CHAPTER -1
INTRODUCTION

1.1 Introduction:

*If you wish to plan for a year, Sow seeds,*

*If you wish to plan for Ten years, Plant trees,*

*If you wish to plan for a lifetime, Develop MEN*[1]

--Chinese adage (Kuan Chung Tzu)

The economic development cannot be accomplished in developing or backward countries unless they have well educated and trained, highly achievement motivated and properly developed human resources. Like wise an organization cannot make any progress unless it has a well trained, an efficient and adequately motivated team of workers. The success or failure of an organization very much depends on the people who boost the organization for effective functioning of any organization human resource is considered as one of the key elements. When task, structure and technology are available, it is the human resource which makes a complete circle of production. Human resources exploit the potential of all other available resources and are treated as highly critical and significant in contributions relating to effective organizational performance.

It is a matter of common knowledge that capital issues of even new undertakings are over subscribed if they are floated by competent persons. This is because the investors in the capital market place high value in the human ability rather than in other factors like net worth, yield, price earning ratio which are not available in the case of new organization. Even among nations, countries like Japan, West Germany and Korea are able to make rapid strides only because of their human resources, not in terms of number but in terms of quality, devotion to work and loyalty to nation. Japan, which is not endowed with much of natural resources, is not handicapped at all. That nation could surmount any difficulty with the help of its dedicated and loyal human resources.

Human resource management is that part of the process of management which is primarily concerned with people. In the past management was concerned mainly with the full and proper utilization of the physical factors of production like raw materials and machines. Little attention was paid to the human factor on which
utilization of the physical factors depended. Materials may be purchased at most competitive rates, machines may be worked at maximum speed but the output can be maximized only when the workers work willingly.\[2\]

In “The Practice of Management” Peter F. Drucker observes “……………the resources capable of enlargement can only be human resources……” They (all other resources) can be better utilized or worse utilized, but they can never have an output greater than the sum of the units….. Man alone, of all resources available to man, can grow and develop……. When we speak of development we imply that the human being himself determines what he contributes. Thus, the soundness of any organization depends upon its people. Therefore, managing people is very important. `PEOPLE` are the subject matter of human resource management. \[3\]

Human resource management activities such as training, employee participation, compensation, assignment of workers through a recruiting and selection process and internal labor market are found to have a positive relationship to performance. Human resource management activities can influence the organization’s performance by direct means through improvement of employee’s skills and quality and by indirect means the increase the employee motivation.

History is replete with example of several great personalities like Christ, Buddha, Prophet Mohamed, Shri Vivekanand to prove what an individual can achieve without any material resources. In business or in social sector also the greatest asset is the human resource of an organization and not the plant, equipment or the magnificent building it owns. It is worth recalling what `Alfred Marshal` said long ago: “The most valuable of all capital is that invested in human being.” \[4\] However, it is very unfortunate that balance sheet do not exhibit these most valuable assets, while capital invested in other assets is shown.

Human brain is the supreme creation of Nature which contains limitless energy to think and act. It depends upon the skill of the management to maximize the efficiency of the skill of an employee. i.e., human resource management refers to optimum utilization of existing human capabilities, intellectual, technological, entrepreneurial and even moral and creation of new ones. It is the pivot around which activities like recruitment, selection placement, training, promotion, transfer and retirement etc revolve.
1.2 Concept of Human Resource Management:

“Wonders are many and none is more wonderful than MAN”
-by Sophoces (495-460 BC)

Human resource management refers to a set of programmed functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness. The people at work are the most important factor of production in factories and of service in hospitals from the point view of management. The thrust is on creating a work place that motivates, retains and gets the best out of people.

The concepts of human resource are multi-dimensional in nature. People working in the organization have different needs at different times. These needs may be physiological, social and psychological and all combine their efforts for organizational goals.

The central task of management is managing the human component; because “all depends upon how well it is done” Rensis Likert has summarized the importance of human component in an organization and need for managing it effectively.

The term ‘human resources is defined as the total knowledge, skill, creative abilities, talents and aptitudes of an organization’s work force, as well as the values. It is the sum total or aggregate of inherent abilities acquired knowledge and skills represented by the talents and aptitudes of the persons employed in an organization.[5]

From the national point view - the term human resource defined as the knowledge, skills, creative abilities, talents and aptitudes obtained in the population.

The focus of human resource management is on keeping the optional quantity and quality of people needed to achieve the objectives of the organization. Assuring people that they can work in healthy, productive and safe work environment and providing the opportunities to perform, develop and achieve effectively and efficiently, is the main aim of human resource management.

Human resource management is a people oriented concept with emphasis on the maximization of individual skills and motivation through consultation with the workforce so as to produce high level of commitment to the organization’s goals. Thus, human resource management is a process of bringing people and organization together so that the goals of each are met. It tries to secure the best from people by winning their wholehearted cooperation. In short, it may be defined as the art of
procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.

Human resource management involves the application of management functions and principles. It is applied to acquiring, developing, maintaining and remunerating employees in an organization. By the human resource management employees get inspired, even ordinary people can deliver extraordinary results. Therefore, the organization must provide a healthy work climate where they can exploit their talents fully while realizing goals assigned to them.

Human resource management can be defined as a process undertaken to promote the intellectual, moral, psychological, cultural, social and economic development of the individual, so as to help him to achieve highest human potential, as a resource for the community. It means a total all round development of the person so that he can contribute his best to the community and to the nation.

1.3 Human Resource -General and Human Resource - Hospital:

• Human Resource in General:

Today many organizations have begun to realize that to cope with the changes taking place in the environment there is need for developing human resources. Every organization has either setup separate human resource management department and has introduced human resource development oriented personnel policies. Effective management of any organization requires developing human resources at the optimum level leading to the well being of each employee and creating a congenial atmosphere.

Human asset, in modern times, is considered to be a treasure rather than a mere resource in progressive organization. This is because it is the people who shape the destiny of organization. There have been many success stories documented in management literature about companies whose human resources have turned them around from failure.

Human resource management is a part of every organization that is concerned with the “People” dimension. Human resource management can be viewed in one of the two ways. First, Human resource management is a staff of support function in the organization. Its role is to provide assistance on the human resource management matters to line employees, or to those directly involved in producing the organization’s goods and services. Second, human resource management is a function of every manager’s job. Whether or not one works in a “formal” human resource
management department, the fact remains, that to effectively manage employees, requires all managers to handle the activities. [6]

Human resource management is helpful in fulfilling of committed goals of individual, organization and society. It increases the capabilities and efficiency of an individual which is likely to reflect itself in the long run in individual well being. Human resource management develops the capabilities and effectiveness of employees in the organization. It brings out the untapped energy, performance and creativity. It is a scientific method for development of personnel by creating healthy organizational climate, motivating human resources, developing team work and creating commitment.

Thus, the success of an organization depends to a large extent upon the capability, competence, efficiency and effectiveness of its human resources. The human resource management system is an essential tool of management to develop a strong sense of capability. In every organization, human resources are a pivotal variable without which the inanimate assets are worthless. Like cash put into a saving account, human resources an appreciated in value. Therefore, human resources need to be understood in their proper perspective and utilized effectively to achieve the goals of an organization.

Generally, the functions of human resource management have been classified into two major categories, viz managerial functions and operative functions. Managerial functions include planning, organizing, directing (Motivating, acting or commanding), coordinating and controlling, whereas operative functions deals with the procuring, developing, compensating, integration and maintaining an efficient workforce. These functions of human resource management are applicable not only to industrial enterprises, but also to hospital organizations.

- Human Resource in Hospital:

Human resource function, procedure, structure and strategy are in existence in some form or the other in every organization in general. This is because organizations exist for people. They are made of people and by the people. Their effectiveness depends on the behavior and performance of the people constituting them. The status of human resource in hospital is not much different from any other organization, not only in terms of its role and execution, but also in terms of the approach and philosophy towards human resources. The human resource management functions are
critically important and cardinal for efficient and effective operation of a hospital as an organization. Despite this fact, the recurring changes taking place in the health care industry, which affect health services, have also influenced the human resource management function considerably.

The hospital, an institution dedicated to the attention of human suffering, the treatment of human ailments and promotion of general health of the community, has to take care of the welfare of those who run it, i.e., its personnel. Every individual engaged in the singular service of promoting the cause and mission of a hospital is a vital link in its overall chain, be he a skilled surgeon or an unskilled sweeper. The lower rungs of hospital staff should never be bracketed as ‘labor’ in trade union terms. They should be, in fact, considered as essential to hospital functioning as a physician or a staff nurse.

Human resource management is working in health care (hospital) organization, which renders the highest and the noblest form of service to patient and public at large through a team of dedicated and committed hospital personnel. A hospital is an institution for the care, cure and treatment of sick or wounded people or for the study of diseases and trainings for the doctors and nurses. [7]

In private hospitals a number of personnel of different categories are found working requiring multi-disciplinary expertise and excellence. The doctors, paramedical staff, nursing staff, technician staff and staff of managerial cadre have been found playing an important role in offering the health care services. It is essential that a hospital manager knows about the qualitative and quantitative requirements of different departments and manages different dimensions of people management in the required fashion.

The perception of quality hospital personnel gravitates our attention on producing personnel having a fair blending of the two, viz, professional-excellence and personal-commitments. If they are professionally sound the patients would get efficient services, and if they are personally committed, the patients would get sympathy, empathy, satisfaction. Thus, the patients benefited, if hospitals provide quality health care facilities through human resources.

Though hospitals have been compared to industrial organization, there is distinct difference. The product of hospital is service to people provided by its personnel with a variety of skills. The nature of the demand for hospital services is also distinctive to the hospital as admission to the hospital for services is rarely
voluntary. The decision is made for the patient; he is ill and requires services which can not be provided at home. Therefore, a hospital deals daily with the life, suffering, recovery and death of human beings. For the direction and running of such an institution, its human resource needs a particular combination of knowledge, understanding, traits, abilities and skills.

No institution can be more sensitive than a hospital because it deals with life and death of its patients. A slightly indifferent attitude on the part of employees in factory can reduce production, which can be made up once they reach an amicable settlement with the management. But this is not so in a hospital. Therefore, no hospital manager can afford to cause resentment amongst his employees; he will have to create a team of dedicated employees who should serve the patients with smiling faces directly or indirectly. No doubt the human resource factor is significant in the industrial field also, but it assumes top priority in the working of a hospital employee.

**Environmental Relation of HR in Industry and Hospital**

The above [fig 1.1](#) shows how a hospital employee is surrounded by human beings on all four sides, while an industrial (General) employee is surrounded by human being from two sides and by machines and products from the remaining two sides. [8] Thus, the significance of human resource contact with human being in the hospital is greater than in other occupational areas.
1.4 Nature and Types of Hospital:

In an over populated country like India where a majority of the population is found below the poverty line, hospitals and health care centers are supposed to play an important role. The hospitals, of course, bear the responsibility of serving the masses, protecting the precious endowment and even safeguarding their own interest by enriching the Medicare facilities and building a positive image. Creation of a total `animate` hospital system which encompasses patients, doctors and nurses in a synocratic totality is no doubt, a crying need of the hour. The essential function of a hospital in the Indian environment is to cater to very large masses of people by providing to them the best possible services.

A number of experts have expressed their view regarding hospital which is found acting like a social institution. Yesterday, the hospitals were considered as alms houses. They were set up as a charitable institution to take care of the sick and poor. Today, it is a place for the diagnosis and treatment of human ills, for the education and training and research, promotion health care activities, and to some extent a centre helping bio-social research. The document of World Health Organization (WHO) makes a clear cut exposition of the conceptual aspect. It is stated in the document that hospital is “an integral part of a social and medical organization, the function of which is to provide for the population complete health care both curative and preventive and whose out-patient services reach out to the family in its home environment, it is also a centre for the training of health workers and for bio-social research.”[9]

Modern hospitals have enlarged functional area. It is against this background that the hospitals re-kindele new hopes and aspirations to the society. The WHO documents further consider hospital a complex organization. It is complex in the sense that multi faceted developments in the society have made the users or prospects more conscious of their rights. Of late, they demand modern and best possible means of medical care and health education. They want every thing not only within the four walls of the hospital but at their door-step or in the vicinity of living places. This has made hospital a complex organization.

We also consider hospital a social institution for delivering health care, offering considered advantages to both patient and society. It is considered to be a place for the diagnosis and treatment of human ills and restoration of health and wellbeing of those temporarily deprived of.
Today, hospitals are open 24 hours a day; their personnel’s render services for the cure and comfort of patients. In the operation theatre, skilled surgeons perform life saving surgery. In the nursery, new-born receive the tender care of trained nurses. In the laboratory, expert technicians conduct urine, stool and blood test, vital to the battle against disease. In the kitchen, cook and dieticians prepare balanced meals that contribute to the patient’s speedy recovery.

The facts testify that hospitals need to work as a social institution. We can’t imagine the existence of society without human beings and we can’t think about the survival of the human beings if the hospitals become non-existent. In other words, it clear that the hospital or health care services have an important bearing on the formation of human capital. [10]

- **Types of Hospital**

  There are different types of hospital established with the motto of offering the medicare services and educational and training facilities. We find distinction in their structure, function and performance. The classification is found on different criteria as given below.

  I) **Classification On the Basis of Objectives:**

   1. *Teaching-Cum-Research Hospitals*: For developing and promoting research.
   2. *General Hospitals*: For treating general ailments.
   3. *Special Hospitals*: For specialized services in one or few selected areas.

  II) **Classification On the Basis of Ownership / Control:**

   1. Public / Government Hospital
   2. Voluntary Hospitals
   3. Private Hospitals
   4. Corporate Hospitals

  III) **Classification On the Basis of Size:**

   1. Teaching Hospital
   2. District Hospital
   3. Taluka/Tahsil Hospital
   4. Primary Health Centers

  IV) **Classification On the Basis of Medicine or Path of Treatment:**

   1. Allopathic
   2. Ayurvedic
   3. Homeopathic
   4. Unani and others
5. Naturopathy
6. Electropathy

**V) Classification According to the Nature and Location:**

Indian hospital directory-1988 gives the various types of hospitals as under-

1. General Hospitals
2. Rural Hospitals
3. Specialized Hospitals
4. Teaching Hospitals
5. Isolation Hospitals

**1.5 Recruitment and Selection Methods in Hospitals:**

- **Recruitment in Hospitals:**

  One of the important responsibilities of human resource department in a hospital is to recruit and select the right person for the right job at right time. Hospitals are particularly dependent upon their employees and their commitment, because patients and relatives are more impressed with the sympathetic attitude and attention of the health care personnel than with any other aspects of hospital. It is essential that the official in charge of human resource department should effectively represent the organization and correctly communicate the hospital’s policy and philosophy to aspiring candidates. A human resource manager should never hire personnel in haste. They may not only cost him fortunes salary wise but may also play with the lives of patients.

  Once manpower requirement have been determined, recruitment is the next step in the staffing process. This is a difficult job, because a hospital is known by the men it keeps. Hospitals present an unusually wide range of positions in terms of skill and personality requirements. Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when they are selected.

  The purpose of recruitment is to provide a pool of potentially qualified candidates for a hospital’s job. It is necessary to match the person with the job. Whether it is a new post or a vacancy to be filled, it is essential to review the job and its requirements. Recruitment consists two major phases: finding and attracting applicants, and bringing them in to organization. It is the first phase that is often
referred to alone as recruitment, and the second phase is known as hiring or placement.

Sources of Recruitment:

Recruitment is undertaken as an activity to fill vacancies from external or internal sources to comply with the human resource plan; - Internal recruitment implies the promotion and transfer of employees within an organization to fill a vacancy. External recruitment implies recruitment of an employee from outside the organization. Both these methods have their merits and demerits, both are used in varying degree depending upon the recruitment policy of human resource management. Both method have different source of recruitment which are used in private hospital organization, such as –

1. Existing employees
2. Re-employment
3. News papers/ Advertisement
4. Professional Journals / Advertisement
5. Government Employment Exchange
6. Private Employment Exchange
7. From other hospitals
8. Teaching Institutions
9. Unsolicited Application
10. Internal Circulars for vacancies
11. Door Applicants /Hospital Gate.
12. Referral From: i) Employees
    ii) Ex-employees
    iii) Social or Political leaders
    iv) Government or Semi-Government Officials
    v) Religious Bodies.
    iv) Labour Union

Selection:

As recruitment attracts a large number of applicants, the process of selection is used for choosing a few for further consideration on the basis of predetermined criteria. It is the matching of the specified job requirements with the candidate’s achievements, the principle of best fit. [^11]
Selection process of candidates begins where there is recruitment ends. It is only after an adequate number of applications have been secured through different source of recruitment (internal or external) that the process of selection begins. Selection leads to the creation of contractual relation between the employer and employees. It involves procedures of steps leading to employment of persons who possess the ability and qualifications to perform job in the hospital organization. It divides the candidates for employment into two categories, viz those who will be offered employment and those who will not be. In short, selection is the process of picking individuals who have relevant qualification to fill job in hospital organization. The basic purpose is to choose the right individual who can most successfully perform the job from the pool of qualified candidates. In order to achieve this purpose, a well organized selection procedure involves many steps is necessary.

*Steps in Selection / Procedure of Selection:*

1. Receipt and scrutiny of application
2. Interview by personnel department
3. Pre-employment test (written/oral/Practical)
4. Interview by department head
5. Decision of administrator to accept or reject
6. Medical examination
7. Check of references
8. Issue of appointment letter.

**1.6 Need of the study of Human resource in Hospital:**

The building up and efficiency of organization, whether small or big, private or public depends to a large extent upon how, effectively human resources are utilized. Human resource is one of the most valuable and unique assets of hospital organization. Even a nation with rich physical resources will not develop, if its human resource is inadequate. For an organization to attain its desired objectives it must seek and obtain the willing cooperation of the people who work there. Management must work with employees and must, therefore develop program and policies that will enable it to obtain the best result from the employees. Since human resources decide the destiny of hospitals, there is a need for properly organized human resource management. Efficient human resource management ensures that systematic steps are used to procuring, developing, compensating, integrating, maintaining and separating
human resources and show then, the ladder by which they can attain their desired goals. Failure to do this can lead to loss of productivity, high turnover rate of employee, increase wastage, poor quality etc.

These days, emphasis is laid on transformation from personnel philosophy to human resource philosophy, which is called from control perspective to commitment perspective. This kind of transformation is needed in existing private hospitals in order to gear these resources for the efficient and effective functioning of hospitals. Today’s private hospitals are run not only by medical people like Doctors and nurses, but many other paramedical people and non-medical people. Effective management of human resources is essential for the survival and growth of private hospital organization maintenance of relations with patients, their relatives and society.\(^{12}\) The following reasons are enumerated for the need of human resource in hospitals.

- Effective utilization of human resources.
- Desirable working relationship among all employees
- Maximum employee development
- High morale in the organization
- Continuous development and appreciation of human assets.

### 1.7 Brief Historical background of Hospitals:

The word Hospital has got its origin in Latin word “Hospes” which means a guest. A place where guest is accommodated or placed is a Hospital. This also suggests, as to how a patient should be treated. He should be treated like a “Guest” in Western Countries; treatment to sick was connected with religious personalities and for a long time Nuns and Fathers of the various Missions and Churches were taking care of the sick persons.\(^{13}\)

India is one of the oldest countries where places to treat the sick and elderly people were maintained in King Ashoka’s time, that is B.C. 273 to 232. In our Vedas Dhanwantari has been considered as a “God of health”. Shushrut and Charak were the well known surgeon and physician. Ayurved is one of the ancient systems for treating the sick in our country, which is also well developed but after British Rule it was neglected and Allopathy, the Western Medicine enjoyed a patronage of the Rulers. In ancient China, free clinics for the sick were established very early and by 300.B.C alms houses were established for deaf, mutes, cripples and the insane. The
Buddhist hospitals come up later and were founded in each province by 6th century A.D.\textsuperscript{[14]}

Allopathy was developed in Western countries from years to years. The earliest evidence of Institutionalised care for sick is found in 1200 BC in Greek Temples. In the years from 460 to 370 BC Hipocrates a most prominent Greek Physician was considered as a Father of Medicine and in his name “Hipocrates Oath” is being administered to every Medical Graduate before beginning his profession. By 500 AD almost every city throughout the Romans Empire had established Church related Hospitals. The Romans earlier treated the sick soldiers in their homes but as their number increased this custom became expensive and was abandoned. They build “Valetudinaria” exclusively for the troops but later on “Valetudinaria” were set up to give medical treatment to the large number of slaves working for them in fields\textsuperscript{[15]}

The hospitals of the Islamic World, from 6th century, in the West Asian countries showed great initiative in setting up hospitals. In 1170 AD most of the hospitals were established on religious basis rather than medical houses, concerned more with relief of body and care than with cure, preeminently with refreshment for the soul.

In the early 18th century, with the social awakening the needs and treatment of sick and poor received attention and in towns and cities all over Europe, voluntary hospitals sprang up due to the effort of groups of men who gathered together to give resources to the health needs of the sick and poor. Many of these hospitals are in use till today. Nursing as a profession became common by 1865. Many times these nurses were paupers and their use was later on prohibited by law in 1897.\textsuperscript{[16]}

The actual growth of hospitals ranges after 1860 AD. Medical science there after developed so rapidly and more so after the Second World War. During that period Sweden and Denmark also possess excellent hospitals. Their system was built by integrating services of all hospitals, irrespective of their origin and governing authorities. In England, two systems, the municipal and the voluntary, existed which administered hospitals where private practitioners worked on a “fee for services basis till 1948, after 1948, National Health Service Act was introduced and hospital systems have been unified under the Health Ministry and medical services provide comprehensive medical care for every one in the country.

The Medical Technology and Electro Medical inventions have developed very fast. Today’s modern hospital, the general of specialty hospital is expected to give high quality care. Their genesis lies in India, the concept of modern day hospitals
originated with British rule. The First hospitals were developed for the soldiers and British citizens working in India by the East India Company, and later on the British colony.

After the military hospitals the Government started civil hospitals to look after the public and many medical schools and hospitals were started in memory of King Edwards visit to India in 1925. However the real growth in modern hospitals occurred on after 1947 and onwards.

In Western countries it is identified that the first stage in Health Care Industry was of public health. While second was higher technology and income consideration factor, third was of cost containment and organizational changes and the fourth that is present stage has come as an era of ethics and thinking of going back to public health.

By 2000 AD it will be an era of political health science. Due to rapid advancement in transportation and migration, disease is not restricted to areas or community. And hence emergence of an integrated inter-sectorial approach based on cultural and behavioral system is necessary. Thus, we have seen that the hospital and its management has been changed from “Religious” concept to “Community” and from that to “People Oriented” and from that to “Consumer”, Where Scientific Management, tactics and skill is necessary to achieve optimum from available resources.
1.8 The Maps of India, Maharashtra and Kolhapur District:

LOCATION MAP OF KOLHAPUR DISTRICT

Fig. 1.2.
1.9 Hospital is a Service Industry:

“Services are going to move in this decade to being the front edge of the industry”- Louis V. Gerstner. (2001)

Service sector is a new frontier for economic and marketing strategy. Not unexpectedly, services continue to an ever more important part of the gross national product (GNP) of developing and developed nations. Health care, tourism, recreation, engineering services, communication, education, financial services and similar activities are vital to the health and prosperity of every nation. The overall growth of the economy is now so much dependent on services sector, the pace of productivity and growth in services becomes critically important. The ability to change has become a keyword for a service organization today. In the wake of globalization, a service organization can create and sustain potential corporate advantage by being able to plan strategically on its objectives, on changes required in these objectives and other resources needed for its optimum utilization.

Human resources are the precious endowment in a country. The development of national economy or an increase in the physical quality life index is substantially influenced by the effective measures taken for education, health, skill and well-being of the masses. This in a natural way draws our attention on the Medicare services made available to human resources. The development of healthcare facilities is only not influenced by the opening of hospitals but more so by their effective administration and value orientation. If the hospitals are well managed we can’t deny quantitative-cum-qualitative improvement in the health care services.¹⁷

Modern society has developed formal institutions for patient care. The hospital, a major social institution, offers considerable advantages to both patient and society. A number of health problems require intensive medical treatment and personal care which normally can’t available in a patient’s home. This is possible only in a hospital where large numbers of professionally and technically skilled people apply their knowledge and skill with the help of world class expertise, advanced equipment and appliances.

Concepts: Service and Service Industry.
a) Services: “Services can be defined as a human effort which provides succour to the needy. It may be food to hungry person, water to a thirsty person, medical
services to an ailing person and education to a student, transport to a passenger, communication aid to two persons who want to share a thought, pleasure or pain”. In short, “services can also be defined as action(s) of organization(s) that maintains and improve the well-being and functioning of people.”

b) Service Industries: Include those industries or organizations typically classified within the service sector whose core product is a service. The following organization can be considered service organization: Taj Palace Hotels (Lodging), Indian Airlines (Transportation), Birla Sunlife (Insurance and finance), Forties (Health care) etc.

Sometimes when people think of service, they think only of customer service, but service may be derived service and services as products. So, hospital is considered as service industry where, for diagnosis and treatment of human ills and restoration of health and well-beings of those temporarily deprived of. It is a not for profit making social institution to make available to the society the required Medicare services. The hospitals, of course, bear the responsibility of serving the masses, protecting the precious endowment and even safeguarding their own interests by enriching the Medicare facilities and building a positive image. Creation of a total ‘animate’ hospital system which encompasses patients, doctors and nurses in a synocratic totality is no doubt, a crying need of the hour.

The excellence of hospital services depends on how well the human and material resources are utilized to promote patient care. The major aim of hospital is to give proper care to the sick and injured without having social, economic and racial discrimination. However, the hospitals must perform many more things in addition to patient care. The education and training of doctors and nurses, support to medical research and assist to all activities carried out by public health and voluntary agencies to prevent diseases and further to promote positive health attitude are some of the important services of modern hospital.

The product or the services in a hospital differ from one hospital to another. However, there are three categories eg. - Line services, Staff services and Auxiliary services. The line services include emergency services, out patient services, inpatient services, ICU (Intensive Care Unit) and Operation theatres. The supportive services are central sterile supply, diet, laundry, laboratory, radiology and nursing. The auxiliary services are registration and indoor case records, stores, transport, mortuary, dietary, engineering and security. Currently, the administration and management of
hospital is an activity to secure better output by making possible an optimum utilization of inputs. The users of the hospital services appear satisfied with quality of services or treatment made available to them. The technological innovations have made possible excellence in the field of medical services.

**Position of Hospital Services and Patients (Customer):**

A hospital /health care service is in many ways different from other services and products. Here, a person in need of hospital services does not know for sure where to search for relevant information. He consults his family members, relatives and friends first. The patients who come to a hospital generally have old patients of that hospital as referrals. This indicates that word-of-mouth is very critical in influencing the patient’s preference for a particular hospital. Word-of-mouth play an important role during the information acquisition stage of the customers as there are no objective performance measures to judge the various alternatives available to them. Therefore satisfied past patients of a hospital can bring more patients to that hospital than a number of advertisements. In this light, one organization competing in such a high pitch market has to take all possible measures to provide quality service consistently.

**1.10 Perspectives in Service Industry:**

The service industry in India is becoming increasingly more competitive. The services sector if marketed in a right fashion contributes substantially to the process of development. The speed of socio-economic transformation can be increased sizeably through the innovative service sector. We can’t deny the fact that in the years to come the service sector would get a conducive environment with profitable opportunities. The following facts are a staunch testimony to this proposition that an optimal development of service sector would pave capious avenues for the development of national economy.

1) *Creation and expansion of job opportunities-* If we turn our eyes on the different components of the services sector the existing conditions compel us to think that an organized and systematic development would create tremendous job opportunities.

2) *An optimal utilization of resources-* Various types of services prefer to use different resources which remain unutilized and under utilized generally found to be a burden on the exchequer.
3) Paving avenues for the formation of capital- For accelerating the rate of capital formation, it is essential that we explore opportunities and identify important or the profitable services.

4) Increasing the standard of living- If we offer quality living services for the masses, the faculty development would be proved to be productive. An increase in the standard of living, we succeed in enriching the potentials of human resources.

5) Environment friendly technology- It is clear that technology driven service generating organization offer world class services even without polluting the environment.

The aforesaid facts make it clear that service industry is found significant to the service generating organization users and even to the employees serving the organization in many ways.

1.11 Reasons for Growth in the Service Sector:

As the world moves toward a global economy, the service sector has become a very significant contributor. This sector has experienced rapid growth since World war-II as many nations shift from a manufacturing based economy to a service economy. As countries continue to shift from an agricultural and industrial economic base, the demand for services will continue to increase. Additional factors contributing to the growth of the service sector are an aging population, longer life expectancies, increase leisure time, higher per capita income, increased time pressure, more female workforce participation, changing social and cultural values and advances in technology.

The demand for medical services will expand as life expectancy increase and the population continues to age. Other health related services such as nursing homes, diet centers, and fitness centers will also be positively affected by an aging population.

1.12 Hospital as Service Organization:

Unlike individual goods or agricultural produce, a service is intangible and perishable, in the sense that neither the producer nor the consumer can store a service. This implies that the service provider not only has to produce the service but also simultaneously transmit it to the service consumer. Both of them thus, are an integral
part of the service production and delivery system. \textsuperscript{[19]} The four major characteristics ascribed to a ‘service’ are:

(i) intangibility (it is abstract and intangible)
(ii) heterogeneity (it is more often non-standard and highly variable)
(iii) inseparability (inseparable simultaneous production and consumption, together with producer’s and consumer’s participation) and
(iv) perishability (it cannot be stored for future use)

Hospital, whether in public or private sector (Big or Small) create and supply diverse health care services, from minor illness of people to major operation, to mental and physical disabled peoples. They offer these service to people of all social and economic segments or all child and old age peoples, provide opportunities for development of good health and reduce the varies type of diseases. They enable the weaker section of the society to have access to the benefits of modernization, and by providing common services such as curative, preventive treatment to the sick and wounded. Finally, hospital services themselves have human development effect-first, by developing individuals and deprived group and secondly, by gradually orienting societal culture towards an egalitarian, democratic vision.

1.13 Operating Concepts / Definition:

- \textit{HOSPITAL}: Hospital is a place for the diagnosis and treatment of human ills and restoration of health and well-beings of those temporarily deprived of. In short, it is a place where patients being treated.
- \textit{DISPENSARY}: Dispensary is a place where patients are examined.
- \textit{CLINIC}: Clinic is a place where patients are treated.
- \textit{DAY CARE CENTER}: Day care center is a place where the patients are kept for treatment, for a day only. It is a place where patients can spend substantial part and even the whole day and go to home in the evening to sleep.
- \textit{DOCTOR}: Doctor is a person (male or female) one who examining to the patient.
- \textit{PATIENT}: Patient is a person (male or female) one who has not having physical and mental well-being.
- \textit{POLY CLINIC}: Poly clinic is a place of clinic where the treatment for patients is available through multi-specialist management.
NURSING HOME: It is not really nursing home but mostly mini-hospitals. Some of these are single specialty (Gynecology, Surgery etc) and some are multi-specialty. The nursing homes are mostly privately owned and managed by qualified doctor. In short, it is a place where patients are managed mostly by nurses.

NURSE: Nurse is a person (female) who takes care of treatment and bed rest of patients. She is also called as `Sister`. According to International Court of Nurses-1965 defines “Nurse is a person who has completed a program of basic education and is qualified and authorized in her country, to the most responsible services of nursing for promotion of health, prevention of diseases and care of the sick”. Nurse is a member of the team, managing patients and providing health care.

WARD BOY: Ward boy is a person one who assists to nurses and accepted responsibility of a ward patients assigned by doctor. He is also called as `Brother`.

PATHOLOGIST: Pathologist is a person who checkup the blood or urine or spitum of patients.

PATHOLOGY SERVICES: It is a pathological laboratory, whether attached to hospitals or functioning independently, have a very important role to play in the diagnosis and treatment of patients.

PHARMACISTS: He is a person, who dispenses the medicine, according to the prescription of doctors. The pharmacist is in charge of the hospital pharmacy and supervises the accurate dispensing of drugs prescribed by the doctors and making up of stock mixtures, lotions and ointments in common use.

RECEPTIONIST AND RECEPTION: Receptionist is a person one who gives necessary information to patients or patients relative and kept an account of patients. An initial reception area acts as the first point of triage in the hospital and distributes patients to appropriate treatment zones.

SWEeper: Sweeper is a person who cleans the hospital or clinic premises.

AYYA: Ayya is a female person who cleans the bed sheet and patients cloths.

LABORATORY TECHNICIANS: The laboratory technician is person who working under the direction of the pathologist in charge, should assist in the training of technical staff, allocate work with in the department be responsible for seeing that the necessary records and check reagents and minor equipment.
- **MEDICAL ASSISTANT:** Medical assistant is a person one who assists to doctors in the form of patient’s treatment in hospital.

- **GENERAL SURGEON:** General surgeon a person one who is liable to do surgery on patients.

- **GENERAL PRACTITIONER:** General practitioner is a person one who does the first-aid management of patients.

- **RADIOGRAPHER:** The radiographer is responsible, under the supervision of the radiologist, for the smooth working of the X-ray department, for the keeping of registers, and for the ordering, checking, safe custody of films and reagents.

- **DIETITIANS:** A person who (he/she) is incharge of the diet kitchen and supervises the special diets required by patients with diabetes, or with renal, gastric or other disorders.

- **CATERING OFFICERS:** A catering officer is a person (male/ female) who has been trained, preferably for many years, in the commercial aspects of purveying foods, possibly in hotels. He is responsible for the quality and palatability of the food served to patients and staff, but he should take the advice of dietitian with respect to its calorific value and vitamin content.

- **NURSING STATION:** This is the nerve centre of the ward units and should be so located that the nurses can keep watch over as many patients as possible and the distance to the farthest patient should not be too much.

- **CLINICAL LABORATORIES:** The primary function of clinical laboratories is to perform laboratory test in the 6 main fields of bacteriology, biochemistry, histology, serology, hematology and cytology to assist medical staff in making of confirming diagnoses and in the treatment and prevention of diseases.

- **PHARMACY:** means a making availability of all the drugs and pharmaceuticals needed for patient care, according to the hospital formulary: the right drug (effective, safe, with good benefit ratio) in the right formulation and dosage.

- **HOUSEKEEPING:** The house keeping staff helps in keeping the hospital clean and tidy. Many of them, indirect contact with the patients. Their services are also important, since their activities contribute directly to the patients comfort and peace of mind.
- **SECURITY**: The role of security department has several ramifications and needs modification in their attitude to work, patients, attendants and visitors. They are not only the custodians of security, but are also responsible for contributing, may be indirectly, to the welfare and happiness of the patient in many ways.

- **FOOD AND BEVERAGE**: Now a days a common and necessary practice to serve food and beverages to patients and their attendants in a hospital. An efficient food and beverage service greatly enhances the overall services a hospital offers.

- **AYURVEDA**: Ayurveda is a branch of Indian medicine believing of Vata-Pitta-Cough.

- **ALLOPATHY**: Allopathy is a branch of medicine who treats with (anti) opposite to the symptom.

- **HOMOEOPATHY**: Homoeopathy is a branch of medicine that treats with principle of similia similibus curenter.

- **NATUROPATHY**: Naturopathy is a branch of medicine that treats with natural source of medicine.

- **ELECTROPATHY**: Electropathy is branch of medicine that treats with electro / galvanic current.

- **ACCUPUNCTURE AND ACCUPRESSURE**: It is a branch of medicine derived from China. Puncturing and pressing specific point on body to treat the patient.

- **UNANI AND SIDHHA**: It is the branch of medicine which is derived from Arabic countries and treats with herbal medicine and Kuran and Pak principle.

Among the above various systems of pathies, the researcher is concentrated on allopathic system of private hospitals for this study.

1.14 Human Resource Management (HRM) System in General:

A system is a combination of certain components forming a unitary whole. The system view of organization gives a complete picture of the organization as it considers the organization in its totality. Human resource management may be viewed as a system which transforms personnel (i.e. inputs) in to productive human resources (i.e. output). In this process, it activates various subsystems such as employment, training and development, compensation, maintenance, personnel research etc. These
subsystems operate within the framework of environment provided by other subsystems of organization as shown in figure 1.2:

**Human Resource Management System**

![Diagram of Human Resource Management System]


The human resource system has to adapt to the changes in the other organizational subsystems and external environment of the organization. Thus, human resource system must be an open and dynamic system if it has to achieve its objectives which include productivity, quality of life and readiness to change.\(^{[20]}\)
Human resource management systems are the essential program needed to recruit, appraise, pay and look after the health, safety and well-being of the employees in the organization. The main keys are:-

i) Recruitment Management.

ii) Information Management.

iii) Training Management.

iv) Performance Management.

v) Reward Management.

vi) Health and safety Management.

vii) Discipline Management.

viii) Culture Management.

Human resource management system increases organizational performance develops and maximizes organizations abilities and contribute to its continuous competitive advantage. The individual working in an organization become the source and basis for utilization of other resources. Thus, through an efficient human resource management system, organization’s employees become essentially, a strategic asset. They form a system of resources and rare abilities that can not easily be copied or replaced and that provides the organization with its competitive edge. [21]

1.15 Shifting Dimensions of Human Resource:

Human resource management, popularly known as HRM, is not only rediscovering its role and relevance to match the emerging situation, but also gaining new ground in relation to other functions of enterprise management.

When we trace back the different areas of economy, we had the era of Hand-based economy, starting with craft-based economy that transformed itself into machine based economy after the advent of industrial revolution. This was followed by what we may name as Head-based economy, starting with information-based economy that eventually graduated to knowledge-based economy. This is now being further followed by what we may call Heart-based economy, starting with human resource-based economy further maturing into people-based economy. The people-based economy pivots on human capital in contra-distinction to human resource [22]

In the current frenetic age, the most valued discovery is “PEOPLE”. Now people are treated as human capita as much as other types of capital. The simple equation for performance is people plus resources give rise to results.
Organizations’ being economic as well as social constructs and contrivances, it is the human value that posits and accounts for creation of valuable outcomes flowing to the society. Needless to say, this needs to be strategies and harnessed by all organizations, regardless of size, scope, shape, structure or nature.

Table No. 1.1: Paradigm Shift of Human Resource Concept

<table>
<thead>
<tr>
<th>Traditional Concept (Human Resource Management=HRM)</th>
<th>New Concept (Human Capital Management =HCM )</th>
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</thead>
<tbody>
<tr>
<td>Task performance</td>
<td>Task innovation</td>
</tr>
<tr>
<td>Relationship development</td>
<td>People management</td>
</tr>
<tr>
<td>Focus on recognition</td>
<td>Focus on anchoring business process</td>
</tr>
<tr>
<td>Regulatory role</td>
<td>Proactive role</td>
</tr>
<tr>
<td>Compliance oriented support function</td>
<td>Business partnering key function</td>
</tr>
<tr>
<td>Single department</td>
<td>Multiple department</td>
</tr>
<tr>
<td>Micro role</td>
<td>Macro role</td>
</tr>
<tr>
<td>Product base</td>
<td>Customer base</td>
</tr>
<tr>
<td>Focus on organization</td>
<td>Focus on business</td>
</tr>
<tr>
<td>Single expertise</td>
<td>Multiple expertise</td>
</tr>
<tr>
<td>Task focus</td>
<td>Business focus</td>
</tr>
<tr>
<td>Operational issue</td>
<td>Strategic issue</td>
</tr>
<tr>
<td>Stability</td>
<td>Content change</td>
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<tr>
<td>Quantitative measure</td>
<td>Qualitative measure</td>
</tr>
<tr>
<td>Manage the people-work as an administrator</td>
<td>Business partner-work as a consultant</td>
</tr>
<tr>
<td>Focus on close economy</td>
<td>Focus on open economy</td>
</tr>
<tr>
<td>Target on domestic market</td>
<td>Target on global market.</td>
</tr>
</tbody>
</table>

1.16 Human Resource Approach:

The human resource approach is developmental. It is concerned with the employee growth, and development toward higher levels of competency, creativity and fulfillment, because people are central resource in any organization and any society. This approach is supportive. It helps the employees become better, more responsible persons and then it tries to create climate in which they may contribute to the limits of their improved abilities. The work satisfaction also will be a direct result when employees make fuller use of their abilities. It is somewhat illustrated by this ancient proverb: “Give a person a fish, and you feed that person a day”. “Teach a person how to catch a fish, and you feed that person for life”.

1.17 Need for Human Resource Management:

An organization is known by the people it is comprised of. Due to the social, political and economic changes throughout the world, there have been clear
indications of organizations finding it increasingly difficult to maintain economic stability-reputation as a consequence of increasing global competition, fragmentation of markets and general decline in consumer demand. This warrants the necessity of understanding human beings from a variety of perspectives. Human resource functions are concerned with a variety of activities that significantly influence almost all areas of an organization and aim at the organization fulfilling its employment, carrying out job analysis, planning to meet their requirement, providing training facilities and implementing organizational development program. Further, human resource management facilities employee growth and design, and implementation of compensation system for all employees.

1.18 Human Resource Management in the New Era:

“How well an organization attains, maintains and retains its human resources determines its success or failure. And the success or failure of our organizations shapes the well being of every person on the planet” - by Werther & Davis

Human resource management is a modern term for what has traditionally been referred to as personnel management. The success of any organization depends on its human resource. The type of people, the willingness with which they work and the commitment they exhibit towards the organization determine the competitive edge of an organization in the market the firm may have the best of resources at its head quarters but these resources cannot be utilized effectively without using human power.

There is a growing awareness of the importance and role of human resource in defining an organization’s cutting edge. Today’s competitive business climate present the human resource management function with a number of important challenges and opportunities- dramatic advances in technology, new forms of employment and focus on cost-cutting necessities concomitant modifications in recruitment, selection, training, appraisals, rewards and other human resource practices.[23]

In 1940s work was expected to be serious and laughter was taboo. A plant manager lost his job because he was caught smiling. Those were the days when for filling up the vacancies the notice would be “Hands wanted” and the manager or foreman would tell workers that he was not paid to think but paid to work. Now, we can see a lot of change in their thinking. We see the notice for filling up vacancies
saying “nice, charming personalities are required” and provide facilities for recreation in the work area to release the stress among the employees while at work. [24]

The founder of `Sony corporation`-Akio Morita: once said, “There is no ‘Magic’ in the success of Japanese companies in general and Sony in particular. The secret of their success is simply the way they treat their employee.” The liberalization policy and competition with a growing number of multinationals have put a great deal of pressure on the human resource function to train and nurture their employees to complete with foreign firms in skills, efficiency and effectiveness.

1.19 Conclusion:

Human resource management believes that human beings are the most important assets of an organization and unlike other resource they can be developed to an unlimited extent. To achieve this, a conducive climate must be built on values of openness, pro-activity, trust, mutuality and collaboration. Human resource management is one of the several organizational processes evolved to cope with the changing environment and to maintain the organization at it’s effectively best. It is a focus on “Development” rather than “Control.”

The importance of human resource management is now being increasingly realized in the entire sector in general and health care sector (Hospital) in particular in the light of new economy. The realization has come out because of the increasing complexity of the task of management in hospital organizations. In most of the private hospital the problems of getting competent and relevant people, retaining them, keeping up their motivation and morale, and helping them to both continuously grow and contribute their best to the organization, are not viewed as the most critical problems with the changes in social climate, value and norms, changes are also seen in the employees who join the private hospital organizations today.

Private hospitals are both rural and urban based and labour oriented. They are recruiting educated and un-educated, skilled and un-skilled, male and female, young and old person for carrying the health service. Quality of work depends among other things on the type of person doing the job and his skill, knowledge and interest in the job and therefore right man is to be placed for right job, whether it is medical or paramedical, technical or official. Total success of work in the concern hospital depends on the type of people employed and full use of human resources.
References:
14. Ibid. p-3
16. Ibid.
18. Ibid. p-15-17
24. Ibid.