CHAPTER I
INTRODUCTION AND RESEARCH DESIGN

1.1 Introduction

Healthcare in India has assumed a more dynamic form over the last few years, offering exciting opportunities for new reforms and improving stagnant indicators addressing concerns of access, affordability and quality across different population groups\(^1\). Today, due to the emergence of multi-specialty hospitals, India is being looked upon as an upcoming destination for medical tourism. In the midst of this, HR (Human Resource) departments in various healthcare organisations face the challenging task of attracting, recruiting, training and retaining healthcare professionals\(^2\).

The Indian healthcare industry faces acute shortage of trained manpower and even the large groups find it difficult to retain their medical professionals. In such a scenario, smaller entities are devising different ways to attract and retain their staff. The ratio of doctors and para medical staff per 1,000 people in the country is very below the mark prescribed by the World Health Organisation (WHO). According to a report by McKinsey, 6.5 lakh more doctors are required to reach a ratio of 1.25 doctors per 1,000 people and in addition 18.7 lakh nurses are needed to reach a ratio of 2.6 nurses per 1,000 populations by 2020. The number of other support staff needs to go up by 200 per cent\(^3\).

The HR departments in various healthcare organisations have implemented several functional changes by conducting a detailed review of the operations. Of these, talent management is of paramount importance. Hence, attracting and retaining the much-needed talent and preventing them in search of better opportunities remain a major challenge for HR professionals in the healthcare sector\(^4\). Considering the prevailing realities the healthcare organizations must give talent management a top priority. They must attract and retain qualified staff to ensure quality care. They must constantly monitor
their employee’s value. They must source and develop talent carefully, keeping employees engaged and committed, while removing underperformers. And they must ensure that every manager in the hospital system understands the rules of engagement and embraces a leadership role in talent management⁵.

The talent needs of a healthcare organization go far beyond the development and compliance needs of doctors and nurses. The average hospital, clinic or other facility has an extensive and diverse employee population with equally varied needs. No matter the job description, everyone in the organization has the same mission, to deliver the highest-quality care for patients. Talent management technology can enable healthcare organizations to improve compliance and address gaps in skills and leadership as well as to create common processes that can bring together even the largest and most dispersed health systems under single roof management and control⁶.

Based on the elaborate discussion and fact presented above, this study aims to analyzing the talent management practices adhered to service industries in India. The study is specifically focused on the talent management practices currently adhered to the private hospitals functioning in Coimbatore city, Tamilnadu.

1.2 Significance of the Study

The Indian healthcare industry, which comprises hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, health insurance and medical equipment, is expected to reach US$ 160 billion by 2017. Against the background of continuous rising demand, the hospital services industry is expected to be worth US$ 81.2 billion by 2015. The Indian hospital services sector generated revenue of over US$ 45 billion in 2012. This revenue is expected to increase at a compound annual growth rate (CAGR) of 20 per cent during 2012-2017, according to a RNCOS report titled, ‘Indian Medical Device Market Outlook to 2017’⁷.
The growth of the health sectors demands for talent management and successive planning to retain the existing staff and train them according to the changing situation of advanced medical science. However, Indian medical sector especially hospital sector, faces shortages in all types of leaders—administrative, physician, and nursing; high turnover among senior staff (driven in part by a large number of impending retirements), and front-line staff, and growing difficulties in attracting management talents from other industries. Thus, it could be well understood that the India healthcare industry requires more skilled workforce today as a result of advancement in medical technology and the demand for more sophisticated patient care. It can be rightly said that talent management of healthcare professionals is being recognized nowadays as a measure that should be included in quality improvement programmes. Inappropriate talent management may result in increased staff turnover and absenteeism, which affects the efficiency of health services.

1.3 Statement of Problem

Talent management suddenly evoked the charm and attention of service industry in India, especially the hospital sector. Increasing corporatisation of hospitals, and focus on rural markets and over-the-counter (OTC) medicines are forcing the industry to effectively manage their work force and manage the talent available with them. In India, today the success of hospital business relies on the success of talent management. If a hospital executive can't find nurses, doctors, or lab technicians’ hospitals, they will have difficulty in meeting their organization's strategic business objectives. The challenges of finding, keeping, developing and motivating people in key positions are precisely what progressive HR professionals are focusing on. These managers face ongoing talent management challenges that are critical to their achieving business goals. Thus, it could be rightly stated that in India hospital system is undergoing a tremendous change, and so these changes should be adhered to by the institutions concerned. The modern administrator must use relevant administrative theories and appropriate techniques in order to cope with the
changing context of hospital administration, where talent management claims to be primary. Based on the conceptual discussion and researchable issues identified by the researcher this study becomes important for future research.

1.4 Scope of the Study

The study aims at identifying talent management practices adhered to by the private hospitals in the Coimbatore city. This researcher provides suggestions to the strategic management for developing human resources in the health sector especially in the private hospital management. The researcher understands the importance of employee’s contact with human beings in a hospital is greater than other occupational areas because a considerable number of the individuals with whom the hospital employees have to deal with are under stress. Members of the medical staff may be working under stress due to the serious condition of their patients. These are conditions little known to professionals in industrial organizations. In addition to adequate training in the professional skills necessary to perform their daily tasks, hospital employees must also be trained in the art of getting along with the sick and the worried people. All these management practices are not possible without effective HR practices, organisation culture that aims at retaining their employees; in short maintaining of effective talent management practices. The researcher believes that this study will be useful to the HRM (Human Resource Management) managers in hospitals, academicians and research scholars, who can gain more knowledge on talent management and its dimensions of practices in hospital sector.

1.5 Objectives of the Study

Based on the theoretical and past empirical research discussion the following objectives are framed:

- To understand the demographic, socio-economic and occupational status of the hospital employees’ in Coimbatore city.
• To critically evaluate the talent management practices of private hospitals’ in Coimbatore city.

• To analyse the employees’ perception towards HR and organisational practices adhered in their work environment.

• To measure the influences of HR and organisational practices of private hospitals in talent management.

• To measure the prevailing gap in the talent management among the surveyed private hospitals and to suggest suitable measures for the implementation of effective talent management systems.

1.6 Hypotheses of the Study

To justify the objectives of the study following hypotheses are framed:

• The clinical and non-clinical staff does not differ in their opinion on talent based recruitment practices adhered by their organisation.

• Employees’ Perception towards talent management practices adhered in their organization differs according to their demographic & socio-economic status and work profile.

• The clinical and non-clinical staff does not differ in their perception on talent management practices adhered by their organisation.

• The clinical and non-clinical staff does not differ in their perception on talent management dimension of their organisation.

• HR practices & organisation policies of private hospitals significantly influences their employee commitment.

• HR practices & organisation policies of private hospitals significantly effects their employee retention.
• There exists no association between effective talent management practices and employees’ commitment toward their organisation.

• There exists no association between effective talent management practices and employees’ retention by the organisation.

• There exists no association between HR practices and talent management systems in private hospitals’.

• There exists no association between organisation policies of private hospitals and their talent management.

1.7 Conceptual Framework

A conceptual framework is an attempt to present an understanding of the study topic. A wide literature review on talent management provided detailed and fundamental concepts on people management i.e., management theories of Chris Argyris’ theory about personality and organization; Frederick Herzberg’s two factor theory; and David McClelland’s concept of achievement orientation and Jim Collins’s (2001) “Good to Great”.

The researcher has found rational relevance of these theories in the case of the current study, which aims to analyse the talent management in service industries, practices in private hospitals in Coimbatore region. The current study aims to focus on three important parameters:

• Primarily the study aims to understand the sample private hospital employees’ perception towards the talent pool and its management in their organisation. This concept was developed based on Shawn Fegley, (2006) research work where the author comments that the talent management involves “integrated strategies or systems designed to improve processes for recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs.
• Secondly, study aims to analyse whether the HR and Organisational practices i.e., Hygiene and motivation (Herzberg’s two-factor theory) factors helped the organisation in creating employees’ commitment and retention, and

• Finally, the study aims to access whether talent management practices adhered by the sample hospital administration in total helped them in creating employees’ commitment and retention.

**EXHIBIT: 1**

**CONCEPTUAL FRAMEWORK OF THE STUDY**
**(BASIS FOR OBJECTIVES & HYPOTHESES FRAMING)**

This research aims at providing a clear understanding on why talent management is not just a "new name" for HR, but a business imperative with very different challenges in each industry. The researcher believes that this study will help research scholars in understanding specifically how to connect talent management solutions to specific business problems such as the shortage
of mid-level managers, rolling out new products, mergers and acquisitions, and other business challenges.

1.8 Research Methodology

The research methodology of the study consists of two stages, explorative and descriptive in nature.

The current study is both explorative and descriptive in nature.

Stage I: Explorative research form part of desk work carried for collection of review of literature. The data collected in this stage of researcher helped the researcher to frame interview schedule.

Stage II: Filed survey form part of descriptive study, that is a fact finding investigation with adequate interpretation. The present study depends on primary and secondary sources of information.

1.8.1 Area of the Study

Results of various studies and data of City Corporation report of Coimbatore clearly state that, this has largest industrial center next to Chennai in Tamilnadu. Moreover, growing income level and rapid economic changes among the population (i.e., Business class, working population and professionals) of Coimbatore city has motivated the researcher to select this region as the study area.

1.8.2 Significance of the Study Area

Coimbatore has established itself as a leading center in health care, next to Chennai in Tamil Nadu. It has several reputed hospitals providing specialised treatment. Besides multi-specialty hospitals, it has super-specialty hospitals for ear, nose and throat; eye care; cadaver kidney transplant; assisted reproduction orthopedics, gastroenteritis and endoscopy. Coimbatore is also becoming an important center for medical transcription and consultation on clinical research.
The size of the Coimbatore health care industry has been valued \$2500 Crore (250 million) in 2013. There are nearly 755 hospitals functioning in and around Coimbatore city with a capacity of 5500 beds. The first health care center in the city was started in 1909. In 1969, it was upgraded to Coimbatore Medical College Hospital (CMCH). It is a government run hospital with bed strength of 1020 and provides free health care. Including the CMCH, corporation maintains 16 dispensaries and 2 maternity homes. The city also has many large multi-facility private hospitals like the PSG Hospitals, Kovai Medical Center & Hospital (KMCH), KG Hospital, Coimbatore Kidney Centre, G. Kuppuswamy Naidu Memorial Hospital, Sri Ramakrishna Hospital, Sheela Hospital, Kongunad Hospital, Kurinji Hospital, Gem Hospital, Ganga Hospital, Aravind Eye Hospital, Sankara Netralaya, Lotus Eye Hospital, Ashwin hospital, Vikram ENT Hospital, Coimbatore Cancer Foundation, G.P. Hospital, Diabetes Care and Research Centre to name a few. The city is also a major center for medical tourism. The city remains the preferred healthcare destination for people from nearby districts and also from the neighbouring state of Kerala. Since Coimbatore is considered as one of the prominent health care center in Tamilnadu, Coimbatore is chosen as the study area by the researcher.

### 1.8.2 Research Design

The study aims to analyse the talent management practices of private hospital in Coimbatore city: (i) Study focused only on the senior level employees, those who are working in the multi-specialty hospitals in Coimbatore city, with more than 3 years of work experience in the present organisation. (ii) Hospitals are large, diverse organizations with numerous departments that often dramatically differ from each other in size, function and performance quality. This study uses department level data drawn from the hospitals. Sample subjects who participated in the survey were: junior doctors (senior level), staff nurses and administrators and officers.
1.8.3 Sampling Framework

The study is concentrated on super specialty private hospitals functioning in Coimbatore city. There are seven hospitals in the Coimbatore region that offer exclusive super-specialties services. These hospitals provide effective super specialty services in the following areas: Cardiology and Cardiovascular, Chest Medicine, Neurology & Neuro Surgery, Physiotherapy, Nephrology & Kidney Transplant, Orthopedics and Replacement Surgery, Nuclear Medicine & RIA, Cancer Clinic, Gynecology, child–birth & Vitro Fertilization (IVF), pediatric medicine and all types of Diagnostic Services. Data presented in the following Tables: 1.1 and 1.2 depicts the population size and the sample population selection methodology.

**TABLE: 1.1**

**ACTUAL STAFF STRENGTH OF THE SAMPLE HOSPITALS**

<table>
<thead>
<tr>
<th>SLNo</th>
<th>Name of the Hospital</th>
<th>Bed Capacity</th>
<th>Junior Doctors</th>
<th>Staff Nurses</th>
<th>Lab Technicians</th>
<th>Pharmacists</th>
<th>Administration and others</th>
<th>Other hospital menial staffs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>KMCH</td>
<td>800</td>
<td>98</td>
<td>580</td>
<td>93</td>
<td>35</td>
<td>139</td>
<td>313</td>
<td>1160</td>
</tr>
<tr>
<td>2.</td>
<td>GKNM</td>
<td>600</td>
<td>74</td>
<td>435</td>
<td>70</td>
<td>26</td>
<td>104</td>
<td>235</td>
<td>870</td>
</tr>
<tr>
<td>3.</td>
<td>SRH</td>
<td>400</td>
<td>49</td>
<td>290</td>
<td>46</td>
<td>17</td>
<td>70</td>
<td>157</td>
<td>580</td>
</tr>
<tr>
<td>4.</td>
<td>PSG</td>
<td>900</td>
<td>110</td>
<td>653</td>
<td>104</td>
<td>39</td>
<td>157</td>
<td>352</td>
<td>1305</td>
</tr>
<tr>
<td>5.</td>
<td>KG</td>
<td>350</td>
<td>43</td>
<td>254</td>
<td>41</td>
<td>15</td>
<td>61</td>
<td>137</td>
<td>508</td>
</tr>
<tr>
<td>6.</td>
<td>Kongunadu</td>
<td>200</td>
<td>25</td>
<td>145</td>
<td>23</td>
<td>9</td>
<td>35</td>
<td>78</td>
<td>290</td>
</tr>
<tr>
<td>7.</td>
<td>Kurinji</td>
<td>250</td>
<td>26</td>
<td>205</td>
<td>21</td>
<td>9</td>
<td>42</td>
<td>80</td>
<td>383</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3500</td>
<td>425</td>
<td>2562</td>
<td>398</td>
<td>150</td>
<td>608</td>
<td>1352</td>
<td>5096</td>
</tr>
</tbody>
</table>

Source: HRM Department of the Sample Hospitals
TABLE: 1.2
SAMPLING FRAMEWORK OF HOSPITAL STAFFS

<table>
<thead>
<tr>
<th>SLNo</th>
<th>Name of the Hospital</th>
<th>Junior Doctors</th>
<th>Staff Nurses</th>
<th>Administration and others</th>
<th>Lab Technicians</th>
<th>Pharmacists</th>
<th>Other hospital menial staffs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>KMCH</td>
<td>10</td>
<td>58</td>
<td>9</td>
<td>4</td>
<td>14</td>
<td>31</td>
<td>116</td>
</tr>
<tr>
<td>2.</td>
<td>GKNM</td>
<td>7</td>
<td>44</td>
<td>7</td>
<td>3</td>
<td>10</td>
<td>24</td>
<td>87</td>
</tr>
<tr>
<td>3.</td>
<td>SRM</td>
<td>5</td>
<td>29</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>16</td>
<td>58</td>
</tr>
<tr>
<td>4.</td>
<td>PSG</td>
<td>11</td>
<td>65</td>
<td>10</td>
<td>4</td>
<td>16</td>
<td>35</td>
<td>131</td>
</tr>
<tr>
<td>5.</td>
<td>KG</td>
<td>4</td>
<td>25</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>14</td>
<td>51</td>
</tr>
<tr>
<td>6.</td>
<td>Kongunadu</td>
<td>3</td>
<td>15</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td>7.</td>
<td>Kurinji</td>
<td>3</td>
<td>21</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>8</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>43</td>
<td>256</td>
<td>40</td>
<td>15</td>
<td>61</td>
<td>135</td>
<td>510</td>
</tr>
</tbody>
</table>

Source: HRM Department of the Sample Hospitals

All seven hospitals are chosen for the survey and for data collection. A pilot study was conducted with a sample of ten employees from each hospital that is summed to 70 employees, based on the sample structure and respondents’ replies to the queries raised, required modification were made in the interview schedule.

In the second stage of the study the following criterion were considered in selection of the sample hospitals: super specialty hospitals with more than 100 bed facilities and it is also considered that all the specified department of medical facilities and administrative operations are actively functioning. A sample of 10 per cent of the staff strength from the actual population was fixed as sample population from each hospital. The strata of the sample population are provided in the Table: 1.2. The sample size of the present study has been fixed at 510 hospital employees by applying appropriate sampling formula. The respondents were informed well before they were interviewed. Furthermore, the researcher is bound ethically to maintain the anonymity of the research respondents and keep the research data in confidence. No monetary benefits were paid for the data collection, only voluntary persons were surveyed.

At the end of the data collection process it had been realized that nearly ten schedules were incomplete and there was inconsistency of data supply,
therefore, those schedules were deducted from the actual sample. The sample research population was restricted to 500 respondents.

1.8.4 Data Sources

The study covers both the primary and secondary data. For the purpose of collecting the primary data well-structured interview schedule had been framed. The interview schedule covers information on: demographic, socioeconomic status and occupational status of senior officials, their perceptions on HR and organizational practices and talent management process adopted in the private hospitals. The secondary data needed for the study were sourced from service industry reports, research works published in the journals and magazines on the employer cum employee relations and HR practices and also published and unpublished Ph. D theses.

1.9 Statistical Tools Applied

According to the nature of the data and interpretations required, appropriate statistical tools have been applied. The following tools have been applied in the study: Frequency distribution, Weighted Average Likert’s Scaling, Chi-Square test, ANOVA Test, independent ‘Z’ test, Multiple Regression, Reliability and Rotated Factor Analysis.

- The frequency distribution of the variables has helped the researcher to calculate distribution value of variables tested.

- Weighted arithmetic mean and Likert’s Summated scales helped in interpreting the averages of the variable used in this study, like: employee perception towards talent management practices in their organisation, influences of talent management practices on employee commitment and retention and employee perception on HR and organisational practices.
• Chi-Square test has been applied to measure whether the employees’ perception towards talent management practices adhered in their organization differs according to their demographic and socio-economic status and work profile.

• ANOVA test was applied to measure the influences of demographic, socio-economic and occupational status of the hospital employees’ on their perception towards talent management. Same test has been applied to measure the association between effective talent management practices and employees’ commitment toward the organisation and their retention.

• Independent ‘Z’ test was applied to measure whether the clinical and non-clinical staff recruited in the private hospitals has similar opinion on
  ❖ The talent based recruitment practices adhered by their hospital administration.
  ❖ The talent management practices adhered in their organisation.
  ❖ The employees’ perception on talent management dimension of their organisation.

• A set of four multiple regression analyses were constructed to measure:
  ❖ The association between HR practices and talent management in private hospitals.
  ❖ The association between organizational practices and talent management in private hospitals.
  ❖ The association between effective talent management practices and employees’ commitment towards the organization.
The association between effective talent management practices and employees’ retention by the organisation.

- Rotation factor analysis with Kaiser-Meyer-Oklin (KMO) test and Reliability analysis were applied to group of employee perception towards talent management practices in their organisation, influences of talent management practices on employee commitment and retention and employee perception on HR and organisational practices based on their occupational status.

1.10 Limitations of the Study

Though the researcher took utmost care and efforts to avoid shortcomings in the process of collection and analysis of data, inspite of the care taken the study is prone to some limitations, which are mentioned below:

1. The study is confined to private hospitals located at Coimbatore city only, thus the study suffers from regional limitations. The researcher fears that the study findings may not be generalized based on either Tamilnadu in specific or India in general. Therefore, it can be stated that the results of the study may not be applicable to other places of the country.

2. The researcher took adequate care to make the respondents express their views frankly and freely. A casual conversation was developed to make the respondents answer freely without prejudice. Inspite of it many senior staff in sample hospitals have expressed biased opinion on HR & organisational practices. Similarly they lack knowledge of effective talent management practiced in the health care sector across India; this may have also affected the findings of the study and the conclusion drawn by the researcher.
1.11 Chapter Organisation Schemes

The thesis of the study is organized into seven major chapters.

**Chapter I:** The introductory chapter deals with the introduction and research design of the study. It includes the Introduction, Significance of the Study, Statement of Problem, Scope of the Study, Objectives of the Study, Hypotheses of the Study, Research Methodology, Statistical Tools Applied, Limitation of the Study and Chapter Organisation Schemes.

**Chapter II:** Second chapter focuses on the reviews the relevant literature of studies in this field carried out by various researchers in the past.

**Chapter III:** Third chapter is titled as “HR practices in Hospital Sectors and Need for Talent Management”. The chapter contains detailed discussion of health industry development in Indian human resources practices in hospitals and the need for talent management to be competitive on health care business.

**Chapter IV:** Fourth chapter titled “Talent Management Practices in Private Hospitals” deals with the analysis and interpretation of part one.

**Chapter V:** Fifth chapter titled “HR Practices in Hospital Sectors and Need For Talent Management” deals with analysis and interpretation part two.

**Chapter VI:** Sixth chapter deals with the third part of the analysis and interpretation of data collected and tabulated and it is titled as “Influences of Talent Management on Employees’ Commitment and Employees’ Retention”.

**Chapter VII:** The final chapter deals with the summaries of the study, major findings, suggestions, conclusions of the study and the future scope for research.
References


4. Ibid, Ankush Gupta (2011),


8. Jackie Mamitsa Banyana Ramasodi (2010), Factors Influencing Job Satisfaction Among Healthcare Professionals at South Rand Hospital, Research Dissertation Submitted in fulfillment of the requirements for the degree of Master of Public Health in the Faculty of Health Systems Management and Policy, (School of Public Health) at the University of Limpopo.
