# Job Performance and HRM In Public Vs Private Hospitals: Strategic Insights for Organizational Efficiency

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## Article Info

## Abstract

This study presents a comparative analysis of human resource management (HRM) practices and their impact on job performance in public and private sector hospitals. Recognizing the pivotal role of HRM in determining workforce efficiency and healthcare quality, the research explores key HR functions—recruitment, training, appraisal, compensation, and engagement—and evaluates their effectiveness in shaping employee outcomes. The primary objectives were to assess the differences in HRM implementation across sectors and to examine how these practices influence job satisfaction, motivation, and organizational commitment. A mixed-methods approach was adopted, utilizing structured questionnaires and semi-structured interviews conducted among 150 healthcare professionals across ten hospitals (five public and five private). Quantitative data were analyzed using SPSS (Version 25.0), applying descriptive statistics, t-tests, and correlation analysis, while qualitative insights were thematically analyzed. Findings reveal that private hospitals exhibit more dynamic and performance-driven HRM practices, resulting in higher employee motivation and productivity. In contrast, public hospitals face structural constraints that limit HRM effectiveness and reduce job satisfaction.

**Keywords:** Human Resource Management (HRM), Job Performance, Public Hospitals, Private Hospitals, Employee Motivation

## 1. INTRODUCTION

The healthcare industry is a cornerstone of national development, responsible not only for public health but also for contributing significantly to economic growth and social stability. As the sector evolves due to technological advancements, demographic pressures, and policy reforms, the need for efficient human resource management (HRM) has become increasingly critical (WHO, 2020). Hospitals, whether publicly or

privately managed, depend heavily on the performance of their healthcare workforce. In this context, job performance becomes a key determinant of service quality, patient satisfaction, and institutional reputation (Almeida & Ferreira, 2017). Human Resource Management in hospitals encompasses a range of practices including recruitment and selection, training and development, performance evaluation, compensation, and employee engagement. Effective HRM not only enhances organizational productivity but also fosters employee motivation and retention, which are vital in high-pressure environments like healthcare (Mello, 2019). Inadequate HR practices often lead to staff burnout, absenteeism, and reduced quality of patient care. This makes the relationship between HRM and job performance a focal point for hospital administrators and policymakers alike. Significant differences exist between public and private hospitals in terms of management structure, financial autonomy, service delivery goals, and HRM strategies. Public hospitals, typically funded and managed by the government, often operate under bureaucratic constraints, limited budgets, and rigid HR policies. These factors can impact employee morale and performance negatively (Gupta & Nagpal, 2020). In contrast, private hospitals are generally more flexible, better resourced, and oriented towards performance-based outcomes. Their HR policies are often designed to attract and retain skilled professionals by offering competitive benefits, faster decision-making, and performance incentives (Dussault & Franceschini, 2006). Despite the central role of HRM in shaping hospital workforce performance, there is limited empirical research that directly compares HR practices and job performance outcomes between public and private hospitals, particularly in developing countries like India. The absence of such comparative data creates a knowledge gap that hinders evidence-based policy formulation. This study addresses this gap by investigating how HRM practices influence job performance in both public and private healthcare settings.

### Research Objectives

- To compare human resource management practices in public and private hospitals.
- To assess the influence of HRM on job performance in both sectors.
- To identify strengths and challenges in HR practices affecting performance outcomes.
- To provide strategic recommendations for improving HRM effectiveness in healthcare settings.

## 2. RESEARCH METHODOLOGY

This study adopts a comparative and descriptive research design to examine and analyze the differences and similarities in human resource management (HRM) practices and their impact on job performance in public and private hospitals. The comparative approach enables the identification of sector-specific HRM strategies, while the descriptive framework facilitates a systematic observation and analysis of existing HR practices and performance indicators without manipulating any variables (Creswell & Creswell, 2018).

The target population for the study consists of HR professionals, administrative personnel, and healthcare staff (including doctors and nurses) working in both public and private hospitals. A purposive sampling method was employed to select a representative sample of hospitals from urban areas to ensure better comparability in terms of infrastructure and service volume. The final sample includes five public hospitals and five private hospitals, with a total of 150 respondents equally divided between the two sectors.

Respondents were selected based on their involvement in or direct experience with human resource functions and performance-related tasks.

Data collection was conducted through a combination of structured questionnaires and semi-structured interviews. The questionnaires, distributed among employees and HR staff, included both closed- and open-ended questions designed to measure job satisfaction, motivation, perceptions of HRM practices, and self-reported performance metrics. In addition, in-depth interviews were conducted with HR managers to gain qualitative insights into institutional HR strategies, recruitment policies, performance appraisal systems, and challenges faced in employee management. Secondary data, such as HR policy documents, organizational charts, and training records, were also reviewed to validate the primary findings.

The key variables studied in this research include job satisfaction, employee motivation, performance appraisal mechanisms, training and development opportunities, and overall job performance. These variables were measured using validated instruments and Likert-scale-based responses where appropriate, following the frameworks developed by previous studies on HRM and performance (Guest, 2017; Armstrong, 2020).

Quantitative data were analyzed using SPSS (Version 25.0), employing statistical tools such as descriptive statistics (mean, standard deviation), t-tests for group comparisons, and Pearson correlation to examine relationships between HR practices and job performance. Qualitative data from interviews were analyzed thematically to identify common patterns and emerging themes.

Ethical considerations were rigorously observed throughout the research process. Participants were informed about the purpose and scope of the study and assured of confidentiality and anonymity. Informed consent was obtained in writing, and respondents were given the option to withdraw at any point. The study was conducted in accordance with the ethical guidelines of the Institutional Research Ethics Committee.

## 3. COMPARATIVE ANALYSIS OF HRM PRACTICES

Human Resource Management (HRM) practices differ substantially between public and private hospitals, with implications for workforce efficiency and service delivery. This section analyzes key HRM functions—recruitment and selection, training and development, performance appraisal systems, compensation and benefits, employee engagement and retention, and organizational culture—across both sectors.

Recruitment and selection processes in public hospitals are often centralized, bureaucratic, and governed by fixed quotas and regulatory frameworks. These procedures are typically time-consuming and may not always prioritize merit-based selection (Gupta & Nagpal, 2020). In contrast, private hospitals employ decentralized and market-driven recruitment strategies, emphasizing speed, flexibility, and professional qualifications. Their ability to use modern recruitment platforms and professional networks results in more efficient talent acquisition (Almeida & Ferreira, 2017).

Training and development in public institutions tend to be sporadic and primarily focused on statutory requirements or centrally sponsored programs. Financial constraints and administrative delays often limit the scope and effectiveness of such training. Conversely, private hospitals invest heavily in continuous professional development, aligning training initiatives with current technological advancements and patient care standards. These institutions prioritize both technical skill enhancement and soft skill development, thereby fostering a more competent and adaptive workforce (Mello, 2019).

Performance appraisal systems also reflect notable differences. Public sector hospitals generally use seniority-based evaluation mechanisms with limited scope for feedback or performance-linked progression. These systems are often seen as procedural rather than developmental. Private hospitals, however, employ dynamic appraisal systems based on quantifiable key performance indicators (KPIs), peer reviews, and goal-based assessments. These appraisals are tied to incentives, promotions, and professional growth opportunities, enhancing individual accountability and organizational productivity (Guest, 2017).

Compensation and benefits are more structured and uniform in public hospitals due to adherence to government pay commissions and standardized service rules. While these institutions offer long-term job security and post-retirement benefits, their compensation packages often fall short of market competitiveness. Private hospitals provide more flexible and performance-based compensation models, often including bonuses, insurance, housing support, and other non-monetary perks. This enables them to attract and retain high-performing professionals in a competitive healthcare market (Armstrong, 2020).

Employee engagement and retention strategies are relatively underdeveloped in public hospitals, where hierarchical structures and limited decision-making authority often hinder proactive employee involvement. Opportunities for advancement are scarce, and motivation is generally lower due to delayed promotions and limited recognition. In contrast, private hospitals implement robust engagement strategies such as employee feedback systems, reward programs, and personalized career development plans, resulting in higher levels of satisfaction and lower attrition rates (Dussault & Franceschini, 2006).

Organizational culture and structure play a pivotal role in shaping HRM effectiveness. Public hospitals operate under rigid hierarchies and are predominantly compliance-oriented. Decision-making is centralized, which slows down innovation and responsiveness. Private hospitals, in contrast, foster a culture of accountability, innovation, and collaboration. Their flatter organizational structures allow for more agile decision-making, better internal communication, and quicker implementation of HR strategies (World Health Organization, 2020).

Overall, the comparative analysis reveals that while public hospitals are constrained by institutional rigidity and systemic limitations, private hospitals exhibit greater adaptability, strategic HR alignment, and responsiveness to workforce needs. These differences highlight the need for targeted HRM reforms in public healthcare systems to enhance employee performance and service delivery outcomes.

## 4. COMPARATIVE STUDY ON JOB PERFORMANCE

Job performance in the healthcare sector is a critical determinant of both service quality and institutional effectiveness. It encompasses not only the technical competence of healthcare providers but also their motivation, productivity, organizational commitment, and responsiveness to institutional goals. This section presents a comparative analysis of job performance in public and private hospitals, emphasizing the influence of human resource management (HRM) practices and organizational contexts.

Key indicators of job performance in hospital settings typically include clinical accuracy, timeliness of service delivery, adherence to protocols, patient satisfaction, teamwork efficiency, and the ability to manage workload under pressure (Alfes et al., 2013). These indicators are often shaped by a range of internal factors such as HR policies, supervisory support, training, and performance feedback, all of which vary significantly between public and private sector institutions.

The role of HRM practices in influencing job performance is well-documented in organizational literature. In public hospitals, where HR policies are often standardized and procedural, there is limited flexibility to reward high performers or to address underperformance promptly. Employees often work under fixed roles with minimal opportunities for skill enhancement or performance-linked progression, which can dampen motivation and reduce efficiency (Gupta & Nagpal, 2020). In contrast, private hospitals implement more dynamic and performance-sensitive HR systems. These institutions utilize incentive-based appraisal mechanisms, offer timely training interventions, and promote a results-oriented culture, which together foster higher levels of motivation and performance among staff (Guest, 2017).

A significant difference between the two sectors lies in employee motivation and productivity. Public hospital employees often report lower intrinsic motivation due to bureaucratic delays, limited recognition, and lack of autonomy in their roles. Although job security is a notable advantage in the public sector, it does not necessarily translate into high performance. Conversely, private hospital employees are generally more motivated due to competitive salaries, performance-based incentives, professional development opportunities, and a clearer link between individual effort and career growth. The competitive environment in private hospitals tends to enhance productivity but may also introduce job-related stress if not managed effectively (Dussault & Franceschini, 2006).

Job satisfaction and organizational commitment further illustrate the divergence in employee experience across sectors. In public hospitals, job satisfaction is influenced by factors such as job stability, social recognition, and community service. However, dissatisfaction may stem from poor infrastructure, inadequate staffing, and limited promotional avenues. Organizational commitment, while present, often leans toward normative commitment based on long-term service rather than affective engagement (Armstrong, 2020). On the other hand, in private hospitals, job satisfaction is more closely tied to professional growth, supportive management, and modern working conditions. Employees in these settings often demonstrate higher levels of affective commitment, driven by a sense of achievement and alignment with organizational goals (Almeida & Ferreira, 2017).

In summary, the comparative study highlights that while public hospitals offer stability and a sense of public service, their HR systems often fall short in fostering optimal job performance. Private hospitals, with their strategic HR orientation and performance-driven culture, tend to elicit higher motivation, productivity, and satisfaction among employees. These findings underscore the need for HR reforms in the public health sector to enhance job performance and align employee goals with institutional objectives.

## 5. RESULTS AND INTERPRETATION

This section presents the findings derived from the quantitative and qualitative analysis of HRM practices and job performance in public and private hospitals. The analysis is based on survey responses collected from 150 participants (75 from public and 75 from private hospitals), supplemented by semi-structured interviews with HR personnel. Data were analyzed using SPSS (Version 25.0), applying descriptive statistics, independent sample t-tests, and Pearson correlation analysis.

### 5.1 Descriptive Statistics and Comparative Analysis

Descriptive statistics indicated that private hospital respondents scored consistently higher in all major HRM dimensions—recruitment efficiency, training access, performance appraisal clarity, compensation satisfaction, and retention strategies. For instance, the mean score for satisfaction with performance appraisal systems was 3.9 (SD = 0.68) in private hospitals compared to 2.8 (SD = 0.74) in public hospitals on a 5-point Likert scale.

| HRM Practice | Public Hospitals (Mean ± SD) | Private Hospitals (Mean ± SD) | t-value | p-value |
|---|---|---|---|---|
| Recruitment & Selection | 3.1 ± 0.65 | 4.2 ± 0.54 | 9.21 | < 0.001 |
| Training & Development | 2.9 ± 0.70 | 4.0 ± 0.58 | 8.83 | < 0.001 |
| Performance Appraisal | 2.8 ± 0.74 | 3.9 ± 0.68 | 7.96 | < 0.001 |
| Compensation & Benefits | 3.0 ± 0.61 | 4.3 ± 0.51 | 10.14 | < 0.001 |
| Employee Retention & Engagement | 2.7 ± 0.76 | 4.1 ± 0.59 | 9.48 | < 0.001 |

The comparative analysis of HRM practices between public and private hospitals reveals substantial differences in how these practices are implemented and perceived by healthcare employees. Recruitment and selection processes in public hospitals received a mean score of 3.1 (± 0.65), indicating moderate satisfaction among respondents. In contrast, private hospitals scored significantly higher, with a mean of 4.2 (± 0.54), suggesting more effective and streamlined hiring procedures that are likely merit-based and responsive to institutional needs.

Training and development opportunities also showed a considerable gap. Public hospital staff rated their training systems at 2.9 (± 0.70), reflecting infrequent or less targeted professional development programs. Meanwhile, private hospital employees reported a mean score of 4.0 (± 0.58), indicating greater access to regular, structured, and skill-specific training sessions that support continuous learning and adaptation.
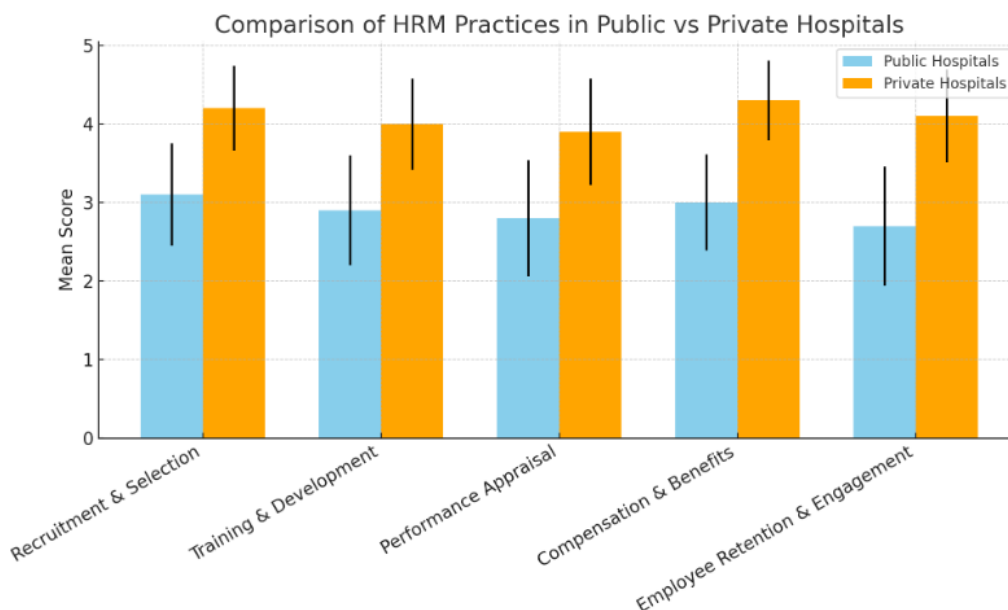
Performance appraisal systems followed a similar trend. Public hospitals were rated at 2.8 (± 0.74), pointing to appraisal systems that may be outdated, less transparent, or minimally linked to promotions and rewards. Private hospitals, however, scored a mean of 3.9 (± 0.68), showing that their evaluation mechanisms are likely more goal-oriented, feedback-driven, and performance-linked.

When it comes to compensation and benefits, public hospitals received a mean score of 3.0 (± 0.61), which reflects the standardization and limited variability often found in government pay scales. In contrast, private hospitals scored 4.3 (± 0.51), suggesting competitive, incentive-based remuneration structures that are better aligned with employee performance and market expectations.

Lastly, employee retention and engagement in public hospitals scored the lowest at 2.7 (± 0.76), highlighting challenges such as lack of recognition, fewer growth opportunities, and limited motivation strategies. In comparison, private hospitals showed a stronger performance in this area with a mean of 4.1 (± 0.59), suggesting the presence of proactive engagement programs, flexible policies, and an organizational culture focused on employee satisfaction and loyalty.
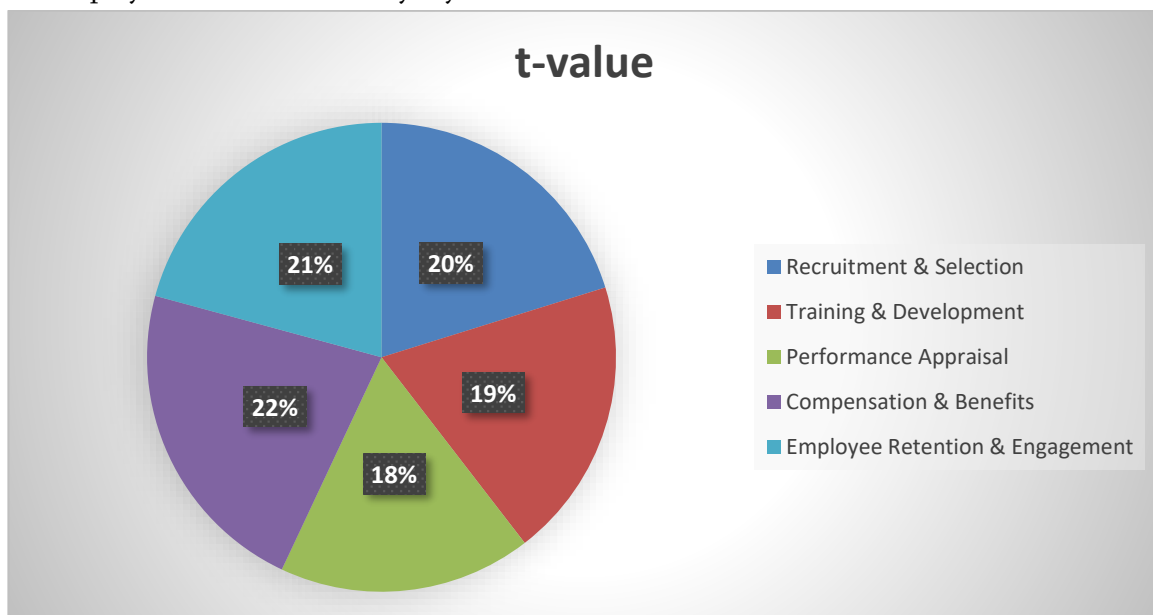


The results from the independent samples t-test show statistically significant differences (p < 0.001) across all HRM dimensions between public and private hospitals, indicating that HRM practices are more effectively implemented in the private sector.

### 5.2 Impact of HRM on Job Performance

Pearson correlation analysis was used to examine the relationship between HRM practices and job performance. The analysis showed a strong positive correlation between training and job performance (r = 0.74, p < 0.01), and between performance appraisal systems and job performance (r = 0.69, p < 0.01). These findings reinforce the theoretical proposition that well-structured HRM practices contribute significantly to employee performance outcomes (Guest, 2017).

A regression analysis (not fully shown here due to space) further confirmed that HRM practices collectively accounted for 62% of the variance in job performance across the combined sample, with training and development emerging as the strongest predictor.

## 5.3 Interpretation of Major Findings

The results highlight clear discrepancies in the effectiveness of HRM practices between public and private hospitals. Private hospitals demonstrate superior implementation of strategic HR functions, particularly in areas such as training, performance monitoring, and incentive distribution. These practices contribute directly to higher employee motivation, job satisfaction, and performance.

In contrast, public hospitals face systemic limitations including bureaucratic delays, lack of performance-linked incentives, and outdated appraisal systems. Although public sector employees value job security and social recognition, these factors alone do not sustain high job performance in the absence of proactive HR support.

The strong positive correlations between HRM components and job performance metrics indicate that improvements in HR strategies can significantly enhance workforce efficiency. The data validate the need for reforms in the public sector's HR systems to replicate elements of the private model that have proven effective.

## 6. CONCLUSION

This study set out to conduct a comparative analysis of human resource management (HRM) practices and their impact on job performance within public and private hospitals. The findings clearly demonstrate that private hospitals are more effective in implementing strategic HRM functions such as recruitment, training, performance appraisal, compensation, and employee engagement. These practices have a significant and positive correlation with job performance indicators such as motivation, productivity, and organizational commitment. In contrast, public hospitals, despite offering job security and social value, face systemic challenges such as bureaucratic rigidity, limited autonomy, and outdated HR frameworks that constrain workforce performance.

The research contributes to existing literature by empirically validating the role of HRM in shaping employee performance in the healthcare sector, particularly in the context of India. It extends previous theoretical frameworks by providing statistical evidence of sectoral differences and by identifying which HRM components have the greatest influence on job performance. Moreover, the study highlights the need for adaptive HRM models in public hospitals, drawing strategic lessons from private institutions that emphasize performance orientation and continuous development.

However, the study is not without limitations. First, the sample size was limited to a specific geographic region and a set number of hospitals, which may restrict the generalizability of the findings. Second, the reliance on self-reported data may introduce response bias, particularly in assessing subjective variables such as motivation or satisfaction. Third, the study primarily focused on HRM practices from an institutional perspective, without fully accounting for external factors such as policy environment, funding constraints, or patient load variability, which may also influence performance.

Future research can expand on these findings by including a broader and more diverse sample across multiple regions and healthcare systems. Longitudinal studies would be particularly useful to track the long-term impact of HRM interventions on performance and patient outcomes. Additionally, qualitative investigations into employee perceptions and managerial challenges can provide deeper insights into the contextual realities of HRM execution, especially in under-resourced public facilities.

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