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. Predominantly, confrontation with these woes is two-fold: firstly, the healthcare market is shifting from seller-oriented to buyer-oriented market; and secondly, more healthcare consumers of corporate hospitals are sophisticated, actively involved with high expectations and preferring for ambulatory or out-patient care.

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.

Though a very little attention was given earlier to human resource management (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. 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.

**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. 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. 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.

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. 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. Despite the plethora of research, 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.

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.

**Research Methodology**

Having designed the theoretical background, the subsequent stage of the study is to test the conceptual framework empirically. With an intention to comprehend the research objectives, a first-hand study of the medical and paramedical staff of the corporate hospitals operative in five major cities, namely, Delhi, Gurugram, Faridabad, Ghaziabad, and Noida of National Capital Region was undertaken. The current study was projected to clarify the extent to which HRM practices (selective hiring, socialization, training, career development, performance appraisal, job security, compensation, job design, job flexibility, teamwork, information sharing, and employee participation) are best to influence the work related attitudes and behaviors of both the medical and paramedical staff in healthcare industry, grounded on an exploration method of study variables for examining the positive or negative impact of HRM practices on the job satisfaction, organizational commitment, shared organizational values and service quality delivered by hospitals’ staff, and then their relationships with subjective performance of corporate hospitals in India.

**Objectives of the Study**

The current study endeavors to deliver more conspicuous understanding of the relationship of HRM practices with intermediary factors, namely, shared values and work related attitudes responsible for influencing behavior favorably or unfavorably, and organizational performance of corporate hospitals. The present study also examines the influences of HRM practices on quality of service delivery of staff in terms of organizational performance and barriers to the implementation of HRM practices in hospital business. Following are the concise objectives:
1. To explore best HRM practices that influence organizational performance of corporate hospitals.

2. To examine influences of HRM practices mediated by quality of service delivery on organizational performance of corporate hospitals in terms of service quality.

3. To find linkage among HRM practices, organizational commitment, job satisfaction, shared values and organizational performance of corporate hospitals.

4. To identify the barriers that inhibit ability of corporate hospitals to take up new HRM initiatives designed to improve the organizational performance.

**Formulation of Hypotheses**

After an interdisciplinary theoretical investigation of the subject under research and an analysis of existing empirical studies, a set of 27 hypotheses was developed.

Table of hypotheses

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<thead>
<tr>
<th>Sr. No.</th>
<th>Hypotheses</th>
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<tbody>
<tr>
<td>1</td>
<td>H1.1: There is a significant relationship between selective hiring and organizational performance in hospitals.</td>
</tr>
<tr>
<td>2</td>
<td>H1.2: There is a significant relationship between socialization and organizational performance in hospitals.</td>
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<tr>
<td>3</td>
<td>H1.3: There is a significant relationship between training and organizational performance in hospitals.</td>
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<td>4</td>
<td>H1.4: There is a significant relationship between career development and organizational performance in hospitals.</td>
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<td>H1.5: There is a significant relationship between performance appraisal and organizational performance in hospitals.</td>
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<td>H1.6: There is a significant relationship between job security and organizational performance in hospitals.</td>
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<td>H1.7: There is a significant relationship between compensation and organizational performance in hospitals.</td>
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<td>8</td>
<td>H1.8: There is a significant relationship between job design and organizational performance in hospitals.</td>
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<td>9</td>
<td>H1.9: There is a significant relationship between job flexibility and</td>
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organizational performance in hospitals.

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<tr>
<td>10</td>
<td>H1.10: There is a significant relationship between teamwork and organizational performance in hospitals.</td>
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<td>11</td>
<td>H1.11: There is a significant relationship between information sharing and organizational performance in hospitals.</td>
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<td>H1.12: There is a significant relationship between employee participation and organizational performance in hospitals.</td>
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<td>13</td>
<td>H2.1: HRM practice significantly influences service quality.</td>
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<td>17</td>
<td>H4.1: HRM practices significantly influences the shared values.</td>
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<td>18</td>
<td>H4.2: HRM practices significantly influences the job satisfaction.</td>
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<td>19</td>
<td>H4.3: HRM practices significantly influences the affective commitment.</td>
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<td>20</td>
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<td>21</td>
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<td>H4.6: Affective commitment directly affects the organizational performance.</td>
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<td>H4.8: HRM practices mediated by shared values, job satisfaction and affective commitment significantly affect organizational performance</td>
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<td>H4.9: HRM practices mediated by shared values, job satisfaction and affective commitment significantly affect organizational performance</td>
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<tr>
<td>26</td>
<td>H5.1: There is no relationship between potential barriers and HRM practices.</td>
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<td>27</td>
<td>H5.2: There is no relationship between potential barriers and HRM effectiveness.</td>
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**Expected Contribution from the Study**

The study with an intent to make contribution to the literature, initially, explored the HRM practices and their influence on organizational performance, also in terms of service quality using a multi-actor approach, subsequently investigated the resemblances or dissimilarities among perceptions and attitudes of two groups (medical and paramedical staff) and then analyzed the relationship of HRM practices, work relate attitudes and organizational performance to ascertain the issue of ‘black box’ (discussed in earlier chapters), what if any impact HRM practices have on the an array of attitudinal outcomes. Generally, a multi-actor approach is acclaimed while
examining the probability of the occurrence of ‘black box’, as different actors in
different organizations have different role to play (Hope-Hailey et al., 2005). It was
found as expected after the investigation that ‘shared values’ are surely worth to be
included in the ‘black box’. Finally, the barriers that obstruct the performances of the
multispecialty corporate hospitals under study were explored which can be resolved.

The findings of this study should prove useful to corporate hospitals, in better
understanding today’s workforce and in hiring and retaining qualified personnel with
different backgrounds. By understanding and analyzing the selection criteria, the hiring
managers can learn how to evaluate prospective employees in a better way, thus
increasing the likelihood of finding the precise person-job match. Prospective
employees will be able to better equip themselves when planning their careers in
healthcare sector, and the hospitals could issue objective hiring guidelines that fit their
overall HRM practices.

This study shall contribute towards extending some viable solutions to ever increasing
problems of employee dissatisfaction, intent to leave, attrition etc. specifically in the
hospital sector, that despite years of research have not been tamed. Moreover, this study
will be one of its kind that focuses on the stated factors in healthcare sector and most
importantly in Indian context.

Based on the observations it may be suggested to the concerned industry in general and
the sampled hospitals in specific that they must realize that in order to improve the
overall organizational performance and to brace themselves for the ocean of
opportunities ahead, only the aspect of talent and human resources can provide them
with a source of competitive advantage. They must attempt to take a note of situation in
regard to the job attitudes, employee’s perception towards the organizational policies,
service quality, and barriers to the implementation of HRM practices. Time and again
studies have suggested and the present study only strengthens the fact that all these
aspects do look different when taken in isolation, but their impact among each other
and on organizational systems is significant and that they must be adequately and
strategically considered for the overall performance of the organization.

Organization of the Study
This research is structured as follows:

Chapter I include the introduction to the healthcare industry, need for undertaking such a study along with a brief description of the literature gaps arising out of the human resource practices of corporate hospitals, focus and framework of the study.

Chapter II is devoted to the findings of the literature concerning several key variables such as HRM practices and the barriers to their implementation, service quality, which have been found to influence the medical and paramedical employees’ satisfaction, commitment and shared organizational values.

Chapter III covers the research methodology including, research design, universe, survey population and sampling, content analysis, data collection and analysis as adopted for the present study.

Chapter IV of the study presents the micro analysis of the collected data for the study. Major observations, inferences drawn and findings based on the objective wise observations are depicted in this chapter of the report.

Chapter V presents the summary of the findings, conclusions drawn, recommendations for the management of corporate hospitals and the future research avenues.

Lastly, appendices I & II specifying the Research Instrument and Bibliography have been enclosed in the end of the thesis.

Conclusions & Recommendations

Till date, numerous researchers have focused on regular basis on examining the issues related to human resource management practices, and the association between these practices and organizational performance for manufacturing as well as service industry in global context. Mostly, earlier studies in these related areas have been carried in Western countries exclusively. A very limited studies on probing relationship between human resource management practices and organizational performance directed towards healthcare industry are available in Indian context. Additionally, these studies have somewhat failed in explaining what human resource practices are ‘best’ for
investigating their influence on what type of organizational performances. Many of the scholars could not give complete picture of the relationship between the ‘best’ practices and organizational performance, because they ignored the impact of human resource management practices on workplace members’ work related attitudes and behaviors those have been found influencing the performance of organizations. This influence of human resource management practices has been overseen and is of vital importance. This study therefore needed to further analyze the impact of human resource management practices on organizational performance of corporate hospitals in an Indian context. Largely, the intent of present study was to examine the influence of ‘best’ human resource management practices on ‘subjective’ organizational performance, causes of changes in workplace members’ behaviors and their relationships with the performance, and barriers to the implementation of human resource management initiatives in corporate hospitals.

**Summary of Findings**

With an intention to comprehend the research objectives, a first-hand study of the medical and paramedical staff of the corporate hospitals operative in five major cities, namely, Delhi, Gurgaon, Faridabad, Ghaziabad, and Noida of National Capital Region was undertaken. The current study was projected to clarify the extent to which HRM practices (selective hiring, socialization, training, career development, performance appraisal, job security, compensation, job design, job flexibility, teamwork, information sharing, and employee participation) are best to influence the work related attitudes and behaviors of both the medical and paramedical staff in healthcare industry, grounded on an exploration method of study variables for examining the positive or negative impact of HRM practices on the job satisfaction, organizational commitment, shared organizational values and service quality delivered by hospitals’ staff, and then their relationships with subjective performance of corporate hospitals in India.

The research outcomes grounded on the data obtained from the field survey of a set of 214 employees working as doctors or paramedical staff in 13 multispecialty corporate hospitals of national capital region. More than half of the hospitals were having more than 500 medical and paramedical employees. About the survey, the numbers of valid questionnaires were 214 out of 329 recorded respondents from the 377 identified
subjects. Among the 214 respondents, 45.33 per cent were medical staff holding positions of physician/doctor and 54.67 per cent were the paramedical staff of the surveyed corporate hospitals. Out of the 97 doctors, 27.84 per cent were from Delhi, 22.68 per cent from Gurugram, 19.59 per cent from Faridabad, only 17.53 per cent from Ghaziabad, and the rest 12.37 per cent were from hospitals situated in Noida region, on the other side, from a sample of 117 paramedical staff, 23.93 per cent were working in hospitals of Delhi, 23.08 per cent of Gurugram, 23.08 per cent of Faridabad, only 18.80 per cent of Ghaziabad, and the remaining 5.98 per cent were working in the hospitals of Noida region, which represents a fairly balanced sample undertaken for the study (see Table 3.1). Overall, the study resulted in a useable response rate of 65.05 per cent.

Of the total sample, females were 42.27 per cent of doctors and 67.52 per cent of the paramedical staff which reflects the higher representation of females in case of paramedical staff as compared to the medical staff. Surprisingly, the overall representation of females (56.07) was also higher to males which were 43.93 per cent of the total sampled subjects. There were more experienced respondents representing 42.06 per cent of the sample having 5-10 years and 45.79 per cent even more than 10 years of work experience which reflects the preference of corporate hospitals while hiring the employees. In addition, majority of the respondents either were in the age group of 30 to 40 years (41.12%) or more than 40 years of age (42.52%). Only 16.36 per cent respondents were aged below 30 years. Regarding their marital status, the study indicated that majority of the doctors either male (37 out of 56) or female (29 out of 41) respondents were married, likewise the paramedical staff either male (25 out of 38) or female (61 out of 79) respondents were married, which may be a reflection of the proportion of employees in the sample. The following table presents the distribution of respondents based on gender and job position of the medical and paramedical employees.

A factor analysis was used to analyze the data related to HRM practices using principal component analysis as the extraction method and varimax as a technique of rotation to determine how many factors were being measured by the instrument. A set
of 12 factors was extracted using 66 indicators for assessing HRM initiatives of employers in corporate hospitals.

The results of this part of the study show that all the dimensions of HRM practices are significantly related to the organizational performance. The researcher therefore accepts the hypotheses that HRM practices (selective hiring, socialization, training, career development, performance appraisal, job security, compensation, job design, job flexibility, teamwork, information sharing, and employee participation) have strong association with organizational performance in corporate hospitals under study.

Having described the HRM practices and their influence on organizational performance, the next phase was to identify linkage of HRM practices with organizational performance in terms of service quality. For the purpose, a set of four dimensions detailing service quality including ‘reliability’; ‘responsiveness’; ‘assurance’; and ‘empathy’ were analyzed. Based on the analysis of the data, the study established the following:

- Well-implemented HRM practices is potential to improve service quality in corporate hospitals;
- better HRM practices does not contribute to better organizational performance of a hospital;
- better service quality results in better organizational performance of a hospital; and
- better HRM practices implementation through service quality support will result in better organizational performance of a hospital.

After examining the effects of HRM practices on service quality and organizational performance, the next segment of the study focused on linkage among HRM practices, employees’ work related attitudes, and the organizational performance. Firstly, a set of ten items for the question of ‘job satisfaction’; secondly, three questions comprising of organizational commitment including eight items for ‘Affective commitment’; eight items for ‘Continuance commitment’; and eight items for ‘Normative commitment’,
and finally three items for the question of ‘Shared organizational values’ have been analyzed.

The mean scores suggest the sample has only moderate levels of the desired work-related attitudes, and correspondingly HRM appears to be practiced to a moderate degree within the participant hospitals in this study. Data reveal relationships between perceptions about shared values, the work-related attitudinal outcomes of organizational commitment, job satisfaction and perceptions about HRM practices to be highly correlated and statistically significant. Therefore, the study established the following:

- Well-implemented HRM practices is potential to improve shared values, job satisfaction and affective commitment in corporate hospitals;
- better HRM practices does not contribute to better organizational performance of a hospital;
- higher shared values, job satisfaction and affective commitment results in better organizational performance of a hospital; and
- better HRM practices implementation through shared values, job satisfaction and affective commitment support will result in better organizational performance of a hospital.

In the last segment of the study, a set of six questions (seven items for ‘HRM Effectiveness’, two items for ‘Hospital HR Helpfulness’, seven items for ‘Hospital Management attitudes’, three items for ‘HR staff’, three items for ‘HRM nature’, and seven items for ‘Other barriers to HRM’) was extracted using factor analysis from a 29-item scale of measurement and were analyzed.

The mean scores and standard deviations show that on the scale of HRM effectiveness, results are not generally seen as very effective as the scores are mostly below the midpoint of the scale used for the items as a five-point response format in the survey instrument. The HRM staff of these hospitals were generally seen as at least moderately helpful to both medical and paramedical employees, although there is general agreement that they lack the knowledge, skills, influence, credibility and
perspective on their roles to implement a strategic approach to HRM. There was also general agreement that HRM as a field lacks enough proven knowledge and that its long-term impact is difficult to quantify, although it was believed that people can be managed in a rational, logical way.

**Future Research Avenues**

Nevertheless, the findings of the current study have contributed to the empirical evidence of HRM practices for organizational performances. Clearly, additional research is needed on this complex topic. Future researchers may wish to replicate this study using a randomly-drawn national sample of prospective employees from other industries than healthcare or hospitals particularly, including respondents from other cultures as well. In addition, the effects of demographics such as sex, age, and work experience on cultural perceptions could be investigated. Many studies conclude that cultural differences have great influence on managers’ decision to select and hire candidates (Furlong, Biggart, & Cartmel, 1996; Rai, 1999). This phenomenon is even greater in Asian countries than in others (Sendut, Madsen, & Thong, 1989), where culture is strongly embedded into business practices. This may be another issue for future research to address. Further, organizational variables such as HRM policies can be added to better comprehend the performance criteria. Finally, the ultimate interest would be to assess how HRM practices may affect important performance indicators such as productivity and profitability.

This study may serve as a foundation for future studies, in different hospital organizations, on a larger scale. The results of such studies can be very helpful for developing a new model of leadership with new implementation techniques that can be implemented easily and successfully in a cross cultural context. It is recommended therefore that this study be repeated in different countries and contexts.