1.1 Introduction

People are seen as the most important organizational resource and the key to achieving high performance by business practitioners and academic researchers all over the world (Becker & Gerhart, 1996; Brewer & Seldom, 2000). The organizations striving to succeed in today’s highly competitive business environment tend to depend heavily on employee skills and commitment. Besides, there is now a growing realization about the fact that human resources constitute a valuable component for any organization aspiring to develop strategic competitive advantage (Wright, McMahan & McWilliams, 1994). The Research Based View (RBV) has identified four required characteristics for resources to produce sustainable competitive advantage (Barney, 1991). These characteristics include rareness, value, imitability, and substitutability and people by virtue, are inherited with all such features. People are unique in their skills, approach and mental capacity. It may be easy for your competitor to imitate competitive advantage gained through technology or product but it is always hard to duplicate competitive advantage achieved via competitive human capital. Notably, the difficulty in duplicating people’s knowledge, abilities, experience and behaviours make them imperfectly substitutable. Therefore, in essence, the success of an organization depends, to a large extent, on the competencies of its workforce. Arguably, when human resources are employed strategically, firms compete more effectively in this dynamic marketplace, especially when the productivity of superior resources depends upon the nature of their employment and the skill with which a strategy, based on resource superiority is implemented (Peteraf, 1993, p: 186). Thus, people form organization’s most important asset, especially with service-providing organizations (Brewer & Seldom, 2000).

There is now substantial evidence about the fact that the employees of an organization can be a source for competitive advantage and can determine the ultimate success of the organization. The challenge however, before the organizations now, is how to develop and sustain this source competitive advantage. Grant (1996), Teece (1998), and, Teece et al., (1997) suggested that sustainability of advantage can reasonably be anticipated if firms satisfy two conditions. First, given the dynamic environment a firm is able to continuously identify, upgrade, rejuvenate and reinvent valuable resources. Secondly, to have the ability to create an environment in which
they can be self-reinforcing and enhancing in value and strength, thus causing the imitating firms sustain major cost disadvantages. While, Barney (1991) asserted that if the existing resources are not renewed in conjunction with changing environmental conditions, the strength of a firm’s original strategic assets may soon be nullified by the changing competitive profiles. Therefore, sustainability of competitive advantage does not only depend on the nature of resource bundles but at the same time, also on the firm’s ability to renew, reallocate, rejuvenate and redefine its resources to help them cope with the changing business environment. Hence, to withstand competition and develop keen workforce, it is established for the organizations to ensure effective personnel policies and sound HRD climate, which is self-reinforcing, self-rejuvenating, and, self-enhancing in value and strength.

People are an essential element in any healthcare organization, whether that organization is a major research teaching hospital, a primary healthcare clinic in the inner city, the county public health office, or a health maintenance organization. However, quite often, it is seen that administrators, third-party payers, governments, and even boards of directors have due concerns only about the patients and technology. While, in reality, it is the people behind technology, treatment protocols, services, and activities of the organization that ensure quality care. Therefore, how healthcare organizations manage and invest in their human capital truly impact the quality of care and services provided.

Burack and Morgan (1994) suggested several ways as to how organizations can maintain high commitment and high performance among employees and ultimately organization effectiveness. Such exhaustive suggestions included; promoting the organizations credibility with employees; encouraging the use of participative management and employee involvement programmes; focusing on high achievement mutual trust and commitment; and developing a combined group entrepreneurial approach to management, thereby creating an organizational culture in which individual employees are encouraged to be adaptive, competitive and successful. A firm that develops a sound selection system and has attractive HR programs such as higher than normal compensation packages and numerous development opportunities, can attract, select and maintain the highest quality resource pool (Wright et al., 1994). Similarly, developing a good system of reward, communication, effective training programmes and socialization that encourage employees to act in the interest of the firm may add more to the value of the firm
(Shuler and McMillan, 1984). Therefore, in cognizance to these facts, invigorating and developing human resource assumes immense importance in the eyes of management of any organization that eagerly aspire to achieve and sustain excellence through its work force.

HRD in the organizational context is a process by which the employees of an organization are helped in a continuous and planned manner to; acquire or sharpen capabilities required to perform various tasks and functions associated with their present or future expected roles, develop their capabilities as individuals so that they are able to discover and exploit their own inner potential for their own and/or organizational development purposes, and to develop an organizational culture where superior-subordinate relationships, teamwork and collaboration, among different sub-units are strong and contributing to organizational wealth, dynamics and pride of employees (Rao, 1984). It focuses on the theory and practices relating to training, development and learning within organizations for individuals in the context of business strategy and organization competence formation (Gourlay, 2000 p: 99).

According to Singh (2013) HRD is concerned with creating a climate of work culture, productive efficiency and integration by; building the capabilities of people, preparing them for change, improving productivity with quality development and achieving organizational goals in a dynamic and competitive business environment. In addition, successful organizations which hold the belief that HRD makes a difference have created proper HRD divisions for developing their employees. The positive HRD climate renders the existing systems more efficiency and makes the organizations more receptive to the introduction of relevant additional system (Athereya, 1988).

A good research base asserts that certain human resource practices are related to high performance in organizations (see for instance, Terpstra & Rozell, 1993; Kalleberg & Moody, 1994; Martell & Carroll, 1995; Delaney & Huselid, 1996; Haltiwanger, Lane & Spletzer, 1999). A study of 590 firms from the National Organizations Study (NOS), reported positive correlation between certain HR practices such as training and staffing selectivity, and, perceptual measures of organizational performance (Delaney & Huselid, 1996). Kalleberg and Moody (1994) in their study confirmed that certain HRM policies and practices improve organizational performance. While studying business firms Terpstra and Rozell (1993) found a relationship between five staffing practices and organizational performance, however, the relationship varied by industry type. One study revealed
that better performing federal agencies had better human resource management and development systems (Simon, 1998). Similarly, in a study of eighteen executive-level HRM practices several practices were found associated with higher firm performance (Martell & Carroll, 1995). Brewer and Seldom (2000) listed few procedures like building human capital through recruitment and employment processes, retaining high performing human capital, maintaining sufficient human capacity to do the agency’s work, and providing employees with sufficient training, as key components of human resource management and development. The authors believe that each of these components is positively related to organizational performance.

Organizations must introduce fair employee welfare and development programmes and reward systems to improve employee satisfaction levels and subsequently gain advantage from satisfied workers via increased productivity (Alphonse, 2001). There exists a significant relationship between job satisfaction and human resource development climate and any positive change in HRD Climate will bring about positive changes in Job Satisfaction and in turn impact the organizational performance in a positive manner (Solkhe & Chaudhary, 2011). Lack of team spirit, little concern for employee welfare, a general indifference on the part of the management, absence of personnel policies, ambiguity on career opportunities in the unit, little encouragement to experiment with new ideas and absence of openness seem to be the factors responsible for the average level of HRD climate in organizations (Saraswathi, 2010). The organizational climate can become conducive to develop potential and competencies of the employees and provide opportunities for fulfilment (Gupta, 2008). Furthermore, HRD is a powerful technique to achieve the service quality of a servicing industry with the highest level in a real time basis (Bhattacharjee, 2010). An effective developmental climate plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. The HRD climate should be compatible with the aspirations of the employees in order to expect them contribute their maximum for the achievement of organizational objectives (Saxena & Tiwari, 2009).

1.2 Rationale of the Study

Human resources are vital to any organization in the sense that all other physical resources like technology, building, machinery and material are brought to
use as accorded by them. People offer their multifarious skills, capabilities, systems, practices, speed, language, bonding and behaviours, which are essential to the successful execution of a firm’s strategies. People are innately honoured with such gamut of skills, which if employed synergistically lead any organization to the new pinnacles of success. Concisely put forth, it is people who craft the strategies and execute them effectively and not the physical resources like technology, buildings, machinery and materials. Thus, it becomes imperative on the part of organizations to efficiently and effectively procure, manage, maintain and develop human resource for the better utilization of other resources and for the timely accomplishment of the organizational goals.

Hospitals are the premiere institutions of every state as the health of people is valued over everything. Therefore, being the most valuable public sector institution, engaged in helping the people to enjoy the blessings of long and healthy lives, there is nothing more rewarding than contributing towards its success.

The emphasis on managing and developing human resource in public sector health institutions is a recently perceived strategy, attracting substantial attention from the government. The efficient procurement, development and utilization of human resource in healthcare industry have become the key to excellent performance. However, the government hospitals today, are marked with a host number of challenges like lack of internal resources and poor mobilization of external resources, inadequate infra-structure, apathy of members towards management, lack of accountability, increasing sickness, dormancy, low level of professionalism, excessive government control, political interference, dominance of vested interests over the management, lack of human resource development, education and training. Therefore, against this backdrop, the present research is devoted to look forward towards the developmental climate and the various issues concerning human resources in the public sector hospitals of Kashmir.

Government is the largest provider of health care service to the people in Kashmir. The hospitals are mostly crowdy and the human resource extending services are not enough to satiate the demands. Moreover, the catastrophic floods that undertook the whole valley under its grip in September 2014, further added to the woes. The floods partially destroyed the infra-structure and machineries of most of the hospitals, leaving the government and hospital administration in a very hapless situation. Thus, keeping this in view, the study is directed towards evaluating and
analyzing the perception of employee’s regarding the psychological climate, working conditions, management support and the inter-employee relationship within the hospitals of Kashmir that directly or indirectly influences the overall organizational performance.

Hospitals are like other business organizations that also function within a socio-economic, political and technological environment. The most important feature of this environment is that it does not remain static for a long and keeps on changing. Subsequent changes in technology, economic conditions, competition, social trends or world politics tend to occur and affect the functioning of hospitals. As a result, the various practices that were in use till yesterday may not work today. Accordingly, the need for up-gradation of existing skills and learning of new skills/capabilities to perform duties by the employee’s may arise. Therefore, at this particular juncture, hospital organizations are required to facilitate a developmental climate that is self-reinforcing and rejuvenating to enhance and upgrade the skills, capabilities and potential of employees so as to make them competent with the dynamic and changing environment. In this direction, the present study is an attempt to seek employee’s perception regarding training culture, appraisal systems, and organizational development policies followed by the hospitals in Kashmir.

Precisely defined, Human Resource Development is all about enhancing personal growth and developing human potential so that the overall performance of an organization is improved. In other words, the essence of human resource development lies in enhancing the organizational performance particularly through personal capability development and learning. Thus, it won’t be wrong to state that the persistence of a sound HRD climate in any organization irrespective of size and type (i.e., whether manufacturing or service, trading or non-trading, profit or not for profit, public or private) is an essential prerequisite for the growth and development of its workforce in general and for the organization in particular. The improvement in organizational performance through learning, training and other development interventions is the basic underlying motive of the concept of human resource development. However, on the other hand, organizational performance is not only the factor of HRD rather; it is the outcome of various other inputs like men, material, machine and money when put together in a planned manner. Therefore, to figure out the significance of human resource development with respect to the organizational performance is never an easy task to perform. So, the present investigation is
Chapter 1  
Introductory Background and Research Design

dedicated to bring into light the relationship between HRD climate and organizational performance in public-sector service organizations.

1.3 Objectives of the Study

The discussion on the rationale and background of the study presents a clear understanding of the various underlying motives about conducting the study in particular. However, to sum up the discussion, the study is intended to assess and understand the existing HRD climate within the selected government hospitals of Kashmir and the extent to which such climate influences their overall performance. Else more, to concretize the statement, the following broad objectives have been proposed and set for the study:

1. To study the conceptual framework of HRD.

   Human resource development as a concept is not new but it is yet to have a concrete theoretical base signifying its content and boundary. It is considered as an inter-disciplinary foundation that human and organization studies may describe more accurately the context and substance (Chalofsky 2004, Hatcher 2006). Some deny defining HRD and argue that the field of HRD has become so large, extensive and inclusive, defies all definitions and boundaries, and is difficult to put in box (Blake 1995). Therefore, the first and the foremost objective of this study is to explore the field of HRD as a body of knowledge and bring into light the developments in the field since its inception.

2. To identify and study the relevant dimensions of HRD climate and Organizational performance.

   There is a difference of opinion among the scholars regarding the subject matter and context of HRD. The basic underlying philosophy over which the concept of HRD is based is seen from two different perspective i.e., Performance perspective and Humanist perspective, which at time becomes conflicting among scholars. However, the field has emerged with a distinctive tripartite agenda of human betterment, organizational enhancement and societal development (McGuire, 2013). Similarly, on the other hand, there are different ways to assess organizational performance. Dyers and Reeves (1995) classified organizational performance measures under the following three heads:

   - Financial outcomes (e.g. Profits, Sales, Market share, Tobin q, GRATE)
- Organizational outcome (e.g. output measures such as productivity, quality, efficiency)
- HR related outcomes (e.g. attitudinal and behavioral impacts among employees such as Job satisfaction, Commitment and intention to quit, accidents and absenteeism)

Therefore, in this regard, the second most important objective of the study would be to explore the existing body of literature to identify and study the relevant dimensions of the subjects understudy.

3. To assess the HRD climate based on the perception of employees in the hospitals of Kashmir.

In the words of Prof. T.V Rao, “A general supportive climate is important for HRD if it has to be implemented effectively and such supportive climate consists of not only top management and line management’s commitment but good personnel policies and positive attitude towards development”. Every organization has the responsibility to develop its human resources if it wants to remain operational and grow further in today’s highly competitive and rapidly changing environment. Its survival and growth depends largely on the development of skills, potential and expertise of its human resource. HRD is concerned with creating a climate of work culture, productive efficiency and integration through educating, training, and development. It involves a set of processes which take the shape of certain interventions, focused towards the betterment of workforce, efficient utilization of available resources and timely accomplishment of organizational goals. The third objective of this study would therefore, be a serious endeavour, to ascertain and analyse the perception of health-care employees regarding various personnel policies and HRD interventions being in practice across various sampled hospitals of Kashmir.

4. To assess the performance of hospitals in Kashmir based on the perception of employees.

At the fourth place, the researcher aims to assess the performance of hospitals in Kashmir based on the perception of internal stakeholders i.e., employees. Organizational performance may be assessed in a variety of ways and one such way is attitudinal and behavioural impacts among employees (Dyers & Reeves, 1995). The researcher used the instrument developed by Brewer and Seldom (2000) which
contain twelve statements and assesses employee’s perception on three performance variables i.e., Efficiency, Effectiveness, and Fairness.

5. To study the impact of HRD climate on the performance of hospitals in Kashmir.

The fifth objective of this study is to validate the relationship between HRD climate and hospital performance in the light of statistical evidences. Various statistical tools are used to figure out the extent to which HRD climate influence the hospital performance.

6. To offer result oriented suggestions based on the findings of the study.

Finally, answering the questions posed in the beginning, drawing inferences about the universe and making valuable suggestions for further improvement would conclude the aims of this study.

1.4 Research Questions and Hypotheses

HRD is an integrated set of planned programs, provided over a period of time, to help assure that all individuals have the competence necessary to perform to their fullest potential in support of the organization’s goals (Jacobs & Washington, 2003). Also, learning occurs continuously as a natural consequence of doing work, which is normal and quite good. Yet, how much of that learning and development is the result of organization’s planned human resource development policies and programs may be questioned. Secondly, to what extent such planned human resource development policies correlate with the overall organizational performance. The present study possibly strives to answer the later. It is generally believed that a positive relationship exist between HRD and organizational performance. The statement is postulated on the ground that organization which offer an array of learning opportunities enable employees to perform better on their jobs which, in turn, enables the organization as a whole to perform better as well (Torraco & Swanson, 1995). Although the relationship between HRD and organizational performance is widely accepted, there is a dearth of empirical research that signifies the relationship. There is noticeably less information of the effects on the performance when entire employee development programmes are used as the unit of analysis in the research (Jacobs & Washington, 2003). However the literature provides numerous examples that demonstrate the specific effects on performance of individual HRD programs like training (Phillips, 1996; Jacobs et al.,
1992), performance appraisal (Becker & Gerhart, 1996; Combs et al., 2006), career planning (Fey, C .F., et al., 2000) etc. The intent of the researcher is, therefore, to analyse the entire HRD system prevalent in health-care sector and its effects on the overall organizational performance. Thus, the various research questions to be addressed by the current research include the following:

Q1. What are the perceptions of employees regarding the HRD climate in the hospitals of Kashmir?

**PROPOSITION:** The HRD Climate across various hospitals in Kashmir is satisfactory.

Q2. What are the perceptions of employees regarding the performance of hospitals?

**PROPOSITION:** The organizational performance across various hospitals of Kashmir is satisfactory.

Q3. Is there any impact of HRD climate on performance of hospitals?

**PROPOSITION:** There is significant impact of HRD climate and its dimensions on the perceptual organizational performance of various public sector hospitals in Kashmir.

- **Q3H0a:** There is no significant impact of performance appraisal and reward on the performance of hospitals in Kashmir.
- **Q3H0b:** There is no significant impact of feedback and counseling on the performance of hospitals in Kashmir.
- **Q3H0c:** There is no significant impact of potential appraisal and career development on the performance of hospitals in Kashmir.
- **Q3H0d:** There is no significant impact of employee welfare and QWL on the performance of hospitals in Kashmir.
- **Q3H0e:** There is no significant impact of organizational development on the performance of hospitals in Kashmir.
- **Q3H0f:** There is no significant impact of training and development on the performance of hospitals in Kashmir.

Q4. Is there any significant difference in the perception of employees across various demographic attributes?

**PROPOSITION:** There exists significant difference in perception among respondents across various demographic attributes.
Gender:
- **Q4H0a**: Male and female employees do not differ significantly in their perception about existing HRD climate in hospitals.
- **Q4H0b**: Male and female employees do not differ significantly in their perception about organizational performance.

Age
- **Q4H0c**: There is no significant difference of perception of employees belonging to different age groups about existing HRD climate in hospitals.
- **Q4H0f**: There is no significant difference of perception of employees belonging to different age groups about organizational performance.

Job Category:
- **Q4H0c**: Medical and para-medical employees do not differ significantly in their perception about existing HRD climate in hospitals.
- **Q4H0d**: Medical and para-medical employees do not differ significantly in their perception about organizational performance.

Experience
- **Q4H0g**: There is no significant difference of perception among employees about HRD climate with the difference in years of service.
- **Q4H0h**: There is no significant difference of perception among employees about organizational performance with the difference in years of service.

Salary
- **Q4H0i**: There is no significant difference of perception in employees about HRD climate belonging to different salary groups.
- **Q4H0j**: There is no significant difference of perception in employees about organizational performance belonging to different salary groups.

1.5 **Scope of the Study**

The basis of this research is that Human Resource development contributes significantly towards the performance of an organization. Like any other organizational asset, employee skills can be seen as core or peripheral asset (Quinn, 1992) which are vital to the competitive advantage of an organization (Porter, 1985) and often require continuous development. Organizations become dynamic and
growth oriented if their people are dynamic and pro-active. HRD is a process of developing and unleashing human expertise through organization development and personnel training and development for the purpose of improving performance (Swanson, 1995)

The study is a very conscious and honest effort to explore the linkage between various HRD sub-systems and organizational performance. It is an endeavour to statistically examine the relationship between the two. The focus of the study has been the public-health-care sector of Kashmir division of Jammu and Kashmir. The researcher has studied district hospitals. Although, having strategical importance in the overall healthcare structure of Kashmir, these hospitals figure amongst the very least studied and observed institutions of Kashmir. Notably, there are as many as twelve districts in the region and thus, the twelve district level hospitals. Considerably, ten of these district level healthcare institutions form the sample for this study. The total in-take capacity of all these sampled hospitals is given in Table 1.1.

Table 1.1: Total Bed strength of various district hospitals in Kashmir as on 31st August, 2015

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the District Hospital</th>
<th>Total Bed Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Ananthnag</td>
<td>110</td>
</tr>
<tr>
<td>02</td>
<td>Bandipura</td>
<td>020</td>
</tr>
<tr>
<td>03</td>
<td>Baramullah</td>
<td>200</td>
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<tr>
<td>04</td>
<td>Budgam</td>
<td>080</td>
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<tr>
<td>05</td>
<td>Gandarbal</td>
<td>024</td>
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<tr>
<td>06</td>
<td>Kulgam</td>
<td>072</td>
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<tr>
<td>07</td>
<td>Kupwara</td>
<td>050</td>
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<tr>
<td>08</td>
<td>Pulwama</td>
<td>074</td>
</tr>
<tr>
<td>09</td>
<td>Shopian</td>
<td>024</td>
</tr>
<tr>
<td>10</td>
<td>Srinagar</td>
<td>155</td>
</tr>
</tbody>
</table>

Source: Survey

The study is an attempt to underpin the weak links in the development culture of hospitals in Kashmir and offer suitable solutions to rectify them off. It is an examination of existing HRD climate and performance of health-care in Kashmir and more importantly, an effort to reveal the extent to which a good system of HRD affects organizational performance. The findings of this study would be of immense importance to both academics and hospital administration in their way to creating and sustaining competitive advantage via competitive human capital.
1.6 Research Design and Methodology

The present study is empirical in nature and is based on both primary as well as secondary sources of data. For the purpose of primary data, the researcher surveyed all the sampled institution for information where as secondary data for the study is gathered via; books, journals, magazines, newsletters, dailies etc, available at various libraries and on the internet. The data though collected is thoroughly tabulated and transformed into usable form. Later on, various statistical procedures are applied on the data to test the validity of various pre-determined hypothesis and to arrive at the conclusions. The subsequent sections are devoted to present the description of all the statistical techniques used and the research methodology followed by the researcher in a bid to draw inferences about the population concerned and to arrive at the conclusion.

1.7 Theoretical Framework of the Study

From the existing available literature it is quite clear that human capital and capacity is one essential element that has a definite and direct bearing on the overall productivity and performance of an organization. However, the rapidly changing socio-cultural, political and economic environments necessitate firms to take up measures every now and then so that sufficient human capacity is maintained for the agency work to be done. The underlying core belief of this research is that in order to increase performance every organization does a lot to upgrade, rejuvenate and reinvent the existing knowledge and skills of its employee and help them gain expertise in what they do, make them adaptive to the changes and prepare them for future responsibilities. Therefore, the study at first, strives to explore the perception of public health care employees towards the existing HRD set up being in business at various hospitals of Kashmir. At the second, the study intends to measure the performance of selected health-care institutions of Kashmir using subjective measurement of performance. Finally, the researcher is expected to relate various dimensions of HRD climate with that of organizational performance and measure the extent and strength of relationships via statistical applications. Thus, to give this study a practical shape, the researcher proposes a theoretical model that links various components of HRD climate with the perceptual organization performance. HRD climate is presumed to have positive effects over organizational performance.
Fig. 1.1: Theoretical framework of the Study

The Figure 1.1 shows the theoretical framework for this study. As can be seen from the figure, the researcher has identified six factors of HRD climate within an organization that may affect organizational performance. Employees of organizations with high levels of satisfaction with these factors will be more willing to work toward organizational goals and objectives and give their services whole-heartedly to the organization and to the public, hence promoting organizational performance. Therefore, hospitals that have employees with high levels in these factors are expected to achieve better performance.

1.8 Choice of Variables

The study used different dimension of HRD climate as independent variables. Independent variables are the ones whose effects are measured and compared (Malhotra & Dash, 2011). The various dimension of HRD climate identified as variables include Performance appraisal and reward system, Feedback and Counselling, Potential appraisal and Career development, Employee welfare and QWL, Organization development, and, Training and Development. The researcher used all these variables to predict organizational performance of hospital in Kashmir. The literature also supports the use of various dimension of HRD climate as independent variables (see for reference, Tarab, 2013; Purang, 2009). Performance in
some studies appear as independent variable, however, the current study takes it as a dependent variable as suggested by March and Sutton (1997).

1.9 Sampling procedure

Sampling is simply a process whereby we select few items or units for the study to obtain information about the characteristics or parameters of a relatively larger population. These few items or units though selected vis-a-vis sampling process, for participation in the study, are known as samples. Since this study is focused towards health-care of a particular region, the researcher followed the following scheme for sampling:

1. The researcher, at the first, identified the various district level hospitals as the focus of the study. These hospitals form the referral institutions and are considered as the backbone of healthcare system of the state. Even though, having strategical importance these hospitals figure amongst least observed institutions. Notably, there are as many as twelve districts in Kashmir and thus twelve district level hospitals. However, only ten such hospitals constitute the same for the present study.

2. At the second, the researcher identified a target group of elements or objects in the hospitals that possess the information sought by the researcher and about which the inferences are to be made.

3. Finally, the basic unit containing both medical as well as para-medical employees of entire ten district hospitals of Kashmir was sampled. The necessary sample size for the study was calculated by way of a mathematical formula as:

\[
Necessary\ Sample\ Size = \left(\frac{Z-score}{ StdDev}\right) \times \left(\frac{1 - StdDev}{ StdDev}\right) \times \left(\frac{1}{\text{margin of error}}\right)^2
\]

\[
n = (1.645)^2 \times 0.5 \times (1 - 0.5) / (0.05)^2
\]

\[
= 2.706 \times 0.25 / 0.0025
\]

\[
= 270
\]

Where;

\(n\) = necessary sample size
The z value is associated with the confidence level. Suppose we desired a confidence level of 90%, therefore, for a 90% confidence level, the probability that the population mean will fall outside one end of the interval is 0.10/2 = 0.05. The associated z-value is 1.645.

**Std Dev** = standard deviation. The standard deviation of the population may be known from secondary sources or estimated by conducting a pilot study. If not, it might be estimated on the basis of the researcher’s judgement (Malhotra & Dash, 2011, p: 364). For instance, the range of a normally distributed variable is approximately equal to plus or minus three standard deviations, and one can thus estimate the standard deviation by dividing the range by 6.

**Margin of error** = No sample would be free from error. Every researcher need to decide the percentage of error to be allowed. It is the precision level and in our case it is 0.10 percent.

The initial sample contained 400 respondents selected across all ten district hospitals of Kashmir. The researcher expected a response rate of over eighty percent. However, only 285 questionnaires were found to be fit for incorporation as the sample for the study. The break-up of elements in the sample distributed in each district hospital is given in the Table 1.3 and 1.4. The overall sampling procedure was kept simple and convenient sampling technique was followed to select the elements for observation.

**Table 1.2 Medical staff questionnaire administration**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the District Hospital</th>
<th>Total Bed Strength</th>
<th>Served</th>
<th>Responded</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Ananthnag</td>
<td>110</td>
<td>30</td>
<td>17</td>
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<tr>
<td>02</td>
<td>Bandipura</td>
<td>020</td>
<td>06</td>
<td>05</td>
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<tr>
<td>03</td>
<td>Baramullah</td>
<td>200</td>
<td>40</td>
<td>15</td>
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<tr>
<td>04</td>
<td>Budgam</td>
<td>080</td>
<td>17</td>
<td>11</td>
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<tr>
<td>05</td>
<td>Gandarbal</td>
<td>024</td>
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<td>06</td>
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<td>Shopian</td>
<td>024</td>
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<td>03</td>
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<tr>
<td>10</td>
<td>Srinagar</td>
<td>155</td>
<td>40</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>175</strong></td>
<td></td>
<td><strong>92</strong></td>
</tr>
</tbody>
</table>

**Source:** *Survey*

Table 1.3 showing the total intake capacity of all the ten district-level health institutions of Kashmir along with the number of Medical employees served questionnaire and the number of employees responded hospital-wise respectively.
Table 1.3: Para-Medical Staff questionnaire administration

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the District Hospital</th>
<th>Total Bed Strength</th>
<th>Served</th>
<th>Responded</th>
</tr>
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<td>30</td>
<td>28</td>
</tr>
<tr>
<td>02</td>
<td>Bandipura</td>
<td>020</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>03</td>
<td>Baramullah</td>
<td>200</td>
<td>40</td>
<td>31</td>
</tr>
<tr>
<td>04</td>
<td>Budgam</td>
<td>080</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>05</td>
<td>Gandarbal</td>
<td>024</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>06</td>
<td>Kulgam</td>
<td>072</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>07</td>
<td>Kupwara</td>
<td>050</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>08</td>
<td>Pulwama</td>
<td>074</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>09</td>
<td>Shopian</td>
<td>024</td>
<td>10</td>
<td>08</td>
</tr>
<tr>
<td>10</td>
<td>Srinagar</td>
<td>155</td>
<td>40</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>225</strong></td>
<td><strong>193</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Survey

Table 1.3 showing the total intake capacity of all the ten district-level health institutions of Kashmir along with the number of Para-Medical employees served questionnaire and the number of employees responded hospital-wise respectively.

1.10 Collection of Data

The data for the study has been collected through primary as well as secondary sources both. However, the results of the study are to a large extent based on the survey information. The researcher surveyed all ten district-level health-care institutions of Kashmir for five months from May 01, 2015 to September 30, 2015 to gather information.

1.10.1 Primary Data

The primary information for the study is collected through a well designed structured questionnaire. Questionnaire used in the works of Rao and Abraham (1986), Brewer and Selden (1996), and Sangmook (2001) have been used for the present study with some modifications as per requirement. The researcher used thirty explanatory statements in the survey instrument enquiring about six different dimensions of Human Resource Development climate in various selected health institutions of Kashmir. Twelve questions have been used in the questionnaire to measure the dependent variable- organization performance of hospitals in Kashmir. These twelve items provide a broad assessment of perceived organisational performance by tapping each dimension of the concept shown in Fig. 1.2.
Respondents were asked to respond to each statement on a five point Likert’s scale. A rating of 5 indicate that the respondent strongly agree with the statements made about the organization; a rating of 4 indicate that the respondent agree with the statements made about the organization; a rating of 3 indicate that the respondent neither agree nor disagree and is neutral about the statements been made about the organization; a rating of 2 indicate that the respondent disagree with the statements made about the organization; a rating of 1 indicate strong disagreement by the respondent with the statements made about the organization.

Apart from the above a separate section was incorporated in the questionnaire to enquire about the demography of the respondents concerned. This particular section dealt with variables like gender, age, experience, job category, and, salary group.

The questionnaire was administered across all sampled hospitals by the researcher himself without any agency support. The researcher personally contacted with all the respondents and requested them to provide the necessary information. All types of employees (excluding Grade-IV) were considered for the study. In the medical staff category all types of doctors, consultants, surgeons, and medical officers were served a questionnaire. Whereas all nurses, technicians, supervisors, pharmacists, and, administrative employees were categorized under Para-medical staff for the purpose of survey. Initially, the respondents were all given a one-week time to respond to the questionnaire. However, every time it had to be extended for another week because of the irresponsible nature of few of the respondents. The researcher had no way to remind them in between to give feedback apart from personal visits. The consistent requests for the feedback through personal visits resulted in a total of 318 responses from all the ten district hospital of Kashmir. However, only 285
questionnaires with no missing values or in other words, completed in every respect were retained for further analysis. The response rate for the survey was computed as seventy-one percent (71%), which is better as compared to the other related studies of HRD climate. Table 1.4 reflects an overall picture of the survey conducted by the researcher for the purpose of data collection.

Table 1.4: Response rate of Hospital employees

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Category of Employees</th>
<th>Questionnaire Served</th>
<th>Questionnaires Responded</th>
<th>Questionnaires Retained</th>
<th>Questionnaires Discarded</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Medical</td>
<td>175</td>
<td>112</td>
<td>92</td>
<td>20</td>
<td>52.5 %</td>
</tr>
<tr>
<td>02</td>
<td>Para-Medical</td>
<td>225</td>
<td>206</td>
<td>193</td>
<td>13</td>
<td>85.7 %</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>400</td>
<td>318</td>
<td>285</td>
<td>33</td>
<td>71.2 %</td>
</tr>
</tbody>
</table>

Source: Survey

Table 1.4 provides information about the total number of employees served and responded to the questionnaire. It also furnishes the response rate of the participants in survey concerned and also gives the exact number of questionnaires retained and discarded for the study given their appropriateness.

1.10.2 Secondary Data

The researcher used secondary sources of data like books, thesis, research papers, journals, magazines, reports, newsletters etc. whether published or unpublished to get an insight and understanding of the nature of problem concerned. These sources of data have been gathered from the libraries of various universities and institutes which include; Maulana Azad Library AMU, The Management School, AMU, Allama Iqbal Library, Kashmir University, The Business School, Kashmir University, Department of Business and Financial Studies Kashmir University, Sheri Kashmir Institute of Medical Sciences Srinagar (J&K), Government Medical College Srinagar (J&K). All the relevant sources used were duly acknowledged and reported by the researcher in the separate section under the head references.

1.11 Construction of Questionnaire

The researcher used two different standardised questionnaires jointly to measure all the constructs of the study. The questionnaire comprised of three sections which include; HRD climate, Hospital performance and finally a construct for Demographic variables. The questionnaire was pretested on thirty respondents (15-medical and 15-paramedical employees) and slight adjustments were made as a result.
1.11.1 HRD Climate

It is human environment within which an organization’s employees perform their jobs (Patnayak, 1998). Based on rigorous survey of HRD literature, a 38 item questionnaire developed and used by Rao and Abraham (1986) to study HRD climate of an organization was identified. Rao and Abraham have used three constructs to dimensionalise these items which include General climate, OCTAPACE culture, and, HRD mechanisms. The questionnaire is still in good fashion and is used quiet frequently by researchers who study HRD climate. However, Taraab, S. (2013) in her doctoral research entitled “HRD in Telecom industry with special reference to public and private sector companies”, used the same questionnaire but categorized the items under different dimensions which include; Quality of work life and Welfare measures, Organization development, Training and development, Performance appraisal, and, Participative management. Similarly, in a bid to analyse HRD climate, Purang, P. (2006) in her paper “HRD climate: A comparative analysis of public, private and multinational organizations”, used questionnaire developed by Daftuar (1996) and identified ten dimensions to study HRD climate. These were: Participation, Succession Planning, Human resource information system, Organization development, Training, Appraisal, Counselling, Career planning, Reward and welfare, and, Job enrichment.

Since the questionnaire developed by Rao and Abraham (1986) is more popular and the one which is not protected by a copyright. The present study also used the same but with certain modifications. The researcher at first reduced the number of items to 30 and later categorized these items under six different constructs using exploratory factor analysis (see appendix B for PCA results) which include; Performance Appraisal and Reward, Feedback and Counselling, Potential Appraisal and Career development, Employee welfare and QWL, Organization Development, and, Training and Development. These constructs have been created and operationalised using the earlier studies as base. Dimensions like Participation, Human resource information and Job enrichment were not included in the questionnaire as their inclusion would have resulted in increased instrument size which was not considered feasible given the nature of work of respondents.

1.11.2 Hospital performance

Performance as a factor is hard to measure in public sector organizations. To measure this construct the researcher used Brewer and Selden (2000) proposed
measure of organizational performance which is based on the perception of the organization’s members. Since, the public hospitals are service based institutions which mostly work on no profit and no loss basis in the general interest of public, using objective data i.e., financial outcomes or productivity of health institutions as the measures of performance would prove to be vague and not apt for the present study. Secondly, in situation where the objective performance data is not available, subjective (perceptual) performance measures may be reasonable alternative (Allen & Helms, 2002; Delaney & Huselid, 1996; Dess & Robinson, 1984; Dollinger & Golden, 1992; Je'McCracken et al., 2001; Schmid, 2002; Venkatraman & Ramanujam, 1987). Traditionally, the objective data have been preferred over subjective measures to evaluate the performance; however, they provide consistent results. There are evidences of high correlation between perceptual and objective measures at the organizational level. Dess and Robinson (1984) found a strong positive correlation between perceptual data and financial performance measures. Other studies have also found measures of perceived organizational performance correlated positively to objective measures of organizational performance (Dollinger & Golden, 1992; McCracken, et al., 2001; Powell, 1992; Venkatraman & Ramanujam, 1987).

Organizational performance refers to whether the agency does well in discharging the administrative and operational functions pursuant to the mission and whether the agency actually produces the actions and outputs pursuant to the mission or the institutional mandate (Sangmook, 2002). Brewer and Selden (2000) divided the dimensions of organizational performance in the public sector into internal and external performance, and each specifies the performance-related values of efficiency, effectiveness, and fairness. Organizational performance is assumed to be affected by HRD climate.

1.11.3 Demography of the Respondents

The demographic characteristics and socio-economic status of the respondents are expected to influence their perception to a large extent. The literature provides enormous instances of the same. The important demographic variables used in this context are, Gender, Age, Job category, Experience, and, Salary. The researcher used separate section in the questionnaire under the head ‘personal information’ to gather the information regarding socio-economic status of the respondents.
1.12 Statistical Applications

The researcher employed various statistical techniques to analyse the data and to arrive at the conclusion. The data after screening is put to reliability test to ensure internal consistency and reliability of various constructs measuring HRD climate and performance of hospitals in Kashmir. Principal component analysis is carried out on HRD climate variables to explore various underlying factors and to reduce the large size of variables to the minimum possible extent. Descriptive statistics like mean scores and standard deviations have been computed to decide whether there exists a satisfactory HRD climate in the hospitals and whether the performance of health-care in Kashmir is satisfactory. Independent two-group t-test and one-way ANOVA techniques have been conducted to explore differences of perception among employees with regard to their demographic background. Finally, to test the causal relationship between HRD climate and its components and performance of hospitals in Kashmir, multiple hierarchical regression analysis has been employed.

1.12.1 Reliability Analysis

Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made (Thompson, 2002; Sinha, 2000; Wilson, 1995; William et al., 1989). It is assessed through Coefficient alpha. The Coefficient alpha, or Cronbach's alpha is a measure of internal consistency, that is, it measures as to how closely related are the set of items as a group. The coefficient varies from 0 to 1 and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Malhotra & Dash, 2011, p: 279). Arguably, a high value of alpha is often used (along with substantive arguments and possibly other statistical measures) as evidence that the items measure the underlying (or latent) construct. The closer the Cronbach’s alpha coefficient to 1.0 the greater is the internal consistency of the items in the scale.

1.12.2 Principal Component Analysis (PCA)

Principal Component analysis is a statistical technique to comprehend large set of variables into relatively smaller elements. It involves a mathematical procedure that transform a number of correlated variables into a smaller number of un-correlated variables called Principal components. The first component or the factor extracted accounts for as much of variability in the data as possible, and each succeeding component accounts for as much of the remaining variability as possible. Thus, to explore various underlying components of HRD climate, the researcher employed
principal component analysis on thirty item scale measuring the developmental climate within various sampled organizations.

1.12.3 Descriptive Statistics

Descriptive analysis enables us to present the data in a more meaningful way and allows a simple interpretation of the data. It provides an overview of the phenomenon concerned. This segment produces mean, standard deviation, minimum and maximum values of the variable under study.

1.12.4 Independent T-Test

T-test is considered an appropriate test for judging the significance of a sample mean or for judging the significance of difference between the means of two samples in case of small sample(s) when population variance is not known (Kothari, C. R, 2013 p : 196). Variance of the sample as an estimate of the population variance is used in cases where population variance is not known. Moreover, the test is based on the following assumptions:

- The populations from which the samples are drawn should be normal.
- The standard deviation of the populations should be equal. However, if the standard deviation is unknown, this assumption can be tested by the F-test.
- Samples are randomly drawn independent of each other. There is however no requirement that the two samples should be of equal size.

The test is employed in order to test whether population means are significantly different from each other. The present study used the independent two-group t-test to secure whether ‘gender’ and ‘job category’ dereferences among respondents influence their perceptions.

1.12.5 One-Way Analysis of variance (ANOVA)

Analysis of variance is a statistical technique used as a test of means for two or more populations. It involves examining the differences among means for two or more population. The one-way analysis of variance involves only one categorical variable, or a single factor. The present study used one-way ANOVA to compare the perception of employees regarding various dimensions of HRD climate and organizational performance in the health-care sector of Kashmir with regard to their differences in age, experiences and salaries.
1.12.6 Correlation

Correlation is a statistical tool to analyse the relationship of one variable with the other. Therefore, to ascertain the relationship between HRD climate variables and organizational performance the Pearson’s correlation coefficient has been used. Pearson’s correlation coefficient is one of the most popular technique that studies the relationship between two variable. It involves both the magnitude and direction of the relationship.

1.12.7 Hierarchical Multiple Regressions

Multiple regression analysis is simply a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval-scaled dependent variable (Malhotra & Dash, 2011 p: 529). Regression techniques are primarily used in order to create an equation which can be used to predict values of dependent variables for all members of the population. A secondary function of using regression is that it can be used as a means of explaining causal relationships between variables. There are various regression models that can be used to explore the relationships between independent variables and dependent variables. One such method is hierarchical multiple regression. This method is a variant of the basic multiple regression procedure that allows us to specify a fixed order of entry for variables in order to control for the effects of covariates or to test the effects of certain predictors independent of the influence of others. The standard regression model is based on the following assumptions;

- Regression analysis assumes that a linear relationship exists between the independent and dependent variables.
- Regression works best when the independent variables have low inter-correlations or multi-collinearity, that is, they are not strongly correlated with each other.
- Variables must be interval/ratio measures, ordinal measures with equal appearing intervals, or dummy variables (dichotomies typically coded 0 or 1).

The data for the study is pertinently screened and cleaned to ensure smooth application of regression analysis.
1.13 Organization of the Thesis

In correspondence with the various underlying objectives, hypothesis, research material and methodology adopted, the present study has been divided in the following broad chapters:

1. Introductory background and research design

This chapter provides a brief overview of this particular research and explains the rationale behind the study, scope for the research and highlights the main objectives of the study. Besides, this chapter throws enough light on the research methodology followed by the researcher to arrive at the results. More specifically, the various statistical tools and techniques adopted for data collection, data analysis and data interpretations are discussed in this chapter.

2. Survey of literature:

The survey of earlier research is considered an indispensable part of any social sciences’ research. It provides the researcher the basic incentives about the phenomenon concerned. It involves documentation of a comprehensive review of published and unpublished research in the areas of specific interest to the researcher. This particular chapter of the study ensures a thorough review of the existing literature on the subject under reference; besides it pays a special focus on the research gap being an outgrowth of thorough review of literature.

3. Human Resource Development: A conceptual exploration

Human resource development as a concept and a field of practice has been the area of deep interest for the researchers all over the world. It is relatively a new field and since its inception the academic researchers and business practitioners have been trying to define its subject matter and describe its boundaries. Arguably, people as an organizational resource are now continuously been acknowledged as a source of competitive advantage and for the development and sustenance of such organizational resources, the field of human resource development is emerging as a panacea. So, the exploration of the concept, evolution and theoretical foundations of human resource development is the main focus of chapter third. In addition, it discusses in detail the core of human resource development, its significance, present stature and future developments.

4. HRD climate and performance of healthcare organizations

Researchers argue that a congenial atmosphere is necessary for learning and development and for the successful accomplishment of organizational and personal
goals. A quality work climate, general supportive culture, system of trust, authenticity, mutual understanding and unity, performance appraisal, rewards, training and organization development, and, so on and so forth, all together make up an environment which influences the work related behaviours of employees. In this section, the researcher deliberates on the concept of human resource development climate, its components and measurement. In addition, this chapter is an endeavour to bring into light the theoretical link between HRD climate and performance. Besides, a good portion of this chapter is devoted towards defining hospitals, their ownerships and management. It also throws some light on the structure of healthcare in Kashmir.

5. **Data analysis and interpretations**

In the fifth chapter, the researcher examines the scope and status of HRD climate and performance of the sample selected hospitals of Kashmir. The data is collected from all ten district level hospitals of Kashmir by the researcher using standardised questionnaire developed by Rao and Abraham (1985) and Brewer and Seldon (2001). At this stage, the researcher brings into use the various statistical tool and techniques discussed earlier. The various assumptions made about the study are tested and realized in this section to arrive at the results.

6. **Summary of Findings, Conclusions and Suggestions.**

Chapter six concludes the whole research, summarizes the findings and also highlight the implications of the study. It would also provide suitable suggestions aiming at improving the relationship between human resource development climate and performance of hospitals. Besides, the discussion on the results and conclusion would constitute the subject matter of this chapter.

**1.14 Chapter Summary**

To summarise, this chapter provides a rudimentary understanding of the whole research approach followed by the researcher in evaluating the HRD climate and analysing its impact on overall organizational performance in hospitals of Kashmir. At the very outset, the researcher provides the various objectives and hypothesis of this study and also demonstrates the theoretical model of the study. The chapter moves on with the discussion on sampling procedure. Using the convenient sampling, the researcher has selected a fixed group of employees for the study. The data for the
study has been collected through primary as well as secondary sources. For the purpose of primary data, the researcher has surveyed all ten district level health institutions of Kashmir. The secondary data for the study has been gathered mostly from books, periodicals, journals and other published and unpublished sources. The chapter further deliberates upon the construction of questionnaire for the survey. Further, it provides a detailed account of all the statistical procedures employed by the researcher for the purposes of data analysis. A brief discussion on the structure of study concludes this chapter.