A study on the effectiveness of employee performance in Private hospitals in Tamilnadu

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Abstract

Health care delivery systems involve a variety of stakeholders. These include doctors, nurses, pharmacists and other staff on the one hand and communities who utilize the services on the other. They organize themselves and interact with each other in highly complex organizational settings. The key stakeholders such as providers of services and communities are linked through the organization structure and financing mechanisms. Hospitals industry faces an increasing burden among the doctors due to insufficient number of the administrative staff, where many technicians and nurses complain from the additional administrative works. Many committees involving instructors were recruited in ad hoc manner that led to several weaknesses in private hospitals administration due to the lack of enough administration skills with the supervisors. Obviously, this could exhaust the supervisors while undertaking their job, specially, with lack of cooperation among the supervisors themselves in carrying out their duties due to the lack of stimulus from the top officers.

Keywords: HRM, employee performance, Recruitment and Selection

Introduction

Health care delivery systems involve a variety of stakeholders. These include doctors, nurses, pharmacists and other staff on the one hand and communities who utilize the services on the other. They organize themselves and interact with each other in highly complex organizational settings. The key stakeholders such as providers of services and communities are linked through the organization structure and financing mechanisms. The outcomes of these

interactions are most of the time difficult to observe particularly in state-run systems where the incentive systems are inadequate. Over the years concerns have been raised about the poor performance of public health sector in India. India, a fastest emerging economies of the world and fourth-largest in the world as measured by purchasing power parity, has not exhibited similar achievements on health side.

Hospitals industry faces an increasing burden among the doctors due to insufficient number of the administrative staff, where many technicians and nurses complain from the additional administrative works. Many committees involving instructors were recruited in ad hoc manner that led to several weaknesses in private hospitals administration due to the lack of enough administration skills with the supervisors. Obviously, this could exhaust the supervisors while undertaking their job, specially, with lack of cooperation among the supervisors themselves in carrying out their duties due to the lack of stimulus from the top officers. Thus, reduce the performance of the supervisors in their main jobs. The importance of this study being looked at one of the topics of modern management is relatively a HRM practices and the factors affecting it, as it is new concept to the developing countries, which include Tamil Nadu, so it is subjected to the study of the field gives more importance especially in light of the circumstances and variables technological and economic. The multi-policy, witnessed by the Tamil Nadu medical sector, which require the adoption of the concept of HRM practices from the perspective of application to keep up with the rapid environmental changes.

Literature Review

Royston G. (2009) presents a personal view, drawing on some 30 years of working in the area, of past, present and future contributions of OR in health in the UK. He considers developments in UK health and care, and OR contributions to these developments at local and national level since the creation of the national health service; likely future developments in health and care; and associated priorities for preparing OR to make a major impact on health and care in the coming years. He aims to stimulate reflective thinking and promote anticipatory action among health OR practitioners of the future.

Erwin Hans (2006) has done intensive research with respect to hospital process optimization using operations research techniques. The research's primary focus was on planning

and scheduling of the operating room department, and subsequent departments like intensive care. The research addresses various managerial areas, and various hierarchical levels of control. OR techniques like integer programming, queuing networks, combinatorial optimization, and discrete event simulation were applied to solve the problems.

Royston G. (2003) et al applied OR techniques in streamlining the national health services. Firstly, OR analysts led strategic design and scenario-planning work, assessing the evidence on the performance of 'direct' services here and developing scenarios of an national health service where much greater use was made of modern communication technology, such as telephone call centers, to provide services. Secondly, modeling work helped to determine the size, distribution and staffing of the call centers required in England to meet the likely demand and satisfy service performance targets. Thirdly, evaluation criteria were set and performance-monitoring systems developed. Royston G. (2003) et al feels that operations research has made a crucial contribution to the development of National Health Service direct.

Worldwide, costs of health care are high and rising, despite efforts to counteract this development. A major portion of the health care expenditure is caused by hospitals. In recent years, an increasing effort of research is being done to improve processes in hospitals. Logistical managers in hospitals tend to take success stories from manufacturing industry, like Toyota's just-in-time, as an example for their hospital. A hospital is, in many ways, very different than a manufacturing firm. As a result, logistical concepts from industry cannot be copied with impunity. To cope with this problem Mark van Houdenhoven (2006) presented a classification framework to typify health care organizations based on their case mix. This framework can be used to select appropriate mechanisms for control (for example from operations research and management science) that comply with the characteristics of the underlying system.

Green L. (2006) presents the theory of queuing as applied in healthcare. She discusses the relationship amongst delays, utilization and the number of servers; the basic M/M/s model, its assumptions and extensions; and the applications of the theory to determine the required number of servers.

Eva Lee (2006) identify that computational and modeling technologies play an increasingly important role in modern medicine, life sciences and healthcare. Many problems

arising in these domains can be formulated into mathematical models and can be analyzed using sophisticated optimization, simulation and computational techniques. Some healthcare, medical and biological applications in which operations research methodologies can be applied include medical treatment design, disease modeling and prediction, genomic analysis, and healthcare systems modeling and operations management.

Foote J.L. et al (2004) report the findings of a case study of a problematic ultrasound waiting list. In particular, the report highlights how the management of the ultrasound waiting list serves to subordinate the needs of waiting patients and their general practitioners to the interests and values of radiologists. Radiologist's concern to protect specialist expertise from encroachment by outpatient clinicians and monographers is implicated in the growth of the ultrasound waiting list. Foote J.L et al (2004) argued that an adequate understanding of ultrasound waiting lists depends on grasping how radiologists are successful in structuring problems of access in ways that enhance radiologist control over ultrasound imaging.

David A. Buchanan & John Storey (2010) aim to explore the theoretical and practical management implications of a case involving the falsification of hospital patient waiting lists for elective orthopedic surgery.

Preater J. (2013) presents a brief history of the use of queuing theory in healthcare and points to an extensive bibliography of the research that lists many papers (however, it provides no description of the applications or results).

Rajeev Chadha et al (2015) aim to report a lean health care transformation model that integrates queuing theory and lean methodology to improve the dynamic performance of the health care system. The author's results reveal that a lean integration to queuing methodology frees up capacity in the health care system, providing necessary flexibility of response. The implementation of the model resulted in the improved process flow and increased capacity, decrease in the emergency department length of stay for all patient classes and decrease in patient turnaround.

Objective

A study on the effectiveness of employee performance in private hospitals in Tamil Nadu

Research Hypotheses

H1: There is a positive effect of recruitment and selection on employee performance in private hospitals in Tamil Nadu.

H2: There is a positive effect of compensation on employee performance in private hospitals

Methodology

Sampling

This research study finds out the effect of HRM practices on employee performance. Simple random sampling has been applied to guarantee that specific groups within a population are adequately represented in the sample and the efficiency is improved by gaining greater control on the composition of the sample.

Data Collection and Analysis

Sample of this study is Doctors, Nurses and Administrators in private hospitals in Tamil Nadu. Selected sample size is 65 and 56 returned out of total distributed questionnaires. Response rate is 93%. Questionnaires of Sekaran[2003] are selected for data collection because already available data is not sufficient for analysis; with the amendment of dependent variable from perceived organizational performance to employees' performance in private hospitals in Tamil Nadu this questionnaire is used. Since this study found effect between human resource management practices and employee's performance, Pearson correlation and descriptive statistics are used for analyzing data numerically.

Results of the Study

This study adopted a five-point Likert scale to answer the items in the questionnaire, with 5 denoting "always" and 1 denoting "never" Mean scores less than 2.33 were considered weak, mean scores between 2.76 and 3.94 were considered moderate, and mean scores of more than 3.67 were considered high and Cronbach Alpha's values are more than 0.60.

Table 1: Descriptive statistics and reliability

SNo.	Item	Mean score	Standard deviation	Cronbach's Alpha
	Recruitment and Selection			.826
1	Job description is clearly spelt out for Doctors, Nurses and administrative staff which improves on their performance	3.55	1.127	.759
2	The number of staff nurses and administrative staff and their distribution per program is directly related to their level of performance	3.61	1.155	.776
3	Recruitment of doctors and administrative staff has been satisfactorily done in private hospitals	3.59	1.005	.816
4	In private hospitals Doctors, Nurses and administrative staff are normally interviewed before joining service.	3.91	.940	.870
5	Only Doctors, Nurses and administrative staff who meet the selection criteria is appointed.	3.57	1.142	.763
6	Selection procedure is done objectively by matching job description and person specification against what is offered.	3.61	1.155	.776
	Compensation			**.792**
7	Job performance is crucial factor that help to determine the compensation of employees.	3.64	.943	.703
8	Rewards and bonus the employees to ensure retain them.	3.89	.947	.771
9	the employee's compensation is directly related to their performance.	3.55	1.127	.789
10	The compensation which is offered impacts the employee`s high performance.	3.61	1.155	.805
11	The compensation focuses on the employees from all the levels of administration.	3.64	.943	.703
12	In private hospitals the compensation decision is related to the competences and abilities of employee.	3.82	1.011	.780

Source: Primary data

Item serial 4 obtained the highest mean score (3.91) for the first variable, recruitment and selection (see Table 1). This result suggested that the recruitment and selection processes within private hospitals are well established, and HR staff members are well versed in the rules and procedures, and have experience and competence in the employee recruitment and selection process. And item serial 8 obtained the highest mean score (3.89) for the second variable, compensation.

Table 2: Correlation analysis

Variables	Employee performance	Recruitment & Selection	Compensation
Employee performance	1	. 946	. 951
Recruitment & Selection	. 946	1	. 881
Compensation	. 951	. 881	1

Source: Primary data

As shown in correlation results the highest correlation value is Compensation (r= .951; p<.05), and smaller correlation value is Recruitment & Selection(r=.946;p<.05). The results indicates that all the variables have positive relationship and statistically significant at (p<.05).

Table 3: Regression Analysis

Variables	Beta	Sig.
Recruitment & Selection	.484	.000
Compensation	.525	.000
R Square	.957	
Durbin Watson	1.809	
Sig. F	0.000	

Source: Primary data

Table 3 depicted the multiple regression coefficients ( ) of the two independent variables to the employee performance, as dependent variable. All variables in HRM practices are significant where p < 0.05. In terms of beta values, the highest beta coefficient was discovered for Compensation, where (Beta = .525). This indicated that Compensation variable made the strongest contribution to explain the dependent variable (employee performance). The lowest beta value indicated that recruitment and selection with (Beta = .484).

Hypotheses Testing

To test the hypotheses, a simple regression and correlation analysis were performed on HRM practices and employee performance in private hospitals in Tamil Nadu.

H1: There is a positive effect of recruitment and selection on employee performance in private hospitals

The effect of recruitment and selection were tested against employee performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in table 2 (r= .946; p<.05) indicating that the relationship between the variables is significant with moderate correlation. Also, the regression analysis results shown in table 3 (= 0.484, p<.05) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus H1 is accepted.

H2: There is a positive effect of compensation on employee performance in private hospitals.

The effect of Compensation was tested against employee performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in table 2 (r= .951; p<.05) indicating that the relationship between the variables is significant with moderate correlation. Also, the regression analysis results shown in table 3 (= 0.525, p<.05) indicates a positive statistically significant relationship between Compensation process and employee performance. Thus H2 is accepted.

Table 4. Results of Hypotheses

Ser.	Hypotheses	H0
H1	There is a positive effect of recruitment and selection on employee performance in private hospitals in Tamil Nadu	Accepted
H2	There is a positive effect of compensation on employee performance in private hospitals in Tamil Nadu	Accepted

The results of the testing hypotheses indicated that the independent variables significantly correlated with the dependent variable. The correlation results confirmed a significant association between independent variables and the dependent variable. The analysis suggested the lack of multicollinearity in this study because of the correlation coefficient was less than 0.80. Recruitment and selection have positive effect with employee performance. Based on this finding, this study was also supported by Smith and Lynch and Alnaqabi.Compensation has positive effect with employee performance. Based on this finding, this study was also supported by Shahzad and Teseema and Soeters.

Conclusion

This study can provide additional information for the private hospitals management influences of HRM practices toward employee performance. The result of the study could also be a determinant towards making more reliable decisions on the planning process in HRM matters and implementation of associating program to increase management awareness and other employees' involvement. The management also can use the finding on the HRM practices level practiced in MSI to plan towards the suitable HRM practices for private hospitals. The current approach to hiring staff into various positions should be reconsidered. Administrator should conduct a proper job analysis and evaluation of positions to be filled. Human resources accepting applications when job vacancies have not been posted and it should be reviewed. Human resources refer to people whose knowledge, skills, and abilities are utilized to create and deliver effective services. HR is considered the greatest resource of an organization. Effective recruitment and selection attracts the right quality and quantity of people. To further improve the system of private hospitals, modern technology should be utilized for strategically recruit and

select HR. Moreover, a recruitment and selection program should be implemented to enhance the capabilities of employees and those of the private hospitals in Tamil Nadu.

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