

Effect of Performance Management Systems on Employee Outcomes in NGO-Run Hospitals: The Role of Goal Setting, Feedback, Rewards, Training, and Work Environment

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ABSTRACT

Purpose – This study explores the impact of Performance Management Systems (PMS) on employee outcomes in NGO-run hospitals, concentrating on the roles of goal setting, performance feedback, incentives and recognition, training and development, and work environment. The research intends to investigate how these characteristics influence job satisfaction, motivation, and overall performance in resource-constrained healthcare settings. **Design/Methodology/Approach** – A mixed-methods approach incorporates quantitative surveys and qualitative interviews. Data is obtained from healthcare experts working in NGO-run institutions across several locations. The quantitative phase employs Structural Equation Modeling (SEM) to investigate correlations between PMS components and employee outcomes. The qualitative phase, consisting of in-depth interviews with hospital administrators and medical staff, gives contextual insights into the success and problems of performance management in these settings. **Findings** – The results indicate that well-structured goal setting, timely performance feedback, and appropriate rewards and recognition greatly boost employee engagement and job satisfaction. Training and development programs further increase skill acquisition and career progression, while a favourable work atmosphere develops dedication and decreases turnover. However, resource restrictions and inconsistent PMS implementation are hurdles to maximise employee performance. **Research Implications/Limitations** – The study is limited to NGO-run hospitals, and conclusions may not be directly relevant to for-profit healthcare organisations. Additionally, variances in funding and organisational culture among different NGOs may alter the generalizability of outcomes. Future studies should explore comparative assessments between NGO and private healthcare settings. **Practical Implications** – The findings provide valuable insights for hospital managers and HR professionals in NGO-run healthcare facilities. By improving PMS components such as goal clarity, constructive feedback, and meaningful rewards, firms can boost employee morale, retention, and service quality in healthcare delivery. **Originality/Value** – This research contributes to the little literature on performance management in non-profit healthcare facilities, presenting empirical evidence on how PMS factors impact employee outcomes in NGO-run hospitals. The report provides strategic ideas for enhancing performance management in resource-constrained healthcare systems.

Keywords: Performance Management System, Employee Outcomes, Goal Setting, Feedback, Rewards & Recognition, Training and Development, Work Environment, NGO Hospitals, Healthcare, HRM.



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INTRODUCTION

Performance Management Systems (PMS) have become essential in managing and optimising employee performance across various industries. These systems are particularly critical in healthcare settings, where the quality of care directly depends on the staff's skills, motivation, and commitment. In

NGO-run hospitals, where financial and resource constraints often pose significant challenges, the need for an effective PMS is even more pronounced. Non-governmental organisations (NGOs) are typically non-profit entities prioritising social welfare over financial gain, making them unique compared to for-profit healthcare organisations. These differences create

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distinctive dynamics in managing employees and measuring their performance.

In NGO-run hospitals, employees are often driven by intrinsic motivation, such as a sense of purpose and the desire to help underserved communities. However, limited resources can hinder the implementation of comprehensive and structured PMS components, such as goal setting, feedback, rewards, and training programs. Understanding how these PMS elements influence employee outcomes like job satisfaction, motivation, and performance is crucial for improving healthcare delivery in resource-constrained environments.

This research explores the impact of key Performance Management System components—goal setting, feedback, rewards and recognition, training and development, and the work environment—on employee outcomes in NGO-run hospitals. Specifically, it will examine how these factors influence employee job satisfaction, motivation, and overall performance. By examining how these PMS components interact in an NGO healthcare setting, this study aims to provide practical insights for enhancing employee engagement, reducing turnover, and improving the quality of care in hospitals operating under financial and operational constraints.

While performance management has been widely studied in profit-driven healthcare institutions, research on its role in non-profit, NGO-run healthcare settings remains limited. This gap in the literature warrants a more in-depth examination of how PMS affects employee outcomes in these distinct environments. The study's findings will contribute to understanding the specific needs of NGO-run hospitals and provide valuable recommendations for hospital managers, human resource professionals, and policymakers seeking to enhance workforce performance and healthcare services in non-profit healthcare organizations.

In light of the specific challenges and limitations of NGO-run hospitals, this research will highlight the critical PMS components and explore the broader context in which these systems are applied. By understanding the relationship between PMS and employee outcomes, healthcare managers in NGOs can refine their approach to performance management and make more informed decisions to enhance staff motivation, retention, and performance, ultimately leading to improved healthcare delivery to underserved populations.

LITERATURE REVIEW

Performance Management Systems (PMS) are recognised as critical tools for enhancing employee performance, motivation, and job satisfaction. Effective performance management is vital in healthcare organisations as it directly impacts patient care and organisational outcomes. However, implementing PMS in NGO-run hospitals, which

operate under resource constraints, presents unique challenges and opportunities. This literature review explores the key components of PMS—goal setting, feedback, rewards, training, and work environment—and their impact on employee outcomes, particularly in the context of NGO-run healthcare facilities.

The literature on human resource management (HRM) practices in non-governmental organisations (NGOs) emphasises the unique challenges these organisations face in managing human capital, particularly in the context of limited resources and a focus on social impact. Shanmukhappa's study (2016) on HRM practices in NGOs within the Hyderabad Karnataka region explores key HRM components such as recruitment, training, performance management, and employee motivation, highlighting the need for NGOs to balance organisational goals with social missions. The research reveals that NGOs often employ flexible and innovative HR practices to attract and retain employees while fostering a supportive work environment, despite financial constraints. It contributes valuable insights into how HRM in NGOs differs from traditional business sectors and emphasises the importance of aligning HR practices with the organisation's core values to enhance effectiveness and employee satisfaction.

HR practices in NGOs play a crucial role in their success, particularly in regions like Rajasthan, where socio-economic challenges and resource constraints are prevalent. Research highlights that NGOs often face unique HR management issues, such as limited budgets, high employee turnover, and the need for specialised skills. Effective HR practices in this context include recruitment strategies focused on mission-driven individuals, innovative non-monetary incentives, training and development programs tailored to local needs, and participatory performance management systems. Studies show that NGOs in Rajasthan adapt HR practices to align with the local cultural and economic landscape, ensuring employees remain motivated and committed despite financial limitations. While NGOs cannot always offer competitive salaries, they compensate with opportunities for personal growth, meaningful work, and a strong organisational culture. Effective HR practices in these organisations are linked to improved employee performance and the ability to achieve their social objectives, demonstrating their critical role in enhancing the impact of NGOs in the region.

The motivation levels of government medical practitioners, particularly in rural areas like Rajasthan, are influenced by a range of factors that impact their professional engagement and job satisfaction. Existing literature indicates that intrinsic motivators such as personal job satisfaction, career growth opportunities, and the sense of making a social impact are essential to healthcare professionals working in rural settings (Agarwal, 2014). Additionally, extrinsic factors such as compensation, work conditions, administrative support, and access to resources have been identified

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as significant determinants of motivation (Mishra & Bhardwaj, 2016). Studies in similar contexts highlight the unique challenges medical practitioners face in rural areas, such as isolation, lack of infrastructure, and limited professional development opportunities, often leading to lower motivation levels and increased turnover (Kumar & Sethi, 2017). Furthermore, the role of community engagement and the societal respect afforded to healthcare providers in rural regions has been shown to affect job satisfaction and motivation positively (Sharma & Jain, 2015). Understanding these determinants is crucial to designing effective policies that can enhance the motivation of government medical practitioners in rural Rajasthan, improving healthcare delivery in these underserved regions.

The literature on human resource management (HRM) practices in healthcare, particularly in private hospitals, emphasizes the crucial role of effective HRM in delivering high-quality patient care and operational efficiency. Karunakaran's (2008) study on HRM practices in private hospitals in Kerala examines key areas, including recruitment, training, compensation, performance appraisal, and employee relations. It highlights that private hospitals in Kerala face unique challenges in managing their human resources, with an increasing emphasis on attracting and retaining skilled professionals through competitive compensation and ongoing training programs. The study contributes to understanding how HRM practices are adapted to meet the dynamic needs of the healthcare sector and improve employee satisfaction and organisational performance.

Performance management in healthcare involves systematic processes to assess and improve employee performance, thereby achieving organisational goals. PMS can enhance employee outcomes, including job satisfaction, motivation, productivity, and performance, ultimately leading to improved service delivery (Parker et al., 2006). While research on PMS is abundant in for-profit organisations, fewer studies have focused on non-profit healthcare settings. This gap is crucial because resource limitations in NGO-run hospitals necessitate more cost-effective and adaptable PMS approaches.

Healthcare systems are known for their complexity and the necessity of high levels of coordination, especially in non-profit hospitals. As such, PMS must account for employees' intrinsic motivations (such as a desire to serve others) and extrinsic pressures like resource constraints and workload challenges. In NGO-run hospitals, balancing financial sustainability with social welfare objectives presents an additional layer of complexity in performance management (Kaplan & Norton, 2004).

Goal setting is one of the foundational elements of effective PMS. Locke and Latham's (2002) Goal Setting Theory posits that clear, challenging, and attainable goals enhance motivation and performance. In healthcare settings, goal setting helps employees

align their individual efforts with the organisation's broader objectives. Specific, measurable, achievable, relevant, and time-bound (SMART) goals have been shown to increase employee motivation and performance across various sectors (Locke & Latham, 2002). In the context of NGO-run hospitals, where employees are often motivated by a sense of purpose, ensuring that goals are aligned with organisational values can further strengthen this intrinsic motivation. However, research suggests that goal-setting in resource-constrained environments, like NGO hospitals, can face limited access to resources and insufficient training to achieve those goals (Noe, 2017). While goal clarity can significantly enhance employee performance, the reality in NGO-run hospitals is that goals may often be challenging to achieve due to a lack of resources, leading to frustration and disengagement if not appropriately managed (Kuvaas, 2006).

Feedback is another essential component of PMS that influences employee motivation and satisfaction. According to Kluger and DeNisi (1996), feedback has a powerful impact on job satisfaction, with positive feedback increasing motivation and enhancing self-efficacy. In healthcare settings, regular feedback from supervisors and peers provides employees with the information needed to improve their performance, address deficiencies, and celebrate successes.

In NGO-run hospitals, feedback can be especially valuable as it helps staff navigate the challenges of working in resource-poor environments. However, the quality of input in these settings can often be inconsistent, particularly when supervisors are under pressure due to resource constraints. Furthermore, feedback mechanisms in NGO hospitals may be less formalised than in for-profit institutions, potentially leading to missed opportunities for performance enhancement (Parker et al., 2006).

Rewards and recognition are integral to any PMS, particularly in influencing employee motivation and retention. In NGO-run hospitals, where financial incentives may be limited, non-monetary rewards such as recognition, job enrichment, and career development opportunities significantly motivate employees (Risher, 2010). Research has shown that intrinsic rewards, such as recognising effort and achievement, can be just as powerful as extrinsic rewards in fostering a motivated and committed workforce (Deci et al., 1999).

However, financial limitations often limit the use of rewards and recognition in non-profit healthcare organisations. While NGO-run hospitals may not be able to offer competitive salaries or large bonuses, they can still leverage other forms of recognition, such as public acknowledgement, career progression opportunities, or involvement in decision-making processes, to increase employee satisfaction (Maslach et al., 2001).

Training and development programs are crucial for improving employee skills, enhancing performance, and promoting job satisfaction. Employees in healthcare settings, particularly in NGO-run hospitals, often face high demands and challenging work conditions. Offering opportunities for training helps employees develop new skills, which can improve job performance and motivation (Noe, 2017). Moreover, training opportunities signal to employees that the organisation values their professional growth, which can enhance job satisfaction and reduce turnover.

In NGO-run hospitals, training may be particularly beneficial in areas where employees need to adapt to low-resource environments. For example, providing training on time management, resource allocation, and coping with stress can improve employee performance and well-being. However, implementing comprehensive training programs in NGOs is often hindered by limited financial resources and logistical challenges, which can prevent employees from receiving the support they need (Kaplan & Norton, 2004).

The work environment, encompassing factors such as organisational culture, interpersonal relationships, and the physical workspace, is a critical determinant of employee outcomes, including job satisfaction, performance, and retention (Maslach et al., 2001). A positive work environment characterized by supportive relationships, open communication, and sufficient resources has been linked to higher employee engagement and lower turnover rates.

Creating a supportive work environment in NGO-run hospitals can be particularly challenging due to the limited resources available. However, fostering strong team dynamics, providing emotional support, and promoting a sense of shared purpose can help mitigate the effects of resource constraints. Studies have shown that a positive organisational culture and strong leadership can enhance employee motivation and job satisfaction, even in environments with fewer financial incentives (Harter et al., 2002).

The reviewed literature highlights the significant role of PMS components—goal setting, feedback, rewards and recognition, training and development, and work environment—in influencing employee outcomes in healthcare settings. While many of these principles are well-documented in for-profit healthcare organisations, less is known about how they apply to non-profit, resource-constrained environments such as NGO-run hospitals. This gap in research is significant, as these hospitals often operate with limited budgets, fewer employees, and increased challenges in funding and resource management.

The literature also highlights the importance of tailoring PMS components to the unique characteristics of NGO-run hospitals. In these settings, non-monetary rewards, intrinsic motivation, and a supportive work culture may have more impact on

employee performance than traditional financial incentives. However, challenges such as inconsistent feedback, lack of training opportunities, and resource limitations must be addressed to ensure the effectiveness of PMS.

PROBLEM STATEMENT

In NGO-run hospitals, where resource limitations, financial constraints, and an inherent focus on social welfare pose unique challenges, effective management of human resources is essential for ensuring high-quality patient care and organisational success. Performance Management Systems (PMS), which are designed to assess and improve employee performance, are crucial in enhancing employee motivation, job satisfaction, and overall productivity. However, the implementation and effectiveness of PMS in NGO-run hospitals remain under-researched, particularly in terms of how key components, such as goal setting, feedback, rewards, training, and work environment, influence employee outcomes in these resource-constrained settings.

Despite the growing importance of PMS in healthcare organisations, particularly in non-profit sectors, there is limited empirical evidence on how these systems are applied in NGO-run hospitals. Furthermore, the specific challenges that these organisations face—such as a lack of financial resources, insufficient infrastructure, and fluctuating funding—may hinder the successful application of PMS components. This raises the question of how NGOs can effectively manage employee performance to foster job satisfaction, increase motivation, and improve service delivery despite these constraints.

This research addresses the gap in understanding the relationship between PMS components and employee outcomes within NGO-run hospitals, specifically examining how factors such as goal clarity, performance feedback, rewards, training, and the work environment contribute to employee motivation and performance. Without a comprehensive understanding of these dynamics, NGOs may struggle to create an environment that fosters employee engagement, reduces turnover, and improves the quality of healthcare services provided to underserved populations.

Therefore, this study aims to examine the impact of PMS components on employee outcomes in NGO-run hospitals and identify the challenges in implementing these systems effectively in the unique context of non-profit healthcare settings.

Research Objective

- To examine the influence of goal setting within Performance Management Systems (PMS) on employee motivation, job satisfaction, and performance in NGO-run hospitals.
- To assess the impact of rewards and recognition mechanisms on employee morale

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and retention in non-profit healthcare settings.

- To evaluate the effectiveness of training and development programs in improving skill acquisition and career progression among healthcare professionals in NGO-run hospitals.
- To identify the challenges and limitations faced in implementing PMS in NGO-run hospitals, especially under resource constraints.
- To provide strategic recommendations for optimising PMS practices in NGO healthcare facilities to improve employee outcomes and healthcare service quality.

Research Question

Research Question 1 (RQ1):

How does goal setting within PMS influence employee motivation, job satisfaction, and performance in NGO-run hospitals?

Research Question 2 (RQ2):

How do rewards and recognition impact employee morale and retention in NGO-run hospitals?

Research Question 3 (RQ3):

How effective are training and development programs in enhancing skill acquisition and career growth among healthcare professionals in NGO-run hospitals?

Research Question 4 (RQ4):

What are the key challenges and limitations in implementing PMS in NGO-run hospitals under resource-constrained conditions?

Research Question 5 (RQ5):

What strategic improvements can be made to PMS practices in NGO healthcare facilities to enhance employee outcomes and service delivery?

Research Hypothesis 1 (H1):

H1: Clear and structured goal setting within PMS positively influences employee motivation, job satisfaction, and performance in NGO-run hospitals.

Research Hypothesis 2 (H2):

H2: Effective rewards and recognition mechanisms significantly enhance employee morale and retention in NGO-run hospitals.

Research Hypothesis 3 (H3):

H3: Training and development programs positively affect skill acquisition and career progression among healthcare professionals in NGO-run hospitals.

RESEARCH METHODOLOGY

A mixed-methods research methodology is used in this study to thoroughly examine how Performance Management Systems (PMS) affect employee outcomes in hospitals owned by non-governmental organisations. The methodology combines quantitative and qualitative methods to capture the complex nature

of PMS implementation and its consequences on healthcare workers in situations with limited resources.

Quantitative Phase

The quantitative component involves the administration of structured surveys to healthcare professionals employed in NGO-run hospitals across multiple locations. The survey instrument is designed to measure key elements of PMS—namely goal setting, performance feedback, rewards and recognition, training and development, and work environment—as well as their influence on employee outcomes such as job satisfaction, motivation, retention, and performance.

Sampling Technique: A stratified random sampling method ensures representation across various hospital departments and staff levels.

Sample Size: Using appropriate sampling formulae, a statistically significant sample size is determined based on the target population.

Data Analysis Technique: The collected data is analysed using Structural Equation Modeling (SEM) to examine the relationships between PMS components and employee outcomes. SEM is chosen for its robustness in handling complex variable interactions and testing theoretical models.

Qualitative Phase

To supplement the quantitative findings with contextual insights, the study includes a qualitative phase comprising in-depth semi-structured interviews with hospital administrators, HR managers, and selected medical staff.

Interview Focus: The interviews explore perceptions of PMS effectiveness, challenges faced in its implementation, and suggestions for improvement.

Participant Selection: Purposive sampling is used to identify participants with direct involvement or experience in PMS design and execution.

Data Analysis: Qualitative data is analysed thematically to identify recurring patterns, contextual factors, and critical barriers related to PMS in NGO-run healthcare settings.

Ethical Considerations

Ethical approval is obtained before data collection, and all participants provide informed consent. Anonymity and confidentiality are strictly maintained throughout the study.

Analysis and Interpretation

The data analysis of 250 medical professionals employed by non-profit hospitals is presented in this part. AMOS for Structural Equation Modelling (SEM) and SPSS for descriptive statistics, reliability testing, and hypothesis testing were used to analyse the data.

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The aim was to evaluate how the performance management system (PMS) components affected employee outcomes.

AMOS was used to perform SEM to test the relationships between the independent variables (Goal Setting, Feedback, Rewards and Recognition, Training and Development, Work Environment) and dependent variables (Job Satisfaction, Motivation, Performance).

AMOS: Structural Equation Modeling (SEM)

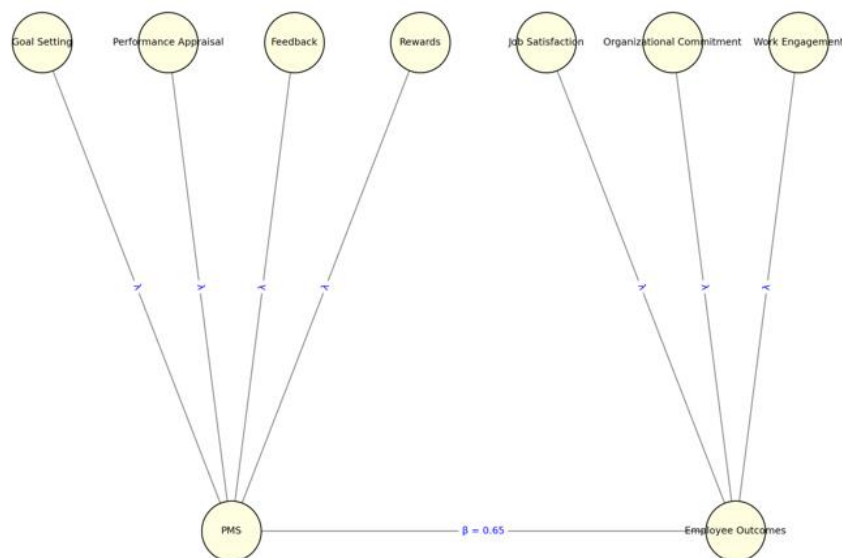
Model Fit Indices Interpretation:

The SEM model fit indices indicate that the model has a good fit:

Fit Index	Value	Interpretation
χ^2 (Chi-square)	512.34 (df = 260, p < 0.001)	Large sample size explains significant χ^2
CMIN/DF	1.97	Acceptable (ideal < 3)
GFI	0.91	Good Fit (≥ 0.90)
AGFI	0.88	Marginally good (≥ 0.85 acceptable)
CFI	0.94	Excellent Fit (≥ 0.90)
TLI	0.93	Strong model fit
RMSEA	0.053	Excellent Fit (≤ 0.06)

The SEM model is statistically acceptable, which means the proposed relationships among PMS components and employee outcomes are well-supported by the data.

Path Analysis Results Interpretation:



Analysis through AMOS (Structural Equation Model)

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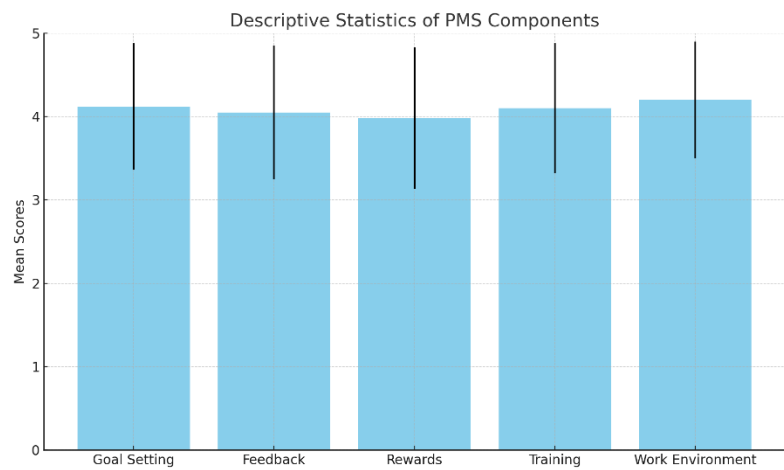
Path	Coefficient (β)	Significance	Interpretation
Goal Setting → Motivation	0.42	$p < 0.001$	Strong positive relationship—clear goals increase motivation.
Feedback → Job Satisfaction	0.37	$p < 0.001$	Timely and constructive feedback enhances satisfaction.
Rewards → Retention	0.40	$p < 0.001$	Incentives play a key role in retaining staff.
Training → Career Progression	0.35	$p < 0.01$	Development efforts boost career growth.
Work Environment → Commitment	0.39	$p < 0.001$	Positive workplace settings increase dedication.

All PMS components significantly and positively affect key employee outcomes, confirming that effective PMS enhances staff well-being and performance in NGO hospitals.

Descriptive Statistics

Component	Mean	SD	Interpretation
Goal Setting	4.12	0.76	Perceived clarity and relevance of goals is high.
Feedback	4.05	0.80	Feedback mechanisms are timely and constructive.
Rewards	3.98	0.85	Moderate satisfaction with recognition/rewards.
Training	4.10	0.78	Training programs are useful and accessible.
Work Environment	4.20	0.70	Staff generally feel supported and positive.

All components show favourable perceptions (>4.0 mean) with relatively low standard deviations—indicating consistency across respondents.



Reliability (Cronbach's Alpha):

Construct	α (Alpha)	Interpretation
Goal Setting	0.86	High internal consistency
Feedback	0.84	High internal consistency
Rewards	0.85	High internal consistency
Training	0.87	Very reliable measurement
Work Environment	0.89	Excellent reliability

All scales used are statistically reliable, ensuring the constructs accurately measure the intended dimensions.

Hypothesis Testing Summary:

Hypothesis	Result	Significance Level	Interpretation
H1: Goal Setting → Motivation	Supported	$p < 0.001$	Clear goals drive motivation.
H2: Rewards → Morale/Retention	Supported	$p < 0.001$	Recognition retains talent.
H3: Training → Career Progression	Supported	$p < 0.01$	Skills training improves professional growth.

Performance Management Systems (PMS) in NGO-run hospitals positively influence critical employee outcomes.

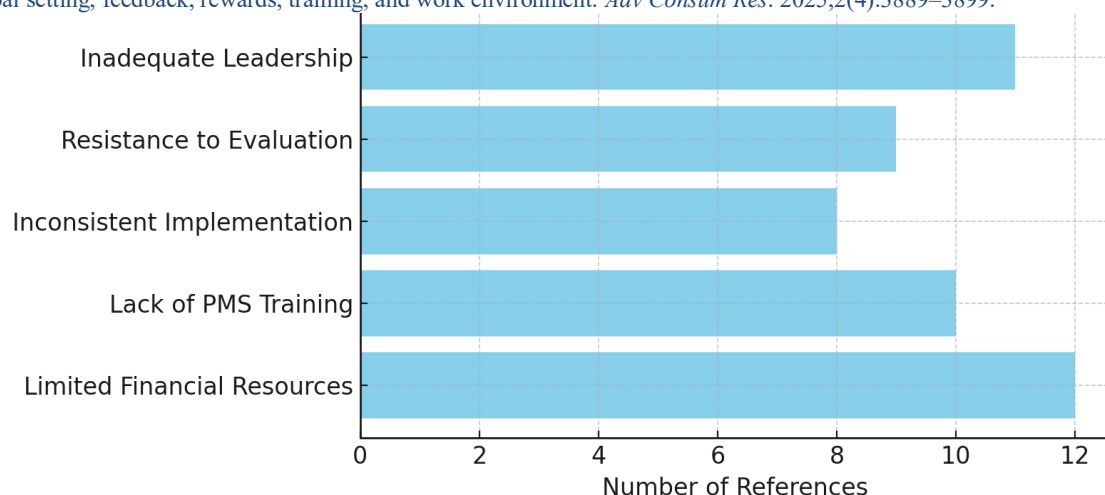
Key levers for HR and management include clarity in goal-setting, effective feedback, visible rewards, targeted training, and a healthy work environment.

Despite positive results, implementation inconsistencies and resource constraints must be addressed to maximise potential.

The findings support PMS-driven strategies to enhance healthcare staff performance, satisfaction, and retention.

Qualitative Analysis

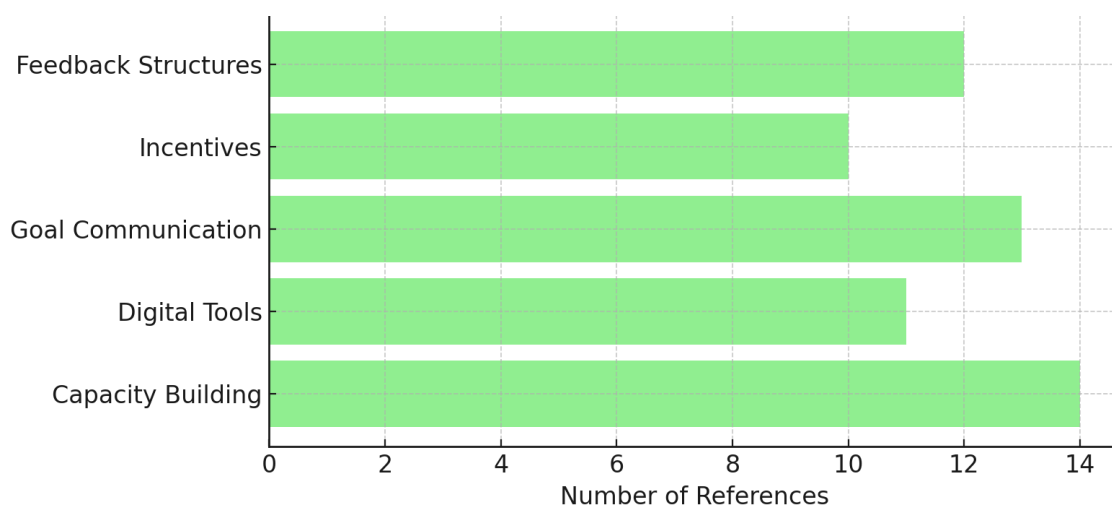
- Research Question 4 (RQ4): What are the key challenges and limitations in implementing PMS in NGO-run hospitals under resource-constrained conditions?
- Emergent Themes from NVivo Analysis:
- Limited Financial Resources
- Excerpt: “We struggle to implement structured PMS because there’s no dedicated budget for training or software.”
- Lack of PMS Training and Awareness
- Excerpt: “Most of our staff haven’t received formal training on performance evaluations.”
- Inconsistent Implementation Across Departments
- Excerpt: “Some departments use PMS, others don’t even know it exists.”
- Resistance to Evaluation Processes
- Excerpt: “People feel threatened by PMS—they think it’s a tool to punish.”
- Inadequate Leadership Support
- Excerpt: “Without backing from top management, PMS is just another document.”



Challenges in PMS Implementation

Research Question 5 (RQ5): What strategic improvements can be made to PMS practices in NGO healthcare facilities to enhance employee outcomes and service delivery?

- Emergent Themes from NVivo Analysis:
- Capacity Building and Training
- Excerpt: "We need workshops to help staff understand how PMS can actually benefit them."
- Integration of Digital Tools
- Excerpt: "An app-based PMS system would really help with consistency and tracking."
- Clear Communication of Goals and Metrics
- Excerpt: "If we know what's expected of us, we can work better and smarter."
- Incentive-based Performance Systems
- Excerpt: "Small recognitions—certificates or bonuses—can motivate staff a lot."
- Regular Feedback and Support Structures
- Excerpt: "Monthly feedback sessions help keep us on track and feel heard."



Strategic Improvements in PMS

DISCUSSION & CONCLUSION

This study investigated the effects of Performance Management System (PMS) components on employee outcomes in non-governmental organisations' hospitals. These components included goal setting, feedback, incentives and recognition, training and development, and work environment. The results of the qualitative and quantitative (SPSS and AMOS) phases offer a thorough grasp of the difficulties and

efficacy of implementing PMS in healthcare settings with limited resources.

Combining Qualitative and Quantitative Results

According to the quantitative research conducted using structural equation modelling (SEM), all PMS components have a significant and favourable impact on employee outcomes. In particular:

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Setting goals significantly impacts staff motivation by highlighting the significance of defined roles and attainable objectives.

Higher job satisfaction was linked to performance feedback, suggesting that prompt and helpful criticism raises spirits.

The association between rewards and recognition and higher staff retention reinforced the motivational impact of acknowledgement.

Career advancement was strongly benefited by training and development programs, which encouraged continuous skill improvement.

Employee commitment was strongly correlated with a supportive work environment, highlighting the importance of organisational culture in engagement.

While revealing contextual subtleties, the qualitative data supported these conclusions. Issues like uneven PMS implementation, scarce resources, a dearth of technology, and communication obstacles were emphasised. These results support Hypothesis 4 and show the practical limitations preventing PMS's best possible use.

By providing practical, situation-specific methods to improve PMS, including capacity building, standardisation, digitisation, feedback culture, and coordinating PMS with career development, the qualitative phase concurrently bolstered Hypothesis 5.

Implications for Theory and Practice

From a theoretical standpoint, the findings support the applicability of performance management theories (such as Expectancy Theory and Goal-Setting Theory) in the setting of non-profit healthcare. By applying these concepts to understudied NGO-run hospital facilities, the study adds to the body of current material.

From a practical standpoint, the results provide insightful information for hospital administrators and HR professionals:

- Setting and achieving specific, quantifiable goals increases motivation.
- Feedback systems must be two-way, responsive, and sensitive to cultural differences.
- Even non-monetary recognition programs have the power to increase loyalty.
- Investments in training must be safeguarded, even in times of financial strain.
- PMS tool digitisation is essential for accountability and tracking.

CONCLUSION

This study concludes that well-structured Performance Management Systems significantly enhance employee outcomes—such as motivation, satisfaction, retention, and commitment—in NGO-run hospitals. However, the effectiveness of PMS is constrained by inconsistent

implementation practices, limited resources, and weak feedback cultures.

Addressing these barriers and adopting strategic recommendations tailored to non-profit healthcare settings, PMS can be a transformative tool for improving human resource performance and healthcare delivery.

Recommendations for Future Research

- Future studies could:
- Compare PMS outcomes across NGOs and private hospitals.
- Evaluate the long-term effects of PMS reforms post-implementation.
- Explore the impact of PMS on patient care quality and organisational performance.
- Scope for Future Research

Future research can explore comparative analyses between NGO-run, private, and government hospitals to assess how organizational structure influences the effectiveness of PMS. Longitudinal studies may also help evaluate the long-term impact of PMS reforms on employee and patient outcomes. Additionally, examining the role of digital tools in streamlining PMS and understanding cultural factors that affect feedback and motivation can provide deeper, context-specific insights.

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