

Motivating employees through incentives: productive or a counterproductive strategy

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Abstract

The disparity between human resource in health and provision of health services is a growing concern worldwide. Many developing countries are facing this crisis and therefore human resource in health is considered a high priority on their agenda. This imbalance between supplies of human resource is exacerbated by migration of health workers in many countries. Understanding the motivational factor is an important aspect to retain the migrating health workforce. This paper analyses the role of financial and non financial incentives in motivating the health work force. A review of available literature was conducted to understand the role of motivational factor in retaining health workforce. A review of current literature found that an incentive plays a key role in motivating a health worker. Financial incentives are useful in improving the compliance to standard policies and procedures. Comprehensive integrated incentive system approach should be established to develop a sustainable health workforce with required skill. Likewise monetary incentives should be linked to adherence to provincial and national guidelines and procedures. Sustainability could be ensured by commitment of government, political will and involvement of key stakeholders and decision makers.

Keywords: Motivation, Incentives, Retention, Health workforce.

Long term employment — employer relationship

Many countries are experiencing a health crisis in human resource through the loss of trained personnel from rural to urban, public to private and developed to industrialized countries. Some countries train their health workforce specifically for the purpose of export which sends remittance to their homeland. The unplanned loss of health workforce as a result of migration has financial implication because of lengthy education programmes,

cultural sensitivities, skills they have acquired and cost of teaching invested on the trained health workforce.¹

Study shows that 50% of the doctors produced in Pakistan annually migrate to United Kingdom and United States for higher education and many of them never return.² The economic disadvantage, inappropriate skill mix and poor distribution, lack of trained personnel and the associated social and cultural problems impedes the future planning of the country. The magnitude of this shortage affects the performance indicators of health for a country. World Health Organization suggests that to achieve MDGs a country should have a 2.5 health workers for 1000 people.³ Delivery of healthcare is a complex phenomenon and it requires variety of skills. The workforce is becoming increasingly diverse with the passage of time and diversity is bringing different experience, assumptions and could retort to working conditions in different ways. Hiring and recruitment of health workers is a complex procedure and retaining a motivated employee is a challenge in today's world in rapidly varying fiscal and hi-tech world. The employer needs to assign new tasks to employees as the need arose and thus retaining the employees is a challenge for the survival.⁴ Competition is everywhere and employer must develop effective strategies to compete successfully and create a conducive environment in which workers are loyal and retained.⁵

Motivation and retention of health worker: A cost effective approach?

The objective of the health system is to improve the people's health by providing the optimal health service.⁶ Motivation in work environment is also defined as "an individual willingness to exert and maintain an effort towards organization goals".⁷ It helps in retaining the competent and efficient workforce. Low morale among health workers can potentially damage the health system thereby decreasing the quality of provisioned services. Retention of a productive employee is one of the challenging task a firm can undergo.^{4,8} Motivation begins with a specific need which leads to a contemplation process that guides an employee's decision to satisfy them and follow a course of action.⁹ Studies show that

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even in the presence of resources and skills, workers fail to perform well mostly due to poor motivation.^{4,7,10,11} "The typical reaction:- 'Here I am, come on and motivate me'- implies a clear lack of interest and a trend to translate the responsibility to someone else and an intention to hide our weaknesses".⁴ The implicit motivation should be there in the employee and the manager should provide a congenial working atmosphere, a can-do attitude, recognizing excellence, winning mindset, mindful of opportunities and empowerment. Low motivation in workers has a negative impact on the performance of the health worker as it adds to the push factors for migration of health workforce.¹² The goal of HRM is therefore to strengthen the motivation of health personnel. Better quality of health, standards of living, political stability and high remuneration attracts the human resource.¹³ In developing countries to cope with the inadequate remuneration health workers hold multiple jobs in public and private sectors at the cost of compromising the quality of care and make referrals to their private clinics.^{1,14} The worker is motivated if his course of action results in an expected reward or recognition and he is likely to repeat it in future.⁹ However if it doesn't happen probability is that he is unlikely to repeat it again. Thus "reward act as feedback mechanism to help the individual evaluate the consequences of the behavior when considering future course of action."⁹ The motivation psychology is complex and is different for different cadres of health workers. Physicians can be more motivated by holding responsible while for an auxiliary nurses or community midwives the driving force is an increase in salary.¹⁵ This shortage of health workers can be addressed by creating an opportunity where workers are satisfied and motivated. The Workers motivation involves multidisciplinary approach which includes sociology, human resource management, psychology and organizational development.⁷ Herzberg theory of motivation distinguishes satisfiers from dissatisfiers and says that motivating factors such as recognition, growth and career advancement, responsibility at work and meaningfulness of work can bring positive satisfaction whereas extrinsic factors such as interpersonal relations, working environment, job security, fringe benefits and administrative policies are required to avoid dissatisfaction.¹⁶

Incentivizing workforce: productive and counterproductive effects

Incentives usually play a crucial role in attracting, retaining, inspiring and motivating a health worker. They are inducement offered for motivation of public and private sectors for individuals, group, teams or

organizations. Incentives and rewards are used to alter employee behaviour so careful consideration should be given when establishing a reward mechanism. Financial incentive involves money directly or indirectly by an employer. High salaries and wages, bonus, salary supplement, commission are all financial incentives. Non financial incentive plays a vital role in motivation of health workers and does not involve money directly. They are job security, dynamic and challenging task, designations, opportunities for advancement and involvement of an employee in crucial decisions. Sometimes non financial incentives should be integrated with financial incentives to bring motivation to work in concern. Incentives can be positive which provide positive assurance for fulfilling the needs or can be negative to rectify mistakes of an employee to get effective results. A study conducted in United Kingdom shows that when the government introduced reform in the form the pay for performance the morale of doctors was increased and quality of care was improved.¹⁷ But such an incentive scheme (pay-for-performance) is not uniform and it depends on various variables such magnitude of inducement, design of incentive, targets, criteria for measurement and other supporting factors such as technical, contextual and organization.¹⁸

Negative incentives are usually as an alternative when positive incentive fails to produce the desired result.¹⁹ Literature review shows that monetary incentives have been shown to motivate the health workers in countries where remuneration is low. These incentives include salaries, bonuses, allowances, supplemental salaries and fringe benefits. Finding from a study conducted in Bangladesh reports that although training and career advancement are regarded highly for job satisfaction but financial incentives in the form of non-private- practice allowance at the beginning of the career is much appreciated by doctors.¹⁴ Similarly another study in Uganda concluded that safe environment, teamwork and capacity building influence quality of work life.²⁰

Many of the primary health care physicians reported to give up their private practice if paid high salary.¹⁴ Identifying the motivating factor and then offering the right incentive package for the worker can result in a win-win situation.^{21,22} Conflicts can arise if incentives are linked to promotion. A need for establishing a system to identify and measure the potential candidates for promotion is needed as "the best performer in one job may not be the person who is best qualified for a promotion".⁴ Cash incentives can undermine the commitment and motivation and if not handled can result in negative consequences.^{4,23,24} Study shows that

financial incentives are not the sole reason for worker motivation. Other factors such as recognition, capacity building and recognition are also vital ingredients for motivation.^{25,26}

Incentives programme should be objective based with clearly defined targets and outcomes. It should be fit-for-purpose and be achievable and realistic otherwise workers are demotivated. Zimbabwe Health Services when introduced an integrated approach of incentives found that non financial incentives were more appreciated by health providers to achieve the desired results.²⁷ Incentivizing doctors more than administrative, maintenance and support personnel can bring efficiency in service delivery.²⁸ In the Solomon Island nearly forty percent of non working Village Health Workers (VHWs) left because of uneven payment.²³ When designing an incentive scheme a manager needs to look critically at all the issues associated with it. In low income countries where the health workers are looking for supplemental incomes and do not follow standardized treatment protocol,²⁹⁻³¹ a small monetary incentive can result in adherence to standardized protocols thereby focusing on specific targets and divert efforts from other activities.^{31,32} Monetary incentives with rigorous supervision can achieve specific objectives and result in long working hours, standardized work routine and quality service.²¹ Indiscriminate use of incentives to motivate the lower and middle level managers to become a part of executive team does not result in long term benefits for the firm and individual.⁴ The selecting awarding of allowance to health workers working for same working hours results in low morale of rest of the employees and sometimes brings non ethical behaviour to increase the probability of their success and survival.^{27,33} Study shows that inappropriate incentive mechanisms can result in inefficiency, increased cost, erosion of ethics and poor quality of care. At the same time separate incentive mechanisms needs to be established for hospitals and physicians in achieving maximization of profit for a hospital.³⁴

Conclusion

Before designing an incentive scheme or reward mechanism and understanding of the social, culture and economic context should be carefully reviewed. An integrated approach of financial and non financial incentives usually works well to develop a sustainable health workforce with required skill and satisfies the need of workers resulting in a motivated loyal workforce. Impact evaluation and systematic reviews should be carried out regularly. Sustainability could be ensured by commitment of government, political will and involvement of key stakeholders and decision makers in

ensuring the consistency, fairness and transparency. Monetary incentives can be used to improve compliance and adherence to standard practices and guidelines. Further research exploring the motivational factor for health worker is suggested.

Recommendations

The Federal and Provincial government of Pakistan need to explore the underlying factors leading to brain-drain and should consider developing a national policy for retention and motivation of health workforce. Service structure for health work force needs to be developed which includes job security, market based competitive salary, fringe benefits, capacity development and performance based promotions.

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