



THE IMPACT OF HIGH PERFORMANCE WORK SYSTEMS ON ORGANISATIONAL PERFORMANCE AMONG NURSES IN CORPORATE MULTI SPECIALITY HOSPITALS, CHENNAI

KEYWORDS

Healthcare, High Performance Works Systems, Organizational Performance

JABARETHINA.G

Assistant Professor, College of Management, Sri Ramachandra University, Porur, Chennai.
CORRESPONDING AUTHOR

DR.A.S.SARANYA

Associate Professor, Department of Commerce, Ethiraj College for Women. Chennai

ABSTRACT

The Indian healthcare sector is growing rapidly due to its high network coverage, high quality services and high performance work system (HPWS). This study examines the effect of HPWS on organizational performance in corporate multi specialty hospitals, Chennai. Nurses are playing an important role in the health care organizations. It is an attempt to check whether the nurses are motivated enough to handle the suitable skill for utilizing the opportunities in creating organizational outcome. The corporate hospital performances were measured by using a structured questionnaire based on the data collected from registered nurses who have more than one year of experience. Analytical research techniques were used to assess the collected data. The study was designed to test by using ANOVA, Correlation and Multiple Regression Analysis. The results of the analysis revealed that the educational qualification group and experience group have a difference of opinions on performance factors.

INTRODUCTION

The Indian healthcare sector is growing rapidly due to its high network coverage, quality services and rising expenditure by public or government and private players. (Lee, Lee, & Kang, 2012, p.21) stated that 'health care industry is different from other service industries because health care deals with the dimensions of patients need for disease treatment and/or improved well being'. This research focuses on nurses' opinion about high performance work system, and organizational performance. The factors of HPWS have been taken from the AMO model of human resource management conceptualized by Appelbaum. AMO model argues that (Appelbaum, Bailey, Berg, Kalleberg, & Cornell, 2000) Performance is equal to f (employees' ability (A), Motivation (M) and Opportunity (O) to participate). AMO model gives the meaning of Human resources management system through the components of ability, motivation and opportunities.

Statement of the problem

High performance work practices suffers due to deprived organizational environment. Satisfying working environment is strategic for achieving high productivity and growth. Positive work environment is an important element in employee well-being and quality of work life. (Ghafoor & Qureshi, 2013) suggested that organization should encourage the employees' commitments in the absence of HPWS that will enhance organizational performance. A human resource practice enforces employees for improving their work activities and enables better coordination through knowledge sharing, experience and skills. This will improve the employees' efficiency.

Need of the study

HPWS and organizational performance have been the core topic of an intense debate over the decade (Hartog & Verburg, 2004). This study is an attempt to check whether the employees are motivated enough to handle the suitable skill for utilizing the opportunities. The organization conceptualized factors of HPWS will really make the impact on HR outcomes of organizational performance.

Objectives of the study

1. To study the factors that are influencing HPWS and Organisational performance relating to Human Resource outcomes.
2. To analyze the significant impact of demographic factors on HPWS and organizational performance.

3. To examine the relationship between the factors of HPWS and the factors of organizational performance.

4. To give suggestions based on findings.

Research Methodology

The registered nurses who have more than a years experience were approached and considered as sample for the study. The data collected from 5 corporate multi specialty hospitals in Administration division of North, Central and south Chennai. The names of the hospitals are kept as confidential. The data were collected during the year 2015. The Stratified random sampling method used to collect data from nurses. To avoid the possible human bias in the sampling method, the researcher, distributed the questionnaire randomly among the nurses with the support of deputy nursing superintendents. The anonymity of the respondents was ensured. A pilot test consisted of thirty nurses randomly chosen, who was working in two corporate hospitals with the aim of verifying the appropriateness of the questionnaire, the proper use of words, the ease of understanding and any modification required. All levels are nurses who have more than one year experience in the same organization were asked to rate their opinion. The questionnaire categories into three parts were measured using five points Likert-scale. In total, 605 registered nurses who have more than one year experience in the same hospital were approached, 510 nurses were responded out of which 484 questionnaires were duly filed by the respondent completely. Overall, 80% nurses responded which is really good response. Reliability test was conducted for each dimension of high performance work system. Each dimension ten questions were asked and the result of cronbach of attitude 0.864, motivation 0.766, opportunities 0.799 and the high performance work system 0.918, which are very high reliability results. Analytical research techniques were used to assess the collected data. Arithmetic Mean, Standard deviation, Percentage, Analysis of variance (ANOVA), Chi-Square test, Correlation, and Multiple regression were used for analyzing the data using SPSS v16.

REVIEW OF LITERATURE

High performance work system

There is no universally agreed definition of a high performance work system. The term High Performance Works System (HPWS) also called or interchangeably as High performance Human Resource Practice, high commitment work system, high involvement work system, HR effectiveness relationship.

The past decade has produced numerous significant

contributions which set-out to prove that Human Resource practices are optimistically related to organizational performance (Savaneviciene & Stankeviciute, 2010) such as Human Resource systems moderated the link between turnover and manufacturing performance (Authur, 1994), HPWS and its significant impact on turnover, productivity and corporate financial performance (Huselid,1995), HRM and firm performance (Delaney & Huselid, 1996), high performance work practice raise overall labor efficiency (Cappelli & Neumark, 2001), the powerful relationship between HR practices, employee commitment and operating performance (Purcell,J., Kinnie,N., Hutchinson,S., Rayton,B. and Swart, 2003), Human Resource Management practices moderately mediated the relationship between corporate entrepreneurship and firm performance (Kaya,2006).

Ability

(Dictionary.com, n.d) Human Resource Management definition of ability is "An acquired or natural capacity or talent that enables an individual to perform a particular job or task successfully". (Hughes,2007) stated that ability which means the skills and capabilities essential to the performance of a behavior.

Motivation

Motivation is the effective force for inducing and directing employee behavior resulting in improved output. The motivation level of employees will enable them to achieve the organization's strategic objective and also determine the overall success of an organization. Demotivated employees are normally expected to perform low in their works, generate poor quality work, mostly not prefer to be in their workplace and sometimes they will quit the organization by getting better opportunity (Tahani Mohamed Sheikh Ahmed, Dr.Bernard Oyagi,2015)

Opportunities

As per Dictionary meaning 'A chance for progress or advancement as in a careered is called opportunity'. HPWS practices that enhance opportunities to perform such as challenging and interesting work and autonomy, opportunities to participate will make the employees get the feeling that organization trusts and considering them as a stakeholder (Kruijs,n.d.).

Organisational Performance

Today, organizations are facing unpredictable challenges to assess their performance. Employees must be well aware of the performance measures and importance for achieving excellence in their work. (Ilona Bartuseviciene, 2013) Employees must use their ability for utilizing the opportunities for which management must motivate them to achieve the outcome. (Hughes,2007) stated that the effective discretionary effort of employees will enable them to theorize on motivation/incentives, abilities/skills, and opportunities, which then determine the performance of the firm. There are six HR outcomes taken into consideration for organizational performance. They are high productivity, high quality, high innovation, high job satisfaction, low absenteeism, low turnover, low conflict and lower customer complaints.

RESULTS AND DISCUSSION

Demographic Analysis

- 59 percent of nurses are B.Sc degree /PG Diploma holders, 33.4 percent are General Nurse Midwife (GNM), 6.1 percent are Ancillary Nurse Midwife (ANM) and only 1.4 percent are M.Sc degree holders.
- 55.7 percent are 1-3 years experience, 25.1 percent 4-6 years, 10.9 percent Above 10 years and 8.4 percent are 7-9 years experience

Table 1 Educational Qualification and Experience group opinion on the ability of HPWS

H₀1: There is no significance difference between Educational qualification and Experience group respondent's opinion on ability of a HPWS.

Ability	Mean	Educational Qualification		Experience	
		F	Sig.	F	Sig.
Verbal communication	3.81	6.595	0.000**	2.365	0.039*
Teamwork	4.25	5.099	0.002**	2.913	0.013*
Commercial awareness	3.90	7.716	0.000**	5.152	0.000**
Analyzing & investigating	3.91	11.312	0.000**	4.397	0.001**
Initiative	4.00	9.024	0.000**	3.587	0.003**
Drive	4.34	9.408	0.000**	4.175	0.001**
Written communication	4.13	4.210	0.000**	2.059	0.069
Planning and organizing	3.99	8.639	0.000**	2.260	0.048*
Flexibility	3.95	4.727	0.003**	4.157	0.001**
Time Management	3.99	3.261	0.021*	1.680	0.138
Overall Perception	4.02	12.772	0.000**	5.460	0.000**

** denotes significant at the 1% level

Table 1 indicates the mean value of the respondents, the maximum value 4.34 for drive followed by teamwork 4.25. Minimum value 3.81 for verbal communication.

The P value is less than 0.01, H₀1 is rejected at the 1% level with regards to educational group respondent's opinion on all the factors of ability except time management. H₀1 is rejected at the 1% level with regards to experience group respondent's opinion on Commercial awareness, Analyzing & investigating, Initiative, Drive, Flexibility and overall perception towards ability.

H₀1 is rejected at the 5% level with regards to experience group respondent's opinion on Verbal communication, Teamwork, Planning and organizing.

The results show nurses have drive and have the capability to work as a team. Whatever may be the crisis, they will manage their time.

Table 2 Educational Qualification and Experience group opinion on motivation in HPWS

H₀2: There is no significance difference between educational qualification and experience group respondent's opinion on motivation in HPWS.

MOTIVATION	Mean	Educational Qualification		Experience	
		F	Sig.	F	Sig.
Salary	3.05	8.601	0.000**	3.972	0.002**
Leave facilities	3.28	15.517	0.000**	3.284	0.006**
Working condition	3.79	14.307	0.000**	4.945	0.000**
Job security	3.96	17.276	0.000**	5.877	0.000**
Performance appraisal	3.67	13.253	0.000**	2.170	0.054*
Feedback	3.76	9.318	0.000**	3.971	0.002**
Recognition	3.81	9.141	0.000**	2.045	0.071
Roles & responsibilities	4.08	6.053	0.000**	2.523	0.029*
Career growth	3.77	12.785	0.000**	3.126	0.009**

Team spirit	4.03	12.992	0.000**	5.000	0.000**
Overall perception	3.72	19.791	0.000**	5.693	0.000**

- 1. ** denotes significant at the 1 % level
- 2. * denotes significant at the 5 % level

Table 2 depicts that the mean value, the respondents gave the maximum 4.08 for roles and responsibilities followed by team spirit 4.03. The minimum 3.05 for salaries.

The P value is less than 0.01, H₀2 is rejected at the 1 % level with regards to educational qualification group opinion on all the motivational factors. H₀2 is rejected at the 1 % level with regards to experience group opinion on salary, leave facilities, working conditions, Job security, feedback carrier growth, tam sprit and overall perception towards motivation. The P value is less than 0.05, the H₀2 is rejected with regards to performance appraisal roles and responsibilities.

Salary and leave facilities are the main demotivating factors in all the corporate hospitals. Corporate hospitals can prepare pay scale for each cadre based on their qualifications and experience. Transparency in appraisal system, clear career path and job security will motivate them to work for the organization. These are basic and common motivational factors in any organization, but there is always problem in exercising this.

Table 3 Educational qualification and Experience group opinion on opportunities in HPWS

H₀3: There is no significance difference between educational and experience group respondent's opinion on opportunities in HPWS.

OPPORTUNITIES	Mean	Educational qualification		Experience	
		F	Sig.	F	Sig.
To make job related decisions	3.74	10.556	0.000*	2.333	0.041*
To express myself	3.75	7.525	0.000*	3.575	0.003*
To do my work in my own way	3.66	12.018	0.000*	3.806	0.002*
To take the responsibility for my own tasks	3.76	4.378	0.005*	2.787	0.017*
To participate in decision making processes	3.60	9.977	0.000*	7.228	0.000*
To do a challenging work	3.82	5.475	0.001*	4.348	0.001*
To work closely together with my colleagues	3.96	7.296	0.000*	4.790	0.000*
To participate in developing (strategic) plans	3.80	11.230	0.000*	4.683	0.000*
To be promoted to positions of greater pay	3.65	6.745	0.000*	2.223	0.051*
To earn bonuses for productivity	3.49	7.738	0.000*	2.454	0.033*
Overall Perception	3.72	12.789	0.000*	5.580	0.000*

- 1. ** denotes significant at the 1 % level
- 2. * denotes significant at the 5 % level

Table 3 depicts that the mean value, the respondents gave maximum 3.96 for working closely together with their colleagues followed by 3.82 for doing a challenging work. The minimum 3.49 for earn bonus for productivity. The P value is less than 0.01, H₀3 is rejected at the 1 % level with regards to educational qualification group opinion on all factors relating to opportunities.

H₀3 is rejected at the 1% level with regards to experience group opinion on opportunity to express oneself, to do the work in one own way, to participate in decision making processes, to do a challenging work, possibility to work together with the colleagues, and opportunities to participate in developing (strategic) plans. The P value is less than 0.05, H₀3 is rejected with regards to experience group opinion on to make job related decisions, to take the responsibility of their own tasks, to be promoted to positions of greater pay.

The result revealed that experience group nurses are getting an opportunity to earn moderate bonus for productivity and promoted to positions of greater pay.

Table 4 Educational qualification and Experience group opinion on organizational performance

H₀4: There is no significance difference between educational and experience group respondent's opinion on organizational performance.

ORGANIZATIONAL PERFORMANCE	Mean	Educational Qualification		Experience	
		F	Sig.	F	Sig.
High-Productivity	3.75	10.338	0.000**	4.085	0.001**
High-Service Quality	3.91	7.543	0.001**	3.590	0.003**
High-innovation	3.83	11.830	0.000**	3.138	0.008**
High-Job Satisfaction	3.75	11.892	0.000**	3.358	0.005**
Low-absence	3.82	6.162	0.000**	1.852	0.101
Low-turnover	3.57	6.919	0.000**	2.680	0.021*
Low-conflict	3.80	8.084	0.000**	2.398	0.036*
Lower-customer complaints	3.87	6.123	0.000**	2.160	0.057**
Overall Perception	3.03	13.235	0.000**	4.247	0.001**

- 1. ** denotes significant at the 1 % level
- 2. * denotes significant at the 5 % level

Table 4 shows that the mean value, the respondents gave the maximum 3.91 for high service quality followed by 3.87 for Lower customer complaint. These two high mean values are related to patient centric, which evidence that nurses are considering service quality will be the success of the organization and its performance than other factors relating to employee oriented.

The P value is less than 0.01, H₀4 is rejected at the 1 % level with regards to educational qualification group opinion on all factors of organizational performance.

H₀4 is rejected at the 1% level with regards to experience group opinion on high-Productivity, high- Service quality, high-innovation, high-Job Satisfaction and low-customer complaints. H₀4 is rejected at the 5% level of significant for Low-turnover and Low-conflict.

Nurses expressed that HPWS cannot stop nurses turnover, not able to satisfy them in their job, not able to minimize their conflict. Nurses are very much aware of their duties and responsibilities that is the reason they give importance to reduce customer complaint and service quality.

Correlation between HPWS and Organizational Performance

Table 5 Correlation Matrix

H₀5: There is no positive relationship between factors of high performance work systems and the factors of organizational performance.

Variables	Ability	Motivation	Opportunities	High Productivity	High Service Quality	High Innovation	High Job satisfaction	Low absence	Low turnover	Low Conflict	Low Customer Complaint
Ability	1										
Motivation	0.767**	1									
Opportunities	0.766**	0.883**	1								
High Productivity	0.617**	0.721**	0.757**	1							
High Service Quality	0.639**	0.681**	0.671**	0.597**	1						
High Innovation	0.629**	0.731**	0.736**	0.696**	0.621**	1					
High Jobsatisfaction	0.640**	0.773**	0.737**	0.649**	0.665**	0.724**	1				
Low absence	0.606**	0.644**	0.666**	0.571**	0.564**	0.583**	0.628**	1			
Low turnover	0.489**	0.688**	0.698**	0.571**	0.500**	0.593**	0.654**	0.561**	1		
Low Conflict	0.592**	0.653**	0.659**	0.607**	0.533**	0.607**	0.607**	0.567**	0.567**	1	
Low Customer Complaint	0.605**	0.607**	0.650**	0.567**	0.516**	0.532**	0.545**	0.544**	0.521**	0.607**	1

** Correlation is significant at the 0.01 level

Table 5 depicts that the high positive correlation between ability and motivation (0.883) at $p < 0.01$. HR practices (A, M and O) and organizational performance factors are significantly positively correlated. H_0 is rejected at $p < 0.01$. The correlation range of ability is comparatively lower than the motivation and opportunities factors relationship with the factors of organizational performance.

MULTIPLE REGRESSION ANALYSIS

In this study the dependent variable is organizational performance (Y), Independent variables are ability (X_1), motivation (X_2), and opportunities (X_3).

Table 6 The impact of HPWS on Organizational Performance

Independent Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
Ability	0.125	0.035	0.119	3.598	<0.000**	0.376	2.656
Motivation	0.293	0.037	0.361	7.965	<0.000**	0.201	4.976
Opportunities	0.378	0.037	0.461	10.177	<0.000**	0.202	4.960
Multiple R value	0.895						
R square value	0.801						
F value	645.995						
P value	<0.000**						

Note: ** Denotes significant at 1% level

The Multiple Correlation coefficient is 0.895 measures the degree of relationship between the actual value and the predictor value of the adjustments. The predictor values are obtained as a linear combination of Ability (X_1), Motivation (X_2) and Opportunities (X_3) indicates that the relationship between adjustment and three independent variables in positive.

The value of R Square is 0.801 simple means that about 80.1 % of the variation in adjustment is explained by the estimated sample Regression Plane (SRP) that uses ability, motivation and opportunities as the independent variables and the R square value is significant at 1% level.

The Multiple Regression Equation is $Y = 0.301 + 0.125X_1 + 0.293X_2 + 0.378X_3$

Here the coefficient X_1 (0.125), X_2 (0.293) and X_3 (0.378) represent the partial effect of ability, motivation and opportunities on organizational performance, holding other variables as constant. The estimated positive sign implies that such effect is positive that organizational performance would increase by 0.125 for every unit increase in ability, by 0.293 for every unit increase in motivation and by 0.378 for every unit increase in opportunities. These coefficient values are significant at 1% level.

Suggestions

The following suggestions are based on the analysis of data. Even though the Nurses perceptions are high in all HR practices, there are significant difference relating to ability, motivation and opportunities which need to be addressed. For improving the organizational performance, they must have adequate skills or abilities that will induce them to utilize the opportunities through motivation. Training can be given to improve their Verbal communication, Commercial awareness, Analyzing & investigating and Planning and organizing.

The motivational factors are not equal to all the experience group and the educational group. The study result proved that there is a significant difference in all motivational factors. This can be reduced by giving proper salary, responsibilities and recognition based on their educational qualification and experience. Rewards and awards both monetary and non monetary will induce them to take initiative and drive them to do work for the organization effectively.

The problems relating to utilizing the opportunities have to be intervened. If the nurses fear to utilize the opportunity or be ignorant that will reflect on the performance outcome. So management can motivate them to utilize the opportunities.

Limitations of the Study and Scope for further Research

Only Educational qualification group and Experience group are taken for analysis. Other demographic factors like gender, designation, etc. can also be considered. In this research only five corporate hospitals are taken, the result cannot be generalized based on the analysis. One hospital with depth analysis will help the particular hospital to make significant changes.

Managerial implications

The result of the study provides lots of insight that will help the hospital management to give more importance to improve the ability of the employee by giving proper motivation and opportunities. Normally anyone will believe, ability will play a vital role in organizational performance. But the regression result revealed that ability plays a minor impact on organizational performance. Educational group and experience group nurses express their opinion strongly which reflected the significant difference in the hypothesis. The Oral investigation had been done in identifying the reason behind that. The nurses agreed that they have the ability, but they do not have confidence due to lack of experience or lack of proper

educational background. The no significant results give clear ideas that Educational qualification makes them to be flexible and decrease absenteeism, experience enables them to do better written communication, able to earn bonus based on their experience, more experience will help them to stay in their organization.

Conclusion

The HR practices of organizational performance can be determined based on one of the important factors of service quality of the nurses. The organization's success can also be determined based on the patient satisfaction and the patient flow of the hospital for their service. If the nurses are delivering best service quality without any customer complaints that is the real success for the organization, for which nurses must have ability, motivation and opportunities. Without having self confidence in their ability, nurses cannot utilize their opportunities. Motivation given by the management will help them in some extent to utilize their opportunity. The need of the hour is nurses must have ability to take up any responsibility. They need self confidence and self motivation to adopt any challenging work and to go extra mile for the organization in order to increase the organizational performance.

References

1. Appelbaum, E., Bailey, T., Berg, P. and Kalleberg, A. (2000). Manufacturing advantage: why high-performance work systems pay off. *Academy of Management Review*, (ISSN 0098-1818), 459–462.
2. Arthur, J. B. (1994). Effects of Human Resource Systems on Manufacturing Performance and Turnover. *Academy of Management Journal*, 37(3), 670–687.
3. Cappelli, P., & Neumark, D. (2001). Do "High-Performance" Work Practices Improve Establishment Level Outcomes? *Industrial and Labor Relations Review*, 54(4), 737–775. article.
4. Delaney, J. T., & Huselid, M. a. (1996). the Impact of Human Resource Management Practices on Perceptions of Organizational Performance. *Academy of Management Journal*, 39(4), 949–969.
5. Dictionary.com, B. (n.d.). Ability. Retrieved from <http://www.businessdictionary.com/definition/ability.html>
6. Ghafoor, N., & Qureshi, T. M. (2013). Human capital causative model : Mediating effect of high-performance work system. *African Journal of Business Management*, 7(15), 1276–1284.
7. Hartog, D., & Verburg, R. (2004). High performance work systems, organisational culture and firm effectiveness. *Human Resource Management*, 14(1), 55–78.
8. Hughes, J. H. J. (2007). The Ability-Motivation-Opportunity Framework for Behavior Research in IS. 2007 40th Annual Hawaii International Conference on System Sciences (HICSS'07), 1–10.
9. Huselid, M. (1995). The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance. *Academy of Management Journal*, 38(3), 635–672.
10. Iлона Bartuševičienė, E. Š. (2013). ORGANIZATIONAL ASSESSMENT: EFFECTIVENESS VS. EFFICIENCY. *Social Transformations in Contemporary Society*, 1, 45–53.
11. Kaya, N. (2006). The impact of human resource management practices and corporate entrepreneurship on firm performance: evidence from Turkish firms. *The International Journal of Human Resource Management*, 17(12), 2074–2090.
12. Kruijs, R. Van Der. (n.d.). High Performance Work Systems in the Public Sector. (649833), 1–46. Article.
13. Lee, S. M., Lee, D., & Kang, C.-Y. (2012). The impact of high-performance work systems in the health-care industry: employee reactions, service quality, customer satisfaction, and customer loyalty. *The Service Industries Journal*, 32(June), 17–36.
14. Purcell, J., Kinnie, N., Hutchinson, S., Rayton, B. and Swart, J. (2003). *the People and Performance Link: Unlocking the black box*. London: Chartered Institute of Personnel and Development.
15. Savaneviciene, A., & Stankeviciute, Z. (2010). The Models Exploring the " Black Box " between HRM and Organizational Performance. *Engineering Economics*, 21(4), 426–434.
16. Tahani Mohamed Sheikh Ahmed, Dr. Bernard Oyagi, O. I. T. (2015). Assessment of Non-Financial Motivation on Employee Productivity: Case of Ministry of Finance Headquarters in Hargeisa Somaliland. *International Journal of Business Management and Economic Research*, 6(6), 400–416.