



Research Paper

Impact of Human Resource Practices on Talent Retention – An Investigation on Select Hospitals

¹ H.K. Manjula

² Dr. Noor Afza

¹ Research Scholar

² Professor

Department of Studies & Research in Business Administration

Tumkur University,

Tumakuru, Karnataka, India

*Corresponding Author: H.K. Manjula

ABSTRACT: Human Resource is the most significant asset of any business unit. Asset is the source of achieving competitive advantage. In order to meet this challenge of achieving competitive edge the business organizations need to create such an environment that support the practices of retention. In which workforces are encouraged. Once they are satisfied with their works, it will lead towards employee commitment with the work as well as the organization and their intention to stay within the organization will be maximized. In this context, the present research paper examines the relationship between HR practices and Talent Retention in Hospital Sector. The research papers has been prepared with the main objectives of, analysing the demographic pattern of Health professionals and study the impact of HR practices on Retention of Health professionals in Hospital care sector. The present study is based both on Primary and secondary sources of data. Primary data was collected by administering a structured questionnaire among 510 Health Professionals working in NABH accredited hospitals in the city of Bengaluru. Whereas secondary data was collected from various journals, research papers & articles and also from newspaper articles. Collected Data was tabulated and was analysed by using descriptive statistics method. Hypotheses were tested by using inferential statistics like ANOVA and Standardized Regression method. This research paper recommends few suggestions to the stockholders and policy makers like, Bringing transparency in communication by HR team makes Health professionals more engage in their work, To retain talented employees in the hospital, Hospital Management in association with HR team should Create positive work environments in the hospitals and focus on adopting fundamental principles for redesigning work systems to prevent and reduce burnout among Health professionals, while also fostering well-being.

KEY WORDS: Human Resource, Talent Retention, Hospitals, Health professionals, NABH

Received 10 August, 2021; Revised: 24 August, 2021; Accepted 26 August, 2021 © The author(s) 2021. Published with open access at www.questjournals.org

I. INTRODUCTION

Organizations today constantly wrestle with radical trends such as accelerating products, services, technological changes, global competition, deregulation, demographic changes and at the same time, they must strive to implement trends towards a service and information society (Kane 2000). Due to this tumultuous business environment, one of the challenges facing many organizations is the retention of employees. The loss of employee is a disruptive event. Replacing employees may be costly, both in terms of acquiring and training. High level of employee turnover may impede the quality, consistency and stability of services that organizations provide to clients and customers (Trevor and Nyberg, 2008) and in turn increased customer dissatisfaction. As such, organizations have now become knowledge-based where clearly human capital is considered a key resource and indispensable to their survival.

Talent retention is the number of existing employees who keep or stay with their jobs over affixed period of time. Retention policy should focus on retaining the high performers and talented employees or losing the losers and keeping the keepers (Blake, 2009). Talent retention is critical to the long term health and success

of any business. Exit interviews with departing employees provide valuable information you can use to retain remaining staff. Talent's retention issues have become a mainstream challenge to most of the organizations worldwide and continue to be the key concern for most of the employers regardless the sector, organization, or industry.

A motivational quote of Aristotle "pleasure in the job puts perfection in the work" one of the vital reason of the retention is the job satisfaction. It makes them more devoted and committed to their work; it results in organizational customer's satisfaction. For an effective and efficient performance of the firm, it is considered essential that firm retains its competent employees for longer period of time (Shekshnia, 1994). Employee retention consists of procedures through which employees are boosted to become part of the organization for a longer period of time until he/she gets retired or until the project gets completed. For achieving individual as well as organizational goals, it is very much essential to retain talented employees. The retention process starts when human resource management is applied that is right person for the right job. Employee retention is one of the most important targets for the organizations. Every organization attempts to introduce different human resource practices for this purpose

HRM practices are a set of planned strategies and a policy implemented by an organization to ensure organization's human capital efficiently and effectively contributes to the achievement of overall organizational objectives (Anthony et al., 2002; Mondy et al, 2005). At the organization level, HRM practices have been identified as a source of business revenue (Mathis et al, 2004). This is because HRM practices such as compensation (offer of attractive rewards to attract and retain skilled manpower), performance appraisal (determine employees' strengths and weaknesses), and training and development (train potential employees to undertake higher-level tasks) have been considered as the foundation strategies to ensure organization has a group of talented employees that help to increase the Organizational productivity and enhance organization's innovativeness.

Healthcare has become one of India's largest sector, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players.. India's competitive advantage lies in its large pool of well-trained medical professionals.

The hospital industry turnover in India stood at \$ 61.79 billion in FY17 and is expected to reach \$ 280 billion by FY23 with a growth of 16 – 17% CAGR. In the Health care sector context, there is a steady increase in the percentage of employee turnover. It is been reported by Walk Water Talent Advisors, one of the top retained executive search firms in India In the hospital industry there is a sheer dearth of people who have the requisite skills required by the hospitals. The shortage is most highly felt for doctors, nurses and, to some extent paramedical staff also. There is sky high attrition in the hospital industry, particularly of doctors and nurses. The attrition rate is about 40 percent for these two types of manpower, one of the highest in any industry in the country. India is also cost competitive in terms of patient treatment in competition to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. As of February 3, 2021, India became the fastest country in the world to reach the 4 million COVID-19 vaccination mark in just 18 days.

II. STATEMENT OF THE PROBLEM:

As per the information provided by the MoHFW and health minister Dr Harsh Vardhan, In Indian parliament that, one doctor for every 1,457 citizens and nurses and other paramedical staff ratio being 1:675 against WHO norms of 3:1000. Having noted the escalating turnover rate and problems related to it in the Indian Hospital sector context, there is a need to carry out a study To know the impact of HR practices on Retention of Health professionals in the Indian context.

III. REVIEW OF LITERATURE:

Alshahrani Bander, Sayaf Z (2014): "Hospital management: towards a modal". The purpose of this study is to identify the important issue in the healthcare organisation that is the retention of qualified doctors. The researcher has discovered and synthesised classical and modern theories of employee behaviour to further analyse selected case of hospitals in the southern region of Saudi Arabia. Study concluded that retention strategies must be built on thorough investigation of the hospital employees in the southern region. Investigation in turn, must be based on classic and modern theories of human behaviour, employee satisfaction and retention. Result from questionnaire built upon integration of such theories, it Will provide clear view to us about problems of employee retention in general and in the southern region specifically. **Stefane M Kabene, Carole Orchard, John M Howard, Mark A Soriano and Raymond Leduc (2006):** "The importance of human resource management in healthcare: a global context". The aim to show the healthcare system in global context and importance of HRM to improve health outcome of patients in healthcare delivery. Study adopted secondary

data sources for data collection. Study suggested that proper management of human resources is critical in providing quality of healthcare. A refocus on human resource management in healthcare and more research are needed to develop new policies **Lakshmi Devi, R. and Amalraj R. (2013):**“Classification of Employee Turnover Intention using Hierarchical Cluster Analysis: A case study from Indian Pharmaceutical Companies” aimed to study the employee turnover ratio in a pharmaceutical industry in India. It was observed that the mean of the pull factors was higher owing to higher turnover intention of the employees. Under this study, all factors were divided into two clusters using hierarchical clustering technique namely push and pull factors. The various push factors identified in case study were: Health reasons (Personal), family problems, pursuance of higher education, behaviour of boss, conflict of employees, motivation and encouragement of good work, size of the organization, difficulty of job and social status. Among the pull factors, expectation of a high salary, expectation of promotion and reputation of the organization was the most significant reasons for which the employees quit. Among the push factors, family related problems were the most significant push factor contributing to employee exit. This study concluded that the most significant factor is pull factor. The push factor also contributed to the turnover, but not significantly. **Shukla, K., Somesh, Sinha and Deepti (2013):**“A study of employee retention in the pharmaceuticals sector in Dehradun city” study was undertaken to understand the major issues associated with the retention of the pharmaceutical employees in Dehradun city. The objective was to identify the major causes of the high level of attrition. The study also investigated the influence of HR policies, compensation and benefits, work pressure and relationship with the superiors on employee retention. It was found that due to growing expectations among employees at all levels a majority of employees want to have an improved quality of work life. **Kavita and Mitu Matta (2013):** “Employee Retention in Healthcare sector-Medication Hospitals”, Hyderabad in their study the retention rate analysis was conducted based on the comparison on the tenure of the employees in the different departments of the hospital. The findings indicated that retention rate was highest among the paramedic staff of the hospital and the exit ratio was highest for the experienced and old staff of the hospital. This called for bringing innovative retention strategies for the Grade III and Grade II employees **Jugurnath B Bhewa. C and Ramen. M, (2016):**“Employee Satisfaction and Retention in Health Services: Empirical Evidence at the ENT Hospital Mauritius” “this research paper focused to discover the issues that affect employee’s satisfaction and relationship between employee’s satisfaction and retention. The results showed that the different determinants reward and recognition, involvement, physical work conditions, training and individual development, supervisor support, work life balance, work relations were positively correlated to employee satisfaction and also there was relationship between employee satisfaction and retention.

IV. OBJECTIVES OF THE STUDY:

Following objectives were identified based on the review of literature.

1. To analyse the demographic pattern of Health professionals.
2. To study the impact of HR practices on Retention of Health professionals.
3. To offer constructive suggestions for the stakeholders.

V. RESEARCH METHODOLOGY:

The study is Descriptive and Exploratory in nature. Further, the Researcher has used both primary and secondary data for the study. Samples were drawn from the population by using the convenience Random Sampling technique. A detailed survey questionnaire was drafted to collect the primary data from the target population comprised of the 510 respondents, who are the Health professionals working in the Multispecialty and Super speciality NABH hospitals of Bengaluru City. The collected data was tabulated as per the research design to meet out the objectives and hypothesis of the study. The statistical tools used to analyse the data and to test the Hypotheses are Descriptive statistics and presented through percentages, means, standard deviations, One-way ANOVA, Standardized Regression method.

Theoretical framework: The purpose of the current research study is to examine the impact of human resource practices on talent retention in Hospitals of Bengaluru city. Four dimensions of human resource practices were taken i.e. Organisation treating employee with respect and dignity, organisation Offering stock options for exemplary employees, Training for carrier development, Succession planning, Fringe benefits / other retirement benefits employees, in the present study the talent retention depends on human resource practices followed by the hospitals Human resource practices are independent variable and talent retention is a dependent variable.

VI. DATA ANALYSIS AND INTERPRETATION

Table 1 Demographic Profile

Demographic profile	Percentage
Gender	
Male	50.8
Female	49.2
Age	
< = 35 Years	36.2
35- 45 Years	37.7
45 and above	26.2
Educational Status	
Graduates	58.1
Post Graduates	32.3
Diploma	9.7
Monthly Incomes	
< = ₹25,000	23.8
□ 25000 to 45000	56.2
More than ₹ 45,000	20.0
Designation	
Nursing	19.2
Para Medical	19.6
Doctors/surgeons	38.1
Administration executives	14.2
Management Executives	8.8

- The above table reveals that, 50.8% are Male and where as 49.2 % are female Health professionals
- The respondents have been classified into three groups on the basis of their age, It is observed in the table that out of 510 respondents constituting 36.2% belong to the age group below < = 35 Years and 37.7% respondents belong to the age group 35- 45 Years. However, the remaining respondents' constituting 26.2% % belongs to the age group 45 and above years.
- it was found that more prominently number of graduates were are working in Hospitals and a more number of post graduates followed by less number of Diploma holders working in NABH Hospitals
- In the above table among the 510 respondents, Management executives are very few, i.e. 8.8%. Administrative Executives who form 14.2%; Doctors/Surgeons who form 38.1% and Paramedical occupants forming 19.6%. and finally 19.2% of them are nursing staff .

Testing of Hypothesis

H1: There is no significant difference in Mean rating scores on level of agreement with regard to Human Resource Practices, and Employee Retention dimensions across three categories of Age group of respondents.

Table 2 One-way ANOVA between Age Group and Human Resource Practices

	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	0.988	2	0.494	1.053	0.350
Within Groups	236.544	507	0.469		
Total	237.532	509			

Table 3 One-way ANOVA between Age Group and Employee Retention

	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	0.711	2	0.355	0.816	0.443
Within Groups	220.180	507	0.436		
Total	220.891	509			

* Significant at 5 % level.

It is observed from the one way ANOVA result depicted in Table 2 and 3 shows that the p-value of dimensions namely Human Resource Practices ($F_{(2,507)}=1.053$, $p=0.350$, $p>0.05$), and Employee Retention ($F_{(2,507)}=0.816$, $p=0.443$, $p>0.05$) are greater than the significance alpha level of 0.05.

H2: There is no significant difference in Mean rating scores on level of agreement with regard to Human Resource Practices, and Employee Retention dimensions across three levels of monthly Income of the respondents.

Table 4 One-way ANOVA between Income level and Human Resource Practices

	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	2.578	2	1.289	2.784	0.064
Within Groups	234.707	507	0.463		
Total	237.296	509			

Table 5 One-way ANOVA between Income level and Employee Retention

	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	0.937	2	0.469	1.078	0.342
Within Groups	221.423	507	0.435		
Total	222.36	509			

It is observed from the one way ANOVA result depicted in Table 4 and 5 describes that the p-value of all dimensions namely Human Resource Practices ($F_{(2,507)}=2.784$, $p=0.064$, $p>0.05$), and Employee Retention ($F_{(2,507)}=1.078$, $p=0.342$, $p>0.05$) are greater than the significance alpha level of 0.05.

H3: Human Resource Practices has a direct and significant impact towards Employee Retention in Hospital sector

Table 6 Standardized Regression weights for direct relationship between Human Resource Practices and Employee Retention

Relationships between Exogenous and Endogenous		Standard Estimate	S.E.	C.R.	P
Employee Retention	<--- Human Resource Practices	0.328	0.078	4.140	0.000*

* Significant at 5% level.

The regression result is provided in the above Table. Accordingly, it is observed that Human Resource Practices has a direct and positive significant ($\beta = 0.328$; $CR = 4.140$, $p<0.05$) influence/impact on Employee Retention, thus, H_4 could be fully asserted.

VII. SUMMARY OF FINDINGS

- Majority of the respondents are male, belonging to the age group of ≤ 35 Years of age
- More prominent number of respondents are doctors and surgeons with degree as their main educational qualification.
- Hypothesis testing reveals that there is no significant (statistically) difference in Mean rating scores of levels of agreement across three categories of age group (< 30 years, 30 to 45 years, and greater than 45 years) of respondents with respect to above mentioned three dimensions at 5% level of significance. Hence, the null hypothesis is accepted and alternative hypothesis is rejected. In a sense, the Mean score of the above three dimensions do not significantly differ between the respondents with less than 30 years of age group and respondents with 35 to 45 years of age group, between the respondents with 35 to 45 years and more than 45 years of age group. The perception pertaining to Human Resource Practices and Employee Retention remains the same irrespective of the category of age group of the respondents.
- Better the Human Resource Practices, higher the likelihood of Employee Retention. That is, for one unit increase in the rating scale of agreement on Human Resource Practices construct, one could expect about 0.328 times (33 %, nearly one third) increase in Employee Retention given other factors remain fixed or same. In other words, for every new 10 respondents rating as agree or strongly agree for Human Resource Practices dimension, one would expect about three respondents ($\beta = 0.328$) are likely to give a rating of agree or strongly agree for Employee Retention dimension
- Thus, it is concluded that there is no significant (statistically) difference in Mean rating scores of levels of agreement across three levels of Monthly Income ($< Rs < 25,000$, $Rs 25,000$ to $Rs 45,000$, $Rs > 45,000$) with respect to above dimensions at 5% level of significance. Hence, the null hypothesis is accepted and alternative hypothesis is rejected.

VIII. SUGGESTIONS

- Bringing transparency in communication by HR team makes Health professionals more engage in their work. Hospital management can maintain transparency in communication and every team member should get the same information from their boss/superior in the work place for them to remain satisfied and loyal towards the organisation about the job and feedback on the work done by the employee.

- To retain talented employees in the hospital, Hospital Management in association with HR team should Create positive work environments in the hospitals and focus on adopting fundamental principles for redesigning work systems to prevent and reduce burnout among Health professionals, while also fostering well-being. This should include efforts to prioritize actions, procedures and policies to deliver the best value.
- Hospital management must encourage those employees who are interested in Philanthropical and charitable activities to create loyalty among employees. Engaging and supporting employee's passions will go a very long way towards retention of professionals.
- HR team can carry out a full review of communication to develop strategies and tactics that serve to enhance engagement and retention, such as coverage of employee awards events, recognition stories, case studies, and recognising employee achievements and Longevity in the hospital. .

IX. CONCLUSION:

An acclaimed Sanskrit adage says, **VYAIIDYO NARAYANO HARIHI**, which means Doctors are equal to divine beings as Health professionals assume a significant function in healthcare industry and they are the initial ones who are considered., when we talk about healthcare sector and hence it is vital that their necessities must be taken consideration and a friendly atmosphere is created for them to work with utmost job satisfaction and content, the result of which would be a high quality patient care by the health professionals. Issues relating with Talent acquisition, Employee engagement, workforce motivation, commitment and retention are emerging as the most important workforce management challenges for hospital sector in the present era.

Notwithstanding, a several best Human resource practices initiated by hospitals with the help of HR department and government agencies, these units are confronting the issues of Acquiring qualitative talents, Engaging them in the task and retaining for a long period in their organisation. At this point there still exists a demand and supply mismatch with respect to qualitative Talents. These issues can be settled with the tripartite co-ordination among Hospitals, HR department and Government Agencies by restructuring and rescheduling the various HR policies that is practiced currently in the Hospital sector.

References:

- [1]. Alshahrani Bander, Sayaf Z (2014):“Hospital management: towards a modal”. European Journal of Business and Management www.iiste.org ISSN 2222-1905 Vol.6, No.36, 2014
- [2]. Bernadin, H. J. and Russel, J. E. (2013) HumanResource Management: and Employee retention in Nigeria’s Manufacturing industries - An ExperientalApproach, International Journal of Scientific & Engineering Research, Volume 5, Issue 2, February-2014 pp 1741-1754 ISSN 2229-5518
- [3]. Charlie O. Trevor and Anthony J. Nyberg (2008) Keeping Your Headcount When All about You Are Losing Theirs: Downsizing, Voluntary Turnover Rates, and the Moderating Role of HR Practices, The Academy of Management Journal Vol. 51, No. 2 (Apr., 2008), pp. 259-276 (18 pages) Published By: Academy of Management
- [4]. Charlie O. Trevor,Anthony J. Nyberg, Keeping Your Headcount When All About You Are Losing Theirs: Downsizing, Voluntary Turnover Rates, and The Moderating Role of HR Practices,The Academy of Management Journal 51(2):259-276.2008.31767250
- [5]. Dr. Amaeshi Uzoma Francis, (2014) International Journal of Scientific & Engineering Research, Volume 5, Issue 2, February-2014 1741 ISSN 2229-5518
- [6]. K. M. Saifalislam , Abdullah Osman 2014, Human Resource Management Practices: Influence of recruitment and selection, and training and development on the organizational performance of the Jordanian Public University, IOSR Journal of Business and Management 16(5):43-46
- [7]. Kavita and Mitu Matta (2013): “Employee Retention in Healthcare sector-Medication Hospitals” IJCA Proceedings on Recent Trends in Electronics and Communication 2013
- [8]. Lakshmi Devi, R. and Amalraj R. (2013):“Classification of Employee Turnover Intention using Hierarchical Cluster Analysis: A case study from Indian Pharmaceutical Companies International Journal of Pharmaceutical Sciences and Research 01 December 2013 4704-4707
- [9]. Palwasha Kakar, Abdul Raziq, Faisal Khan (2017), Organizational Commitment, and Turnover Intention: A Study on Employees in Klang Valley, Journal of Management Info Vol. 4, No. 3 (2017)
- [10]. Rathnaweera, R. R. N. T. (2010). Do HRM practices impact employee satisfaction, commitment or retention? :(Empirical studies of Sri Lankan public sector banks)
- [11]. Shukla, K., Somesh , Sinha and Deepti (2013):“A study of employee retention in the pharmaceuticals sector in Dehradun city International Journal of Education and Psychological Research (IJEPR) Volume 2, Issue 1, pp: 30-39, January 2013
- [12]. Stefane M Kabene, Carole Orchard, John M Howard, Mark A Soriano and Raymond Leduc (2006):“The importance of human resource management in healthcare: a global context” Human Resources for Health 27 July 2006
- [13]. www.business-standard.com/article/pti-stories/india-has-one-doctor-for-every-1-457-citizens-govt-119070401127_1.html
- [14]. www.ibef.org/industry/healthcare-india.aspx
- [15]. www.walkwatertalent.com/insights/industry-talent-insights-2019-healthcare-sector