

# A STUDY ON HUMAN RESOURCE MANAGEMENT PRACTICES AND EMPLOYEE SATISFACTION IN HOSPITALS AT MADURAI DISTRICT

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**Abstract**—The main aim of the present paper is to study the human resource management practices and employee satisfaction in hospitals at Madurai District. Purposive sampling method was adopted. Both the primary and secondary data were used. Organisational performance has no significant influence on job satisfaction. Development of Performance Appraisal has a significant influence on Job Satisfaction.

**Keywords**—Human Resource Management, Hospitals, Organisational performance, Madurai

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## 1. INTRODUCTION

Human Resource Management (HRM) is a new way of thinking about how people should be managed as employees in a workplace. Advocates of HRM have been presented as having a role to play in both the private and public sectors. In the private sector, if the employer fails to manage the human resource well enough to compete successfully in the market-place, then ultimately the business will fail. The public sector, likewise, has an interest in effective management of employees, and standards and quality of public-sector services are highly dependent on employee's motivation, skills, and service orientation. HRM, therefore, is about effective management of the employment relationship and applies to management activity in all hospital settings, even unpaid and voluntary work. Human resource management is a strategic and coherent approach to the management of a hospital's most valued assets- the people working there who individually and collectively contribute to the achievement of its goals. The importance of human resource management has increased these days because management can achieve the hospital objectives only with the co- operation of the people working in the hospital. Without the efficient use of human resources, management can never accomplish hospital objectives. Therefore, creating and maintaining a motivated workforce is the central responsibility of management everywhere.

## 2. CONCEPTUAL REVIEW

Dey Bata K (1994) in a study points out gross weakness of Indian Management System pertaining to HRM and HRD. He also analyses the concept of HRM and HRD in a broad spectrum as well as their significance and relevance at a general level.

Chauhan Daisy (1995) in his research work, 'Challenges for Human Resource Development in the changing environment' indicates that through a systematic and effective human resource management system, ordinary people can be converted into extra ordinary performers.

Winsted (2000) examined behaviours of doctors that influence patient's evaluation of medical encounters in the USA and Japan. Behaviours are grouped into concern, civility, congeniality and attention in the USA whereas in Japan, these are concern, civility, congeniality, communication and courtesy.

Jose A.V (2000) in a study reviews the traditional role of Trade Unions, the impact of changing work environment on unions and their responses to the same, with special emphasis on the different economic, political and geographic settings of Unions the world over – The changing economic and political environment has necessitated the adoption of new approach and strategy on the part of Trade Unions to enable them to contribute substantially towards dynamic and equitable growth.

Simon et al (2002) found that cities that have higher level of human capital initially grow faster in the long run. Tolga and Jiju (2006) compared the hospital care service quality in the public and the private health care centers.

The Arab League of Giro (2005) mentioned that the service quality of the public hospitals are lacking because of lack of professional training to their employees and use of modern technology.

Stevanoric et al., (2005) highlighted the outstanding contribution made by health-care personnel in maintain patient friendly clinical and administrative process, safety indicators, overall experience of care and social responsibility, thus contributing high level of overall patient satisfaction with respect to each of the above mentioned dimensions.

Leo D’Angelo Fisher (2007) the article “The Coming of Age” examines the policies of Australian companies when it comes to retaining their older workers

### 3. RESEARCH METHODS

The applied research design in the present study is the descriptive research in nature. The data for the present study were collected both from primary and secondary sources. Primary data has been collected by visiting the private and public hospitals at their premises and distributing the pre structured questionnaires and interviewed the employees to obtain the response. Secondary data were also collected from the published books, journals, research articles and internet etc. The applied sampling procedure for the study is purposive sampling. The data were collected randomly from 6 government hospitals and 6 private hospitals in Madurai District. SPSS were used to analyse the data.

### 4. ANALYSIS AND INTERPRETATION

TABLE 4.1 SOCIO ECONOMIC PROFILE OF THE RESPONDENTS

	Variables	Number of employees		Total
		Private Hospital	Public Hospital	
Gender	Male	24	28	52
	Female	86	102	188
Area	Urban	74	88	162
	Rural	36	42	78
Age(in years)	Less than 25	46	70	116
	26-35	27	28	55
	36-45	19	14	33
	46-55	12	11	23
	Above 56	6	7	13
Level of Education	Under Graduation Level	60	54	114
	Post-Graduation Level	31	33	64
	Professional Education	11	26	37
	Others	8	17	25
Marital Status	Unmarried	76	64	140
	Married	23	49	72
	Separated	9	13	22
	Widow and Widowers	2	4	6
Personal Income per Month	Less than Rs.10,000	9	11	20
	10,001-20,000	57	64	121
	20,001-30,000	32	36	68
	Above 30,001	12	19	31
Family Income per Month	Less than 15,000	22	25	47
	15,001-25,000	19	23	42
	25,001-35,000	56	67	123
	Above 35,001	13	15	28
Type of Shift	Long Shift	45	58	103
	Day shift	22	26	48
	Night shift	27	35	62
	Rotation	16	11	27

The gender of the employees may influence the level of perception on the services offered by the Hospitals. 52 employees are female and 188 employees are female.

In total 162 employees belong to urban areas whereas the remaining 78 belong to rural areas. The urban employees in private Hospital and public Hospital constitute 36 and 42 to its total respectively. The analysis reveals that the important nativity among the employees in the present study is urban employees.

In total 116 employees belong to less than 25 employees.55 and 33 employees belong to 26-35 and 36-45 years respectively. 23 and 13 employees belong to 56-55 and 56 and above years respectively.

In total, a maximum of 47.5 per cent of the employees are belonging to UG whereas the remaining 25.67 per cent of the employees belong to PG.15.4 percent of the employees are having professional qualification. Only 10.4 percent of the employees are having Other (Diploma, ITI etc.)

The important marital status of the employees is married which constitutes 58.8 per cent to the total. It is followed by unmarried who constitutes 30 per cent to the total. The important marital status categories among the employees in the PRH are married and unmarried which constitute 69 and 21 per cent to the total respectively. Among the employees in the PUHs, these are married and unmarried which constitute 49.2 and 37.70 per cent to the total respectively. The analysis infers that the important marital status of the employees is ‘married’.

The important monthly personal income groups among the employees are Rs.10, 001 to 20,000 and Rs.20, 001 to 30,000 which constitute 51 and 28 per cent to the total respectively. The employees with the personal income of Less than Rs.10, 000 per month constitute 8 per cent to the total. The important monthly personal income groups among the employees in the PRH are Rs.10, 001 to 20,000 and Rs.20, 001 to 30,000 which constitute 52 and 29 per cent to the total respectively. Among the employees in the PUH, these are Rs.10, 001 to 20,000 and Rs.20, 001 to 30,000 which constitute 49.2 and 28 per cent to the total respectively. The analysis reveals that the personal income among the employees in the PRH is greater than the personal income among the employees in the PUH.

The important family incomes per month among the employees are Rs.25, 001 to 35,000 and Rs.15, 001 to 25,000 which constitute 51 and 17.5 per cent to the total respectively. The employees with the family income of above Rs.35, 001 constitutes 11.7 per cent to the total. The important family incomes per month among the employees in the PRH are Rs. 25,001-35,000 and less than Rs.15000 which constitute 51.8 and 20 per cent to the total respectively. In the case of employees in the PUH, these two are Rs. 25,001-35,000 and less than Rs.15000 which constitute 51 and 19 per cent to the total respectively. The analysis reveals that the family income per month among the employees in the PRH is greater than the family income of the employees in the PUH.

The important type of shift of work is long shift among the employees are long shift and night shift which constitute 43 and 26 per cent to the total respectively. The employees with the day shift constitute 20 per cent to the total. The important type of shift among the employees in the PRH is long shift and night shift which constitute 41 and 24.5 per cent to the total respectively. In the case of employees in the PUH, these two are long shift and night shift which constitute 45 and 27 per cent to the total respectively.

TABLE 4.2 SCORE OF VARIOUS IMPORTANT CONSEQUENCES OF HR PRACTICES DIMENSIONS

S.No.	HR Practices dimensions	Mean scores among employees in		‘t’ statistics
		PRH	PUH	
1.	Selective Staffing	2.522	3.515	-3.189*
2.	Comprehensive Training	2.742	3.562	-3.309*
3.	Development of Performance Appraisal	3.683	2.759	3.091*
4.	Equitable Rewards	3.672	3.024	2.586*

\* Significant at five per cent level.

The highly viewed variables in HR Practices by the employees in PRH are Development of Performance Appraisal and Equitable Rewards since their mean scores are 3.683 and 3.672 respectively. Among the employees in PUH, these two are Selective Staffing and Comprehensive Training, since their mean scores are 3.515 and 3.562 respectively. Regarding their view on the HR practices, the significant difference among the two groups of employees has been noticed in the case of all 4 variables since their respective ‘t’ statistics are significant at five per cent level.

TABLE 4.3 CORRELATION AMONG THE HR PRACTICES DIMENSIONS

	Selective Staffing	Comprehensive Training	Development of Performance Appraisal	Equitable Rewards
Selective Staffing	1	0.628*	0.712*	0.664*
Comprehensive Training	0.628*	1	0.579*	0.536*
Development of Performance Appraisal	0.712*	0.579*	1	0.493*
Equitable Rewards	0.664*	0.536*	0.493*	1

\*\* Correlation is significant at 0.05 levels

The resulted correlation coefficients are shown in table 4.20. Regarding Selective Staffing, the higher correlation with Comprehensive Training, Development of Performance Appraisal and Equitable Rewards since their respective correlation coefficients are 0.628, 0.712 and 0.664. The Comprehensive Training is correlated with Development of Performance Appraisal and Equitable Rewards since the correlation coefficients are 0.579 and 0.536. Development of Performance Appraisal is highly correlated with Equitable Rewards since their respective correlation coefficient is 0.493.

TABLE 4.4 CORRELATION AMONG THE ORGANISATIONAL PERFORMANCE

	Quality	Working Speed	Employee Morale	Employee Productivity	Employee Skills	Innovativeness	Efficiency
Quality	1	.221*	.554*	.656*	.360*	.115*	.527*
Working Speed	.221*	1	0.067	.581*	.117*	0.045	.522*
Employee Morale	.554*	0.067	1	.538*	.187*	0.063	.112*
Employee Productivity	.656*	.581*	.538*	1	.470*	.278*	.316*
Employee Skills	.360*	.117*	.187*	.470*	1	.725*	.430*
Innovativeness	.115*	0.045	0.063	.278*	.725*	1	.435*
Efficiency	.527*	.522*	.112*	.316*	.430*	.435*	1

\*\* Correlation is significant at 0.05 levels

The resulted correlation coefficients are shown in table 4.21. Regarding Quality the higher positive strong correlation with Employee Morale, Employee Productivity and Efficiency since their respective correlation coefficients are 0.554, 0.656 and 0.527. Quality has a positive weak correlation with Working Speed, Employee Skills and Innovativeness.

The Working Speed is correlated with Employee Productivity and Efficiency since their respective correlation coefficients are 0.581 and 0.522. Employee Morale has a positive correlation with Employee Productivity. Employee Skills has a strong higher positive correlation with Innovativeness.

Research hypothesis:

H1: Each HR practices variables Selective Staffing (H1a), Comprehensive Training (H1b), Development of Performance Appraisal (H1c) and Equitable Rewards (H1d) has a significant influence on Job satisfaction.

H2: Each Organisational performance variables Quality (H2a), Working Speed (H2b), Employee Morale (H2c), Employee Productivity (H2d), Employee Skills (H2e), Innovativeness (H2f) and Efficiency(H2g) has a significant influence on Job satisfaction.

H3: Employee productivity has a significant influence HR Practices.

H4: HR Practices has a significant influence on over all Organisational performance.

H5: HR Practices has a significant influence on Job satisfaction.

H6: Development of Performance Appraisal has a significant influence on Job satisfaction.

H7: Employee Productivity has a significant influence on Job satisfaction.

H8: Operational Performance has a significant influence on Job satisfaction.

TABLE 4.5 MODEL FIT INDICES

Fit Indices	Results	Suggested values
Chi-square	49.471 (0.067) df: 36	P-value >0.05
Chi-square/degree of freedom (x2/d.f.)	1.374	≤ 5.00 ( Hair et al., 1998)
Comparative Fit index (CFI)	0.985	>0.90 (Hu and Bentler, 1999)
Goodness of Fit Index (GFI)	0.972	>0.90 ( Hair et al. 2006)
Adjusted Goodness of Fit Index (AGFI)	0.919	> 0.90 (Daire et al., 2008)
Normated Fit Index ( NFI)	0.950	≥ 0.90 (Hu and Bentler, 1999)
Incremental Fit Index (IFI)	0.986	Approaches 1
Tucker Lewis Index (TLI)	0.962	≥ 0.90 ( Hair et al., 1998)
Root mean square error of approximation (RMSEA)	0.040	< 0.08 ( Hair et al., 2006)
Parsimony goodness-of-fit index (PGFI)	0.333	Within 0.5 (Mulaik et al., 1989)

Source: Primary Data

Table 4.3 shows the estimates of the model fit indices from AMOS structural modeling. The GFI of this study was 0.991 more than the recommended value of 0.90; the other measures fitted satisfactorily; AGFI=0.919, CFI=0.972, TLI=0.962, IFI=0.986 and NFI=0.950 with x2/DF < 5 at 1.374 and RMSEA=0.040 (Bagozzi and Yi, 1988) indicate a good absolute fit of the model. Goodness of fit indices supports the model and these emphasized indices indicate the acceptability of this structural model.

TABLE 4.6 MODEL FIT ASSESSMENT -STANDARD ESTIMATION OF THE MODEL

	Estimate	S.E.	C.R.	P	Label
HRPractices <--Selective Staffing	-0.123	0.036	-3.4167	0.008	H1a: Accepted
HRPractices<--Comprehensive Training	0.037	0.013	2.84615	0.487	H1b: Rejected
HRPractices<--Development of Performance Appraisal	0.009	0.012	0.75	0.824	H1c: Rejected
HRPractices <--Equitable Rewards	-0.06	0.014	-4.2857	0.268	H1d: Rejected
Organisational performance <--Quality	-0.007	0.023	-0.3043	0.889	H2a: Accepted
Organisational performance <--Working Speed	0.014	0.011	1.27273	0.814	H2b: Rejected
Organisational performance <--Employee Morale	0.02	0.01	2.00	0.802	H2c: Rejected
Organisational performance <--Employee Productivity	0.017	0.012	1.41667	0.789	H2d: Rejected
Organisational performance <--Employee Skills	-0.011	0.007	-1.5714	0.889	H2e: Rejected
Organisational performance <--Innovativeness	0.389	0.08	4.8625	0.001	H2f: Accepted
Organisational performance <--Efficiency	0.369	0.065	5.67692	0.001	H2g: Accepted
HRPractices<--Employee Productivity	-0.233	0.038	-6.1316	0.001	H3: Accepted
Organisational performance <--HRPractices	-0.052	0.017	-3.0588	0.502	H4: Rejected
Job Satisfaction<--HRPractices	0.055	0.021	2.61905	0.373	H5: Rejected
Job Satisfaction<--Development of Performance Appraisal	0.877	0.034	25.7941	0.001	H6: Accepted
Job Satisfaction<--Employee Productivity	-0.069	0.018	-3.8333	0.152	H7: Rejected
Job Satisfaction<-- Organisational performance	-0.012	0.006	-2.00	0.777	H8: Rejected

**5. HYPOTHESES TESTING**

Out of the 17 paths hypothesized model, eleven paths were not significant at  $p < 0.05$  and six paths are significant. HR practices variables Comprehensive Training, Development of Performance Appraisal and Equitable Rewards have not significant influence on over all HR practices in the Hospitals. Therefore, H1b to H1d are rejected at 0.5 level of significance  $p > 0.001$ . Quality (H2a), Innovativeness (H2f) and Efficiency (H2g) have a significant influence on Organisational performance in the hospitals. Therefore, this hypothesis is accepted at  $p < 0.001$ . Working Speed, Employee Morale, Employee Skills and Employee Productivity has no significant influence on Organisational performance; therefore, this hypothesis is rejected at  $p < 0.001$ . Employee Productivity (H3) has a significant influence on HRPractices (Over all). Over all HR Practices (H4) has no significant influence on Organisational performance (Over all) which is rejected at  $p < 0.001$ .

Organisational performance (Over all) has no significant influence on job satisfaction (H8) which is rejected at  $p < 0.001$ . Over all HR Practices (H5) and Employee Productivity (H7) has no significant influence on Job Satisfaction. Development of Performance Appraisal (H6) has a significant influence on Job Satisfaction; hence this hypothesis is accepted at 0.5 level of significance  $p > 0.001$ .

**6. SUGGESTIONS**

- Adequate staffing or decrease workload and documentation special in public hospitals.
- Access to information about hospital policies to all employees.
- Access to opportunities to learn and grow for professional development programs.
- Improve communication and adopt less hierarchical structures.
- Increase job stability and security.
- Realistic appraisal system for employees.
- Changing promotion procedure for employees might make employees more satisfied.
- Empowering employees in their jobs and allowing them to be involved in hospital decisions and planning.
- Contributing pay, benefits, and compensation package that recognize experience.
- Creative supportive environment by managers who provide public recognition to their staff.
- It is extremely important to start paying attention to the work-related abilities, needs and desires of individual employees, in order to adjust leadership style, work-related demands and developmental plans.
- Employee Morale, Employee Skills and Employee Productivity has to be encouraged.

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