



Analysing the Effect of Human Resource Management Practices on Employee Well-Being, Organizational Performance, and Financial Outcomes in the Healthcare Sector

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Abstract

Human Resource Management (HRM) practices play a critical role in shaping employee well-being, organizational effectiveness, and financial sustainability within the healthcare sector. This study examines the influence of key HRM practices, including recruitment and selection, training and development, performance management, compensation, employee engagement, career development, and workplace support, on employee well-being and organizational outcomes. Healthcare organizations operate in demanding environments characterized by high workloads, emotional stress, workforce shortages, and the need for continuous professional development, making effective human resource management particularly important. The study explores how supportive HRM practices can improve employee satisfaction, motivation, psychological well-being, retention, and organizational commitment, while reducing burnout and turnover intentions. It further examines the relationship between improved employee outcomes and organizational performance, including service quality, productivity, patient satisfaction, operational efficiency, and teamwork. From a financial perspective, effective HRM practices may contribute to improved resource utilization, reduced recruitment and turnover costs, lower absenteeism, and enhanced organizational productivity. The study argues that employee well-being and financial performance should not be viewed as competing objectives but as interconnected dimensions of sustainable healthcare management. Strategic investment in employees can create a healthier work environment while strengthening organizational capabilities and financial outcomes. Overall, the study highlights the importance of integrating employee-centered HRM policies with organizational objectives and suggests that healthcare institutions adopting comprehensive and sustainable HRM strategies are better positioned to improve workforce well-being, service delivery, organizational performance, and long-term financial sustainability.

Keywords: Human Resource Management, Employee Well-Being, Healthcare Sector, Organizational Performance, Financial Outcomes, Employee Engagement, Job Satisfaction, Workforce Management, Employee Retention, Healthcare Management.