraisal process, with moderate agreement among participants. This suggests that employees largely view the performance appraisal system in the hospital as effective and well-structured.

The Satisfaction with the Appraisal System scored a mean of 3.81 and a standard deviation of 0.83, showing that employees are relatively satisfied with how the appraisal process is conducted, though there is slightly more variability in responses.

Job Performance had a mean of 3.79 with a standard deviation of 0.77, suggesting that employees rate their job performance positively and consistently. Lastly, Employee Motivation recorded the lowest mean among the constructs at 3.70, with a standard deviation of 0.83, indicating that while motivation levels are still relatively high, they are slightly lower and more varied compared to other factors.

Table 5: Pearson Correlation Matrix Between Performance Appraisal System, Job Performance, Employee Motivation, and Satisfaction with the Appraisal System

		Performance Appraisal System	Job Performance	Employee motivation	Satisfaction with Appraisal System
Performance Appraisal System	Pearson Correlation	1	0.803**	0.727**	0.632**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	67	67	67	67
Job Performance	Pearson Correlation	0.803**	1	0.904**	0.834**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	67	67	67	67
Employee motivation	Pearson Correlation	0.727**	0.904**	1	0.872**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	67	67	67	67
Satisfaction with Appraisal System	Pearson Correlation	0.632**	0.834**	0.872**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	67	67	67	67

**Significant at significance level of 0.01

Table (5) displays Pearson correlation coefficients that assess the relationships among four key variables: Performance Appraisal System, Job Performance, Employee Motivation, and Satisfaction with the Appraisal System, based on a sample of 67 respondents.

There is a strong positive and statistically significant correlation between the Performance Appraisal System and Job Performance ($r = 0.803$, $p < 0.01$), supporting the first hypothesis (H1). This suggests that effective performance appraisals are associated with improved job performance.

Similarly, the Performance Appraisal System is positively correlated with Employee Motivation ($r = 0.727$, $p < 0.01$), indicating that well-structured appraisals can enhance employee motivation levels.

Moreover, Satisfaction with the Appraisal System is moderately and significantly correlated with the Performance Appraisal System ($r = 0.632$, $p < 0.01$), suggesting that employees tend to be more satisfied when the appraisal system is perceived as effective.

Additionally, Job Performance shows strong positive correlations with both Employee Motivation ($r = 0.904$, $p < 0.01$) and Satisfaction with the Appraisal System ($r = 0.834$, $p < 0.01$). These strong associations imply that motivated and satisfied employees are more likely to exhibit better job performance.

Lastly, the correlation between Employee Motivation and Satisfaction with the Appraisal System is also very strong ($r = 0.872$, $p < 0.01$), emphasizing the reinforcing relationship between motivational aspects and satisfaction derived from the appraisal process.

H3: The relationship between performance appraisals and reward systems at Shagra Hospital positively influences employee performance.

To test the third hypothesis, which posits that the performance appraisals and reward systems at the Hospital improves employee performance, a simple linear regression analysis was performed. In this model, the employee motivation was treated as the independent variable, and employee performance was treated as the dependent variable. The strength of the relationship was evaluated using the correlation coefficient (R), and the significance of the predictor was assessed based on the t-value and p-value. The results, including regression coefficients (both unstandardized and standardized) are listed in Table 6.

Table 6: Linear Regression Analysis for the Impact of Employee Motivation on Employee Performance

Model	R	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Constant	0.904	0.651	0.188	-	3.455	0.001**
Employee motivation		0.848	0.050	0.904	17.038	0.000**

**Significant at significance level of 0.01

The regression analysis revealed a strong and statistically significant positive relationship between employee motivation and job performance. The model yielded a correlation coefficient (R) of 0.904, indicating a very high degree of association between the two variables. The unstandardized coefficient (B) for employee motivation was 0.848, suggesting that for every one-unit increase in motivation, job performance increased by approximately 0.848 units. Furthermore, the standardized Beta coefficient was 0.904, underscoring the strength of employee motivation as a predictor of job performance. The relationship was highly significant, with a t-value of 17.038 and a p-value of 0.000. These findings confirm that employee motivation plays a critical role in enhancing job performance, supporting the hypothesis that motivated employees tend to perform better in their roles.

In conclusion, the demographic profile highlighted a sample predominantly composed of older adults, particularly those aged 45 and above, with a strong representation of experienced professionals who have over a decade of work experience. The gender distribution is notably skewed toward female participants, suggesting that the study's findings may primarily reflect the perspectives of women. Collectively, these insights underscore the importance of considering demographic characteristics when interpreting the study's outcomes, as they may influence the attitudes, experiences, and responses of the participants.

The analysis clearly indicates a strong and significant positive relationship between the performance appraisal system and employee performance. The results suggest that as the effectiveness of the appraisal system improves, so does the performance of employees. This finding supports the hypothesis and highlights the importance of having a well-structured and effectively implemented appraisal system in place, as it plays a crucial role in enhancing overall employee performance within the hospital.

The results indicated that employees hold a generally favorable view of the performance appraisal system, perceiving it as effective and well-structured. Satisfaction with the appraisal process is also relatively high, reflecting a positive response to how it is implemented. Employees tend to rate their job performance positively and consistently, further reinforcing the system's effectiveness. However, employee motivation, while still at a good level, appears to be slightly lower and more varied, suggesting a potential area for further improvement to ensure sustained engagement and performance.

The correlation analysis reveals strong and significant positive relationships among all key variables. The findings support the view that an effective performance appraisal system is closely linked to higher job performance, increased employee motivation, and greater satisfaction with the appraisal process. Moreover, motivated and satisfied employees are more likely to

perform better, highlighting the interconnected nature of these constructs. These results reinforce the importance of a well-designed appraisal system not only as a tool for evaluating performance but also as a driver of motivation and overall job satisfaction.

The regression analysis confirms that employee motivation is a key driver of job performance. The results demonstrate a strong and statistically significant positive relationship between the two variables, highlighting that higher levels of motivation are closely linked to improved job performance. This finding supports the hypothesis and emphasizes the importance of fostering motivation in the workplace to enhance overall employee effectiveness and productivity.

Limitations and Future Directions

While this study provides valuable insights into the role of performance appraisal systems in enhancing employee performance at Shaqra General Hospital, several limitations should be acknowledged. The most important of them, the study was limited to a single hospital, which may restrict the generalizability of the findings to other healthcare institutions with different organizational cultures, resources, or management styles.

For future research, it is recommended to conduct longitudinal studies to observe changes over time and better understand the sustained effects of performance appraisals. Expanding the study to include multiple hospitals or healthcare facilities across different regions could also enhance the generalizability of the results. Additionally, incorporating qualitative methods such as interviews or focus groups could provide deeper insights into employees' attitudes and experiences with the appraisal system.

Managerial Implications

The findings of this study hold important implications for the management of Shaqra General Hospital and similar healthcare institutions. First, a well-structured and fair performance appraisal system can serve as a strategic tool to enhance employee motivation, accountability, and overall job performance. Managers should recognize that regular, transparent, and constructive feedback fosters a culture of continuous improvement and professional development among staff members.

Moreover, aligning performance evaluations with clear job expectations and organizational goals will help ensure that employees understand their roles and how their contributions impact hospital outcomes.

Conclusion

This study set out to investigate the impact of performance appraisal systems on employee performance within Shaqra General Hospital, while also examining the associated effects on employee motivation, satisfaction with the appraisal process, and the role of reward systems. The findings unequivocally demonstrate that a well-structured and fairly implemented performance appraisal system plays a crucial role in boosting employee performance, motivation, and overall job satisfaction in a healthcare setting.

The results showed strong, positive, and statistically significant relationships among the key variables: performance appraisal systems, employee motivation, job performance, and satisfaction with the appraisal process. Notably, employee motivation emerged as a critical predictor of job performance, reinforcing the value of recognition, feedback, and clear developmental pathways in retaining a committed and productive workforce.

However, the study's limitations, particularly its focus on a single hospital, suggest that future research should expand to multiple healthcare institutions and include qualitative methods to get deeper insights into employee experiences with performance appraisal systems. Additionally, longitudinal studies would be valuable in assessing the sustained impact of appraisal systems over time.

In conclusion, this research underscores that performance appraisal systems, when effectively designed and managed, can be powerful tools for driving employee performance, enhancing job satisfaction, and improving overall healthcare service delivery. Hospital administrators are encouraged to continuously refine appraisal processes, integrate employee feedback, and foster a culture of development and recognition to meet the evolving demands of modern healthcare environments.

About Shaqra General Hospital

Shaqra General Hospital is a public healthcare facility situated in Shaqra, a city within the Riyadh Region of Saudi Arabia. The hospital offers a range of medical services, including outpatient clinics covering various specialties, emergency services, medical laboratory diagnostics, and radiology. It is equipped with modern medical technologies and staffed by qualified medical and nursing professionals.

REFERENCES

Abdullah, Z., & Malik, S. K. (2022). Perceived appraisal fairness effect on performance appraisal effectiveness and appraisal satisfaction in higher education. *Journal of Business and Social Review in Emerging Economies*, *8*(2), 287-300.

Ahmadpour-Samani, P., Arman, H., Foukerdi, A., Hadi-Vencheh, A., & Mavi, R. K. (2022). The equity theory: a quantitative perspective using data envelopment analysis. *RAIRO-Operations Research*, *56*(5), 3711-3732.

Alsaqqaf, A. (2022). The Effect of Performance Appraisal Process, and its Dimension Fairness, on Employees' Job Satisfaction.

Anyim, W. O. (2021). Identifying Gaps and Opportunities to Improve Performance in University Libraries Using Benchmarking and Performance Appraisal System. *Library Philosophy & Practice*.

Bandhu, D., Mohan, M. M., Nittala, N. A. P., Jadhav, P., Bhadauria, A., & Saxena, K. K. (2024). Theories of motivation: A comprehensive analysis of human behavior drivers. *Acta Psychologica*, *244*, 104177.

Batanda, I. (2024). Prevalence of burnout among healthcare professionals: a survey at fort portal regional referral hospital. *npj Mental Health Research*, *3*(1), 16.

Brown, T. C., O'Kane, P., Mazumdar, B., & McCracken, M. (2019). Performance management: A scoping review of the literature and an agenda for future research. *Human resource development review*, *18*(1), 47-82.

Cole, G., & Cole, G. (2017). Positive outcomes of negative feedback: Succeeding with performance appraisals. *Human Resource Management International Digest*, *25*(2), 31-33.

Dangol, P. (2021). Role of performance appraisal system and its impact on employees motivation. *Quantitative Economics and Management Studies*, *2*(1), 13-26.

De Vries, N., Lavreysen, O., Boone, A., Bouman, J., Szemik, S., Baranski, K., Godderis, L., & De Winter, P. (2023). Retaining healthcare workers: a systematic review of strategies for sustaining power in the workplace. Healthcare,

Dhanabhakyam, M., & Fahad, K. (2023). Influence of performance appraisal system in private sector banks on employee morale. *IJAR*, *9*(2), 284-288.

Dipboye, R. L. (2018). Criterion development, performance appraisal, and feedback. In *The Emerald Review of Industrial and Organisational Psychology* (pp. 535-579). Emerald Publishing Limited.

Elamalki, D., Kaddar, A., & Beniich, N. (2024). Impact of motivation on the job performance of public sector employees: the case of Morocco. *Future Business Journal*, *10*(1), 53.

Emam, S. M., Fakhry, S. F., & Abdrabou, H. M. (2024). Leaders development program by 360 degree feedback: reflection on head nurses' leadership practices. *BMC nursing*, *23*(1), 772.

Ephraim, R. K. D., Kotam, G. P., Duah, E., Ghartey, F. N., Mathebula, E. M., & Mashamba-Thompson, T. P. (2024). Application of medical artificial intelligence technology in sub-Saharan Africa: Prospects for medical laboratories. *Smart Health*, 100505.

Fatima, T., Malik, S. A., & Shabbir, A. (2018). Hospital healthcare service quality, patient satisfaction and loyalty: An investigation in context of private healthcare systems. *International journal of quality & Reliability Management*, *35*(6), 1195-1214.

Flaubert, J. L., Le Menestrel, S., Williams, D. R., Wakefield, M. K., National Academies of Sciences, E., & Medicine. (2021). Supporting the health and professional well-being of nurses. In *The Future of Nursing 2020-2030: Charting a Path to Achieve Health Equity*. National Academies Press (US).

Gopal, D. P., Chetty, U., O'Donnell, P., Gajria, C., & Blackadder-Weinstein, J. (2021). Implicit bias in healthcare: clinical practice, research and decision making. *Future healthcare journal*, *8*(1), 40-48.

Harrington, J., & McCaskill, J. (2021). Does goal setting matter? The impact of employee-level and organisational-level goal properties on public employees' perception of performance appraisal fairness. *International Journal of Public Sector Management*, *35*(2), 133-149.

Hartono, Y., & Murniati, M. P. (2020). Goal setting theory: The effect of incentive moderation on individual performance. *Research In Management and Accounting (RIMA)*, *3*(2), 95-106.

Hee, O. C., & Jing, K. R. (2018). The Influence of human resource management practices on employee performance in the manufacturing sector in Malaysia. *International journal of human resource studies*, *8*(2), 129-147.

Hosen, S., Hamzah, S. R. a., Ismail, I. A., Alias, S. N., Abd Aziz, M. F., & Rahman, M. M. (2024). Training & development, career development, and organisational commitment as the predictor of work performance. *Heliyon*, *10*(1).

Ju, B., Lee, Y., Park, S., & Yoon, S. W. (2021). A meta-analytic review of the relationship between learning organisation and organisational performance and employee attitudes: Using the dimensions of learning organisation questionnaire. *Human resource development review*, *20*(2), 207-251.

Kandel, L. R. (2021). Effects of performance appraisal system on employees' performance in the joint venture banks of Nepal. *Management Dynamics*, *24*(1), 83-94.

Khan, M. A., Hussain, A., Hussain, J., & Khan, M. H. (2020). Effect of performance appraisal on employees' satisfaction: A case study of University of Peshawar, Khyber Pakhtunkhwa, Pakistan. *Review of Applied Management and Social Sciences*, *3*(2), 131-140.

Kuubetersuur, R. (2020). *THE ROLE OF PERFORMANCE APPRAISAL SYSTEM ON STAFF PERFORMANCE AT THE NORTHERN REGIONAL CO-ORDINATING COUNCIL*

lafi Almutairi, R., Aditya, R. S., Kodriyah, L., Yusuf, A., Solikhah, F. K., Al Razeeni, D. M., & Kotijah, S. (2022). Analysis of organisational culture factors that influence the performance of health care professionals: A literature review. *Journal of Public Health in Africa*, *13*(Suppl 2), 2415.

Langarizadeh, M., Fallahnezhad, M., & Vahabzadeh, A. (2024). Key performance indicators of hospital supply chain: a systematic review. *BMC Health Services Research*, *24*(1), 1610.

Le Thu, H., & Van, H. N. (2024). Applying vroom expectancy theory to analyse employee motivation: A study of commercial banks in Vietnam. *Humanities and Social Sciences Letters*, *12*(4), 792-810.

Li, Y., He, W., Yang, L., & Zheng, K. (2022). A historical review of performance appraisal of public hospitals in China from the perspective of historical institutionalism. *Frontiers in Public Health*, *10*, 1009780.

Lo, Y.-C., Lu, C., Chang, Y.-P., & Wu, S.-F. (2024). Examining the influence of organisational commitment on service quality through the lens of job involvement as a mediator and emotional labor and organisational climate as moderators. *Heliyon*, *10*(2).

McDermott, A. M., Conway, E., Cafferkey, K., Bosak, J., & Flood, P. C. (2019). Performance management in context: formative cross-functional performance monitoring for improvement and the mediating role of relational coordination in hospitals. *The International Journal of Human Resource Management*, *30*(3), 436-456.

Mok Kim Man, M., & Yie Yeen, L. (2021). Factors affecting the effectiveness of employees' performance appraisal in private hospitals in Malaysia. *International Journal of Business and Society*, *22*(1), 257-275.

Mollel Eliphas, R., Mulongo, L., & Razia, M. (2017). The influence of performance appraisal practices on employee productivity: A case of Muheza District, Tanzania. *Issues in Business Management and Economics*, *5*(4), 45-59.

Muriuki, M., & Wanyoike, R. (2021). Performance appraisal and employee performance. *International Academic Journal of Human Resource and Business Administration*, *3*(10), 265-272.

Ndlovu, S., van Wyk, N. C., & Leech, R. (2024). Professional nurses' perspectives of an ideal performance management process. *Health SA Gesondheid*, *29*(1).

Ramawickrama, J., Opatha, H., & Pushpakumari, M. (2019). Quality of Work Life, Personality, Organisational Commitment, Performance Appraisal and Job Performance: Research Gaps.

Rana, W., Mukhtar, S., & Mukhtar, S. (2022). Job satisfaction, performance appraisal, reinforcement and job tasks in medical healthcare professionals during the COVID-19 pandemic outbreak. *The International Journal of Health Planning and Management*, *37*(4), 2345-2353.

Raveendran, T., & Hameela, T. (2020). Perceived quality of performance appraisal system and its impact on job performance of employees in Bank of Ceylon. *Journal of Business Studies*, *7*(2).

Rehman, S., Sehar, S., & Afzal, M. (2019). Performance appraisal; Application of Victor Vroom expectancy theory. *Saudi Journal of Nursing and Health Care*, *2*(12), 431-434.

Ryan, J. C. (2023). Equity theory in action: how to attract locals into nursing jobs. *Management Decision*, *61*(1), 1-7.

Sawitri, N. N., & Arifin, A. Z. (2021). The financial position of youth employee: Pinning-up of financial capability and income. *Jurnal Akuntansi*, *25*(1), 1-18.

Schaerer, M., Kern, M., Berger, G., Medvec, V., & Swaab, R. I. (2018). The illusion of transparency in performance appraisals: When and why accuracy motivation explains unintentional feedback inflation. *Organisational Behavior and Human Decision Processes*, *144*, 171-186.

Sepahvand, F., Mohammadipour, F., Parvizy, S., Zagheri Tafreshi, M., Skerrett, V., & Atashzadeh-Shoorideh, F. (2020). Improving nurses' organisational commitment by participating in their performance appraisal process. *Journal of nursing management*, *28*(3), 595-605.

Tariq, R. A., Vashisht, R., Sinha, A., & Scherbak, Y. (2018). Medication dispensing errors and prevention.

Toki, O., PADONU, S., & TAIRU, A. (2023). The Impact of Performance Appraisal and Appropriate Reward on Employees' Performance. *Journal homepage: https://gjrpublication. com/gjrbm*, *3*(05).

Uchenna, O., Agu, A. G., & Uche, E. U. (2018). Performance Appraisal and Employee Commitment in Abia State Civil Service: A Focus on Ministries of Education and Works. *Archives of Business Research*, *6*(10).

Vuong, T. D. N., & Nguyen, L. T. (2022). The key strategies for measuring employee performance in companies: a systematic review. *Sustainability*, *14*(21), 14017.