

# The Implication of Human Resource Management in Healthcare Institutions: An Overview

Tejal Rajendrabhai Shukla<sup>1</sup>, Dr. Rita Sharma<sup>2</sup>

<sup>1</sup>Research scholar, Sliver Oak University, Ahmedabad

<sup>2</sup>Research supervisor and Associate Professor, Sliver Oak University, Ahmedabad

**Abstract:** This paper delves into the vital role played by Human Resource Management (HRM) in enhancing staff performance, consequently leading to improved client satisfaction and the delivery of superior healthcare services. The overarching goal of quality healthcare revolves around ensuring safety, prioritizing patients, adhering to timeliness, optimizing efficiency, and upholding equity. HRM's pivotal responsibilities encompass promoting training, fostering motivation, retaining talent, implementing innovative strategies, and engaging in systematic planning to maximize the utilization of available resources.

In the current landscape, a prevalent challenge in the healthcare sector lies in the insufficient training and the deficiency in mastering essential competencies among a wide spectrum of healthcare employees. The paradigm of patient-centred care has emerged as a critical component in ensuring the delivery of safe healthcare services.

Findings suggest that in the ever-evolving and competitive healthcare industry, Human Resource Development (HRD) must embrace the latest methodologies to remain competitive and sustainable. Additionally, the role of HRM extends to monitoring the rules and regulations governing the healthcare system in relation to its workforce.

To achieve the goal of delivering high-quality healthcare, it is imperative to pinpoint the root causes of errors, formulate strategies to reduce the likelihood of future errors, conduct gap analyses, leverage available skills to bridge those gaps, diversify tasks among the existing team, and employ quality improvement methodologies to establish interdisciplinary teams focused on delivering patient-centred healthcare.

**Keywords-** healthcare industry, workforce, Human Resource Development, systematic planning

## A REVIEW STUDY HRM IN HEALTHCARE INSTITUTIONS

Human Resource Management (HRM) holds a pivotal role within the healthcare delivery system, and its

systematic management is of paramount importance. HRM does not merely implement existing methodologies; it actively engages in research, analysis, and the implementation of innovative strategic plans for the training and evaluation of both new and existing staff members.

Three fundamental principles underscore HRM's significance. In addition to addressing health system inputs, it is crucial to consider physical infrastructure, capital resources, and consumables. HRM primarily centers its attention on healthcare, encompassing various clinical and non-clinical staff members who are directly involved in managing both public and individual healthcare systems and interventions. The outcomes and benefits achievable through HRM largely hinge on the knowledge, skills, and motivation of the individuals who comprise the entire healthcare organization.

Within a hospital or clinical laboratory-based healthcare organization, it is imperative to assess the performance of staff members across all levels, initially and at regular intervals. HRM's core responsibilities include job analysis, determining manpower requirements, organizing the workforce, measuring and appraising performance, implementing reward systems, facilitating professional development, and ensuring the ongoing maintenance of the workforce.

HRM is indispensable in every organization, as it plays a pivotal role in facilitating efficient delivery systems and effective medical services, ultimately contributing to patient satisfaction. Numerous past studies on HRM underscore its critical role in achieving the objectives of healthcare organizations and emphasize the importance of periodically providing training and development opportunities to staff members across all levels to enhance the quality of healthcare services.

Motivated and highly trained medical professionals are essential for the success of a national healthcare framework. In cases where existing HRM practices are deemed inadequate, alternative approaches should be designed and implemented to achieve better outcomes. It is incumbent upon senior-level managers to formulate innovative strategies and initiatives to enhance HRM and its outcomes.

Research has consistently indicated that within hospital settings, Human Resource Management (HRM) has effectively improved staff performance when incentives and motivation, including performance-based bonuses tied to individual competency ratings, are introduced. These measures have demonstrated a significant impact on enhancing overall organizational performance.

Furthermore, HRM should extend its focus to encompass the mental health of its employees. Notably, low and middle-income countries face challenges in effectively managing their workforce to prevent mental health issues among staff. If left unaddressed, this could lead to a substantial decline in the performance of such staff members, highlighting the urgency of implementing effective strategies at the primary healthcare level.

It is widely acknowledged that gaps exist in low and middle-income countries concerning HRM resources dedicated to mental health, necessitating the development of new strategies for improvement. Without intervention, this issue could escalate to a critical level. A promising approach involves delivering better mental health support at primary healthcare settings through community-based programs. These programs can utilize lay workers, non-professional healthcare workers, and caregivers who, under proper supervision, are equipped to identify, diagnose, treat, and monitor individuals with mental health concerns. Adequate funding from HRM is imperative to address this issue effectively.

To enhance the management of Human Resource Management (HRM) in healthcare, it is crucial to comprehensively analyse and address factors such as the size, composition, proper organization, and distribution of the healthcare workforce. This involves tailoring training programs to align with the requirements of economic development, socio-demographic factors, and cultural considerations.

A case study conducted in a medium-sized private hospital in New York revealed the significance of

examining the organization's corporate culture in the context of overall healthcare delivery. Measures were taken to define the values, behaviours, and competencies associated with the existing culture, along with setting predefined goals. HRM professionals were provided with training to empower employees, fostering creativity and innovation. The nursing staff received training in a team-based approach to patient care, and multiple nursing stations were established within the hospital premises for improved access to patient needs. Employees were also trained to prepare themselves for marketing internal resources and exploring employment opportunities beyond the organization.

In the context of developing countries, gaining access to high-quality healthcare services remains a formidable challenge, particularly in rural areas. In many instances, medical personnel and resources are scarce for rural residents, and the situation worsens for migrant workers who move from one country to another, often lured by incentives offered elsewhere. This underscores the pressing need to address healthcare disparities and improve access to healthcare services in both rural and migrant worker populations. To enhance the mental health status of staff, an effective and feasible approach, along with investment, innovative thinking, and strong leadership, are indispensable. The pressing need to improve the mental well-being of employees underscores the importance of prompt action and resource allocation.

Human Resource Management (HRM) plays a pivotal role in the global healthcare landscape, with a central role in driving specific healthcare reforms to enhance overall patient care standards. HRM identifies three fundamental trends: efficiency, equity, and quality objectives, which are crucial for healthcare improvement. HRM employs various initiatives to boost efficiency, such as outsourcing services to transform fixed labour costs into variable expenses, thereby enhancing efficiency. Additionally, HRM may pursue other objectives, including contracting out, performance contracts, and internal contracts.

HRM is often considered the heart of the healthcare industry. India, in particular, has emerged as a hub for medical tourism, driven by innovative healthcare organizations. The role of HRM is paramount in achieving organizational goals and overall success. Human capital investment is acknowledged as the

lifeblood of organizations and must be continually developed to meet evolving demands. Effective Human Capital Investment is grounded in a knowledgeable workforce skilled in their respective domains, possessing adaptability. HRM plays a critical role in shaping and nurturing both the quantity and quality aspects of human capital investment.

A study conducted in Mozambique has revealed that the implementation of Performance-Based Financing (PBF) has led to notable improvements in institutional arrangements, accountability, and overall income. Within this framework, various factors have demonstrated positive outcomes, including employee motivation, reinforcement of both internal and external elements, self-efficiency, goal setting, healthy competition, and job satisfaction. The PBF program has not only enhanced accountability and governance but has also earned staff recognition from management committees and colleagues. Consequently, PBF has the potential to initiate a positive feedback loop, fostering responsibility, achievement, and recognition. It is recommended that policymakers tailor their PBF protocols to suit their organization's specific needs.

Furthermore, it has been observed that healthcare workers may resort to strikes due to inadequate staff welfare, salary concerns, ineffective leadership management, and the failure to implement agreements between staff and management. Such strikes can disrupt service delivery, hinder training programs, increase morbidity and mortality rates among patients, and erode public confidence in the organization. To mitigate this, it is crucial to acknowledge staff wage agreements and ensure their proper implementation. Additionally, appointing well-trained managers as heads of healthcare organizations is essential in preventing such disruptions.

Monitoring the behavioural changes of healthcare workers should be conducted periodically, and Community Health Volunteers (CHVs) can play a crucial role in this endeavour. A study carried out in Kenya under the Ministry of Health has indicated that while CHVs can be effective in rural healthcare systems, their effectiveness may be limited in urban-based health delivery organizations. CHVs primarily focus on facilitating behavioural changes among healthcare workers. One of the key demotivating factors identified for CHVs is the lack of compensation, coupled with challenges arising from the social environment, which diminishes their

motivation to encourage behavioural changes in local communities. Similar trends were observed in urban settings. To maximize the effectiveness of CHVs, allocating additional resources, improving coordination, and providing further training in modern methods for inducing behavioural changes are essential components for implementing healthcare programs.

There is a growing global consensus regarding the need to educate healthcare professionals to keep pace with the scientific, social, and economic changes that continually reshape the healthcare landscape. The best healthcare professionals can be cultivated through cooperative, comparative, and region-specific healthcare professional educational methods tailored to the needs of each nation. The establishment of a national assessment center is imperative to serve as a valuable resource hub for countries such as India, Bangladesh, China, Thailand, and Vietnam. This center can facilitate the planning of future Human Resource Management (HRM) related initiatives and actions in the healthcare sector.

A study conducted on Sierra Leone's healthcare system has identified it as having one of the most challenging HRM systems globally. The primary reason for this is the high rate of attrition, leading to a severe shortage of Healthcare Workers (HCWs). One of the critical issues contributing to this shortage is the lack of accurate information among HCWs regarding their entitlements, policies, and procedures established by the HRM department. This dearth of information has led to job dissatisfaction and increased attrition rates, particularly among rural HCWs. A system-oriented, cost-effective initiative by the HRM department could potentially address these concerns among HCWs. The findings of this study could be valuable for other countries grappling with HCW retention challenges, serving as a model for developing global strategies to retain healthcare workers.

Recognizing the pivotal role of line managers in the implementation of HRM policies has gained widespread acceptance. A study conducted in two trust hospitals has observed that involving line managers in decision-making bodies related to HRM services has resulted in improvements in the change process. However, with increasing workloads and high expectations, tensions may arise, often stemming from role conflicts inherent in their positions. These

challenges can be exacerbated by under-resourced line managers who may struggle to find adequate time to manage their staff effectively. Moreover, the changing nature of the staff can pose difficulties in their efficient management by HRM.

A study has proposed the tailoring of HRM practices to suit local circumstances as a method to assess the impact of specific HRM policies on staff performance in healthcare organizations. HRM should actively encourage health researchers, managers, and policy makers among its staff. It is crucial for HRM to examine the relationship between the range of HRM practices, policies, and systems and their influence on staff performance. In some cases, failures in resource outcomes have been observed, even when hospitals have meticulously prepared quality plans and organizational structures based on scientific methods. Such failures have often been attributed to the lack of motivation among hospital directors and various categories of workers, including doctors. While HRM cannot be solely held responsible for an organization's failure to achieve desired results, it is essential to monitor both internal and external factors contributing to these outcomes. Companies should select the most suitable HRM department model based on their corporate preferences and responsibilities in achieving desired outcomes. Numerous organizations have been successful in delineating a wide range of responsibilities within HRM.

HRM services place a strong emphasis on the development of healthcare workers in both private and public health services. HRM professionals are responsible for carrying out fundamental activities that involve monitoring the daily routines of healthcare workers, as well as regulating and executing staff recruitment, performance evaluation, and appraisal processes. They should possess the competence to assess complex skills and motivations of their staff through ongoing training and development workshops focused on staff engagement and performance enhancement. The critical elements in promoting the quality of healthcare services and ensuring patient safety largely depend on effective HRM management. Therefore, HRM should actively seek qualified candidates for various positions within healthcare institutions, collaborate closely with them, and provide the necessary training to fulfil their responsibilities and achieve desired results.

A study conducted in Nigeria's healthcare system has suggested that the extent of duties and responsibilities assigned to the HRM head directly influences the outcome of achieving optimal results. HRM managers should involve healthcare workers in higher practical responsibilities to boost their motivation and confidence in carrying out their daily duties. The HRM manager should also address issues related to health workers' annual salary increments and performance incentives. Further research is needed to propose additional strategies for effective HR services delivery in healthcare settings.

Reiterating the importance of HRM, it is responsible for processes such as recruitment, selection, training, assessment, and rewarding of employees. HRM also oversees organizational leadership, culture, and ensures compliance with employment and labour laws. HRM holds the responsibility of establishing overall strategies and goals, designing work systems, producing goods and services, monitoring quality, allocating financial resources, and marketing products and services. Ultimately, HRM has the potential to transform every employee into a valuable resource for the organization.

A study conducted in "Gaza" revealed that institutions often neglect to involve workers in the HR planning process. They lack clarity and professional experience in manpower planning and often lack support from top management. The study recommends the development of clear plans and a professional, systematic approach to human resources development. It suggests the creation of a separate department for personnel affairs, involving employees in its operation, and seeking external expertise to determine HR needs within healthcare institutions.

HRM plays a pivotal role in shaping healthcare services by adhering to specific recruitment guidelines, aligning staff with the organization's culture and demands, conducting regular competency assessments, contributing to ongoing learning initiatives, and emphasizing employee retention. Giving due importance to these activities can yield significant rewards for the organization and enhance customer satisfaction. Continuous monitoring of patient safety and gathering feedback on facilities and services can drive the organization to proactively address issues, reducing complaints and potentially securing additional funding for facility expansion.

Prompt resolution of employee disputes through a dedicated redressal committee is essential.

The economic reforms introduced by the Government of India in 1991 have prompted significant changes in the operations and responsibilities of healthcare organizations. These reforms have placed limitations on the employment of retired staff, leading to manpower shortages and challenges in efficient functioning within HR organizations. Some employment terms and conditions have given rise to legal issues, while conflicts of interest may arise when employees seek additional work elsewhere due to low salaries. The stability of healthcare organizations is closely linked to the recruitment of experienced staff on a long-term basis, along with favourable employment terms and conditions. Three identified shortcomings in healthcare organization functions are related to compensation and career growth, organizational disparities, and human resources. Discontent has been observed among contractual healthcare providers due to discriminatory practices, disparities in leave provisions, delays in bill reimbursements, and compensation-related issues.

A significant shortcoming identified in healthcare organizations is the insufficient attention given to human resources issues. These shortcomings include a reactive and ad hoc approach to HR problems, a dispersion of accountability within HRM, a limited understanding of personnel administration, and a focus on short-term perspectives. To address these gaps, recognizing the central role of the workforce in healthcare, studying the challenges posed by healthcare systems, and developing proactive policies and procedures are essential steps. Transitioning from a traditional approach to a global perspective, emphasizing integration, recognizing the independent and systemic nature of various components, and formulating and implementing effective and equitable policies can contribute to the development of a strong HRM department within a healthcare system.

The shortage of healthcare workforce can impede the growth of the healthcare system. While some researchers have reported shortages of manpower, the evidence for these claims is not always clear. Various sources, including newspapers, journals, and newsletters, have discussed workforce shortages as a reason for stagnation in the healthcare industry's growth, with nursing being a frequently mentioned area of concern. However, imbalances in the

healthcare workforce can take different forms and have varying impacts on the healthcare system. Therefore, there is a need for a critical review of imbalances within healthcare organizations .

Several studies have focused on estimating the impact of economic factors on healthcare demand. Research conducted in the USA, for example, has attempted to estimate price and income elasticities for medical services. Estimating income and expenditure effects can provide insights into how economic factors influence healthcare demand. Effective communication and collaboration between the HRM department and customers are crucial for enhancing service delivery and ensuring the success of healthcare providers. Conducting thorough research is essential to develop new human resource policies and practices that benefit individuals and have a positive global impact, even though such practices can be complex, especially when viewed from a global perspective.

The health of a nation is significantly influenced by the comprehensiveness of its healthcare systems, which should be well-established with harmonious interconnections among their various building blocks. These building blocks include governance, HR, information systems, medicine, laboratory services, pharmacies, financing, and the speed of service delivery. Among these, HRM plays a central and cross-cutting role that unites and drives the entire operation of healthcare systems.

Research has indicated that the correlation between HRM and client satisfaction is generally relatively low. However, the HRM function does have an impact on both job satisfaction and client satisfaction. Employee satisfaction with their organization is directly linked to client satisfaction. While job-related training does not appear to have a strong relationship with job satisfaction, it does show a clear connection with client satisfaction. Leadership style within HRM significantly affects job satisfaction but has only a limited impact on client satisfaction. Regular performance reviews conducted by HRM are crucial for both job and client satisfaction. Interestingly, a more frequent schedule of performance reviews tends to increase employee satisfaction but decrease client satisfaction.

Healthcare organizations are constantly in competition with the market, and those with long-term strategies and objectives invest in HRM to effectively challenge their competition. A well-executed HRM strategy can

act as a catalyst to enhance employee performance, ultimately improving the organization's reputation in the competitive landscape. Existing literature highlights three essential steps for conducting reliable staff assessments: analysing the required job positions, evaluating results, and establishing methods for measuring achievements. Personnel performance should also be scrutinized, considering the benefits and purpose of evaluation. Therefore, a well-structured and organized system, tailored to meet the unique conditions and goals of each business model, plays a significant role in improving staff performance and the overall productivity of the organization.

Human resources and human capital represent the qualities that the workforce brings to the workplace, such as knowledge, intelligence, enthusiasm, and the ability to learn. In this context, employees are regarded as a strategic resource that provides an organization with a competitive advantage. Human resources, in general, can be more management-intensive than other production factors. HRM's challenge lies in ensuring that employees align their work with organizational goals, maximize productivity, and remain motivated. Motivating employees can be particularly challenging since humans are complex and emotional beings. Once a staff member is recruited by an organization, the HRM department must provide them with a clear job description, outline the organization's expectations, define employee responsibilities, and clarify the scope of their tasks. This lays the foundation for a proper service contract. HRM's initial priority is to provide training to employees, enhancing their existing skills and preparing them for new roles as needed.

In situations where disputes arise between employees and management, HRM should step in as a consultant and mediator, offering solutions to resolve the conflict. HRM also plays a crucial role in building relationships with other business sectors to ensure the organization's survival and future growth.

To enhance the public image of the organization, it's essential to organize business meetings, seminars, and various official gatherings periodically on behalf of the company. Additionally, creating and maintaining favourable working conditions is a vital aspect of HRM. The company should strive to provide a safe working environment that fosters productivity and enhances employee job satisfaction

## GENERAL REMARKS AND OBSERVATIONS

HRM plays a pivotal role in enhancing employee motivation, refining interpersonal and communication skills, actively listening, facilitating interactions, and addressing concerns. They serve as a crucial bridge between management and employees. Conducting regular assessments, performance reviews, addressing deficiencies, and establishing clear criteria for employee appraisal and rewards are all effective measures to support employees.

In addition, HRM should work on designing and developing straightforward performance standards. Addressing challenges like workforce shortages, improving communication, and fostering teamwork are among the key responsibilities of HRM in pursuit of maintaining and enhancing quality within the organization.

## REFERENCE

1. Kabene, S. M., Orchard, C., Howard, J. M., Soriano, M. A., & Leduc, R. (2006). The importance of human resources management in healthcare: a global context. *Human Resources for Health*, 4, 20. doi.org/10.1186/1478-4491-4-20.
2. Elarabi, H. M., & Johari, F. (2014). The Impact of Human Resources Management on Healthcare Quality. *Asian Journal of Management Sciences & Education*, 3(1), 13-22.
3. Fiona, E., & Geare, A. (2005). HRM practice and employee attitudes: different measures – different results. Department of Management, University of Otago, Dunedin, New Zealand, Emerald Group Publishing Limited, 34(5), 534-549.
4. Kakuma, R., Minas, H., Van Ginneken, N., Dal Poz, M. R., Desiraju, K., Morris, J. E., ... & Scheffler, R. M. (2011). Human resources for mental health care: current situation and strategies for action. *The Lancet*, 378, 1654–1663.
5. Zurn, P., Dal Poz, M. R., Stilwell, B., & Adams, O. (2004). Imbalance in Health Care services. *Human Resources for Health*, 2(1), 13. doi.org/10.1186/1478-4491-2-13.
6. Anson, B. R. (2003). Taking charge in a volatile health care marketplace. *Human Resource Planning*, 23, 21-34.
7. Vujicic, M. M., Zurn, P., Diallo, K., Adams, O., & Dal Poz, M. R. (2004). The role of wages in the migration of health care professionals from developing

- countries. *Human Resources for Health*, 2(1), 3. doi.org/10.1186/1478-4491-2-3.
8. Kabene, S. M., Orchard, C., Howard, J. M., Soriano, M. A., & Leduc, R. (2006). The importance of human resources management in health care: a global context. *The international hospital federation reference book*.
9. Harris, C., Cortvriend, P., & Hyde, P. (2007). Human resource management and performance in health care organizations, University of Manchester, Manchester, UK. *Journal of Health Organization and Management*, 21(4-5), 449-459.
10. Gergen, J., Rajkotia, Y., Lohmann, J., & Ravishankar, N. (2018). Performance-based financing kick-starts motivational 'feedback loop': findings from a process evaluation in Mozambique. *Human Resources for Health*, 16(55), 1. doi.org/10.1186/s12960-018-0320x.
11. Oleribe, O. O., Udofia, D., Oladipo, O., Oshola, T. A., & Rabinson, S. D. T. (2018). Healthcare workers Industrial action in Nigeria: a cross-sectional survey of Nigerian Physicians. *Human Resources for Health*, 16, 54. doi.org/10.1186/s12960-018-0318-4.
12. Dreibelbis, R. (2018). Realities and experience of Community Health Volunteers as agents for behavior change: evidence from an informal urban settle. *Human Resources for Health*, 16(1), 53. doi.org/10.1186/s.12960-018-0318-4.
13. Zodpey, S., Lumbiganon, P., Evans, T., Ha, B. T. T., Negandlis, H., & et al. (2018). Assessment of Health Professional Education across five Asean Countries- a protocol. *Human Resources for Health*, 16, 52. doi.org/10.1186/s.12960-018-0316-6.
14. Narayan, V., John-Stewart, G., Gage, G., & O'Malley, G. (2018). "If I had known, I would have applied: Poor Communication, job dissatisfaction, and attrition of rural health workers in Sierra Leone. *Human Resources for Health*, 16, 60. doi.org/1186/s.12960-018-0311y.
15. McConville, T. (1999). The filling in the Sandwich. *HRM and middle managers in the health sector*. *Personal Review*, 28(5/6), 405-424.
16. Harris, C., Cortvriend, P., & Hyde, P. (2007). Human Resource Management and Performance in health care organizations, University of Manchester, Manchester, UK. *Journal of Health and Organization and management*, 2(4/5), 448-459.
17. Al Khudat, M. (Unpublished Master's thesis, Yarmouk University, Irbid, Jordan). Staff selection methods in the King Abdullah Hospital founder in light of technological developments.
18. Valverde, M., & Ryan, G. (2006). Distributing HRM responsibilities: A classification of organizations. *A personal Review*. Emerald Group Publishing Ltd, 35(6), 618-636.
19. Uneke, C., Ogbonna, A., Ezeoha, A., Oyibo, P., Onwe, F., & Ngwu, B. (2007). The Nigeria health sector and human resource challenges. *The International Journal of Health*, 8(1), 243-261.
20. Elvira, N. (2013). The Importance of Human Resource Management to the Healthcare System. *Journal of Economic Management and Financial Markets*, 8(4), 75-82.
21. Simon, C. H., & Chan, W. (2012). High performance human resource practices and organizational performance, the mediating role of occupational safety and health. Department of Management and Marketing, The Hong Kong Polytechnic University, Hong Kong, China, Emerald Group Publishing Limited, 3(2), 136-150.
22. Wright, P. (2011). The 2011 CHRO Challenge: Building Organizational, Functional, and Personal Talent. Cornell Center for Advanced Human Resource Studies (CAHRS).
23. Jamal, K., & Adwan, A. (2006). The reality of workforce Planning in the health sector hospitals the non-governmental sector in the province of Gaza.
24. Russell, A. (2018). Business Management: The role of HR manager in Healthcare. Baylor College of Medicine. DOI: 10.21522/TUMG,2015.04.02. Art 010.
25. Pawankumar, & Khan, A. M. (2013). Human Resources Management in Primary Healthcare System, Health and population: Perspectives and Issues, 36(1&2), 66-76.