CHAPTER 2
REVIEW OF LITERATURE

2.1 Introduction

Review of the related literature is one of the first but most important steps in the research process. It consists of summary of problems to be investigated, objectives, hypotheses, data collection method, source of data and findings of research carried out in the past on chosen topic. This review provides insight to the research on what is already known and what remain to be investigated regarding the topic that is under consideration. It guides the researcher to avoid duplication and provides useful suggestion for further research of a given topic. It gives proper direction and research design. The review of literature is necessary due to the following reasons:

1. It helps to highlight the gap in the existing knowledge.
2. It helps in deciding the methodology, design, tools and techniques for the study.
3. It helps in limiting the problems and proper enquiry and defining if in an appropriate manner.
4. It helps to know type of researcher like basic or applied research.
5. It gives recommendation for further researcher and topic of research.

Therefore, in this chapter, the studies on human resource development practices have been reviewed as under:

2.1 Introduction
2.2 Studies on human resource practices in corporate sector
2.3 Studies on human resource practices in service sector
2.4 Studies on human resource practices in hospital
2.5 Gap in earlier studies

2.2 Studies on human resource practices in corporate sector:
The first attempt of human resource development in India was made by Pareek and Rao (1) for studying the performance appraisal system of Larsen and
Toubro and make recommendation for improving it. They found out that performance appraisal – (manpower planning, selection, promotion, training, feedback etc.) are positive association in efficiency and effectiveness of work performance. Hence they recommended that it should be constantly be made.

Rao (2) conducted survey with executives of 45 organization’s and finds that:
(i) Performance appraisal system used by the organization are for regulatory purpose mostly and then for development.
(ii) Most of the organizations use the salary increments as reward mechanism.
(iii) Not well developed potential appraisal system in most of the organizations.
(iv) Training function is well attended in these organizations.

Rao (3) conducted survey once again after 1982 and 1985 with 61 human resource development staff from public and private sector organization. The analysis shows that there are more similarities than differences in the way the human resource development function is being performed in both public and private sector organizations. This study shows that monitoring the human resource development implementation in public sector organizations scored slightly better than the private sector while the reverse seems to be true on human process reserved.

Study undertaken by Srinivas (4) was based on primary data and 59 companies and 3 case studies to explore the relationship between strategic responses of organizations and the strategic human resource development system. The study finds moderate relationship between two. Management, Unions, frontline officers / supervisors and individual workers seem to be having certain apprehensions which might have contained the implementation and progress of strategic human resource development practices specially job enrichment programmes, performance appraisal, communication, works
involvement and empowerment programmes. He found that the managerial staff are better informed and are better involved in organizational decision making in comparison with other categories of employees. In 2003 study Rao (5) further observed that human resource development in India is not appropriately structured. The structure do not follow the principles. Indian organizations seem to have played only lip sympathy to human resource development as (1) very few have feedback and counseling system (2), no separate potential appraisal system (3) more than 50 percent do not have full time human resource development facilitate. Hence Dhar (6) suggested that Indian organizations has to be strengthened the following fields of human resource development.

1) Recruitment and promotion policies to be reviewed time to time.
2) Merits and competence should be given greater emphasis in promotion.
3) Performance appraisal system to be modified and undertaken time to time.
4) Motivation, morale and commitment and sense of belongings and involvement of employees at all to level should be enhanced.

Kumar (7) indentifies the relationship between human resource development practices and the philosophy management of the Indian business organization based on x and y theory as and 119 respondents from two private and public organizations were selected. The study found that there was no significant relationship between the variable of human resource development practices and the philosophy of management in the public sector organization whereas in the private sector it is highly for training and reward.

Bains (8) studied a comparative human resource development system of public and private sector organizations and trace that there is need to create a desirable organizational culture. He concluded that integrated human resource system developed by the private sector in a better way as compared to the public sector companies. In another study Srimannarayana (9) show that more favorable
human resource development climate was prevailing in the manufacturing sector than the source and it sector.

Jithendran and B’aum (10) observed that ‘on the Job’ training is the main human resource development practice adopted by Indian tourism industry. In the absence of any established training infrastructure in the early decades, recruitment of general graduates with communication skills and aptitude as trainees used to be the normal practice in the travel and tours sector. On the other hand, in the hospitality sector, there has been well-established apprenticeship schemes, ranging from 6 months to 2 years. This indicates, human resource development for tourism is still in its infancy and appears to require a more comprehensive and strategic approach for matching demand and supply. Khan (11) finds that most of the employees feel need to re-structure the organizations, train and develop them according to its pre-determined objectives. They feel that their potentialities are not fully utilized for enhancing performance / productivity of organizations conflict between employees and the management lends to unsatisfactory service.

Vazirani (12) studied benchmarking of human resource practices in select pharmaceutical companies and finds that all the companies surveyed had a performance management system, which in turn helps to identity training needs of employees, promotions enhancing decision making ability, career planning discipline etc. Hence Singh (13) argues that top management should examine the managerial culture of the group and the organization before introducing human resource development interventions. His study of Indian management culture using Hofstede’s model based upon 176 senior level managers belonging to 56 organizations spread over the country, showed that the Indian managers are low on all four dimensions like power distance, uncertainty avoidance, individualism and Masculinity he accordingly suggested the human resource developed interventions.
Reddy (14) observed job instruction training apprentice training job rotation and coaching, lecture role plays, (age study, T-group, computer based training, brain straining, projects, conference, management games etc. are of the job methods. Hansson (15) concluded that the training have positive impact on organization performance. This study an international data set (26 countries) in examining the questions of what determines employee training from an organizational perspective and to what extent training from an organizational perspective and to what extent training investments contribute to company performance. Bartel (16) study also finds training and labour productivity have positive relationship. Another study of Laplagne and Benstel (17) stated that training leads to an increase in the quality of labour, by equipping employees with greater skills and knowledge. Training needs as per changes in demographics of employees, increasing job complexity technology and competition. Gupta and Singh (18) in their study on ‘human resource development’ in financial sector, pointed out that due to changing scenario of the banking system in the country, there is an urgent need for redefining and remodeling the strategies associated with human resource development. This is based on two sample banks namely Punjab National Bank (PNB) and Standard Chartered Bank (SCB). Human resource development practices profile of SCB is better than PNB. In another study Priyadarshani and Venkatapathy (19) highlighted that

(i) The human resource development practiced in the banks have a strong influence on their performance.

(ii) Private banks have placed low emphasis on human resource development.

(iii) There is positive association between human resource development practice and performance

(iv) The quality of work life is strong in nationalize banks compared to private banks.
Human resource management practices in insurance companies was studied by Kundu and Malhan (20). It is comparative study of Indian and multinational companies. Performance appraisal, workforce diversity and contemporary human practices, training and benefits, human research planning and recruitment, selection and socialization of employees, and competitive compensation etc. was assessed by research based on 218 sample respondents from four Indian and multinational insurance companies and it was found that multinational companies were comparatively weaker on performance appraisal, training and benefits, HR planning and recruitment etc. than Indian companies.

Gowali (21) reviewed 50 studies on human resource development / management in corporate sector of India covering manufacturing and service sector. Her study was based on primary data. Data was collected by preparing questionnaire I & II for 8 and 11 parameters. Mean, standard Deviation, coefficient of correlation, ‘Z’ test was used as statistical tools and technique. 100 organization and 333 respondents was the sample and sample size. She found that there is not much difference between the human resource development practices in manufacturing sector and service sector and there is a impact of employee motivation towards training programme on transfer of learning on the job.

2.3 Studies on human resource practices in service sector except hospital
Arthur young (22) provide good insight on the role of personnel and developing people. On the other hand Dixit studied human resource development practices in urban corporative banks. Where she covers man power planning, performance appraisal, training, career planning, rewards, employees welfare quality work life etc. for banking (23). Alam (24) studied health financing issues in India. Secondary data was base of his study. Stockwise expenditure revenues, types of health care activities, etc. were studied by him. Mishra (25) compared the public expenditure on health care between India China and Papua New Guinea during 1996-2005. This study
shows that allocation of public resources to health sector is on a decreasing trend in China, while it is construct in India and Papua new Gunea.

Acharya and Mcnamec (26), Deoshatwar (27), Jadhav (28), Mili (29), Saini and Nair (30), Gupta (31), Shukla (32), Saith and Mehrotra (33), Rajasulochana and Das (34), Verma (35), Tatali (36), Bhakre (37), and Shande et.al.,(38) studies various issues in public private partnership, like role, utility, significance, coverage, models, socio-economic issues, ownership structure, SEL relation etc.

Hospital administration and Management edited by Goel and Kumar, has 3 volumes, I, II and III (39). Vol. I deals with the general principles of management, whereas Vol.II examines the administration and management of different services. On the other hand Vol.III concentrates on role of hospital is strengthening primary health care and other services in the community. Articles in these volumes are comprehensive with facts and scientific base. However, not single article is on personnel or human resource development or management practices in hospital.

2.4 Studies on human resource practices in hospital:

Sapra (40) in his article ‘Health care policy and administration in India’, criticize the present health policy. He state that the preceding analysis of the health care policy and administration indicate that although India has adopted the NHP in the context of the world-wide objective of ‘Health for all by 200 AD’, now re-oriented towards ‘Health for under privileged’, yet the country is nowhere near attainment of this objective. Efforts since 1974 have not yielded results in cognizance with the health care objectives. As such, sustained efforts are needed to improve the health status of the people in order to raise into the acceptable standards. Considering the efforts so far made in the field of major gaps in the current health policy requiring urgent attention.
What qualities to be possessed by health Chief Executive (CEO) Officer for performing function in hospital are stated by Ordway (41) and Barnard (42). They are presented in following chart.

### Chart No. 2.1
**Health CEO’s quality**

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<th>Ordway</th>
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<td>1 Physical and nervous energy</td>
<td>1 Vitality and endurance</td>
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<td>2 Enthusiasm</td>
<td>2 Decisiveness</td>
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<td>3 Sense of purpose and direction</td>
<td>3 Persuasiveness</td>
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<td>4 Technical mastery</td>
<td>4 Stability in behavior</td>
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<td>5 Friendliness and affection</td>
<td>5 Intellectual ability and</td>
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<td>6 Decisiveness</td>
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In spite of the awareness of the importance of the Chief Executive Officer in an organization, the selection process of CEO in public health sector leaves much to be desired and most of the CEO are appointed purely on seniority on caste basis. In practice we must induct Chief Executives in Health System from any source. The need is to change the frame of mind of these Chief Executives, to make them more adventurous in style, more determined to change the way things are done, perhaps, braver. There is a need to link the promotion of those personnel to position of the Chief Executives who are result-oriented. A Chief Executives who cannot take the right decision at the right time cannot aspire to be a successful executive. Therefore, seek those individuals in the organizations who have proved their work in achieving productivity. In this situation, saxena pointed out that productivity will only be feasible if administration can provide a corpus of administrators; who are knowledgeable and skilful and have sense of dedication to the goals of government. Such administrators will have to fulfill several roles. These will include;
(i) As experts who are capable of identifying problems and providing solutions, who will recognize priorities of productivity tasks and apply their expertise to these tasks:

(ii) As change agents who know the conditions and directions of change, understand their roles and can direct efforts towards change, keeping the key focus on productivity.

(iii) As leaders who organize and mobile people and resources, both physical and financial to fulfill the productivity tasks (43).

Hence, there must be a regular appraisal system to screen the functioning of the Chief Executives. The appointing and supervisory authorities must be prompt in taking quick decisions regarding the services of the Chief Executive on the basis of performance appraisal. Therefore, human resource practices adopted by government hospital must be studied and assessed properly. In the hospital Dean is the Chief Executive Officer and below him other machinery is functioning appointing authority is government.

While tracing, the significance of human resource management and practice Mrs. Indira Gandhi state that ‘If Government has to do more for the people, its employees must play more dynamic and more creative role as the instrument for implementing government policies and programmes (44). Among the 3 components required for health developmental tasks – Man, money and maternal (M3), it is more the man (or the human element) than any other factor which determines the quantity and quality of the performance and output. In practice even best planned organization may produce unsatisfactory results if it is operated by Mediocre or disgruntled people (45).

The training institutions should make the trainees consider ways and means of adopting western technology to suit local conditions. Five points emerged from the technical discussion of World Health Assembly (1970) which need
the attention of the national health administration for obtaining health personnel best suited to local needs and resources.

1. These are close co-operation between those responsible for the provision of health services to the public and those responsible for the education of the required health personnel.

2. Reasonable distribution of function between various members of the health professions and their auxiliaries, with attention to team work;

3. Effecting changes in the education programme, both as to the types of personnel to be trained and as to the content of their training.

4. Continuous education of all health personnel, both the refresh and to advance their basic knowledge, including pedagogic services for teaching staff.

5. Continuous study of the inter-relationship between education and services and also of the performance of each of these two constituents – through systematic evaluation and operational research – with a view to introducing such changes whenever indicated (46).

One of the serious drawbacks in health personnel planning is that it does not attend to the optimum utilization of the capacity of personnel. Many studies found that the physicians in hospitals at the district and local levels are utilizing only 21% of their duty time for the benefit of the patients. The health manpower planning should attend to this aspect (47).

Ray (48) feels that there are many causes of the lack of proper health manpower planning. He specifically mentioned as under:

(i) Failure to consider the political framework,

(ii) Lack of co-ordination between the services and training institutions,

(iii) Fragmentation of health services among multiple administration and agencies,

(iv) Un-co-ordinated use of resources – manpower, materials and money,

(v) Organizational rigidity,
(vi) Lack of appreciation of planning and what it entails,
(vii) Lack of involvement of the planners in the implementation of their plans.

He stressed Health Planning provide the blueprint for future course of action. Therefore proper health planning is a must.

An employee must understand the legal framework under which he/she is to operate. He/she must be provided with the basic knowledge of social sciences to understand the intricacies of social environment. With the knowledge of social sciences, he/she can react with the environment favorably. Tyagi (49) has justified it from 3 different points:

(i) Administration is human process largely depending upon first hand experience drawn from the actual administrative situation in all its facts and on weighny each problem from every angle.

(ii) The role of public servant in a welfare state is that of a social scientist in action. In order to be able to act properly and effectively, he/she must have scientific acumen which he/she can develop only by systematic and sustained education in theory and practice of social science.

(iii) The need for a basic training in the fundamentals of social science becomes all the more necessary in the context of our public recruitment being based on lower age limit, which limits the entry of advanced research students of the public service.

Sharma (50), Siegel (51), Deodhar (52), WHO (53) and the Indian Express (54), studied financing resources for health work. They pointed out attitudes of government, officers who work on these, doctors, and other concern personalities. Finance is a serious challenge for the field health service.

It is very important for the key personnel or health managers to understand their subordinates intimately through the records of their personal profiles and
intercourses. What is happening today in complex organizations is that relationships are too formal and as a result the health managers never find time to understand their colleagues or subordinates or team members. They allocate work to them and expect results from them like machines, with utter failure. Therefore, the important task of the leader is the art of the co-ordinating of their colleagues, the leader can help them to improve and achieve excellence through transactional analysis or well human resource practice. Desai’s (55) study shows importance of transactional analysis or human resource management practice and it analysis.

Pay in one farm or another is certainly one of the mainsprings of motivation in our society (56). It has been rightly said in CA study of the capacity of United Nations Development system that the human rather than capital is the key to development and development is not a mechanical process (57). Moddi (58) has overved that good organization building has to create around it a bruing atmosphere, a prideful tradition of integrity, excellence and fellowship. Human beings breathe this ethos around them almost unconsciously and these traditions make for that ethos. According to Ishwar (59) three things are important in human resource development namely:

1. Ways to better adjust the individual to his job and the environment.
2. The greatest involvement of the employee in various aspects of his work.
3. The greatest concern for enhancing the capabilities of the individual concern for enhancing the capabilities of the individual.

Milton, at.el (60) shows that in the field of health, there are rarely have consciously trained executives, but mainly laissez fire executive, mostly without co-ordination, without sufficient caretaker. In health administration, there are few theoreticians, few training centers, few books and an almost absolute dearth of strict scientific investigations. Therefore, there is a great need to improve the functioning of healthcare management with the help of modern management techniques. The widespread feeling of inefficiency of the
administrative machinery was rightly sensed and expressed by Mrs. Gandhi is a broadcast to the nation shortly after assuming the high office of the Prime Minister, she said.

In economic development as in other fields of national activity, there is a disconcerting gap between intention and action to bridge this gap, we should badly adopt whatever far-reaching changes in administration may be found necessary. We must introduce new organizational patterns and modern tools and techniques of management and administration. We shall instill into the government machinery, greater sufficiency and sense of urgency and make it more responsive to the needs of the people (61). Better management of health service is essential if higher standard of health care are to be achieved printed out by WHO (62).

A study was carried out by Prasad (63) on the ‘Application of quantitative method in hospital management’. He studied the problems of patients who were wasting lot of their time to get the prescriptions (to pay the cash and to received the medicine). The patients had to stand in line for about 45 minutes. Prasad applied sampling techniques and used simulation procedures. He was able to suggests a model by which the average time of waiting could be reduced to 16 minutes from 45 minutes.

2.5 Gap in earlier studies:
The review of literature on human resource practices was classified for review purpose as (i) studies on human resource practice in corporate sector (ii) studies in human resource practices in service sector, and (iii) studies on human resource practices in hospital. On the basis of review of above studies following are found out.
1. The study on human resource practices regarding corporate sector has been keenly researched covering all aspects of it, as well as service sector particularly transportation, hotel, banking insurance are addressed by
researcher thoughtfully. But human resource practices in hospital are less addressed by researcher.

2. Most of the earlier researcher do not anticipated the deadly impact of the liberalization, privatization and globalization on hospital business, due to hospital industry were under protection. It was not assumed significance of commercial but service. But there is a drastic changes in structure and function of hospital business. The financial and policy implication has completely changed in hospital business. Hospital is not remained service of god but it become service of profitability. Hence human resource practices are not studied by earlier researcher assuming it is non-commercial and service to good area. But now it has become essential to attend the human resource management aspect systematically.

3. There exist multiple studies on manpower planning, performance appraisal, salary and wage incentives and other welfare related issues in private and public enterprises and proper standard and norms are almost fixed but this is not so in hospital business inspite of that this is concerned with human life.

4. Regarding hospital issues like education, birth and death issues, doctor-patient relationship, attitude of doctors and other staff members with patient etc. are studies vary well but recruitment, selection, manpower planning, promotion, welfare facilities and performance appraisal etc. are not seriously addressed by researcher. Non human resource development practices are studied by researcher integrated manner. Hence the present study is to be considered as a unique one.

5. There are some studies on public - private partnership in hospital business. Many hospital are emerged in Mumbai city due her commercial hugeness nut no one attempted to know what is a pattern of human resource practices adopted their. Therefore a need for the study on human resource practices in the present day context is very urgent

6. Examining the coverage and focus of literature available for review, it can be seen that all newly emerged areas have not been revealed by any literature. The developments which had been undertaken after the implementation of the new economic and education policy are really worth mentioning. In
pursuit of maintaining consistency and continuity there is a dire need for regular surveys so that it is possible to outline the existing goals and future studies pursued accordingly.

7. New policy in recruitment like contractual consolidation, clock hours basis, advoc basis etc. appoint in hospital industry affect quality of service provided by them to customer (patient), promotion, transfer, appraisal system etc. useful to study due to it affect on managerial and administrative operation of hospital. Hence extent of human resource practices adopted in hospital are needed to be studies as it will useful to individual, society, businessmen, companies, Government, Municipal corporation future researchers, professionals, municipal corporation, future researchers, professionals, financers, policy workers etc.

Thus it can be concluded from the review of literature and its need of study that

1. There exist human resource practice studies at corporate level and service sector levels extensively.
2. There exist few studies on human resource practices adopted in hospital-private and public sector.
3. Not a single research study at micro and macro level had been done taking into ESIS hospital and J.J. or K.E.M. hospital and multiple performance indicators of human resource development / management practices in Mumbai.
4. There is not a single study on the ESIS and J.J. hospital, human resource development practices established managed and control by Government.
5. This study highlights recruitment, training, performance appraisal, promotion, and welfare practices in ESIS and J.J. Hospital in Mumbai.
6. The researcher being a resident of Mumbai and serving as Doctors in ESIS - a government run hospital at Mulund, has chosen this topic for conducting in depth micro level study.

Hence the present study is taken up with a view to filling up some of the above mentioned gaps.
References


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