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What drives human resource acquisition and retention in social enterprises? An empirical investigation in the healthcare industry in an emerging market☆

Aditya Moses[a], Amalesh Sharma[b,*]

[a] Indian Institute of Management, Ahmedabad, India
[b] Mays Business School, Texas A&M University, College Station, TX, United States of America

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ABSTRACT

Although healthcare is one of the fastest growing sectors in the world, it faces crucial shortages in human resource (HR) availability and retention. This challenge is worsened in social enterprises. In this research, we build on a multimethod and a multistudy approach. In the first study, using an exploratory qualitative study, we identify HR practices that influence HR acquisition and retention. Utilizing an institutional logics lens, we propose that market logic and community logic-driven HR practices influence a firm's ability to acquire and retain HR. In the second study, we test our hypotheses using primary data from 182 faith-based hospitals in India and a robust empirical model accounting for endogeneity. We find that while market logic-driven HR practices help with HR acquisition, community logic-driven HR practices help with HR retention. In the third study, through a simple field experiment, we showcase that, indeed, market and community logic-based HR practices are responsible for HR acquisition and retention.

1. Introduction

Human resource acquisition and retention are two of the most critical factors for the sustainability of any firm (Gimeno, Folta, Cooper, & Woo, 1997; Lado & Wilson, 1994; Lengnick-Hall & Lengnick-Hall, 1988). In regard to service-based businesses such as healthcare, aviation, and hospitality, their importance increases as human resources are in direct contact with customers (Batt, 2002). Furthermore, a lack of human resource availability and retention can decrease incumbents' ability to penetrate a market, increase customer dissatisfaction, increase existing employee dissatisfaction, and decrease a firm's overall performance.

Although most firms experience the demerits of human resource non-availability and inability to retain talent, firms that have the dual motive of optimizing financial and social performance together experience these more due to a) internal constraints such as a lack of financial resources, and b) external institutional barriers such as cultural norms (Dacin, Dacin, & Matear, 2010). Firms that have the dual motive of achieving financial and social performance together are known as social enterprises (SEs) (Doherty, Haugh, & Lyon, 2014). In particular, the financial objectives of social enterprises are to generate revenue from a variety of commercial activities such as providing services to customers. This objective is similar to that of corporate enterprises in the private and public sectors (Wallace, 1999). The financial objective of SEs, however, differs from the objective of nonprofit organizations because the latter primarily relies on grants and donations rather than on income from selling products and services. The social objectives of social enterprises are to utilize income from their commercial activities to improve the well-being of people in wider society (Doherty et al., 2014). SEs have a social mission to serve marginalized communities, and they attempt to do so by providing services. In SEs, employees are considered to be a key resource in helping them achieve their vision; the ability to retain employees therefore determines the success of SEs (Haugh, 2005). SEs may not be able to replace employees with investments in physical capital (Akingbola, 2006), and they may need an additional understanding on how to manage human resources such that both the objectives are fulfilled.

However, it has been observed that most SEs, especially in the healthcare service sector across emerging markets, are experiencing a decline in performance (Dieleman, Gerretsen, & van der Wilt, 2009) and the reason pertaining to decline is the inability to acquire skilled human resources and the inability to retain them (Srivastava &

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* Corresponding author.
E-mail addresses: adityam@iima.ac.in (A. Moses), asharma@mays.tamu.edu (A. Sharma).

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Table 1
Representative research in the domain of SE, emerging market, institutional logics and HRM.

Paper	Method	Context		Dependent variable
		SE[a]	Emerging market	Outcome HRM practice
Greenwood et al. (2010)	Empirical (Quantitative)	No	No	Downsizing practices impacted by institutional logics.
Alvehus (2018)	Empirical (Qualitative)	No	No	Hybridity between conflicting logics may appear on an organizational level, whereas a single logic dominates in everyday work.
Tyskbo (2019)	Empirical (Qualitative)	No	No	The way in which organizational actors conduct their talent identification is grounded in the logic they enact and make use of.
Napathorn (2018)	Empirical (Qualitative)	Yes	Yes	The HRM bundles used by SEs are different from those used by business enterprises
Battilana and Dorado (2010)	Empirical (Qualitative)	Yes	Yes	Hiring and socialization of employees are crucial for creating an integrated organizational identity.
Ohana and Meyer (2010)	Empirical (Quantitative)	Yes	No	Examining the role of distributive justice, leader–member exchange, job satisfaction and organizational commitment on the intention to quit in social enterprises.
Our paper	Empirical (Multi Method)	Yes	Yes	Influence of institutional logic on HRM practices leading to attraction and retention of human resources.

[a] SE = social enterprise.

Shainesh, 2015). The success of an SE is based on its ability to attract and retain appropriate employees (Battilana & Dorado, 2010; Imperatori & Ruta, 2006). However, this is not an easy task (Royce, 2007) since SEs do not have financial means to compete for talent with other organizations (Dacin et al., 2010).

To suggest managerial strategic insights with respect to human resources, we study human resources management (HRM) practices in SEs in the Indian market and investigate an additional contingency factor that may affect an SE's HR acquisition and retention strategies. Research has called for HRM practices to be studied in different contexts (Jackson, Schuler and Jiang, 2014). However, there has been relatively little research on the kind of HRM practices utilized by SEs (Napathorn, 2018). Additionally, there have been calls to research how SEs can acquire and utilize human resources to remain sustainable (Doherty et al., 2014). Therefore, in this study, the central questions we seek to address are

a. *What HRM practices do SEs employ?*
b. *What is the influence of different HRM practices on human resource acquisition and retention?*

Our context is the missionary hospitals in the Indian healthcare system. Missionary hospitals are SEs given that they target to balance both financial and social performance. On the other hand, the presence of missionary hospitals in the Indian healthcare sector is very important as they serve approximately 21 million patients annually and consist of 10% of beds in the Indian healthcare industry (CHAI (Producer), 2017). However, reports from the field suggest that a large number of these hospitals have not been able to sustain themselves (Aruldas, Awale, & Zachariah, 1997). A primary reason for their decline is a lack of human resources (Cherian et al., 2014). In this study, we intend to develop an understanding of HRM practices and suggest sustainable HRM strategies for maximum returns for these hospitals.

Since there is sparse literature suggesting HRM strategies for SEs, we rely on a three-step multimethod and multistudy approach. In study 1, to understand the HRM strategies and determine what might be happening in these hospitals, we conduct an explorative qualitative study. Subsequently, we utilize the institutional logics lens to make sense of our qualitative findings and propose hypotheses. An institutional logics lens suggests that logics are composed of the cognitive schema, normative expectations and material practices (Jones, Boxenbaum, & Anthony, 2013). Institutional logics dictate what practices are adopted by an organization (Hoon & Jacobs, 2014) and how organizations can effectively combine practices belonging to different logics (Pache & Santos, 2013). Through the qualitative study, we learn that two types of logics, i.e., market logic and community logic, might be responsible for human resource acquisition and retention in these hospitals. The market logic is based on market capitalism focusing on improving profit or shareholder value by adopting dominant industry practices. On the other hand, community logic draws on welfare capitalism to focus on increasing community wellness by adopting practices that focus on democratic participation (Thornton, Ocasio, & Lounsbury, 2012). In study 2, we collect primary data from 182 missionary hospitals and with the help of a robust empirical approach that accounts for potential endogeneity in the two logics, we investigate how market and community logic differentially affect human resource acquisition and retention.

We find that while HR practices associated with market logic positively affect HR acquisition, practices associated with community logic do not have any significant impact on HR acquisition. Furthermore, increases in practices associated with community logic positively impact HR retention; however, market logic-driven HR practices do not have any significant impact on retention. In study 3, through a simple field experiment, we implement the strategies based on our models and analysis in two randomly selected hospitals. For the first hospital, we introduce additional HR practices associated with market logic, keeping

the remaining effects constant. The hospital implemented these practices in 2017, and we observed that the acquisition of HR has increased by 3.75% over the previous year. The corresponding increase in revenue is approximately 31%. In the second hospital, we recommended including HR practices associated with the community logic. The hospital engaged in enriching and communicating their social mission to the stakeholders. Following adoption of HR practices associated with the community logic, employees voluntarily became engaged in the outreach program and the hospital saw a 13.19% increase in employee retention over the previous year while not experiencing any significant increase in acquisition.

This study contributes to the extant literature in HR management, healthcare in emerging markets, and SE. To the best of our knowledge, this is the first large-scale empirical study that integrates research in SEs in an emerging market with the literature on institutional logics and HRM in a robust manner. We provide details of some of the studies in Table 1 below and show how our study extends this field of research. As seen from Table 1, most studies in this domain have focused on SEs. Only one study has focused on SEs in an emerging market context. Moreover, these studies have focused on only one method and are mainly qualitative in nature. We attempt to provide more rigor and robustness to the field by focusing both on context and method. We contribute to the HRM literature by discovering that a social enterprise must concentrate on market logic to attract talent. Although community logic is beneficial to retaining talent, it does not help in the HR acquisition; thus, an intrinsic tension between two types of logic is exposed. Furthermore, by using existing theories and integrating them with a unique phenomenon, we are able to further academic inquiry into the fields of services and human resource management (Dacin et al., 2010). Second, we contribute to healthcare services in an emerging market by showcasing the importance of HR management for effective service delivery and performance. Our back of the envelope computation shows that a hospital can increase revenue by 16.9–26.1% on average by managing their human resources. For the extant literature on social enterprises, we layout an effective strategy for their sustainability. From a methodological perspective, we capture the endogeneity issues in the two focal constructs: market and community logic, making this study a first of its kind analysis in the institutional logics literature. For managers and hospitals, we show how management of HR practices associated with market and community logics can affect revenue gain through HR acquisition and retention through a simple field implementation for the first time in the HR literature.

The remainder of the study is organized as follows. In Section 2, we discuss the institutional context of the study. In the Section 3, we present study 1 followed by a discussion on the theoretical background and the hypotheses. In the Section 4, we discuss study 2. In Section 5, we present our approach to implementing the results and strategies in real life. In Section 6, we present the contributions of the study, followed by limitations and future research directions in Section 7.

2. SE, HRM, and institutional context

2.1. SE and human resource management

Research suggests that SEs use HR bundles such as alternative recruitment channels, paying more attention to on-the-job training, and focusing more on intrinsic rewards and paternalistic styles of employee relations (Napathorn, 2018) to acquire and retain talent. Dees (1998) suggests that SEs may need to pay their employees below market and rely on a mix of full-time employees and volunteers. Furthermore, employees in an SE may be attracted to an organization due to its social mission (Akingbola, 2013). An SE may not be able to provide attractive salaries to potential employees (Bornstein, 2007). Therefore, SEs rely on nonfinancial rewards and the charisma of the founder to attract and retain employees (Roper & Cheney, 2005; Royce, 2007).

In a resource-constrained environment, organizations can rely on HRM to provide a means to address a lack of investment and structural deficits that characterize healthcare systems in many countries (Mathauer & Imhoff, 2006). For example, healthcare organizations in India have incorporated practices such as establishing their own schools, developing extensive training programs and identifying alternate sources of recruitment as a means of addressing talent shortages (Srinivasan & Chandwani, 2014). Sagawa and Segal (2000) argued that social organizations often ignore their HRM activities to reduce costs, which may hamper organizational performance. Therefore, HRM practices may provide an SE with a competitive advantage provided they are able to attract and retain talent. However, the research on HRM in SEs has primarily focused on specific HRM practices rather than a bundle of practices. Therefore, we first explore the different HRM bundles that SEs utilize.

2.2. Institutional context

The healthcare sector is one of the fastest growing sectors in the world, especially in emerging markets. Estimates show that the healthcare industry is the fifth largest sector in the Indian economy, growing at 17% CAGR, and it is expected to reach $280 billion by the year 2020 (Frost & Sullivan, 2017). Interestingly, most of the spending takes place in private hospitals (GOI, 2012).

Despite the growth in the sector, the bed density is 0.67 per 1000 people, which is well below the global average of 2.6 and the World Health Organization (WHO) benchmark of 3.5 (McKinsey, 2012). This suggests that even though the industry is large and growing, there is a lack of infrastructure for modern medicine on a per capita basis. In addition to the shortages of infrastructure, there are major shortages in manpower in this sector (Srivastava & Shainesh, 2015). The healthcare sector includes multiple entities such as private hospitals, government hospitals, and social enterprises. This study investigates social enterprises in the healthcare industry, i.e., the Christian mission hospitals across India.

Christian mission hospitals were established all over India, with many being present in rural India. Furthermore, these hospitals tend to focus on serving marginalized people and providing low-cost healthcare. To do so, they generate revenue from their medical services. These hospitals tend to use a cross-subsidy model of revenue generation. We provide details on the geographic distribution of these hospitals in Table 2. The best estimates find that over 12,000 physicians are affiliated with these institutions (CMAI, 2016) in addition to 15,000 allied health professionals and over 25,000 nurses (CHAI, 2016). Our primary data collection revealed that these hospitals serve over 7 million outpatients and over 1.4 million in-patients every year.

A correlation analysis with the historical data reveals that the acquisition of HR ($\rho = 0.59$) and retention of HR ($\rho = 0.67$) are positively

Table 2
Statewise distribution of existing mission hospitals.

S. no	Region	Existing
1.	Andhra/Telangana	20
2.	Bihar/Jharkhand	18
3.	Chhattisgarh/MP	19
4.	Gujarat/Raj	5
5.	Karnataka	13
6.	Kerala	31
7.	Maharashtra/Goa	28
8.	Odisha	6
9.	North East	19
10.	North West	8
11.	UP/UK	18
12.	Tamil Nadu/Pondicherry	36
13.	West Bengal	6
	Total	227[a]

[a] Of these, seven hospitals are not active.

Table 3
Details of the interviews conducted.

Hospital name	Number of respondents	Designation of interviewees
SSH	7	Director, Nursing Superintendent, Chief Medical Services, Deputy Director, CFO, Senior Medical Consultant, Head Community Health
BBH	7	Director, Nursing Superintendent, Chief Medical Services, Deputy Director, CFO, Senior Medical Consultant, Head Community Health
JMH	4	Director, Nursing Superintendent, Nursing School Principle, Senior Medical Consultant
MH	4	Director, Nursing Superintendent, Nursing School Principle, Senior Medical Consultant
MuH	5	Director, Nursing Superintendent, Nursing School Principle, Senior Medical Consultant, Head Community Health
FJMH	4	Director, Nursing Superintendent, Nursing School Principle, Senior Medical Consultant
PH	6	Director, Nursing Superintendent, Nursing School Principle, Senior Medical Consultant, Administrator, Head Community Health
BMH	4	Director, Nursing Superintendent, Nursing School Principle, Senior Medical Consultant

Table 4
Coding mechanism.

Open code	Axial code	Aggregate code
Market-based compensation Provision of technology Additional monetary benefits	Market-Logic HRM Practices	For attraction and retention
Social mission Nonmonetary benefits	Community-logic HRM Practices	For retention

correlated with the financial performance of the hospitals, respectively. However, the hospitals under consideration also experience a lack of HR and the potential retention of HR. Hence, in this study, we attempt to uncover the drivers of retention and acquisition of HR in these SEs.

3. Study 1

3.1. An exploratory study of HR practices in Christian mission hospitals

Given the paucity of research in HRM practices adopted by SEs, we conduct an exploratory qualitative study. This approach allows researchers to identify qualitative results that may be tested on a larger population in cases where the literature is sparse (Hesse-Biber, 2010).

Based on the prior knowledge of the phenomenon, guidance from experts in the field, and prior propositions, eight hospitals were selected as the study sample. We interviewed multiple managers in eight organizations in order to reduce error (Gerhart, Wright, McMahan, & Snell, 2000). The data were collected at each site. The informants represented the top management and the middle management at each hospital. Respondents were with the organization for more than 12 years on average. The details of the interviews collected are presented in Table 3.

Semistructured interviews were conducted with key personnel in each hospital; this included the director of the hospital, medical superintendent, administrator (if available), consultants, community health heads (if available) and the principle of the school of nursing. The interviews were guided by the themes such as the need for HRM, type of practices followed, practices implemented to attract employee, practices that do not work, etc. Additional questions and clarifications were sought by the authors about potentially interesting ideas. Each interview was used to expand the understanding of HRM in SEs. As a part of the research, an extensive observation was carried out regarding the hospital's operations. This observation included the routines that were practiced throughout the day. The observations also included seeing what kinds of patients were treated, volume of patients, occupancy in the wards, technology being used, etc. One of the major components of the observation was informal communication with various personnel in each sampled hospital.

At the end of the day, we created a researcher note that was used in making the cases and in the analysis.

Coding is the organization of raw data into conceptual categories. Each code is effectively a category into which a piece of data is placed (Miles, Huberman, & Saldana, 2014). In essence, words, sentences, phrases or whole paragraphs are assigned a unit of meaning (Miles et al., 2014). Codes should be valid, mutually exclusive and exhaustive (Miles et al., 2014). Initially, the interviews or data is carefully read, all statements relating to the research question are identified and each is assigned a code (Miles et al., 2014). This is referred to as open coding or first-order coding (Marshall & Rossman, 2014; Miles et al., 2014). First-order coding helps the researcher see patterns and key ideas in data (Marshall & Rossman, 2014). The interviews in each case were open coded to identify their linkage with a variable of interest based on the initially developed coding frame. Furthermore, these codes were clustered together into concepts (known as “axial codes”). Table 4 highlights the open codes and the axial codes that were developed based on the interview data.

We now discuss each of these developed themes in greater detail. One of the disadvantages of this method is that it is prone to researcher bias since one researcher is the primary analyst and the creator of the essential categories of the grounded theory. To overcome this challenge, another expert (i.e., a person with knowledge of the qualitative study and the context) was recruited to do the open coding. Both open coding schemes were compared and those codes that were agreed upon were kept. For codes where there was a disagreement, the coders discussed and finalized a single code. This allowed codes to be considered reliable. Table 4 above illustrates the finalized coding scheme that both the coders agreed upon. To validate the findings based on the coding scheme, the authors undertook a member check (Koelsch, 2013). Member check involves validating the findings of qualitative research with the participants. We validated our findings of qualitative research with the interviewees, and they agreed with the interpretation across all cases. We present a detailed discussion on the themes that have been generated below:

Theme 1: Market-based Human Resource Practices

1. Compensation

Qualitative interviews show evidence that compensation - an integral component of a firm's market logic helps a firm to attract potential employees. The hospitals clearly stated that they provide salaries at par with market rates. As evident from one of the interviewees, compensation is found to be an element that attracted potential employees.

> “*See 90% of our employees are attracted for only 2 or 3 reasons…first, they come for salary because private institutions pay much less than us…” Director JMH.*[1]

> “*We were not attracting new staff at all; nurses were leaving in droves every year we had almost 60-70% turnover of nurses…So to alter this situation I doubled the salaries…The nurses and doctors I gave more because these are the backbone.” Director SSH*

Contrary to research in the field of SEs, these hospitals pay their

[1] JMH indicates a hospital. Due to confidentiality concerns, we had to mask the name of the hospitals.

employees a salary that is on par with the market. They believe that paying higher compensation allows them to acquire and retain better human resources. Additionally, since they are competing in this space with other public and private organizations, compensation is an important differentiator. We argue that compensation practices such as these are closely linked to market logic.

2. Provision of Technology

The qualitative study shows that advancement of medical infrastructure allows a hospital to attract paying patients as well as doctors. As seen in the case of MH, a lack of infrastructure meant that doctors were not ready to join the hospital and patients did not come to the hospital. We observe that advanced technology adoption is one of the components that influenced a hospital's ability to attract and retain talents.

"Because our facilities are not that attractive as compared to what is available outside…we are attracting less staff." -Director MH

"We have the best equipment in this area…we have modern technology so doctors come to us to work" -Administrator PH

Advancement of technology is based on market logic, an integral part of organizational characteristics that may be attractive to potential employees (Lievens & Slaughter, 2016).

3. Additional Monetary Benefits

"We provide all employees with a festival bonus, which is one month's salary."- HOD HR SSH

Attracting and retaining HR may require additional benefits to be provided. The interviewed hospitals also provided some form of festival allowance to employees. As per the law, nonprofit organizations do not have to provide any bonus to employees. The hospitals also provided all their employees with pension schemes. The pension scheme in India is applicable to only government employees. However, the hospitals developed partnerships with insurance companies to ensure that their employees receive a pension when their service ends.

"We provide loans to staff for their personal use. At no interest. They can use it to buy furniture or a vehicle." Administrator PH

This is yet another example of financial benefits that all hospitals provided. Providing loans especially for the education of children was very common among the hospitals. In addition to providing some of these extra benefits, the hospital ensured that required laws related to minimum wage, provident fund, gratuity, etc., were followed. These practices were a way of not only attracting employees but also ensuring that they remain with the organization. Thus, we argue that hospitals adhere to certain practices from the market logic to attract potential employees and retain them in the organization.

Theme 2: Community-based Human Resource Practice

1. Non-Monetary Benefits

"We provide housing to all our staff who are confirmed." Administrator MH

"One reason for staff to come to us is facilities. A fair number of staff who are on emergency duties get at least a small accommodation on the campus…this is a major attraction" Director JMH

Providing accommodation to employees is a mean of attracting new talent to the hospital. In addition, it is also seen as a tool to retain staff in the hospital. In all the interviewed hospitals, accommodation was provided free of charge. Furthermore, half the electricity bill was paid for by the hospital. The housing component was not a part of the salary. The hospitals believed that providing such facilities was a part of their social mission. As one of the respondents reported, *"our founder believed that all staff should be treated like family so how can we leave them to fend for themselves."* However, this was a major constraint on the financial resources of the organization as one of the directors stated *"Our electricity bills are a major problem. We have started thinking of making our staff pay their own electricity bills."* One may argue that providing accommodation is in line with other logics such as state as well. However, on probing a little further, we found that government hospitals and other private hospitals did not provide this facility for all staff.

2. Social Mission

"People who are very dedicated and want to do something for the community join mission hospitals …they think god works through us." – Principal- School of Nursing, JMH

Research suggests that one of the main reasons people are attracted to SEs is their social mission. This is seen in the case of the mission hospitals as well. Doctors who are interested in serving the needy are attracted by the social mission of the hospitals.

"We get staff, from different parts of India, who have dedicated their whole life for this hospital. Because we are serving the needy and poor patients." Administrator PH

However, attracting such dedicated staff was a problem that the organization faced at all levels. One of the main concerns for the hospital administration was succession planning. Although a social mission alone may be able to attract a few staff members, to remain sustainable, the social mission needs to be supported by competitive HR practices. Based on the themes developed from the qualitative study, we observe that SEs rely on hybrid practices to acquire and retain talent.

3.2. Related literature, theoretical background, and hypotheses development

Study 1 reflects that hospitals rely on hybrid HR practices consisting of market and community logics, respectively. However, the qualitative study does not illuminate the way these two logics may be related to HR acquisition and retention. This leads to our second research question: *how do these logics influence HR acquisition and retention?*

We rely on the institutional logics lens to explore potential relationships. Institutional logics have been used to explain the inherent tension that SEs experience (Battilana & Lee, 2014). There are multiple studies that use institutional logics to explain organizational response to conflicting demands (Pache & Santos, 2010), adoption of selective practices (Bévort & Poulfelt, 2015), the dominance of specific practices within a field (Dunn & Jones, 2010) and adopting or ignoring specific HRM practices (Van den Broek, Boselie, & Paauwe, 2014). Institutional logics have been defined as the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and provide meaning to their social reality (Thornton & Ocasio, 2008, p. 101). Bévort and Poulfelt (2015) studied HRM practices in professional service firms and observed that HRM and the management practices of professional service firms adhere to different institutional logics, which leads to tensions and disconnects. However, organizations can strategically respond to the threats posed by institutional pressures and resist organizational changes that go against their interests (Kim & Chung, 2018). We argue that since SEs adhere to conflicting logics of market and community, the HRM practices that they adopt will either attenuate tensions or mitigate tensions. The tensions that they face were clear in the exploratory study. Organizations that hold a productive tension will be able to acquire and retain human resources.

3.2.1. Institutional logics and HRM

Organizational forms, practices, and routines are considered to be a manifestation of institutional logics (Greenwood, Díaz, Li, & Lorente, 2010). An institutional logic is a bundle of practices organized around a particular value system (Mutch, 2018). Institutional logics are

understood 'rules of the game' that guide and prescribe individual and organizational behavior within specific social settings (Fan & Zietsma, 2017). An organization is considered to utilize certain practices to show adherence to a particular logic (Voronov, De Clercq, & Hinings, 2013). However, the literature suggests that organizations may adhere to multiple institutional logics simultaneously (Battilana & Dorado, 2010; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Pache & Santos, 2013). Different stakeholders determine whether the organizational practices fit with the institutional environment. Lack of fit leads to an increased risk of strikes and legal claims (Boon, Paauwe, Boselie, & Den Hartog, 2009). SEs rely on social institutions that adhere to different logics to provide them the necessary resources (Durand & Hadida, 2015; King & Haveman, 2008). Since SEs adhere to the logic of market and community, stakeholders may expect that these organizations follow the norms associated with them. Furthermore, the SE will need to show compliance with the norms to gain resources. Therefore, the HRM practices followed by the organization may be focused on both the logics.

However, the presence of different institutional logics does not always imply that organizational choices are constrained; they may decide to create flexible practices that adhere to multiple logics (Boon et al., 2009). The way a firm fulfills its mission influences important job outcomes such as employee engagement and productivity (Suh, Houston, Barney, & Kwon, 2011). Therefore, to maintain legitimacy and fulfill their dual mission, SEs' HRM practices can be hybridized (Van den Broek et al., 2014). Furthermore, research suggests that practices that a firm adheres to may converge or diverge based on different contexts (Cobb, Wry, & Zhao, 2016). Thus, we argue that in the context of SEs, HRM practices may belong to both the market logic and the community logic; however, it is important to ensure that these practices fulfill the mission of the organization.

In their seminal work, Battilana and Dorado (2010) observed that HRM practices being utilized by organizations to recruit and socialize employees were a blend of market and social-welfare logics. However, Bjerregaard and Jonasson (2014) show that hybridization of practices is not sustainable in the long run. Van den Broek et al. (2014) studied the implementation of a hybrid practice in a hospital setting. They observed that although the practice was made to appear as a hybrid, in reality, it was aimed at accomplishing the goals of only one logic (instead of satisfying both). At the beginning of the implementation, the employees were enthusiastic, but their perception changed over time and the practice was never internalized. Thus, simply hybridizing logics to form HRM practices may not be a feasible solution for organizations. Pache and Santos (2013) suggest that organizations can undertake selective coupling wherein they can adopt specific practices associated with a logic. A difference in logics may lead to HRM practices being perceived differently, which in turn may lead to tensions and disconnects (Bévort & Poulfelt, 2015). There has been considerable theorizing on this aspect of the conflict. However, the influence of multiple coexisting logics on the organizational outcome is limited (Smets, Jarzabkowski, Burke, & Spee, 2015). As suggested by research, HRM practices that are selectively coupled may be able to mitigate tensions and positively influence organizational outcomes, we provide an indicative list of studies in the domain of institutional logics that look at HRM in Table 5 below. Studies in this domain suggest that institutional logics influence HRM activities such as downsizing, training, talent management, etc. Furthermore, it is also observed that the institutional logics that influence these practices differ; and therefore, organizations respond in a varied manner.

3.2.2. Hypotheses development

Research in the SE domain suggests that SEs are increasingly becoming more like businesses or charities depending on where they are earning their income (Knutsen, 2012). A decline in external funding has led many mission hospitals to rely on revenue from users (Baru, 1999). There has also been an increase in competition faced by these organizations (Srinivasan & Chandwani, 2014). The likelihood of organizational change increases when there are strong local market forces, which may be in the form of competition from various sources (D'aunno, Succi, & Alexander, 2000). The resulting competition from other hospitals has led to an increase in salaries of trained staff, increase in the cost of medical care and equipment, and competition for paying patients (Aruldas et al., 1997). Furthermore, institutional forces such as the church, government, and local community are strong but have different demands on mission hospitals. To meet the expectations of customers and compete with other hospitals, mission hospitals may have to adhere to market logic.

Social enterprises that adhere to the logic of the market can generate revenue from their services. As observed in the case of microfinance organizations, adhering to the logic of the market and social welfare allowed the organizations to attract human resources (J. Battilana & Dorado, 2010). The practices associated with market logic are prevalent in the field (Waldorff, Reay, & Goodrick, 2013). The practices dominant in the field are considered to be legitimate by potential employees. Therefore, adopting these practices may be seen by potential employees as attractive. Since there is a shortage of talent in the industry, attracting human resources will require organizations' focus on practices be considered essential by potential employees. In a survey conducted by LinkedIn[2] in 2015, an overwhelming majority of respondents considered compensation to be one of the most important factors in deciding whether to apply for a job in small organizations that are similar in size to the hospitals in our study. Similarly, research in the field of recruitment suggests that job seekers refer to tangible attributes of an organization such as pay, benefits, career progression, etc., when deciding where to apply (Lievens & Slaughter, 2016). This would suggest that market practices are important to attract talent. Therefore, adopting a greater number of HRM practices associated with the market logic would help an organization attract human resources. Thus, we hypothesize that.

H1. Market logic driven HRM practices will positively influence the acquisition of human resources.

The market logic is in conflict with community logic (Moizer & Tracey, 2010). Prior research suggests that SEs are able to attract human resources due to their social missions (Akingbola, 2013). Not all employees who strongly identify with the social mission of the organization are able to benefit the organization (J. Battilana & Dorado, 2010). Thus, there is a need for hybrid employees who are well versed in the profession and have an altruistic nature to maintain the long-term sustainability of the organization (J. Battilana & Dorado, 2010; Moizer & Tracey, 2010). To attract employees who are both proficient in their job and believe in the purpose, relying solely on HR practices associated with community logic may not be sufficient. There is a severe shortage of healthcare related human resources within the country (Srivastava & Shainesh, 2015); therefore, acquiring human resources is essential for hospitals to survive. Practices associated with the community logic such as a provision of housing facilities and providing purpose to an individual are considered to be symbolic aspects of the organizational image (Lievens & Slaughter, 2016). However, research in the domain of recruitment suggests that potential candidates do not place high importance on symbolic aspects (Lievens & Slaughter, 2016). Therefore, increases in the community driven HR practices may signal that the firm is not been able to provide monetary incentive. As argued earlier, potential employees may not place high importance on symbolic aspects; thereby negatively affecting acquisition. We hypothesize that.

H2. Community logic driven HRM practices will have a negative effect

[2] https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/job-switchers/PDF/job-switchers-global-report-english.pdf.

Table 5
Representative research in the domain of institutional logics and HRM.

Study	Research method	HRM practice studied	Brief summary
Greenwood et al. (2010)	Quantitative	Downsizing	Regional state logics and family logics impact market activities like downsizing.
Tyskbo (2019)	Qualitative	Talent management	Attention of actors in identifying talent is focused on the cultural norms, symbols and practices of different institutional orders.
Townley (1997)	Qualitative	Performance appraisal	Institutional logics is an important element in how organizations respond to isomorphism. The focus of this study is on performance appraisal in universities.
Luo (2007)	Quantitative	Continuous learning model of employee training	Institutional logics shape individual attitudes and preferences towards a new model of training.
Bévort & Poulfelt (2015)	Qualitative	HRM practice bundles will be impacted by institutional logics	HR specialists and the discipline of HRM are governed by bureaucratic logic in their approach to management.

on acquisition of human resources.

In SEs, replacing talent may not always be feasible due to financial constraints (Dees, 1998). Furthermore, retaining employees is a crucial driver of SE sustainability (Napathorn, 2018). The HRM practices that SEs employ must also enable retention of employees. Organizational culture plays a crucial role in an organization's ability to retain human resources (Sheridan, 1992). Employees in SEs tend to see the way the social mission is implemented as a positive, and it reduces their intention to leave the organization, which would imply that the way in which the organization undertakes its social mission will have a direct impact on retention of HR (Brown & Yoshioka, 2003). Thus, an organizational culture that enables employees to think about the social purpose of the organization can be a key driver in retaining the employees. Research in the domain of HRM practices suggests that symbolic aspects of HRM help employees form an emotional bond with an organization, thereby improving their engagement with the organization and reducing the probability of them leaving (Lievens & Slaughter). The symbolic practices are associated with the community logic in the form of prioritizing the social mission and treating employees as an extension of their family. Thus, the HRM practices that are associated with the community logic will help an organization retain employees. Hence, we hypothesize that

H3. Community logic driven HRM practices will have a positive influence on HR retention.

Research in the field of SEs suggests that pay disparities often override the social norms within an SE (Brown & Yoshioka, 2003). Since employees may not be able to clearly see the intangible benefits of social initiatives and may want a blended value proposition, which includes the social initiatives as well as tangible benefits such as pay, growth opportunities, learning opportunities, etc. (Bode, Singh, & Rogan, 2015), HR practices associated with market logic may help an SE retain talent. Additionally, given the paucity of professionals in the healthcare field in India (Srivastava & Shainesh, 2015), competition for talent is high. This leads to a higher probability that employees may be poached by competitors due to tangible practices such as pay or promotions. Market logic-driven practices such as pay, learning opportunities, benefits, etc. will act as a tangible aspect for existing employees. SEs that are exposed to market pressures should introduce strategic tools to retain talented and committed employees (Ohana & Meyer, 2010). These strategic tools may be introducing best practices that are dominant in the field. As noted earlier, market logic-driven HRM practices are essential practices dominant in the field, which is considered to be the norm. Thus, HRM practices associated with market logic will also be essential in retaining human resources. Hence, we hypothesize that

H4. Market logic driven HRM practices will have a positive impact on HR retention.

4. Study 2: empirical investigation

4.1. Data

To test our framework, we need data on HRM practices adopted by different mission hospitals, and we need the number of employees that were joining the hospitals and the number of employees that the hospitals were able to retain. To collect our data, we conducted the following procedures. We attended annual meetings of hospitals along with an advocacy group to request that hospitals provide information required for the research. Given the institutional constraints, 182 hospitals (out of 220 active hospitals) were able to provide us the required insights. Since most of these hospitals did not have access to electronic storage, the author manually checked hospital records by searching registers, rosters, and other related documents. Given the massive scale of data collection, we restricted our data collection to one year, i.e., 2016.

4.2. Measures

4.2.1. Dependent variable

4.2.1.1. Human resource acquisition. This refers to the total number of HR available to a hospital at time *t*. We operationalize human resource acquisition by combining the available full-time doctors and nurses in the hospital in proportion to the number of beds that they are serving. This is in line with previous work in healthcare, which suggests that nurse staffing levels have a positive association with financial performance (Everhart, Neff, Al-Amin, Nogle, & Weech-Maldonado, 2013).

4.2.1.2. Human resource retention. Consistent with Sheridan (1992), we operationalize HR retention as the ratio of the total number of HR at the end of the observation window to total HR at the beginning of the observation window. Note that we ensure that there is no hiring within the observation window, and if there is a specific case, we account for it in our operationalization.

4.2.2. Independent variables

4.2.2.1. Market logic. To operationalize the HR practices associated with the market logic, we create a list of HR practices that the hospitals follow. Based on study 1, we subdivided the practices into HR practices associated with the market-logic and HR practices associated the community-logic. The HR practices associated with market logic include investment in human resources (measured using the % of revenue spent on human resources), technological advancement (measured using the ratio of advanced medical technology being used to total medical technology available in the hospital), training (measured using the percentage of specialized training programs conducted by the hospital to total training programs conducted), medical education (measured as total percentage of seats filled to seats available. This includes seats available in nursing and paramedical

courses), and market intensity (measured using total competition in the area). To develop a measure, we initially standardized all the items and then took an average of the standardized scores. Once we operationalize market logic, we went back to our interviewees and did a member check to see whether the list was accurate and whether the operationalization was as per practice. Any discrepancies were discussed and resolved.

4.2.2.2. Community logic. Similar to the market logic, we created the community logic variable. The list included facilities (measured as % of general beds to private beds), community outreach activities (measured as the volume of community outreach activities), special population served (proportion of patients belonging to marginalized communities served to the total number of patients), and investment in charitable activity (measured using % of revenue spent on charity). To develop a measure, we initially standardized all the items and then took an average of the standardized scores.

4.2.3. Control variable

4.2.3.1. Size of the hospital. Size of the hospital will have an impact on the number of employees that are both required and those that may be present (Khatri, Gupta, & Varma, 2017). We control for the size of the hospital and operationalize it as a natural logarithm of beds.

4.2.3.2. Age of the hospital. Older hospitals may be able to attract human resources due to a legitimate brand image that may not be readily available to a newer hospital (Khatri et al., 2017). We operationalize the age of a hospital as the difference between 2016 and the year of founding.

4.2.3.3. Level of care. Level of care provided by a hospital impacts innovation (Iwashyna, Christie, Moody, Kahn, & Asch, 2009), which will have an impact on human resource availability as well as on human resource retention (Khatri et al., 2017). We identify the level of care (i.e., primary, secondary, and tertiary) provided by each hospital and create a dummy variable for each level. We use 'tertiary' care as the baseline and primary and secondary care as the additional control variables.

4.2.3.4. Location. We also control for the location of the hospitals since hospitals located in urban areas may be able to attract human resources more easily compared to those in rural areas (Khatri et al., 2017). We identify the location as metropolitan, urban, semi-urban, notified and rural and create a dummy variable for each. We use 'notified' as our baseline and the other categories as additional control variables.

4.3. Model development

We begin with two simple models to capture the hypothesized effects and augment these models to account for potential endogeneity in HR practices associated with market logic and community logic.

$$Acquisition_i = \alpha_1 + \beta^{acq-m} market\_logic_i + \beta^{acq-c} community\_logic_i + \sum_{j=1}^{J} \partial_{j1} Control_j + \varepsilon_{1i} \quad (1a)$$

$$Retention_i = \alpha_2 + \beta^{ret-m} market\_logic_i + \beta^{ret-c} community\_logic_i + \sum_{j=1}^{J} \partial_{j2} Control_j + \varepsilon_{2i} \quad (1b)$$

where, $Acquisition_i$ and $Retention_i$ reflect the HR acquisition and retention by *i*th hospital, respectively; $market\_logic_i$ and $community\_logic_i$ reflect HR practices associated with the market logic and community logic, respectively; α is the intercept of the model; $Control_j$ represents the control variables, and the error term ε_i is considered to be independently and normally distributed.

4.3.1. Accounting for endogeneity

It is possible that hospitals decide HR practices associated with market and community logics strategically. As such, the estimates of HR practices associated with market and community logics may suffer from endogeneity due to correlated unobservables. To mitigate any potential bias, we account for the potential endogeneity in HR practices associated with market and community logics using a two-step control function approach (Petrin & Train, 2010). In the first stage, we estimate the correction terms by regressing the potentially endogenous variables, market logic ($market\_logic_i$) and community logic ($community_{logici}$) on a set of exclusion restrictions. In line with the extant literature on HRM, we include size, age, level of care and location of the hospitals that may have an impact on HR practices (Khatri et al., 2017), thereby impacting the market-logic driven and community-logic driven HR practices.

Exclusion restrictions proposed by Maddala (1983) and Hausman (1978) require at least one variable that is correlated with market and community logic, but not with the error terms (in Eqs. 1a and 1b). When there is no guidance on the right level of market and community logic driven HR practices, a hospital might rely on external information such as the strategies for acquisition and retention of a competing hospital. This line of argument is consistent with the theory of mimetic isomorphism (DiMaggio & Powell, 1983) and with the literature on industry recipes suggesting that managers often resolve the uncertainty around strategic choices by mimicking their peers or competitors (Spender, 1989). Accordingly, we include a set of exclusion variables – average of HR practices associated with market and community logic of seven most competing hospitals for *i*th hospital.[3] Our rationale for including the seven most competing hospitals is based on the insights from the hospitals. Due to a lack of proper insight on HR practices, mission hospitals look for strategies adopted by the nearest competitors and embed the practices of these hospitals in their own HRM strategies.

$$Market\ Logic_i = \delta^{mkt} + \varphi^{mkt}(avg\_mkt\_7comp_i) + \theta^{mkt} P_i + \eta_i^{mkt} \quad (2a)$$

$$Community\ Logic_i = \delta^{com} + \varphi^{com}(avg\_com\_7comp_i) + \theta^{com} P_i + \eta_i^{com} \quad (2b)$$

where, *avg_mkt_7comp* and *avg_com_7comp* represent the average of the seven most geographically proximal competitors' market and community logic, respectively; P_i reflects a set of exogenous variables; and η_i^{com},and η_i^{mkt} are assumed to be normally distributed. We then use the residuals from the first stage estimation ($\hat{\eta}_i^{com}$, and $\hat{\eta}_i^{mkt}$) as additional control variables in the final models (Eqs. (1a)–(1b)). We take the logarithmic transformation of the dependent variables in Eqs. (1a)–(1b). We specify the complete models as

$$\log\_Acquisition_i = \alpha_1 + \beta^{acq-m} market\_logic_i + \beta^{acq-c} community\_logic_i + \sum_{j=1}^{J} \partial_{j1} Control_j + \pi^{com} \hat{\eta}_i^{com} + \pi^{mkt} \hat{\eta}_i^{mkt} + \varepsilon_{1i} \quad (3a)$$

$$\log\_Retention_i = \alpha_2 + \beta^{ret-m} market\_logic_i + \beta^{ret-c} community\_logic_i + \sum_{j=1}^{J} \partial_{j2} Control_j + \pi^{com} \hat{\eta}_i^{com} + \pi^{mkt} \hat{\eta}_i^{mkt} + \varepsilon_{2i} \quad (3b)$$

where, π^{mkt} and $\pi^{com}$are the coefficients of the correction terms obtained from Eq. (2a)–(2b); ∂_j represents the estimate for the *j*th control variable.

[3] Selection procedure of the seven most competing hospitals is as follows. First, we look at the distance of the hospitals from our sample hospitals. We ordered the hospitals based on the distance in kilometers. The hospital having the lowest distance is considered to be the nearest neighbor. Second, among the nearby hospitals, we looked at the similarities in terms of services they offer. For example, although a hospital that concentrates on "therapy" may be the nearest neighbor to the *i*th hospital in our sample (which largely offers primary care or secondary care related services), it will not be considered a competing hospital. Based on the above two criteria, we rank the hospitals and considered the top seven hospitals.

Table 6
Correlation and descriptive statistics.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
(1) Acquisition	1														
(2) Retention	0.09	1													
(3) HR practices associated Market Logic (ML)	0.07	0.02	1												
(4) HR practices associated Community Logic (CL)	−0.006	0.15**	0.003	1											
(5) Type of Hospital-Day Care	0.22***	−0.07	−0.19***	−0.12*	1										
(6) Type of Hospital-PHC	0.04	−0.08	−0.11*	−0.07	−0.10	1									
(7) Type of Hospital-GENERAL	−0.02	−0.07	−0.001	−0.0007	−0.17***	−0.22***	1								
(8) Type of Hospital-Quaternary	−0.01	0.07	0.12*	0.01	−0.05	−0.07	−0.12*	1							
(9) Type of Hospital-Specialty	−0.04	0.13***	0.09	0.12*	−0.23***	−0.29***	−0.48***	−0.15**	1						
(10) Market-Rural	0.09	0.03	−0.07	0.001	0.02	0.07	0.05	−0.003	−0.11*	1					
(11) Market-Urban	0.06	0.14**	0.03	0.07	−0.02	0.03	−0.01	0.01	0.06	−0.42***	1				
(12) Market-Semiurban	−0.10	−0.16**	0.02	−0.04	0.02	−0.06	−0.009	0.02	0.01	−0.40***	−0.49***	1			
(13) Market-Metropolitan	−0.09	−0.04	0.01	−0.03	−0.007	−0.04	−0.07	−0.05	0.02	0.15**	−0.19***	−0.18***	1		
(14) Size	−0.21***	−0.004	0.22***	0.06	−0.23***	−0.14**	−0.20***	0.36***	0.03	−0.03	−0.02	0.04	0.04	1	
(15) Age	0.0003	0.08	−0.06	0.11*	0.11*	0.01	−0.04	−0.03	0.04	−0.02	−0.004	0.05	−0.01	−0.08	1
Mean	0.16	0.31	0.39	0.45	0.07	0.12	0.27	0.03	0.38	0.25	0.34	0.31	0.06	102.06	79.67
St. Dev.	0.24	0.22	0.14	0.18	0.27	0.32	0.44	0.19	0.48	0.43	0.47	0.46	0.24	113.93	37.34

*** Significant at 1%.
** Significant at 5%.
* Significant at 10%.

4.4. Results

We provide descriptive statistics and pairwise correlation in Table 6. Our largest VIF is 1.56, which is significantly below the recommended cutoff of 5, suggesting that multicollinearity is unlikely to be an issue.

We present the results of first-stage regression models (Eqs. (2a)–(2b)) in Table 7. The results of our first stage equations merit attention as they provide insights into organizational strategies. In line with our expectations, the results from our first stage regression show that the average of seven geographically proximal competitors' HR practices associated with market logic ($\beta = 0.958$, $p < .01$) and the average of HR practices associated with the community logic ($\beta = 0.999$, $p < .01$) positively influence both market logic and community logic, thereby confirming our intuition that the hospitals we study decide their strategies by considering competing hospitals.

We now present the results of the hypothesized model that accounts for the endogeneity in our focal variables (Eqs. (3a)–(3b)) in Table 8. We find support for H1 ($\beta = 0.347$, $p < .1$) confirming the insights from the qualitative study and the extant literature that HR practices associated with market logic positively influence a hospital's HR acquisition strategies. However, we do not find any significant effect of HR practices associated with community logic on HR acquisition ($\beta = 0.057$, n.s.), rejecting H2. Coming to H3, we find the support that HR practices associated with community logic positively influence ($\beta = 0.299$, $p < .05$) a hospital's HR retention strategies. However, we do not find any support for H4; HR practices associated with market logic do not have any significant impact on HR retention ($\beta = -0.023$, n.s.).

Regarding the effects of the control variables, we find that hospital type-day care positively influences acquisition ($\beta = 0.223$, $p < .05$) and size negatively influences acquisition ($\beta = -0.0004$, $p < .01$). The hospital-general type negatively affects HR retention over the baseline ($\beta = -0.112$, $p < .1$).

In addition to the main model, we have also estimated a model with the interaction of market and community logic. We find that the increase in market and community logic together will increase HR

Table 7
First stage regression models.

Main effects	DV = Market Logic		DV = Community Logic	
	Estimate	Std. error	Estimate	Std. error
Average of seven nearby hospitals HR practices associated with Market Logic	0.958***	0.103		
Average of seven nearby hospitals HR practices associated with Community Logic			0.999***	0.091
Type of Hospital-Day Care	−0.047**	0.044	−0.034	0.053
Type of Hospital-PHC	0.015*	0.039	−0.044	0.046
Type of Hospital-General	0.009	0.033	−0.007	0.041
Type of Hospital-Quaternary	−0.025	0.051	−0.036	0.061
Type of Hospital-Specialty	0.011	0.031	0.021	0.037
Market-Rural	−0.047	0.063	0.082	0.076
Market-Urban	−0.029	0.063	0.094	0.076
Market-Semiurban	−0.029	0.063	0.081	0.076
Market-Metropolitan	−0.025	0.069	0.089	0.084
Size	0.000	0.000	0.000	0.000
Age	0.000	0.000	0.000	0.000
Intercept	0.036	0.079	−0.108	0.094
R-square	0.3624		0.4092	
Adjusted R-square	0.3243		0.374	
F-test	9.52***		11.60***	
RMSE	0.1206		0.146	

*** Significant at 1%.
** Significant at 5%.
* Significant at 10%.

Table 8
Parameter estimates.

Main effects	DV: Acquisition		DV: Retention	
	Estimate	Std. error	Estimate	Std. error
HR practices associated with Market Logic (ML)	0.347*	0.21	−0.023	0.194
HR practices associated with Community Logic (CL)	0.057	0.150	0.299**	0.135
Endogeneity Correction				
ML	−0.107	0.258	0.037	0.232
CL	−0.022	0.191	−0.262	0.172
Control Variables				
Type of Hospital-Day Care	0.223**	0.090	−0.113	0.081
Type of Hospital-PHC	0.050	0.077	−0.093	0.060
Type of Hospital-GENERAL	0.0006	0.067	−0.112*	0.069
Type of Hospital-Quaternary	0.067	0.102	0.026	0.091
Type of Hospital-Speciality	0.016	0.062	−0.028	0.056
Market-Rural	0.073	0.126	−0.145	0.125
Market-Urban	0.052	0.125	−0.083	0.114
Market-Semiurban	−0.004	0.125	−0.065	0.113
Market-Metropolitan	−0.041	0.139	−0.155	0.113
Size	−0.0004***	0.0001	0.000	0.000
Age	−0.0002	0.0004	0.000	0.000
Intercept	−0.003	0.171	0.331	0.154
AIC	14.233		−30.933	

*** Significant at 1%.
** Significant at 5%.
* Significant at 10%.

retention, as the interaction term between these two is significant ($\beta = 0.7359$, $p < .05$); however, such a joint increase will have an insignificant impact on acquisition ($\beta = 0.2015$, n.s.). Finally, to overcome any potential omitted variable bias, we allow the standard errors of the estimates to be robust.

5. Study 3: implementation

Once we identified the drivers of HR acquisition and retention, we also attempted to test whether the findings are of managerial value. As such, we implemented the insights from study 1 and study 2 in two randomly selected hospitals. In the first hospital, we saw that the compensation was below market and that there were no performance appraisals, learning opportunities or opportunities for career progression. We asked the authority to introduce a pay scale that was on par with the market. We also recommended introducing basic performance appraisal systems that would ensure that employees receive regular increments based on their performance. The combinations of these HR practices and their implementation led to an increase in the HR practices related to market logic. The hospital implemented these practices in 2017, and we observed that the acquisition of HR increased by 3.75% over the previous year. To determine whether the results are statistically relevant, we ran a *t*-test. The insights from the t-test show a significant difference between the previous and current employee number, i.e., acquisition increased due the implementation of HR practices (see Table 9 for the detailed results of the *t*-tests). The corresponding increase in revenue was approximately 31%. We also ran a t-test to check whether the increase in revenue is statistically significant and to show that both human resource acquisition and retention increased following our implementation. Again, the t-test supports the changes experienced. Note that there were no other changes in the overall administration, practices, and organizational strategies. This made us trust that indeed a change in HR practices associated with market logic leads to an increase in HR acquisition. However, the hospital did not report any significant increase in HR retention. To highlight the managerial relevance of managing HR practices associated with community logics, we could implement a change in community logic driven HR practices in another hospital.

Table 9
t-Test of implementation.

	Before	After
Human resource acquisition		
Mean	12.69	13.89
Variance	0.048	0.036
t Stat	−11.483	
P(T ≤ t) one-tail	0.0000015	
Revenue of the hospital		
Mean	53.59	59.46
Variance	94.89	17.42
t Stat	−1.39	
P(T ≤ t) one-tail	0.100	
Retention of employees		
Mean	0	0.33
Variance	0	0.5
t Stat	−1.41	
P(T ≤ t) one-tail	0.097	

In the second hospital, we observed that the hospital's social mission was more on paper and that the hospital did not practice the social mission and the community activities to the expected level. We recommended that they enrich their social mission and communicate the missions proactively to various stakeholders. The hospital did the same and created a new community outreach platform. As a result of adopting HR practices associated with community logic, employees became engaged voluntarily in the outreach program and the hospital saw an approximately 13.19% increase in employee retention over the previous year. We ran a *t*-test to identify whether the practice had a significant impact, and t-test results indeed support the significance of the changes that were made. We report the results of all *t*-tests Table 9. Note that there was no change in the HR practices associated with market logic as well as other organizational strategies for the second hospital. More interestingly, because of the employees' involvement in the community outreach activities, the number of patients visiting the hospital dramatically increased (by approximately 14%), significantly affecting the hospital's economic performance.

Based on our study, we are able to provide guidelines to SEs to implement HRM practices. We provide essential steps in Fig. 1 below and a detailed flow diagram in WA Fig. 1 in the Web Appendix. First, an SE must identify the critical resources required to remain sustainable. Second, the SE should see the practices being adopted in the market with regard to compensation and other HR practices. Third, the SE must develop community logic-based HR practices and adopt both the logic. Since most SEs focus on the external community and fail to address the concerns of employees, they have a high attrition rate. Based on the constraints that an SE has, it must develop a comprehensive employee value proposition that blends current market practices with community practices.

6. Discussion

In this study, we attempt to find the drivers of HR acquisition and retention for social enterprises. Relying on a multimethod and a multistudy approach that consists of an exploratory qualitative study (Study 1), an empirical investigation (Study 2), and a simple field implementation (Study 3), trusting the tenets of institutional logics and using the context of Christian Missionary Hospitals in the Indian healthcare industry, we find that HR practices associated with market logic and community logic influence HR acquisitions and retention; however, they have a differential impact on acquisition and retention. While HR practices associated with market logics positively affect HR acquisitions, HR practices associated with community logic do not have any significant effect on HR acquisition. Furthermore, increases in HR practices associated with community logic will increase HR retention. As such, we make several contributions to the literature and practice.

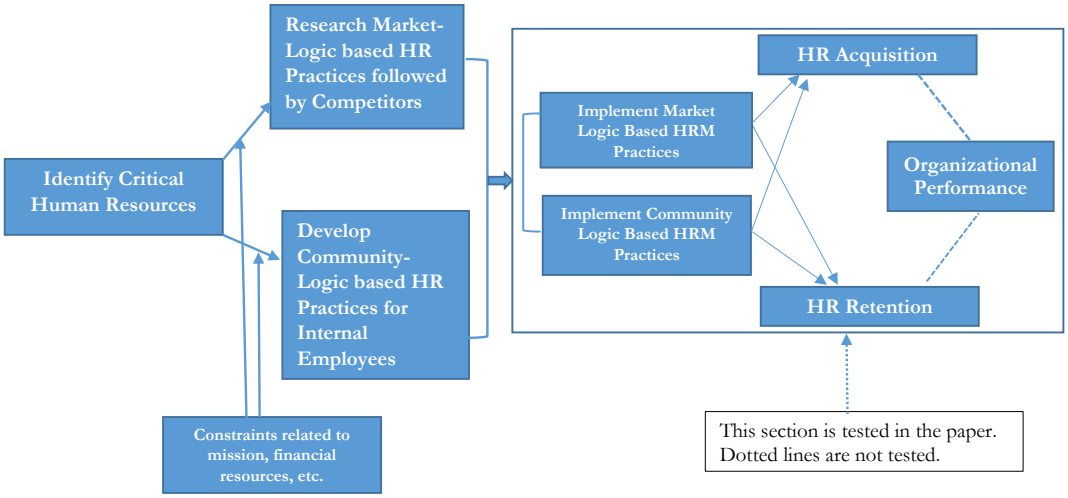

Fig. 1. Proposed guide for HRM implementation in SEs.

First, we contribute to the HR services management literature by discovering that a social enterprise must concentrate on market logic to attract talent as SEs are in competition with other for-profit and non-profit organizations. Contrary to the existing literature, which suggests that SEs rely on their social mission to acquire and retain resources, our study shows that SEs adopt hybrid logics; market logic-driven HR practices are positively related to the acquisition but they are not significantly related to retention. However, community logic is positively related to retention and does not have any significant impact on acquisition. The reason behind such differential impacts is that the practices associated with the community logic are generally intangible and therefore may not be a priority for certain employees. Furthermore, practices associated with the community logic act as a motivator for existing employees to become involved in the social mission and community outreach activities, thus enhancing retention. This is an interesting finding since organizations other than SEs may also be able to develop similar practices and involve their employees. Our findings show that HR practices associated with community logic not only lead to retention but also engagement and hence the long-term performance. In essence, we contribute to the HR service management literature by showcasing two contingency factors and their differential interplay for successful HRM strategy development and implementation. By using existing theories and integrating them with a unique phenomenon, we are able to further academic inquiry in the fields of services and human resource management (Dacin et al., 2010).

Second, we contribute to the healthcare services literature in emerging markets by showcasing the importance of HR management for effective service delivery and performance. To the managers and the hospitals, we show how management of HR practices associated with market and community logics can change the revenue gain through HR acquisition and retention through implementation for the first time in the HR service literature. In addition to implementing the results in the two randomly selected hospitals, we relate the acquisition and retention of HR by the hospitals to the revenue generation; our back of the envelope computation shows that a hospital can gain on average 6.9%–16.1% in revenue by increasing its HR acquisition and retention by 10% from the mean.

Third, we show that a new avenue of hybridized HRM systems may be an option for organizations that are constrained in adopting High Performance Work Practices (HPWS) due to cultural or financial reasons. We are able to contribute to the literature on HPWS by suggesting that HPWS will be influenced by the context in which they are applied. For example, in our context, learning opportunities are presented via technological advancements rather than by formal training. However, we believe that this is due to the healthcare context. Thus, we argue that HPWS cannot be rigid as they need to be influenced by the context and more importantly by the mission of the organization.

Fourth, for the extant literature in social enterprises, we layout an effective strategy for their sustainability. The SE literature has not focused on mature SEs. As such, new SE managers and SE founders may have no idea about what they will face in the future. By showing that SEs, in the long run, may have to not only adopt market-driven HRM practices but also rely heavily on them, we are able to make SE founders and managers aware of their next course of action. We also show that having some community logic-driven HR practices helps in retaining employees. This can be adopted by other for-profit organizations as well. HRM practices that focus on employee well-being may be able to gain benefits in the long run.

Finally, from the methodological perspective, we capture the endogeneity issues in the two focal constructs: market and community logic driven HR practices, which represents a first of its kind analysis in the services management literature. In an additional robustness analysis, we account for unobserved hospital level heterogeneity and find consistent results.

Modern organizations often have multiple organizational goals that they want to achieve. For example, some organizations focus on environmental goals and financial sustainability. These organizations may not be SE; however, they will be able to draw a lot from this study. We essentially show that in organizations with multiple goals, having a hybrid HRM system that focuses on multiple elements of the goals may be beneficial not only in attracting the right talent but also in retaining it.

7. Limitations and future research opportunities

Our study is not without limitations. Our study is based on a niche group of hospitals; furthermore, hospitals in our study are charitable in nature. We have also seen hospitals that belong only to one specific religious group. Future research can expand our work into other sectors and for-profit organizations. Additionally, hospitals belonging to other faiths could also be an interesting avenue for research in the future. Another limitation of our study is our cross-sectional data. As detailed in the study, the utilization of cross-sectional data in our case was not by design but was rather a necessity. However, future research can test our framework with temporal data. We also focused exclusively on an emerging country (i.e., India). Future research could look at other countries and could even undertake a comparative study. Future research could consider data from other countries, especially those that are emerging or underdeveloped to draw more insights. Finally, we have focused exclusively on social enterprises. However, many for-

profit organizations are either needed by law to focus on community issues or are doing so to meet the demands of various stakeholders. This may imply that the HR practices that these organizations adopt may be influenced by community logic. It would be interesting to see whether our understanding remains valid when we shift our attention to for-profit organizations. However, we believe that our contributions are critical to overcoming some of these concerns and that our findings can generate future research in this field.

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Appendix A. Supplementary material

Supplementary data to this article can be found online at https://doi.org/10.1016/j.jbusres.2019.07.025.

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Aditya C. Moses is an Assistant Professor of Human Resource Management at Indian Institute of Management, Ahmedabad, India. He earned his PhD in OB&HR from the Indian Institute of Management, Bangalore. Prior to getting his PhD, he completed M.Sc. in international human resource management from University of Portsmouth and B.E. in electronics and telecommunications engineering from University of Mumbai. Aditya worked as a manager in Sahyadri Hospitals and has presented multiple research papers in national and international conferences. Aditya's research has been published in top-tier journals (e.g., Journal of Business Research)

Amalesh Sharma is an Assistant Professor of Marketing at the Mays Business School at Texas A&M University. He earned his PhD in Marketing from the Georgia State University, Atlanta. Prior to getting a PhD, he obtained a M.S. in Business Economics, and a M.S. in Managerial Science from Georgia State University, a PGDM from ITM Business School, Navi Mumbai, India, and a B.S. in Physics from the University of Delhi. Amalesh is interested in studying the impact of firm and customer level strategies on firms' performance. Amalesh's research has been published in top-tier journals (e.g., *Marketing Science, Journal of Marketing Research, Journal of Marketing, Journal of Internal Business Studies, Journal of the Academy of Marketing Science, Journal of Retailing, Journal of Business Research, Applied Marketing Analytics, and Harvard Business Review*). Amalesh worked in CPG and Financial and Banking Industries prior to joining PhD.