

**A STUDY OF HUMAN RESOURCE MANAGEMENT PRACTICES & JOB  
SATISFACTION OF EMPLOYEES OF SMALL HOSPITALS OF LUCKNOW, U.P**



**ABSTRACT**

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## ABSTRACT

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**Keywords: Human Resource Management, Human Resource Management Practices, Job Satisfaction, Small Hospitals and Employee Performance.**

The present research investigates the Human Resource Management Practices and Job Satisfaction of employees of small hospitals of Lucknow. This chapter not only introduces the concept, impact and features associated with human resource management but also job satisfaction that affects the performance of employees. This chapter presents a bird's eye view of research problem, research questions and research objectives, a brief introduction of the conceptual framework of the study, significance of the study and introduction of the methodology. The concluding part of the chapter presents the structure of the investigation as well as the definition of key terms including those associated with Human Resource Management Practices and Job Satisfaction of employees of small hospitals.

Small hospitals, as defined by the Indian Small hospitals Administration are “independent Indian hospitals with less than fifty employees”, play an important role in our economy. It is estimated that there are over twenty five million small hospitals in the India making up over ninety-nine percent of overall Indian healthcare sector. In addition, these small hospitals employ fifty percent of all healthcare sector employees and have accounted for more than sixty percent of overall job growth in the India over the last decade. Given the aforesaid importance of small hospitals to our economy, it is imperative upon researcher to understand the tools that small hospitals can utilize to control and improve their performance and increase their chances of survival.

Human behaviour means, how the people react to situation, what motivate the people and how organization create an environment for employees to feel comfort and work

independently. Human resource management not only deals with individuals but also with team work. Human resource management in health sector seeks to improve the quality of services and patients satisfaction. Health care quality is normally defined in two ways: technical quality and socio-cultural quality. Technical quality refers to the impact that the available health services can have on the health conditions of population. Socio-cultural quality measures the degree of suitability of services and the capability to satisfy the patient expectations. As per Spector (1997), the job satisfaction is the most frequently studied variable in organizational behavior research. He discussed the reasons why one should be concerned with job satisfaction. He concluded that job satisfaction is to some extent a reflection of good treatment leading to behaviour by employees affect in organizational functioning.

Employees and employee management practices appear to be one way that hospitals are able to improve their performance. Strategic human resource management researchers have argued that an organization's success is at least partially dependent on its employees and their behaviours in carrying out the strategies of the hospitals (Becker & Gerhart, 1996; Delery & Doty, 1996; Dyer, 1984, Wright & McMahan, 1992). Hospitals that can effectively influence the behaviours and motivation of their employees through human resource management practices will be able to increase their performance and viability (Huselid, 1995). Small hospitals should also be able to leverage their employees through human resource management to improve their performance, but very little research has addressed the role of human resource management in small hospitals.

The researcher aspires to bring out relationship between human resource management practices (HRMP) and job satisfaction of employees and to explore the benefits that can be reaped by small hospitals by drawing strategic human resource management edge. A key

amount of research has been accomplished examining the impact of human resource management on job satisfaction. In a recent review of the literature, Wright et al. (2005) found a total of 68 empirical studies looking at the relationship between HRMP and some aspect of firm performance and job satisfaction. The review focused exclusively on published, empirical studies testing the relationship between HRM practices and job satisfaction. Sheppeck and Militello (2000) focus HRM strategy into four groups: employment skills and work policies, supportive environment, performance measurement and reinforcement and market organization. Whereas Guest (1997) divides it into three categories: differentiated on innovation, focus on quality and cost-reduction. However, there are many definitions in previous researches on HRM strategy, but all strategies used to achieve the same organizational goals through HRM practices. Sivasubramanian and Kroeck (1995) verified the various perspective of human resource management as the concept of fit or integration. Guest (1997) suggests the various types of human resource management practices in two dimensions as internal and external fit. External fit explains HRM as strategic integration whereby internal fit as an ideal of practices. Several researches try to examine which fit is appropriate. Youndt et al. (1996) who observe the external fit, their result shows more particular fit between high performance HRM practices and quality strategy. Stavrou-Costea(2005) also argued that the effective human resource management can be the main factor for the success of a firm. As supported by Lee and Lee (2007) HRM practices on business performance, namely training and development, teamwork, compensation/incentive, HR planning, performance appraisal, and employee security help improve firms' business performance including employee productivity, product quality and flexibility of firm. Very less research has examined the generalizability of these findings to small hospitals and our current understanding of the role that HRM practices plays in small hospital is limited (Cardon & Stevens, 2004).

In addition to providing a new field in which to test the relationship between HRM practices and job satisfaction, the context of small hospitals also provides the opportunity to test this relationship more systematically. Despite the growing body of research on the relationship between HRM practices and job satisfaction, quite a few questions still exist around variable measurement, research design, and the role of contingencies in HRM practices research. In spite of the success of this research in representing a relationship between HRM practices and employee satisfaction past researches have not sufficiently made the argument for HRM practices sourcing performance (Wright et al., 2005). HRM practices research in large hospitals involves dealing with multiple complexities making it difficult to measure and control for alternative drivers of performance such as the human capital of the top management or the environment in which the firm operates (Blau & Schoenherr, 1971). By their very nature, large firms are extremely complex and present many research difficulties such as multiple levels, multiple products, complex strategies, and operations spread across multiple geographies to name just a few. Small businesses have none of these complexities and present a context in which the measurement of HRM as well as alternative drivers of performance for control purposes is not hindered by complexity. Thus, studying the effects of HRM in small businesses allows the researcher to look directly at the relationship between HRM and firm performance and understand whether HRM contributes to the performance of small businesses. Second, and possibly as important, studying the relationship in the context of small businesses enables the researcher to understand the effects of HRM on firm performance above and beyond other known drivers of performance.

Finally, studying the relationship between HRM practices and job satisfaction also allowed the researcher to test potential moderating effects of these other known drivers of satisfaction in small hospitals. Delery & Doty (1996) argued that it was likely that the effect of HRM on performance was contingent on the existence of another variable or variables such as strategy

(Delery & Doty, 1996; Youndt, Snell, Dean & Lepak, 1996). Understanding these incident relationships will help us to understand when and under what conditions HRM practices might be more or less instrumental in contributing to the satisfaction of employees of small hospitals in Lucknow. Therefore, this research makes an additional important contribution to the field by testing contingency relationships between known job satisfaction in small businesses and the HRM practices and job satisfaction relationship leading to a broader understanding of the conditions under which HRM might lead to satisfaction.

The research purpose of this empirical study is to observe the relationship among HRM Practices and job satisfaction in the small hospitals of Lucknow. The literature review was unsuccessful to provide any practical data about the character and level of HRMP and job satisfaction in the small hospitals of Lucknow. Therefore, this study strives to help fill this gap by providing other information that might be of interest to the researchers, HRMP professionals etc. The specific objectives of this study are:

1. To study the correlation between HRM Practices and Job Satisfaction in small hospitals in Lucknow.
2. To compare mean scores of Job Satisfaction of males and females in small hospitals in Lucknow.
3. To find out the satisfaction levels of employees as a consequence of the HRM Practices of the small hospitals in Lucknow.
4. To study the influence of age, gender and designation and their interaction effect on Job Satisfaction of employees in small hospitals in Lucknow.
5. To find out the impact of demographic factors of the employees on Job Satisfaction in small hospitals in Lucknow.

The researcher interested to investigate human resource management practices in small hospital. To know an endeavor of human resource practices adopted by hospital; a perfect research methodology is needed. Therefore in this chapter, an endeavor is made to understand the research methodology adopted for this study purpose. Fifty hospitals from Lucknow were selected as respondent to investigate their human resource practices. To know this, the following research methodology is adopted. Introduction, Problems to be investigated, Objectives of the study, Hypotheses of the study, Significance of the study, Research design, Sample and sample size of the study, Sources of data collection, Scaling and the type of questions in questionnaire designing and Statistical tools and techniques used in the study. The snapshot of the research methodology is presented below:

**Topic** – A Study of Human Resource Management Practices and Job Satisfaction of Employees of Small Hospitals of Lucknow U.P

**Population** – Small Hospitals in Lucknow.

**Survey Area** – Lucknow (Uttar Pradesh). **Selected Industry and Firms** - 50 small hospitals in Lucknow.

**Type of Research** – Descriptive Research and Exploratory study.

**Research Approach** – Qualitative: Description, Literature Review and Theory & Hypotheses Development, Quantitative: Empirical Analysis & Hypotheses Testing.

**Sources of Data** – Primary data: questionnaires. Secondary data: existing literature, published books and articles in different journals etc.

**Research Survey Method** – Questionnaire through Personal Administration.

**Sample Size** – 200 Respondents, Employees of Small Hospitals in Lucknow.

**Sampling Technique** – Purposive selection of Small Hospitals. Employees contacted Conveniently, Snowball sampling also employed.

**Tools & Techniques of Analysis** – SPSS 20 (Statistical Package for the Social Science) and MS Excel used for data analysis.

**Descriptive Statistics** – Frequency Distribution, Percentage, Mean and Standard Deviation.

**Inferential Statistics** – t-Test, z-Test, Pearson's Correlation and ANOVA.

The findings of the study are discussed hereafter. The main objectives of this study were to investigate the relationship between human resource management practices and job satisfaction and its effect on organization in the small hospitals in Lucknow. The objectives were accomplished by collecting and analyzing relevant data using various statistical techniques. In line with the objectives, it was found that: majority of respondent were male; majority of respondents belong to higher and middle age group from 25 to 35 and 35 to 45 years; majority of the respondents were having MO and MS designations; majority of the respondents were having 01 to 05 years' experience. Demographical factors do affect the level of employees' satisfaction and human resource management practices in an organization. The results of this study also provide insights into the demographic variables that may influence the job satisfaction of employees in small hospitals. Gender, age and qualification, designation and experience were found to have a significant effect on the human resource management practices and job satisfaction. It was also found that training & development, performance appraisal, team work, job definition and compensation & benefits have significant impact on employee satisfaction; also there is positive and significant relationship between human resource management practices and job satisfaction, however employee participation and human resource management practices have negative relationship with job satisfaction.

Gender, age, qualification, designation and experience seemed to have a statistically significant impact on human resource management practices and job satisfaction. Gender influences the level of satisfaction in employees; female employees are more satisfied

towards their organization than the male employees in small hospitals in Lucknow. The results were congruent with the results of other study dedicated to the relationship between gender and job satisfaction (Green, 2000; Ivancevich and Donnelly, 1968; Jariyavidyanont, 1978). Similar to gender, age groups of respondents had no influence on the current level of job satisfaction and this finding is supported Coll and Rice's study when they stated that age was not related to job satisfaction (in Green, 2000). There is no significant difference among the age group with respect to their Job Satisfaction. Qualification levels in the organization produced similar results as that age and significantly effects the job satisfaction of employees; the more qualified employees are the more satisfied towards they are towards their organization than the less qualified employees. Based on the results in this study, it revealed that personal variables seemed to have linkage with the levels of employee satisfaction.

It is found that all the six variables (Training & Development; Performance Appraisal; Team Work; Employee Participation; Job Definition and Compensation & Benefits) are important for job satisfaction of the employees and there is negligible difference between mean values of all the six variables. Hence it is found that Performance Appraisal and Training & Development are more important Job Satisfaction factor than Compensation & Benefits, Employee Participation and Job Definition. Money is not everything for employee satisfaction in today business environment, Participative decision making, Performance Appraisal and Training & Development and other variables also plays a vital role in Job Satisfaction in Small Hospitals in Lucknow.

Based on the findings of the study, there is significant relationship between human resource management practices and job satisfaction. It is concluded, that training and job satisfaction were positively correlated; that there is a positive relationship between performance appraisal and job satisfaction variables; that performance appraisal and job satisfaction have positive

correlation; that team work and job satisfaction have positive correlation; that job definition and job satisfaction have positive correlation; compensation & benefits and job satisfaction have positive correlation. However, there is a significant but negative correlation between employee participation and job satisfaction. It may, therefore be said that employee participation and job satisfaction have negative relationship. It may, therefore be said

The findings of this study inform us to realign and strengthen HRM as in one group or in one organization there should be no unfairness at any level as well as in department. All employees need to be satisfied equally as per their needs. All practices that are implemented in an organization should be tested and above analysis shows how it could affect the employees in small hospitals in Lucknow. This study also brings out the importance to analyze employee perception about organizations at different levels of management and an effective role of HRM; satisfaction of the employees could be enhanced which eventually lead to a competitive positioning of organization in an aggressive environment.

The results of this study also revealed that bundles of Human Resource Management practices are positively related to employee satisfaction. This result is in consonance with Jackson & Schuler (1992), Eskildsen & Nussier (2000), and Boselie & Wieles (2002). This means that effective HRM practices lead to employee satisfaction. Results revealed that only six dimensions of HRM practices emerged as the predictors of employee satisfaction in the small hospitals in Lucknow. These practices include training & development; performance appraisal; team work; employee participation; job definition and compensation & benefits. These results support the previous research findings such as that of Lles, Mabey & Robertson (1990) and Graetner & Nollen (1992). However, for small hospitals in Lucknow six HRM dimensions determine the employee satisfaction.

Future researches need to study and confirm the relationship of human resource management practices and job satisfaction in relation with small hospitals in Lucknow. The investigation of the relationship between human resource management practices and job satisfaction in other organizations is also required to be done. This will provide a clear and broader picture to managers and it will provide leverage to decide that which factors lead to job satisfaction and where they can bring the improvement. The study found that the employees can be satisfied through training & development; performance appraisal; team work and employee participation in small hospitals in Lucknow. Employees are dissatisfied about human resource planning, job definition and compensation & benefits in small hospitals in Lucknow. However, the study shows employees are not satisfied with working environment. It is recommended that small hospitals in Lucknow shall ensure proper working environment for their employees. The results of this study revealed that provision of compensation and social benefits leads to higher employee satisfaction. Five out of eleven indicators of compensation & social benefits were found to be the explanatory factors having significant effects on employee satisfaction.

It is suggested that the small hospitals should restructure their compensation policy to attain and retain valuable human capitals. Training & Development and Performance Appraisal evaluates employees' job performance both in qualitative and quantitative aspects that cause positive intension toward work and enhance employees' productivity. The study shows that employees are not satisfied with the compensation & benefits system of the small hospitals in Lucknow. Therefore, the study suggests that the small hospitals in Lucknow should develop proper human resource policy and give emphasis on proper human resource management practices to enhance the satisfaction of their employees and developing them into effective human resources.