Healthcare is now one of the world’s largest industry both in terms of revenue and employment. The industry that includes medical tourism, medical equipment and devices, telemedicine, health insurance, hospitals etc. is rising at a very fast pace in India. The increasing affluence and exceeded expectations for quality healthcare among the Indian public have reflected the industry, and more specifically the corporate hospitals as one of the rewarding business sector for investment by the domestic as well as foreign players.

However, in the dynamic and complex healthcare environment, the decreasing occupancy rates, rising excess capacity, shortening hospital stays of patients, diminution of once holy image of the hospitals and increasing hospital closures have been the disturbing indicators, and are the basic business challenges of sustained existence and success for corporate hospitals all over the world and India is not the exception (Manjunath et al., 2007; Yavas and Shemwell, 2001; Lee and Alexander, 1999; Madden, 1999; Shemwell and Yavas, 1999; Succi et al., 1997; Fuchs, 1997; and Sharp, 1995). Predominantly, confrontation with these woes is two-fold: firstly, the healthcare market is shifting from seller-oriented to buyer-oriented market (Backman et al., 2016); and secondly, more healthcare consumers of corporate hospitals are sophisticated, actively involved with high expectations and preferring for ambulatory or out-patient care (Gok and Sezen, 2013; and Shemwell and Yavas, 1999). Besides, the “quality of care” is at the top of all issues critical to the hospital sector associated to ineffective and inapt patient care, healthcare consumers’ preferences and choices, and is inseparable from the issues of organizational growth and performance (Koeck, 1997).

Traditionally, not only the healthcare practitioners, but all were reliant on provider-based preset standards to manage their organizational performances, which are inadequate (McLaughlin and Simpson, 1999) at this time when competition in the healthcare market is continuously growing and corporate hospitals are becoming more and more complex. New models of improving clinical efficiency, reducing the replication of efforts, extending convenient health delivery system, more attraction to both the medical and non-medical staff, less tensions between the staff and hospital management, and a better coordination between the healthcare service providers and consumers over the policies and direction of healthcare delivery to meet the
consumers’ expectations, are taking a central role (Backman et al., 2016; Gok and Sezen, 2013; and Wegmiller, 1985) in exceeding healthcare customers’ satisfaction and improving the organizational performance. For that reason, what is required is a system of restructuring the management of workplace members to reduce the unexploited, ineffectiveness and mistakes (Short, 1995) and satisfying the exceeding healthcare consumers’ needs and expectations for superior organizational performance and success.

Though a very little attention was given earlier to HRM (HRM) and influence of its applicability on organizational performance in hospitals. However, in order to take competitive advantage, practitioners in corporate hospitals have gradually realized the potential of their workplace members. Now for organizational survival and success, it is the necessity for the hospitals to warrant the maximum use of their workplace members. Barney (1991) advocates the management of these non-substitutable, rare, valuable, and inimitable internal resources to attain and sustain competitive position. Corporate hospitals using the HRM practices such as recruiting, selecting, training skilled employees etc. can become more intelligent, flexible and capable than their competitors for taking competitive advantage and possibly the enhanced organizational performance.

1.1 The Human Resource Management and Organizational Performance – Backdrop

The prime attention of organizations in the recent times is to make optimum utilization of their talented workplace members by linking HRM to their business strategies. Though the mechanization or technology deployed in an organization influence its success but certainly the employees are the most significant resource of any success-oriented organization. Nevertheless, success of a business relies on the strengths of its extraordinary workforce. Therefore, HRM cannot be relegated to the background by the practitioners. Wall and Wood (2005) exhibit that organizations have to give emphasis on enriching the employee skills and structures, commitment, work practices, and technological systems through HRM practices for achieving the improved performance. Academics and researchers need to pay more attention in recent times than ever on HRM and spend considerable time on research about
selecting, developing and utilizing human resource for better organizational performance and success.

1.1.1 **Human Resource Management (HRM)**

The recent time has witnessed a large number of studies with varied perspectives that goes beyond technical issues to explain HRM in different ways. Wall and Wood (2005) defined HRM as organization’s activities those are related to the recruitment, development and management of its employees. Stone (2009) proposed HRM as the productive use of workplace members in attaining the organization’s planned business goals. Adding to the body of knowledge, Storey (1992) suggested two distinct ‘soft’ and ‘hard’ dimensions of HRM. The ‘soft’ includes the developmental humanist approach where HRM is considered as all-inclusive area of ‘people management’ without any specific favorable approach whereas the ‘hard’ incorporates situational contingent approach, ready to apply a utility approach to HRM with an objective to maximize performance of individual as well the organization using a highly committed and capable workforce (Boxall, 1996).

More specifically, to promote employee motivation, commitment and development, it has been suggested to apply ‘soft’ approach for effectiveness of the HRM (Legge, 1995). Comprehending the importance of HRM in an organization for achieving its business objectives, this approach creates a work environment to develop innovative, flexible, committed employees through approaches such as teamwork, communication and training (Boxall, 1996; Guest, 1992; Noon, 1992; Walton, 1985; and Beer et al., 1984). In contrast, the ‘hard’ approach is largely considered as strategic HRM (Legge, 1995) and is strictly aligned with business strategy (Boxall, 1996; Purcell, 1995; Tyson, 1995; Lundy, 1994; Kamoche, 1994; Schuler, 1992; and Miller, 1989). Therefore, employees are used in strictly rational manner under this ‘hard’ approach (Storey, 1992) and methods of cost minimization are preferred over investment on managing the people for the effectiveness of HRM.

Numerous studies have established that despite the suggestions of a vast volume of theoretical and empirical research available in the extant literature, many organizations are indecisive about the effective HRM practices in terms of ‘soft’ or ‘hard’ dimensions and often seem to have implemented on an ad-hoc, partial or reactive basis, except few leading organizations who appear to have accepted and
implemented the practices (Storey, 1995; Legge, 1995; Plevel et al., 1994; Moore and Jennings, 1993; Guest, 1992; Gilbertson and Fogelberg, 1991; and Jain and Murray, 1984). Many of the times it appears that there are major differences in what has been written in research literature about HRM practices and the real practices in organizations (Becker and Gerhart, 1996). The research studies indicate that many organizations often are in dilemma whether to implicitly consider the HRM practices as a splendid HRM strategy (Heyes, 1998; Rosenthal et al., 1998; Plevel et al., 1994; Midgley, 1990; and Buller, 1988) or to focus on one management practice.

Additionally, Boxall and Purcell (2000), based on their study, put forward the two leading normative models for organizations on how to take decisions about managing their employees; the ‘best-practice’ and ‘best-fit’ models. Many researchers advocate the ‘best-fit’ model which assumes that to make the HRM strategies effective, certain critical social, industry and organizational factors are required to be tailored to fit in the business environment. Whereas, the others suggesting the ‘best-practice’ model show universalism and recommend best practices to manage the workforce. Likewise, the ‘best-fit’ model approves many of the HRM strategies created to favor the business environment (Boxall and Purcell, 2000). However, it does not disapprove all assumptions of ‘best practice’ model. Boselie et al. (2005) suggested some of the best HRM practices such as training, contingent pay and rewards, communication, teamwork, diversity, equal opportunities, and flexible job design which have been proven to be the empirical evidences to provide superior performance and customer satisfaction. Mondy (2010) also proposed the best practices generally implemented by organizations as compensation, specifically, direct and indirect financial compensation and nonfinancial compensation; development, specifically, the training, development and career planning and development of human resource; staffing, specifically, the planning, recruitment and selection of human resource; safety and health; and employee labor relations.

Also, many of the studies available on HRM demonstrate the influence of hiring, developing and socializing practices of the organizations on employees’ skills, abilities, values, belief, attitudes and behaviors. For example, the knowledge, skills, experience, abilities and motivation of employees can be improved using training and development methods like job rotation, in-basket training, case study, coaching, mentoring, on-the-job training etc. One of the research study has acknowledged seven
specific dimensions of effective people-based management, namely, selective hiring, extensive training, extensive sharing of information, reduced status distinctions, self-managed teams, organizational performance based high compensation, and employment security to extensively increase the organizational performance (Pfeffer, 1998).

To encapsulate these perspectives, organizations seem to contend through low prices and using inexpensive labor to carry out relatively unskilled tasks which is an essential part of a cost-minimization business strategy. Based on this assumption, many organizations adopt the ‘hard’, contingency-based approach adopting the ‘best-fit’ model to avoid higher labor and infrastructure costs in many of the developed countries. On the contrary, organizations, particularly within service industry generally prefer the ‘soft’, developmental humanist approach adopting the ‘best-practice’ model to compete effectively with HRM to improve organizational performance in many developing countries like India. This is particularly true in case of the corporate hospitals where the system is increasingly technological and patient outcomes are directly related to employees’ knowledge, skills, abilities, values, belief, attitudes and behaviors. And, the basic philosophy of HRM frequently depicted in the literature, is that HRM practices have an influence on employee behavior, thereby improving organizational performance (Worsfold, 1999).

1.1.2 Organizational Performance

From the beginning, the academics and practitioners belonging to a varied disciplines including management have been fascinated by the meaning and measurement of organizational performance (Venkatraman and Ramanujam, 1986; and Lewin and Minton, 1986). Towards the development of a general concept, the scholars have different viewpoints on what performance is, and how it is measured.

Though the subject is not surprising, yet continues to be argumentative in the research circles of all the disciplines. Javier (2002) in his study associates performance with the well-known 3Es; economy, efficiency and effectiveness of some definite scheduled activity. Whereas, Richard et al. (2009) described performance that encompasses three explicit parts of organizational outcomes, namely, financial performance such as profits, return on assets, return on investment, etc.; product market performance such as sales, market share, etc.; and shareholder return such as
total shareholder return, economic value added, etc. Point to ponder here is that performance and productivity are two different concepts and should not be mixed up; where, productivity is the ratio representing the amount of work done in an assumed time (Ricardo, 2001), performance is any organization’s ability to achieve its objectives by exploiting its available resources in an effective and efficient way (Daft, 2000). It indicates that performance is a wider term that could take in productivity as well as effectiveness, consistency, efficiency, quality and other components.

On the other hand, measuring of the performance is critical from a managerial point of view, because without any performance criteria, the quality of strategic decisions in an organization cannot be objectively or consistently evaluated whereas research depicts that sound performance measurement criteria help organizations to outperform. From a research point of view also, being often a dependent variable, organizational performance has continuously been the main concern to researchers, originating from a desire to know why and how one organization is doing better than the other. The performance criteria those acknowledged by the research can be used by the practitioners in their strategy design. Thus, usable and consistent measures of performance are significant for both managerial and research purposes.

While scanning the extant literature, it has been noticed that the organizational performance generally can be evaluated by means of either objective or subjective methods (Venkatraman and Ramanujam, 1986; Behn, 2003; Yavas et al., 1994; Cameron and Whetten, 1983; and Lewin and Minton, 1986). The objective method involves ‘hard’ measures such as organizational revenues and other financial measures and reflect these measures as indicators of performance (Meliones, 2001; Bazzoli et al., 2000; Anderson, 1999; Menke, 1997; and Coyne, 1986). Alternatively, the subjective method accumulates data about individuals’ perceptual evaluations of performance and their satisfaction with the achievement of projected outcomes (Todd and Baker, 1998; and Mellor et al., 1999).

Some researchers advocate that none of the method is intrinsically better than the other (Cameron and Whetten, 1983), the subject of ‘hard’, objective versus ‘soft’, subjective measures is a matter of discussion (Kelly and Swindell, 2002). The earlier scholars claim that ‘hard’, objective measures such as financial and operational indicators (Venkatraman and Ramanujam, 1986) offer trustworthy criteria of
organizational performance (Keehley et al., 1997; and Berman, 1998). Kokkinaki and Ambler (1999) noticed that many other researchers trust the ‘soft’, subjective/qualitative measures to portray a richer and manifold depiction of performance.

The objective method considering the financial measures face criticism of the scholars, being only a single dimension of performance to be evaluated. As the business organizations serve multifold objectives, for example, access to new markets, access to scale economies etc. in addition to financial outcomes, the single financial criterion is not capable of measuring the true organizational performance. Moreover, despite the fact that ‘hard’, objective methods are quantitative and easily interpreted, not necessarily these measures may show individual’s job satisfaction and commitment with the results attained. However, the ‘soft’, subjective method exhibits the individual’s perceptual observations of reality, and individuals act on them as reality (Hawkins et al., 2001). Precisely, the main threat to the sustainability in the context of corporate hospitals is failure to meet workplace members’ expectations (D’Aunno and Zuckerman, 1987).

Against this background, the present study confines HRM to ‘soft’, subjective, developmental humanist approach approving the ‘best-practice’ model for delineating the research evidence that links HRM practices to employee behavior and performance, and discuss its applicability to the corporate hospitals in India.

1.1.3 The HRM and Organizational Performance Relationship

Earlier, numerous scholars selecting best HRM practices from a wide variety of studies, established that these ‘best’ practices help organizations to attain competitive advantage (Pfeffer, 1998; Huselid et al., 1997; Youndt et al., 1996; and Wood and Albanese, 1995), increase workplace members’ job satisfaction and commitment shaping their work related attitudes and behaviors, and subsequently the outcome is superior performance (Deery and Iverson, 2005). Whereas the ‘best’ practices include teamwork, egalitarianism, participation, autonomy and so on (Burke, 2006; Purcell et al., 2006; and Wood, 1995).

While ascertaining the best HRM practices, one more linked research agenda for the scholars is to create a relationship between the ‘best’ practices and organizational
performance. Over more than a past decade various studies examining this relationship have been found in the extant literature (Guest et al., 2003; Guthrie, 2001; Huselid et al., 1997; and Delaney and Huselid, 1996) mainly using the ‘hard’, objective measures such as profit, market share, sales increase etc. and most of these studies have a vast support for the positive relationship. However, the intervening relationship based on the notion that the ‘best’ practices support workplace members’ attitudes and behaviors favorably, has been to some extent overlooked in the research of the relationship between ‘best’ practices and organizational performance and this aspect has been referred to as the ‘black box’ (Boselie et al., 2005). The recognition of this indefinable gap in the relationship has given birth to a new research agenda for examination about the reasons and characteristics of attitudinal and behavioral responsible variations resulting from best HRM practices.

1.1.4 Workplace Members’ Attitudes and Behavioral Outcomes

Attitude is a psychological tendency of expressing the extent of favor or disfavor towards a particular entity (Eagly and Chaiken, 1993), whereas behavior is an individual act in a certain way instead of other due the influence of his attitude (Cooper and Croyle, 1984). Where the attitude describes the way employee feels inside, behavior is the way employee responds to his or her attitude. The sentimental or affective background give rise to the formation of attitude and viewed as rational structure by which past experience could be represented (Eagsly and Chaiken, 1993). The attitudes are influenced by overall cultural context which can be reflected by strong beliefs and values at the organizational level. The attitudes which reflect the individuals’ affectionate connection with an organization or intention to quit the organization (Holton and Russell, 1999; and Meyer and Allen, 1991) are important. Reason being employees are the utmost strength of any organization and the performance and success of an organization relies on the employees’ job satisfaction and commitment (Lok and Crawford, 2004). So, both the attitudes and behaviors presented by the employees in their workplace directly influence the performance of an organization.

Further, job satisfaction and organizational commitment are two of the most general feelings of employees examined in the work and organizational literature. Theoretically, job satisfaction and commitment are the two notions generally referred
to as workplace members’ attitudes (Currivan, 2000) and are reflected as indicators of the future performance and success of any organization (Hurst, 1995). Many researchers in plentiful research works have acknowledged that workplace members’ attitudes are constructed on the basis of job satisfaction and organizational commitment, whereas satisfaction towards job has been strongly documented a significant contributing factor of organizational commitment (Porter, Steers, Mowday and Boulian, 1974; Mottaz, 1987; Williams and Anderson, 1991; Knoop, 1995; and Young, Worchel and Woehr, 1998). Operationally, job satisfaction, job involvement, organizational commitment, perceived organizational support and employee engagement are the different work related attitudes, however, the present study limits itself and undertakes that job satisfaction and commitment are the workplace members' attitudes that they have towards their work and the organization. Thus the attitudes investigated in this study included job satisfaction and organizational commitment of healthcare employees in corporate hospitals and termed as work related attitudes.

1.1.5 Job Satisfaction

Possibly the most significantly, regularly and widely studied concept in the field of organizational behavior is job satisfaction (Currivan, 2000; Mitchell and Lasan, 1987). The outcome of employee's perception towards those things which they consider important and the way they are being provided by their jobs is the job satisfaction. One of the initial analysts, Hoppock (1937), describes job satisfaction as an amalgamation of circumstances prevailing at psychosomatic, physiological and environmental level that stimulate the expression of job satisfaction within an employee. In the literature of industrial psychology, the positive level of emotions achieved by an employee with regard to the appraisal of job done is termed as job satisfaction (Locke, 1976). An inclusive description of job satisfaction has been given by many researchers as positive and congenial affective attitude emerging out of appraisal or assessment of job experience of a person (Locke and Lathan, 1990; and Quick and Nelson, 2009). The level of job satisfaction can vary at extreme ends from satisfaction to dissatisfaction. As per Robbins and Judge (2009), the positive feeling towards a job arising out of the evaluation of the job characteristics is job satisfaction. Three important dimensions of job satisfaction have been theorized by Luthan (1998) in which first dimension states that job satisfaction is an affective reaction to the
situations of a job which cannot be pictured as such but can only be understood; secondly, job satisfaction is generally ascertained on the basis of exceeded results than the expected ones; and lastly, job satisfaction is the outcome of various other related attitudes and these attitudes are considered as most important characteristics of any job for which people have persuasive responses. For Luthans these attitudes are the work itself, salary, opportunities for promotion, management and coworkers.

Further, Doef, Mbazzi, and Verhoeven (2012) describe job satisfaction as a catalyst for improving performance. In hospital sector, job satisfaction brings the outcome of wellbeing of patients and quality of life to the workplace members. If workplace members are satisfied, they become more productive and committed towards the organization resulting in less employee turnover. One recent study by Sayed and Akhtar (2014) finds positive effects of job satisfaction on organizational commitment among healthcare employees when they have positive attitude towards their organization. Some other studies conducted on the specific factors which influence job satisfaction among employees (Singh, 2013). Elarabi H. M and Johari F (2013) identified four different factors namely, work comfort, work treatment, salary, incentive affecting the job performance. The study concluded that performance of both medical and non-medical staff will improve if they have work related satisfaction and thereby the organizational performance of the hospitals.

1.2 Organizational Commitment

Though no common definition of organizational commitment is available (Morris and Richard, 1993), however, can be described as the involvement of an individual in the organization and relative adequacy of an employee’s recognition arising out of being the member of that particular organization (Porter et al., 1974; and Mowday, Porter and Steers, 1982). Northcraft and Neale (1996) explained commitment as a mindset that reflects loyalty of an employee's towards the organization and it is a continuous procedure through which the employees of the organization articulate their responsibility towards the organization, its success and wellbeing on continued basis. Gallie and White (1993) emphasized that the concept of organizational commitment indicates the compliance and willingness of an individual to be with organizational values. Many other authors explained organizational commitment as the degree of
loyalty that an employee feels towards a specific organization (Agho, Price and Mueller, 1992; and Price, 1997).

Further, some researchers view that organizational commitment is characterized by three facets. These facets are: an enduring faith and acceptance of the organizational goals and values; a motivation to put forth noteworthy efforts on organizations’ behalf; and a strong willingness to uphold organizational membership (Becker, Huselid, Pickus, and Spratt, 1997; Porter et al. 1974; and Mowday, Steers and Porter, 1979). Allen and Meyer (1990) envisioned three elements of organizational commitment: affective i.e., employee’s emotional belongingness to, recognition with, and organizational participation; continuance persistence i.e. costs based commitment that an employee correlates with quitting from the organization; and normative i.e., employee’s feelings of gratitude to be a part of the organization. Meyer and Allen (1991) defined organizational commitment as a feeling of sharing organization’s beliefs and values.

Organizational commitment is a psychological state of mind that characterizes the employees’ relationship with organization, and the implications for decision to continue membership in the organization or not (Meyer and Allen, 1997). Organizational commitment is a multidimensional belongingness of individual towards an organization that results in employee’s positive attitude towards the organization and retaining for longer time period (Wang, 2007; and Jain et al., 2009;). Organizational commitment is different from employee motivational level and performance. Commitment is determined by job satisfaction, cultural value and performance of human capital (Hui et. al. 2004). Studies confirm that the employees those do not match their work value with the job, will not survive for long and leaves the organization (Matic, 2008). Some other studies provide evidences to explain the linkage of human behavior with organization environment, if environment is favorable then automatically committed employees comes to the organization (Elizur, 1996; and Viane et.al., 2007). Zheng et al. (2006) explain that if HRM practices are implemented properly, it encourages the growth of business and also enhance the talent of organization effectively which contributes to increase in organizational commitment of the employees. Yoon and Thye (2002) state that effective HR practices develop the worker cognition and emotions towards the organization which results in the organizational commitment of employees. Davidson and Griffin (2006)
explains that better HRM interlinks with organizational strategies so that effectiveness will be achieved and this HRM effectiveness will result in change in workplace members’ attitude, that is, job satisfaction, organizational commitment and work value. On the contrary, weak HRM practices lead to more terminations and low morale of employees (Davidson and Griffin, 2006). HR managers must have to redesign the work culture, restructure their organizations and create better work culture for employees to survive in this competitive environment.

Largely, where the job satisfaction signifies affective response to particular characteristic of the job, organizational commitment becomes affective acclamation to the organization as a whole (Williams and Hazer, 1986). Researches over the decades exhibit that job satisfaction and organizational commitment can result in positive consequences for the organization as well as for its employees (Riketta and Van Dick., 2005; O’Driscoll, Pierce and Coghlan, 2006; Mathieu and Zajac, 1990; and Meyer, Stanley, Herscovitch and Topolnytsky, 2002).

In recent years, whilst the role of job satisfaction and organizational commitment has been under regular analysis, researchers and academicians in a similar way agree that HRM practices for favorable work related attitudes and behaviors of employees have never been given this much importance than at the present time towards achieving the organizational performance.

Further, a very scarce literature is available on the studies which investigated all the relationships between the HRM practices and organizational performance (Paauwe and Richardson, 1997; and Becker et al., 1997), including the intervening one. The intervening phase of the relationship comprises the outcomes of motivation, trust, satisfaction, social climate, loyalty and commitment (Paauwe and Richardson, 1997), however, the constituents in this relationship are not definitive. Still, there has been limited attention given to exploration of the ‘linking mechanisms’ and the ‘mediating effects of key variables’ in this relationship (Boselie et al., 2005). One latest study proposed the inclusion of one additional factor i.e. ‘shared organizational values’ in the relationship as a key variable apparent in organizations with superior organizational performance (Purcell et al., 2006).
1.2.1 Shared Organizational Values

Basically, it is expected that the behavior of workplace members is significantly persuaded by a resilient culture that originates from the mission of an organization, strongly rooted within the philosophy of that organization and all its stakeholders. The strong culture essentially encompasses a collection of organization values, shared mutually by all workplace members (Purcell et al., 2006), and is considerably critical for superior organizational performance. Many behavioral researchers have also confirmed that values and beliefs have influential qualities, for instance, Waterman et al.’s (1980) described the shared organizational values as a system that influence the organizational performance, proposing the infusion of these organizational values which are many of the times unwritten, and go beyond the conventional formal statement of corporate objectives.

Being the basic values of an organization, the shared values influence the behavior of workplace members for their individual performance as well the overall performance (Waterman, et al., 1980). Conversely, Ulrich (1984) blames the absence of consistent and extensively shared values accountable for lesser organizational performance and success. Consequently, the researcher in the present study takes necessary step to investigate the value of shared organizational values to the HRM practices and organizational performance relationship.

Therefore, the researcher undertakes in the present study to explore how workplace members’ perceptions about the best practices of HRM, two of the work related attitudes - organizational commitment and job satisfaction, and shared values interrelate with each other. This process may also help to establish if shared organizational values should be considered an important constituent of the ‘black box’ or not.

1.3 Corporate Hospitals in India

Healthcare industry in India has been rising speedily over the past few decades. The growth rate of the Indian healthcare industry in terms of revenue has been projected 15 per cent for the financial year 2017-18 and to double its size from the current year (April 2017) US$ 3 billion to US$ 6 billion by 2018 (Healthcare Industry in India, 2017). When India is stepping on the way to be a developed nation, changing
lifestyle, rise in the standard of living, and raising income levels have created awareness among people about the healthcare industry. Consequently, a growing and ageing population, economic development and increasing health awareness in Indian public has led the healthcare industry to grow to $81.3 billion (Rs 54,086 lakh crore) in 2013 and is now projected to grow to 17 per cent by 2020, up from 11 per cent in 1990 (India's healthcare sector, 2017). In addition, the healthcare sector is in a process of offering world class amenities to its consumers. Business professionals have now started investing in this sector promoting both hospitals as well as other healthcare services. India is becoming the largest exporter of healthcare services with 14% market share and ranking 12th position in world (Ministry of Health, 2017).

Figure 1: Healthcare Sector Growth Trend (US$)


The central aim of government about this sector is to make India as hub of healthcare services. For achieving the aim, Indian government is supporting healthcare industry by reducing excise, custom and also providing exemption in service tax. Medical health insurance service providers deliver health insurance, medical reimbursement facility as well as covering individual expenses for hospitals. To meet the challenges of healthcare telemedicine is emerging in India by giving medical support to remote areas. According to Ministry of Health (2017) fifty different types of technologies introduced in India to treat incurable diseases like cancer.

In India, there are various types of hospitals mainly include government hospitals at central, state and district level, charitable hospitals and corporate hospitals. Government hospitals were set up by state and central governments which treats the patients at minimal cost whereas corporate hospitals formed under Companies Act 1956 offer healthcare services according to the needs and expectations of healthcare
consumers. Corporate hospitals treat patients very sophistically and provide comprehensive range of medical specialties. As per the documentation of the Ministry of Health, India’s first corporate hospital was established in the year 1983. Since its formation, started delivering quality medical services to its consumers and continuously improving the service standard day by day.

Corporate hospitals not only provide high quality healthcare care facility, but generate employment. Corporate hospitals with world class amenities and advanced technologies, recruit top quality doctors from all types of specialties and well trained support staff and provide regular training to both clinical and non-clinical staff, to meet international standard and good quality care to their consumers. Good compensation system and a team based working culture is developed to motivates employees to do well to achieve enhanced organizational performance. Corporate hospitals have their USP (Unique Selling Point) in quick diagnosis of disease and its treatment to cure the patients. They serve patients in best possible manner and patient satisfaction is their utmost priority.

Corporate hospitals often work in chains in different metropolitan cities. They provide wide range of services to their patients like providing bed, food facilities, attendants, and transportation in form of ambulance. Services provided by these hospitals are not only in the tangible form, they provide the facilities in the form of laboratory test, nursing care etc. For operating such high class services, these hospitals are promoted through large network of doctors, non-medical staff and hospitals. For managing such huge service better human resource with knowledge, skills and abilities is required.

Corporate hospitals in India are experiencing major changes like in any other developing nations and putting sincere efforts to design better HRM practices. Unlike the traditionally followed autocratic management style with more focus on personal relationships among the employees where the loyalty and trustworthiness were important predictors for employees’ successes and professional achievements, the modern corporate hospitals in India are placing more emphasis on organizational efficiency (Jain et al., 2012). Many of the well-established corporate hospitals have adopted progressive HRM practices such as merit-based pay, flexible work schedules and part-time jobs, which, until relatively of late, were not common in the Indian context (Ramamoorthy et al., 2005; and Som, 2006). Drawing on evidence from a
study on hospitals’ performance outcomes in the USA, which showed that HR practices directed on employees’ attitudes and behaviors are associated with better performance outcomes (McClure et al., 1983), further a study concluded that HRM is a key driver for enhancing the organizational performance of hospitals (Hyde et al., 2005).

1.4 Problem formulation for understanding the linkage among shared values, organizational commitment, job satisfaction, service quality, HRM practices, barriers to HRM initiatives and organizational performance

Adding to the body of knowledge, a large number of studies have long acknowledged the adoption of good approaches of managing workplace members to drive enhanced performance outcomes such as better service delivery and workforce efficiency in hospitals (McDermott and Stock, 2007; and Anderson et al., 2003). Researchers have devoted a great deal of attention to examining the influence of HRM practices directed on employees work related attitudes and behaviors to increase healthcare consumers’ satisfaction and organizational performance (Wright et al., 2005; and Berg and Toussaint, 2003). Despite the plethora of research (West et al., 2006; Guest and Conway, 2004; Purcell et al., 2003; West et al., 2002; and Borrill et al., 2000), few studies have been conducted in the healthcare sector with a small number of exceptions. The recent attention to performance outcomes because of the strategic role of HRM practices on employees’ behavior shaped by the organization’s culture, job satisfaction and organizational commitment that has made it increasingly important to establish hard evidence of linking HRM practices and performance outcomes.

1.5 Understanding HRM Practices those influence Organizational Performance

With the liberalization of Indian economy, the HR departments in almost business organizations are continuously under high pressure to go for major specialized alterations with the intention of facing the challenges brought about by the revolution (Rao et al., 2001), and the corporate hospitals are not the exception to it. It suggests a general requirement for the employers of corporate hospitals to develop competencies, resources, capabilities, and approaches to react proactively to the environmental forces triggered by this liberalization and consequently, corporate
hospitals in India assumed the importance of HR function for improving organizational performance.

The essence of HRM is simply to get work done by taking up strategic initiatives such as selection of capable employees, training for skill enhancement, development for competency, providing encouraging reward systems. Further, to reduce attrition rate of employees, smooth out the communication flow, and appraising performance of employees to increase level of transparency to achieve effectiveness are the other goals of HRM in an organization. According to Price (1997), HRM constantly exploit the organization’s performance measures, reward systems, promotion and learning opportunities to maximize the application of its human resources for achieving the organizational performance. HRM researchers have continually argued for the transformation of HRM system and identified the HR function as the key strategic task to support the organizational performance process in many organizations (Pucik, 1988). Also, Lado and Wilson (1994) advocate good initiatives on account of HRM that may help in attaining persistent competitive advantage by improving the organization specific competencies. Therefore, the influence of initiatives related to the management of people (HRM) on organizational performance are developing as the foremost research topics for the last more than a decade (Boxall and Purcell, 2008; Bowen and Ostroff, 2004; Wright and Gardner, 2003; and Guest, 2001).

The prior studies have examined empirically the influences of HRM initiatives on organizational performance (Guest, 1997; and Becker and Huselid, 1998). Researchers have divergent opinions about impact of HRM practices on organizational performance. They claim that the research on linkage of HRM practices with performance, has collective agreements as well as conflicts (Katou and Budhwar, 2006; Boselie et al., 2005; and Wall and Wood, 2005). A noteworthy amount of earlier research has noted positive relationship between HRM and organizational performance. The main attention of the studies was on numerous particular HRM practices, such as performance management systems (McDonald and Smith, 1995), training (Bartel, 1994) or compensation (Gerhart and Trevor, 1996). Some more studies declared the positive influence of progressive HRM practices on organizational performance (Sang, 2005; Delaney and Huselid, 1996; and Huselid, 1995). Some scholars also investigated the negative impact of HRM practices on firm performance that include job home spill over (Lam and White, 1998); and employees’
stress level (Ramsay et al., 2000). Maximum literature available on HRM show that almost researches have been conducted in Europe, and the United States (Hoque, 1999), and Asia (Ngo et al., 1998). In India, restricted studies are available on the linkage of HRM practices with organizational performance (Kundu and Malhan, 2007), more specifically in healthcare industry. Therefore, it is a requirement both from a theoretical as well practitioner viewpoint that the role of workplace members in linking HRM practices to improve organizational performance of corporate hospitals, must be defined.

1.6 Understanding the Relationship of HRM Practices with Organizational Performance in terms of Service Quality

In corporate hospitals, being service organizations, quality of service delivery plays a vital role in satisfying the healthcare consumers. Numerous studies state that quality of service delivery in hospitals is utmost priority than any other service sector (Parasuraman et al., 1988; Berry and Bendapudy, 2007; and Padma et al., 2010). Some other studies also explain the importance of service quality in satisfying and retaining healthcare consumers and developing long term relationship with them (Padma et al., 2010; Anderson et al., 2007; Arasli, 2008; and Andaleeb et al., 2007). Some earlier studies have also stated that the hospitals which fail to develop relationship with healthcare consumers by providing quality in their service delivery, lose them for future (Andleeb, 1988; and Padma et al., 2010). Similarly, Zeithaml and Bitner (1996) suggested that more the satisfaction of healthcare consumers more will be the retention rate. However, critical situation which the hospital management in general faces is to improve and maintain the ‘quality of care’ at minimum cost. Parasuraman et al. (1985) explain that the organizations which maintain excellent services at minimum cost, gain competitive advantage by adding new customers, better relationship with existing customer and a few losses in their existing customers.

Despite many studies related to manufacturing industries, no study equivalent to Patterson et al.’s (1997) research has been found up to now in the extant literature by the researcher while examining HRM practices those influence the organizational performance. Only a few studies focusing on the relationship between HRM practices and service quality could have been identified in which service quality has been reported to bring competitive advantage. However, to achieve competitive advantage,
corporate hospitals have to deliver some added value to their consumers and the service quality provides that added value. While examining the relationship between service quality and performance, the results of many of the studies were to some extent contradictory, however it was by and large acknowledged that the improvement in service quality leads to increased performance outcomes (Voss et al., 1996; Powell, 1995; and Groves et al., 1995). Some other studies established that employees’ behavior is of paramount importance to deliver service quality. The consumers’ satisfaction about service quality in these studies has been reported to be directly influenced by the employees’ behaviors, which in turn seem to be influenced by HRM practices of the organizations (Mohr and Bitner, 1995; Sparks, 1994; and Samenfink, 1994). Thus, the present study undertakes to find linkage, if any, of service quality to the organizational performance in corporate hospitals by implementing HRM practices.

1.7 Understanding the Linkage among HRM Practices, Workplace Members’ Work Related Attitudes and Behaviors, and Organizational Performance

Largely, the bulk of the literature accepts that the organization’s activities related to HRM have a major impact on organizational performance (Guthrie, 2001; Appelbaum et al., 2000; Becker and Gerhart, 1996; and Arthur, 1994) and influence the knowledge, skills and abilities of employees. The outcomes of good HRM practices in an organization are lower employee turnover, better decision-making, higher productivity, and higher job satisfaction, all of which support in increasing the organizational performance (Combs et al., 2006). Conversely, some of the researchers are not so convinced that HRM practices essentially brought job satisfaction and commitment, and encouraging organizational performance. One study accepts that vast amount of literature exists to evidently prove a ‘fear factor’ of job losses among the employees with the changed productivity and performance (Edwards and Wright, 2001).

Just contrary to the study of Combs et al.’s (2006) depicting lower turnover, a study by Fernie and Metcalf (1995) established the opposite that those organizations that appraise the performance of its employees have to face higher turnover rate. Both the initiatives, performance appraisal and job security, have been established as the ‘best’
practices in the literature available on HRM, but could not established as critical human resource factors for influencing the performance or organizations.

On the contrary, a few authors are of the view that either there is a fictitious or no relationship between HRM and performance (Guest et al., 2003; and Wall and Wood, 2005) However, both Wall and Wood (2005) and Guest et al. (2003), admit that many of the earlier studies have strongly confirmed that best HRM practices promote performance. Also, Combs et al. (2006) firmly explain that organizations may improve performance using HRM practices. Whether or not it is taken as fact that HRM practices will improve performance, for more than a decade researchers have been noticing that HRM practices do influence performance, “there is little understanding of the mechanisms through which HRM practices influence effectiveness” (Delery, 1998) and essentially the mysterious facet of the linkage between HRM and organizational performance (Boselie et al., 2005).

Further, the HRM in actual becomes more promising for improved performance outcomes, when the employees’ behavior is guided by HRM practices driven high level of job satisfaction (Paauwe and Richardson, 1997), organizational commitment (Mowday et al., 1979), and collectively shared organizational values (Purcell et al., 2006; and Ulrich, 1984) because in a service organization such as hospital, the HRM practices have an impact on employees’ behavior (Worsfold, 1999) and the employees’ behavior directly influence the healthcare consumers’ satisfaction and organizational performance (Kabene et al., 2006).

Therefore, the study puts efforts in exploring the intervening relationship between HRM practices and workplace members’ work related attitudes and behaviors, to find linkage of the ‘best’ practices with the organizational performance of the corporate hospitals.

1.8 Understanding the Barriers to HRM Practices

This study acknowledges a large number of research studies exhibiting an effective role of HRM to exceed the organizational performance in various fields whether manufacturing or the service industry, surprisingly, the extant literature produces very scant proofs of the extensive use of effective HRM practices. By performing a post-hoc analysis on a comprehensive range of factors extracted from some of the earlier
studies, the researcher identified major barriers inhibiting adoption of meaningful and effective forms of HRM.

Primarily, the top management has somewhat low priority on taking up HRM related initiatives while giving more importance to issues like acquiring power and control in the organization. This condition becomes more aggravated when the position in terms of power and control is lowered of the employees at senior level (Grant and Oswick, 1998; Gennard and Kelly, 1995; Torrington, 1989; and Kane, 1996). In nutshell, commitment of the senior management is vital in taking HRM initiatives for effective organizational working (Kane, 1996; Fowler, 1987; and Purcell, 1994), but does not happen as it might be. Actually, some authors like Dyer and Holder (1988) have even expressed their concern that top management is undoubtedly the most powerful body that can inhibit the implementation of initiatives related to HRM.

Then, the magnitude of knowledge and skills possessed by the practitioners needed to take up sound HRM practices within an organization, decides the effectiveness of that initiative. A number of studies on this issue have reported failure of the HRM initiatives due to the inability of implementing staff as this additional, proactive role of HRM staff is very much crucial. (Moore and Jennings, 1993; Miller, 1991; Schuler, 1990; Dyer and Holder, 1988; and Collins, 1985).

As a final point, the deficiency of upheld knowledge about the long-term impact of HRM initiatives and very less efforts of the practitioners in taking up these initiatives have restrained the effective HRM in organizations (Huselid, 1998; Storey, 1995; Fernie and Metcalf, 1995; Legge, 1995; and Guest and Peccei, 1994). As a result, the workplace members may be skeptical of the value of most important HRM practices. This skepticism may be apprehended by either senior or middle management or both. The employees are not able to discern requisite performance outcomes related to HRM and their commitment declines or at some point miss the mark to happening. As they are accountable for the real implementation and their lesser commitment brings the ineffectiveness in taking up of new HRM initiatives.

Based on the above discussion of the extant literature, the study finally intends to investigate the effects of the barriers that inhibit the ability of corporate hospitals to take up new HRM initiatives on their organizational competitiveness.
Overall, the present study confined itself into twofold central objectives. Firstly, to identify the best HRM practices, the barriers that inhibit their implementation and how these practices are designed to exceed performance even in terms of service quality of corporate hospitals. And, the second is to find the linkage, if any, between the ‘best’ practices and organizational performance. Nonetheless, one more critical issue evidently requires specific attention, namely, the ‘black box’ through which HRM practices have been posited to improve performance of corporate hospitals.