

Human Resource Management Practices in Service Industry: A Study with Reference to Healthcare Organizations in Bidar District

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ABSTRACT

Human Resource Management (HRM) practices are critical in healthcare organisations because service quality, patient care and organisational effectiveness depend largely on the competence, motivation and satisfaction of employees. The present study examines HRM practices and their impact on overall employee satisfaction in selected public healthcare organisations of Bidar District, Karnataka. The study is based on primary data collected from 400 employees selected from a finite population of 1694 healthcare employees through a multistage proportionate stratified random sampling method. The major HRM dimensions considered for the study include recruitment and selection, training and development, performance appraisal, compensation and benefits, work environment and motivation, employee relations, and health, safety and welfare. Data were analysed using frequency analysis, descriptive statistics, Chi-square test, ANOVA, correlation and multiple regression. The results reveal that employees have a generally favourable perception towards HRM practices, with compensation and benefits recording the highest mean score (3.6093), followed by training and development (3.6010). Chi-square and ANOVA results show no significant difference in perception across staff categories. However, regression analysis indicates that HRM practices significantly influence overall satisfaction, explaining 53.8% of the variation in overall satisfaction. Work environment and motivation emerged as the strongest predictor of overall satisfaction. The study concludes that effective, transparent and employee-centred HRM practices are essential for improving employee satisfaction and strengthening public healthcare service delivery.

Keywords: Human Resource Management, Healthcare Organisations, Employee Satisfaction, Public Healthcare, Work Environment, Bidar District.

Introduction

Human Resource Management is a systematic approach to managing people at work and is concerned with recruitment, development, motivation, appraisal, compensation, welfare and maintenance of employees. In service organisations, HRM assumes greater importance because employees directly influence service quality and the experience of service users. Healthcare organisations are highly human-resource-intensive institutions where doctors, nurses, technicians, administrative staff and support staff jointly contribute to patient care and institutional performance.

Public healthcare organisations operate under demanding conditions such as high patient inflow, emergency responsibilities, workforce shortages, administrative pressure and resource constraints. Under such conditions, effective HRM practices are necessary to maintain employee morale, discipline, service quality and organisational efficiency. A hospital may have infrastructure and medical equipment, but without competent, motivated and satisfied employees, healthcare delivery cannot be effective.

The present study focuses on HRM practices in selected public healthcare organisations of Bidar District, Karnataka. The study examines employees' perception towards recruitment and selection, training and development, performance appraisal, compensation and benefits, work environment and motivation, employee relations, health, safety and welfare, and overall satisfaction. The research is important because employee satisfaction in healthcare organisations is closely linked with service quality, teamwork, patient care and institutional effectiveness.

Review of Literature

The literatures reviewed for the purpose of study are:

Pfeffer (1998), in his work on successful organisations, emphasized that human resources are one of the most important sources of organisational success. He stated that practices such as selective hiring, training, employee involvement, job security and fair compensation improve employee commitment and performance. His study is relevant to the present research because it shows that effective HRM practices can improve employee satisfaction and organisational effectiveness in healthcare institutions.

Delery and Doty (1996), in their study on strategic human resource management, explained that HRM practices have a significant influence on organisational performance. They highlighted that practices such as recruitment, training, appraisal and compensation work together to improve employee outcomes. This study supports the present paper because it helps in understanding how HRM practices act as predictors of employee satisfaction in public healthcare organisations.

Guest (2002) examined the relationship between Human Resource Management, organisational performance and employee well-being. The study found that HRM practices are effective only when they improve both organisational performance and employee welfare. This review is useful for the present study because employee satisfaction is considered an important outcome of HRM practices in healthcare organisations.

Armstrong (2020) defined HRM as a strategic and coherent approach to managing employees as valuable organisational assets. He explained that HRM practices such as training, performance management, compensation, employee relations and welfare improve employee motivation and commitment. This view is relevant to the present paper because it supports the idea that HRM practices influence overall employee satisfaction.

Appelbaum, Bailey, Berg and Kalleberg (2000) explained that high-performance work systems improve employee contribution through ability, motivation and opportunity. Their study suggested that employees perform better when organisations provide proper training, fair rewards, participation and supportive work conditions. This study is connected with the present research because healthcare employees require skill, motivation and organisational support to remain satisfied and productive.

Jiang, Lepak, Hu and Baer (2012) conducted a meta-analytic study on how HRM influences organisational outcomes. They found that HRM practices improve employee skills, motivation and opportunities, which further affect employee attitude and performance. This study is important for the present paper because it supports the use of correlation and regression analysis to examine the impact of HRM practices on overall employee satisfaction.

Kabene, Orchard, Howard, Soriano and Leduc (2006) studied the importance of Human Resource Management in healthcare systems. They stated that healthcare service quality depends greatly on the availability, motivation and proper management of healthcare workers. Their study is relevant to the present research because public healthcare organisations require effective HRM practices to improve employee satisfaction and service delivery.

Mosadeghrad (2013) studied healthcare service quality and observed that employee-related factors such as motivation, training, communication, work environment and management support influence healthcare performance. The study found that satisfied and motivated employees contribute to better patient care and organisational outcomes. This review supports the present paper because it links HRM practices, employee satisfaction and healthcare performance.

Research Gap

The review of literature shows that several studies have examined HRM practices, employee satisfaction and healthcare workforce management. However, limited empirical attention has been given

to HRM practices in public healthcare organisations at the district level, particularly in Bidar District of Karnataka. Further, many studies focus on general HRM practices but do not examine the combined effect of recruitment, training, appraisal, compensation, work environment, employee relations, and health and welfare on overall employee satisfaction. Therefore, the present study addresses this gap by analysing HRM practices through employees' perceptions and testing their impact on overall satisfaction.

Objectives of the Study

The following objectives are formulated for the purpose of study

- To examine employees' perception towards Human Resource Management practices in selected public healthcare organisations.
- To examine the relationship between Human Resource Management practices and overall employee satisfaction.

Hypotheses of the Study

The hypotheses formulated for the purpose of study are:

Null Hypothesis (H₀)

- There is no significant relationship between Human Resource Management practices and overall employee satisfaction in selected public healthcare organisations.

Alternative Hypothesis (H₁)

- There is a significant relationship between Human Resource Management practices and overall employee satisfaction in selected public healthcare organisations..

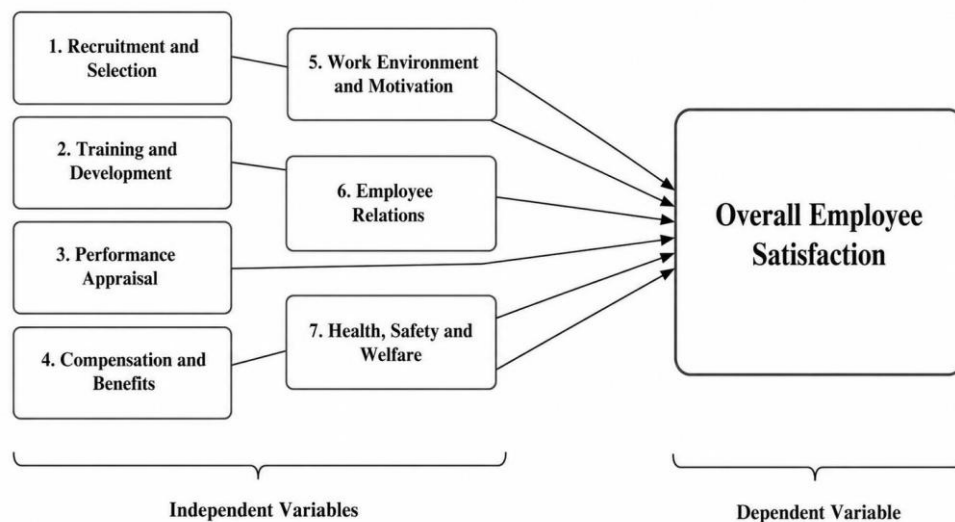
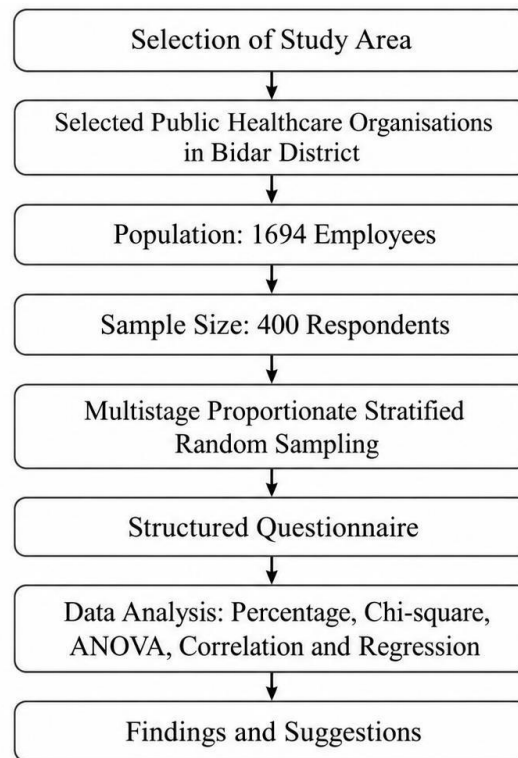


Figure 1: Conceptual Framework of the Study

Research Methodology

The study adopted a descriptive and analytical research design. Descriptive design was used to describe the demographic profile and perception of respondents, while analytical design was used to examine relationships and impact among HRM variables. The population consisted of 1694 employees working in selected public healthcare organisations of Bidar District. A final sample of 400 respondents was selected from five taluks, namely Bidar, Basavakalyan, Bhalki, Humnabad and Aurad. The study adopted a multistage proportionate stratified random sampling method.

Primary data were collected through a structured questionnaire consisting of demographic questions and five-point Likert scale statements related to HRM practices. Secondary data were collected from books, journals, theses, government reports and official sources. The collected data were coded and analysed using frequency, percentage, descriptive statistics, Cronbach's Alpha, Chi-square test, ANOVA, correlation and multiple regression analysis.

**Figure 2: Research Methodology Framework****Data Analysis and Discussion**

Before analysing the data, the reliability of the questionnaire was tested using Cronbach's Alpha. Cronbach's Alpha measures the internal consistency of the questionnaire and determines whether the statements used to measure the variables are reliable.

Table 1: Reliability Analysis of HRM Practices

HRM Practice	Cronbach's Alpha	Interpretation
Recruitment and Selection	0.965	Excellent
Training and Development	0.964	Excellent
Performance Appraisal	0.969	Excellent
Compensation and Benefits	0.968	Excellent
Work Environment and Motivation	0.968	Excellent
Employee Relations	0.966	Excellent
Health, Safety and Welfare	0.963	Excellent
Overall Satisfaction	0.968	Excellent
Overall 80 Items	0.987	Excellent

Source: Primary data and SPSS output.

The reliability results presented in Table 1 indicate that all HRM dimensions have Cronbach's Alpha values above 0.90, confirming excellent internal consistency of the questionnaire. Among the dimensions, Performance Appraisal recorded the highest reliability value of 0.969, followed by Compensation and Benefits, Work Environment and Motivation, and Overall Satisfaction with 0.968 each. The overall reliability coefficient of 0.987 for 80 items clearly confirms that the research instrument is highly dependable and appropriate for measuring Human Resource Management practices and overall employee satisfaction in selected public healthcare organisations.

Table 2: Descriptive Statistics of HRM Practices

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Rank
Recruitment and Selection	400	1.00	5.00	3.5348	0.87142	8
Training and Development	400	1.10	5.00	3.6010	0.86096	2
Performance Appraisal	400	1.00	5.00	3.5378	0.93498	7
Compensation and Benefits	400	1.00	5.00	3.6093	0.89167	1
Work Environment and Motivation	400	1.00	5.00	3.5530	0.91506	4
Employee Relations	400	1.00	5.00	3.5510	0.89033	5
Health, Safety and Welfare	400	1.00	5.00	3.5505	0.84690	6
Overall Satisfaction	400	1.00	5.00	3.5853	0.90621	3

Source: Primary data and SPSS output.

The descriptive statistics presented in Table 2 reveal that employees have a generally positive perception towards Human Resource Management practices in selected public healthcare organisations. Compensation and Benefits recorded the highest mean value of 3.609, indicating comparatively stronger employee perception in this area, followed by Training and Development with a mean value of 3.601. Recruitment and Selection recorded the lowest mean value of 3.535, but it still falls within the positive range. The standard deviation values indicate moderate variation in responses, suggesting that employee opinions differ to some extent but remain generally favourable towards HRM practices.

Table 3: Pearson Correlation between HRM Practices and Overall Employee Satisfaction

HRM Practice	Pearson Correlation with Overall Satisfaction	Significance Value	Interpretation
Recruitment and Selection	0.557	0.000	Significant Positive Relationship
Training and Development	0.580	0.000	Significant Positive Relationship
Performance Appraisal	0.619	0.000	Significant Positive Relationship
Compensation and Benefits	0.593	0.000	Significant Positive Relationship
Work Environment and Motivation	0.633	0.000	Significant Positive Relationship
Employee Relations	0.566	0.000	Significant Positive Relationship
Health, Safety and Welfare	0.564	0.000	Significant Positive Relationship

Source: Primary data and SPSS output.

The correlation results presented in Table 3 confirm a positive and statistically significant relationship between all selected HRM practices and overall employee satisfaction. Work Environment and Motivation recorded the strongest relationship with overall satisfaction, with a correlation value of 0.633, followed by Performance Appraisal with 0.619 and Compensation and Benefits with 0.593. The significance value for all HRM practices is 0.000, which is less than 0.05. This confirms that better HRM practices are strongly associated with higher employee satisfaction in selected public healthcare organisations.

Table 4: Hypothesis Testing Result

Hypothesis	Test Used	Significance Value	Decision	Result
H ₀ : There is no significant relationship between Human Resource Management practices and overall employee satisfaction.	Pearson Correlation	0.000	Rejected	Not Accepted
H ₁ : There is a significant relationship between Human Resource Management practices and overall employee satisfaction.	Pearson Correlation	0.000	Accepted	Supported

Source: Primary data and SPSS output.

The hypothesis testing results presented in Table 4 indicate that the significance value obtained through Pearson correlation is 0.000, which is lower than the 0.05 level of significance. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. This clearly establishes that there is a significant positive relationship between Human Resource Management practices and overall employee satisfaction in selected public healthcare organisations.

Major Findings

The findings of the study are as follows:

- The reliability analysis confirms that the questionnaire used for the study is highly dependable, as all HRM practice dimensions recorded Cronbach's Alpha values above 0.90. The overall reliability value of 0.987 indicates excellent internal consistency of the research instrument.
- Performance Appraisal recorded the highest reliability value of 0.969, followed by Compensation and Benefits, Work Environment and Motivation, and Overall Satisfaction with 0.968 each. This confirms that the items used to measure these HRM practices are consistent and reliable.
- The descriptive statistics reveal that employees have a generally positive perception towards HRM practices in selected public healthcare organisations. All mean values are above 3.50, indicating favourable employee responses.
- Compensation and Benefits recorded the highest mean value of 3.609, followed by Training and Development with 3.601 and Overall Satisfaction with 3.585. This indicates that employees perceive these areas comparatively more positively.
- Recruitment and Selection recorded the lowest mean value of 3.535, but it still falls within the positive range. This suggests that recruitment-related practices are acceptable, though there is scope for further improvement.
- Pearson correlation results confirm a positive and statistically significant relationship between HRM practices and overall employee satisfaction. Work Environment and Motivation recorded the strongest correlation with overall satisfaction at 0.633, and the significance value of 0.000 confirms that the null hypothesis is rejected and the alternative hypothesis is accepted.

Suggestions

The following suggestions are given from the study

- Since Recruitment and Selection recorded the lowest mean value, healthcare organisations should make the recruitment process more transparent, timely and clearly communicated to employees.
- Training and Development should be continued and strengthened through regular need-based training programmes, especially for nurses, technical staff and support staff.
- Performance Appraisal should be made more transparent and feedback-oriented, as it has strong reliability and a significant relationship with employee satisfaction.
- Compensation and Benefits should be reviewed regularly, as employees have shown positive perception towards this area. Timely payment, allowances and welfare benefits should be maintained properly.
- Work Environment and Motivation should receive special attention because it recorded the strongest relationship with overall employee satisfaction. Management should focus on workload balance, recognition, teamwork and supportive supervision.
- Health, Safety and Welfare measures should be improved through regular health check-ups, safety training, protective equipment, rest facilities and employee welfare support.

Conclusion

The study concludes that Human Resource Management practices have a significant positive relationship with overall employee satisfaction in selected public healthcare organisations. The reliability analysis confirms that the questionnaire used for the study is highly consistent and suitable for measuring HRM practices and employee satisfaction. The descriptive results indicate that employees have a positive perception towards HRM practices, especially compensation and benefits, training and development, and overall satisfaction.

The correlation analysis clearly establishes that all selected HRM practices are positively and significantly related to overall employee satisfaction. Among them, Work Environment and Motivation showed the strongest relationship with satisfaction, followed by Performance Appraisal and Compensation and Benefits. Therefore, healthcare organisations should give greater attention to creating a supportive work environment, fair appraisal system, proper training opportunities, welfare facilities and motivational practices. Strengthening these HRM practices can improve employee satisfaction and support better healthcare service delivery.

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