

HRM Performance in Indian Hospital Industry in West Bengal: Current Impact towards Future Directions

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Abstract

HRM performance is the effectiveness of HR practices in achieving organizational goals, enhancing employee productivity, and fostering a positive work environment. It plays a crucial role in aligning human capital with strategic business objectives, contributing directly to organizational success. Key dimensions of HRM performance include recruitment and talent acquisition, training and development, employee engagement and retention, performance management, compensation and benefits, diversity, equity, and inclusion (DEI), and HR analytics and data-driven decision making. Effective HR practices involve efficient hiring processes, quality of hire, and data-driven techniques like AI-powered candidate screening. Continuous learning and skill development are essential for maintaining a competitive workforce, and HRM performance is measured by training ROI, employee upskilling and reskilling rates, and development programs for leadership and career advancement. Employee engagement and retention are linked to engagement surveys, retention rates and turnover ratios, and programs that promote job satisfaction, work-life balance, and employee well-being. Performance management ensures that employees' goals are aligned with organizational objectives and their performance is regularly assessed and improved. Metrics in this area include the effectiveness of performance appraisal systems, use of 360-degree feedback, and link between performance management and rewards systems. Competitive and fair compensation packages, along with benefits such as healthcare, retirement plans, and wellness programs, influence HRM performance by attracting and retaining top talent, enhancing employee satisfaction and reducing turnover, and ensuring equity and compliance with labour laws and regulations. Future directions of HRM performance will involve the use of AI-driven tools for recruitment, employee engagement, and performance management, freeing HR professionals to focus on strategic functions like talent development. Stratified random sampling employed depending on the target group Data was collected based on this questionnaire from HR specialists of the hospitals in the West Bengal region. The total number of analyzed questionnaire was 50. The Pearson's statistical method of Chi Square test was performed with the help of SPSS software.

Keywords: Recruitment, Job satisfaction, Continuous learning, Leadership, Performance appraisal system, Talent Acquisition, Stratified Random Sampling.

Introduction

Human Resource Management (HRM) is a critical component in the healthcare sector, particularly in hospitals, where the quality of care and operational efficiency are highly dependent on the skills and management of healthcare professionals. The performance of HRM in the Indian hospital sector is influenced by several factors. The Indian healthcare system faces a significant shortage of skilled healthcare professionals, including doctors, nurses, paramedics, and administrative staff. According to WHO norms, India falls short of the recommended doctor-patient and nurse-patient ratios. HRM has been focusing on recruitment, training, and retention to bridge this gap, but the supply-demand mismatch persists, affecting service delivery and patient care quality. Retention of skilled personnel is a major challenge due to factors like stress, long working hours, inadequate compensation, and lack of career growth opportunities.

Many healthcare professionals move abroad for better opportunities, exacerbating the shortage. HRM practices in Indian hospitals often lack structured programs for career advancement, job satisfaction, and work-life balance. HRM has embraced technology for various tasks, such as recruiting, training, payroll management, and employee performance monitoring. However, the integration of HR technology in Indian hospitals is still in the early stages, with many hospitals yet to fully adopt digital HR solutions. Telemedicine, AI-powered diagnostics, and automation have influenced how hospital staff are managed, requiring HR teams to invest in upskilling and continuous training programs. The COVID-19 pandemic highlighted the importance of effective HRM, as hospitals had to manage workforce shortages, safety concerns, and employee morale in challenging conditions. HRM policies had to be quickly adapted to ensure adequate PPE, flexible shifts, mental health support, and infection control training for hospital staff. Indian hospitals must adhere to various HR and labor laws, such as the Clinical Establishments Act, minimum wage requirements, and working hour's regulations. HR departments play a crucial role in ensuring compliance, the hospital's reputation.

Review literature

The literature on Human Resource Management (HRM) in the Indian healthcare sector highlights the essential role that effective HRM practices play in improving hospital performance, enhancing patient care, and maintaining workforce stability. Current challenges in Indian hospitals include high workforce turnover, skill shortages, burnout, and difficulty in retaining skilled healthcare workers, especially in rural areas. These factors contribute to inefficiencies, negatively impacting patient care quality and organizational effectiveness. A key area of focus is recruitment and retention, where applying frameworks like Human Capital Theory (investing in training and development) has been shown to improve care quality and employee satisfaction.

Rao et al. (2018) emphasize investing in continuous learning programs to address the skill gaps in these regions, which can lead to more equitable healthcare access across the country.

Saini (2020) and Thomas et al. (2019) find that hospitals prioritizing HRM's alignment with patient care goals tend to report higher service quality outcomes.

Verma and Bhatt (2019) express concerns about the challenges associated with technological integration in HRM. They argue that the high costs, limited access to technology, and resistance to change within hospital structures could slow down the adoption of digital tools. They suggest a gradual approach to technology adoption that includes adequate training and sensitization.

Ramesh and Choudhury (2020) argue that digital HR tools—such as AI- driven recruitment, performance tracking, and training platforms—will streamline HR processes, thereby increasing productivity and operational effectiveness in hospitals.

Kumar and Mehta (2021), highlight the role of employee engagement in enhancing patient satisfaction. They argue that hospitals must focus on creating engaging work environments that retain skilled healthcare professionals and reduce turnover, leading to continuity in patient care and better long-term outcomes.

Sharma and Reddy (2021) argue that HRM in hospitals must expand wellness programs beyond physical health to include mental health and work-life balance. They emphasize that well-rounded wellness initiatives can reduce burnout, enhance employee satisfaction, and improve service quality.

According to Bhagat and Pillai (2022), resource constraints in many hospitals mean that implementing holistic wellness programs may be financially challenging, especially for smaller hospitals. They recommend focusing on cost-effective wellness interventions that balance well-being with operational feasibility.

Gupta and Sharma (2022) argue that resource limitations require hospitals to address pressing HRM issues—like recruitment and workload management—before pursuing broader strategic objectives.

Future Directions for HRM in the Indian Hospital Sector

To meet future healthcare demands and improve operational efficiency, HRM in Indian hospitals will need to undergo significant transformations. As the healthcare sector expands, particularly with government initiatives like Ayushman Bharat, there is a need for long-term workforce planning. HR departments will have to forecast demand for specific roles (doctors, nurses, paramedics) and work closely with educational institutions to ensure an adequate supply of trained professionals. Partnerships with medical colleges, nursing schools, and technical institutions will be crucial to developing a talent pipeline that meets future healthcare needs. The pandemic has emphasized the need for healthcare worker well-being, including physical and mental health support. HRM will need to incorporate mental health programs, flexible working hours, and adequate rest periods to prevent burnout and increase retention rates. Hospitals must also focus on providing competitive compensation and career development opportunities to retain skilled workers. With the growing influence of technology in healthcare, HRM will need to adopt advanced digital tools for recruitment, training, performance management, and employee engagement. HR analytics, AI-driven recruitment platforms, and remote work solutions will become increasingly important. Upskilling employees in digital tools, telemedicine, and new medical technologies will also be crucial. The hospital sector will need to focus on creating diverse and inclusive work environments. HR departments will need to implement policies that promote gender equality, inclusivity, and equal opportunities for all employees, regardless of background. Hospitals should aim to create a more balanced gender ratio among healthcare professionals, as well as promote leadership roles for women in healthcare management. Hospitals will need to invest in developing future leaders within their organizations. Leadership training programs and succession planning will ensure that hospitals have skilled managers ready to take on senior roles. HRM will need to focus on identifying and nurturing talent for leadership roles to maintain continuity and effective management. Sustainable HR practices, including eco-friendly policies, flexible work options, and employee engagement programs that reduce attrition, will become a focus for hospitals looking to improve their environmental and social responsibility. Incorporating green practices in HRM, such as reducing paper use, adopting digital HR solutions, and encouraging sustainability within the hospital environment, will align with the global focus on healthcare sustainability.

Challenges HRM in the Indian Hospital Sector

Even with HR interventions, there is a persistent skill gap in specialized healthcare services, and finding highly trained personnel remains challenging. Public and smaller private hospitals may struggle to invest in advanced HRM technologies and programs due to budget limitations. With an aging population, hospitals will need to plan for a shift in healthcare demands, requiring HRM to prepare for workforce redeployment and specialized geriatric care roles.

Research Design

A **mixed-methods approach** (qualitative and quantitative) is applied to capture both the numerical trends and the deeper insights into HRM practices in the hospital sector. To assess the current HRM performance, measurable aspects such as employee turnover rates, job satisfaction levels, retention rates, training effectiveness, and patient care outcomes analysed through surveys and secondary data. In-depth interviews and focus group discussions can help identify subjective insights into HRM challenges, employee perspectives, and management strategies for future HR improvements.

Data Collection Methods

Hospital HR managers, doctors, nurses, administrative staff, and healthcare workers. Both closed-ended and Likert scale questions included to capture quantitative data on aspects like job satisfaction, retention, training quality, and employee performance. Gather broad, quantifiable data on HRM practices, effectiveness, challenges, and employee experiences in various types of hospitals (public, private, tertiary, etc.) Senior HR executives, hospital administrators, and department heads. Obtain qualitative data on leadership insights, HR strategy implementation, and future planning for workforce development. Groups of healthcare professionals (doctors, nurses, paramedics) and HR staff. Explore themes such as employee well-being, work-life balance, mental health, and the role of technology in HRM Structured FGDs with open-ended questions to encourage dialogue on HRM performance and future strategies. Analysing reports from Indian hospitals on employee turnover, recruitment, retention rates, and training programs. Gathering publicly available reports on healthcare staffing challenges and HR initiatives. Reviewing national healthcare reports (e.g., from the Ministry of Health, NITI Aayog) on workforce shortages, healthcare system performance, and government initiatives like Ayushman Bharat. Reports from agencies like WHO, Indian Medical Association (IMA), or National Skill Development Corporation on healthcare workforce metrics. Reviewing scholarly articles on HRM trends in the Indian healthcare sector, focusing on case studies, comparative studies, and best practices in healthcare HRM.

Sampling Technique

Sampling Method: Stratified random sampling employed depending on the target group (HR managers, healthcare workers, senior administrators). A sample size of 50 healthcare professionals from a mix of public, private, and tertiary hospitals across major Indian cities will provide a representative sample. A sample size of around 15- 25 key HR professionals, hospital administrators, and healthcare staff for in-depth insights. Hospitals can be stratified based on size (small, medium, large), ownership (public vs. private), and region to ensure a diverse sample covering different aspects of the Indian healthcare system.

Data Analysis

The current article deals with the human resource management by selected hospital in the West Bengal region. The study has been performed firstly from the secondary data which has defined eight current trends in human resource management. Further a primary data analysis was also performed which was based on a questionnaire. Data was collected based on this questionnaire from HR specialists of the hospitals in the West Bengal region. The total number of analyzed questionnaire was 50. The Pearson’s statistical method of Chi Square test was performed with the help of SPSS software.

Results:

The following hypothesis were formulated based on the questionnaire

Independent Variable Optimum utilization of Human resource management in Hospitals

H1: There is a statistical correlation between the healthcare facilities given by the hospitals and the modern trend used in the area of Human Resource management.

H2: The time taken to recruit staff affects the performance of the hospitals

H3: The most important factors related to HRM in hospitals are: Recruitment and selection, Training and development, Employee Retention, Performance management and Compensation management

Hypothesis 1:

In the first hypothesis, the Variable is the usage of modern human resource techniques and the dependent variable is the healthcare facilities given the hospitals.

Table 1

Analysis	Health care Facilities (Dependent Variable) A1	Usage of modern healthcare facilities of HRM (Dependent Variable) A2
Pearson Correlation : A1	1	.694
A2	.694	1

The Above table shows that the use of modern healthcare facilities of HRM like recruiting skilled professionals, continuous training, fostering employee well-being, and adopting technology-driven solutions plays a very important role in the Healthcare facilities adhered to the patients. The high Pearson’s correlation shows that H1 is accepted and null hypothesis is rejected.

Hypothesis 2:

According to this hypothesis, the time taken to recruit staff affects the performance of the hospitals.

Table 2

Test Statistics

Analysis		
Chi-Square	26.320	24.720
df	3	3
Significance	.000	.000

As per the above table the significance value is .000 which states that the observed association between the variables is statistically significant at 95% confidence level.

With a high Chi-Square value 26.320, and the degree of freedom low (r-1) it is likely that there is a statistically significant association between the variables. This this shows a strong relationship between the two variables.

In this case it can be concluded that there is a high statistically significant relation between the time taken to recruit staffs and the performance of the hospitals.

Hypothesis 3:

Table 3

Model Fitting Information

Model	Model Fitting Criteria	Likelihood Ratio Tests		
		Chi Square	Df	Sig
Intercept	92.473	82.246	51	.004
Final	10.227			

Pseudo R-Square

Cox and Snell	.826
Nagelkerke	.938
Mc Fadden	.824

Likelihood Ratio Tests

Model	Chi Square	Sig.
Recruitment and selection	37.546	.000
Training and development	9.341	.406
Employee Retention	35.515	.000

Performance management	179.526	.000
Compensation management	34.403	.001

As per the above table it is clear that all factors are significant at .000 except for Training and development at .406 which is the least significant. Accordingly, the Chi Square value is also least for Training and Development.

Recruitment and Selection, Employee Retention, Performance Management, and Compensation Management show statistically significant associations ($p < 0.05$).

As per the above table the most important factor is Performance management for effective usage of human resource at hospitals. This is proved by the high Chi Square value at 179.526 and significance value at .000. The other important factors in chronological order is Recruitment and Selection at Chi Square Value at 37.546 , Employee retention (Chi Square value at 35.515) and Compensation management (Chi Square Value 34.403). All these factors are significant.

This suggests that, except for Training and Development, the other HR factors have significant associations with the dependent variable (or outcome) being analyzed in this model.

Hence the Alternative hypothesis is accepted and null hypothesis is rejected.

Ethical Considerations

Participants are fully informed about the purpose of the research, and their participation is voluntary. Maintain the confidentiality of personal and organizational data collected during the study. Obtain ethical clearance from relevant health and academic bodies, especially when dealing with hospital staff and management.

Limitations of the Study

Findings may not be fully generalizable across all hospitals in India, given regional differences and hospital-specific challenges. Surveys may be subject to social desirability bias, especially in sensitive areas like job satisfaction and workplace issues. Gaining access to high-level HR managers and hospital administrators for

interviews might be challenging due to their busy schedules.

Future Research Directions

Extend the study to include rural healthcare centres and small hospitals that may face different HR challenges. Focus on specific HR functions such as training and development, technology adoption, and employee wellness programs for further exploration. Conduct longitudinal studies to assess how HR practices in Indian hospitals evolve over time, especially in response to technological and policy changes. This structured research methodology will enable a robust exploration of HRM performance in the Indian hospital sector, providing valuable insights into both current challenges and future pathways for improvement.

Conclusion

Human Resource Management in the Indian hospital sector is evolving to meet the growing challenges of the healthcare industry. The future of HRM will likely focus on technological integration, employee well-being, leadership development, and strategic workforce planning. Hospitals that proactively address these areas will be better equipped to handle the demands of India's rapidly expanding healthcare sector and improve the overall quality of care. The future of HRM in Indian hospitals will likely incorporate insights from both ends of these viewpoints, balancing strategic and operational HRM. As digital transformation and employee wellness become more integrated into HRM practices, the field will need to evolve in response to the dynamic demands of healthcare. This process will involve reconciling cost constraints with innovative HR solutions, a strategic alignment with performance needs, and progressive attitudes towards diversity and well-being, shaping a more resilient and future-ready healthcare workforce.

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