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## **The Effect of Payment and Promotion on Employee Motivation In Directorate General of Health Services, North Batinah Governorate, Ministry of Health, Oman**

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### **Abstract**

This paper aims to investigate two important factors that have an impact on employee motivation. It specifically looks at employees in the Directorate General of Health Services, North Batinah Governorate, Ministry of Health, Oman.

From this paper, you will find an explanation of motivation, particularly looking at intrinsic and extrinsic motivation. From this perspective, there is an analysis of the satisfaction with payment and satisfaction with promotion from the employees, and also the effect that these two factors have on the overall employee motivation.

The methodology that was employed was a quantitative survey, with a sample of 938 from a total of 2926 employees. Results revealed that payment and promotion have interesting effects on motivation, depending on one's level within the organization, as well as the employee perception on rewards for the effort put in.

The recommendation is for leaders and managers to focus on intrinsic motivation for these employees, particularly if they want to see a positive effect on overall motivation.

**Keywords:** Health Services, Employee Motivation, North Batinah Governorate

### **Introduction**

Understanding Employee motivation is key to the development of any work force (Tella et al, 2007), particularly when looking at the public sector. The Ministry of Health in Oman is one such office in the public sector, and it has operations in the busy North Batinah Governorate (NBG), which is the most densely populated area following Muscat. A census taken in 2010 capped its population at 523,579, spread over 6 Wilayats (Omani Ministry of Information, 2012).

Health issues are handled by the Directorate General of Health Services (DGHS), which was commissioned by the Ministry of Health (MoH) in 1993, following the decentralisation of health services in 1990. In keeping with the decentralization policy of MoH, the DGHS in NBG provides comprehensive health care through a network of hospitals, extended health centres and health centres. This network is composed of five hospitals, five extended health centres, and fifteen health centres providing the primary health care (Department of Studies and Researches, DGHS, 2011).

The 2020 Vision for the Oman economy calls for human resource development to be addressed, particularly improvement in the recruitment and retention of health care personnel. The North Batinah Governorate has done well in this area. Health care workers here include doctors, nurses, administrators and technicians.

### **Employee Statistics**

A brief review of the statistics will reveal why the DGHS is keen on understanding employee motivation. In 2010, for every 10,000 people in the population, there were 11.3 doctors and 24 nurses in the Governorate as compared to 3.8 doctors and 10 nurses in 1995. The nurse-

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medical ratio was 2.2 and medical officer-specialist ratio was 2 in 2010. The technical health manpower in the directorate has developed over the past years. The number of pharmacists increased from 2 in 1995 to 22 pharmacists in 2010. The rate per 1000 populations for assistant pharmacist, radiographers and lab technicians in 2010 was 2.2, 1.5 and 2.7 respectively compared to 0.7, 0.5 and 1.1 in 1995 (Document of Information, DGHS, 2011).

This appears to be positive, though there is still a challenge in the North Batinah Governorate and that is a low level of productivity of labour resources (Chapter 6, Oman 2020). This issue could be caused by the level of employee motivation in the health sector. Preliminary research has revealed that employees are often not motivated to perform at their highest potential, costing the Ministry money each year. The cost most often associated with decreased motivation is a lack of commitment that results in high turnover (Kleiman, 2004; & Udechukwu, 2009). Research has established that unmotivated employees demonstrate poor performance by conducting personal business during work hours, absenteeism, and employee theft - all costly factors for businesses.

### **Problem**

There are many factors that can affect employee motivation. It is expected that the moment employees have been motivated, the health care sector will offer improved patient care and higher patient satisfaction. Additionally, public health care organizations are increasingly concerned with looking beyond financial performance measures, while focusing on how to deliver higher quality care.

In an attempt to assess the employee job satisfaction in public health care, the Department of Quality, DGHS, MoH, carried out its annual employee job satisfaction survey in 2012. It was found that there were low levels of satisfaction for all positions. What is of more concern is that this decline of employee satisfaction is repeated every year. It is essential to study and examine this situation.

The purpose of this article is to examine how satisfaction with payment and satisfaction with promotion impact employee motivation among the employees of the Directorate General of Health Services in North Batinah Governorate, Ministry of Health, Oman.

### **Motivation**

In order for people to do a job, they need to be committed to the job as well as exert consistent effort in attaining a goal. Motivation is the word that describes all those internal and external factors that stimulate energy and desire in people to be continually interested. It results from interactions among conscious and unconscious components such as the intensity of desire, reward value of the goal and expectations of the individual (Business Dictionary, 2011). As motivation is the power that strengthens behavior to ensure that targets are met, individuals must be satisfactorily energetic and clear about their destinations.

Several definitions of motivation exist, though they do draw on some common points. Bedeian (1993) defined motivation as an internal drive to satisfy an unsatisfied need and the will to accomplish this need. He further states that motivation should be viewed as a process that is initiated through a psychological or physiological want that stimulates a performance that is intended to attain an objective. Chowdury (2007) has a similar outlook and

states that motivation is a progression of moving and supporting goal-directed behavior and can be viewed as an internal strength that drives people to pull off personal and organizational goals.

From these definitions, one ascertains that motivation requires setting of goals, and then performing to meet these goals. Each individual needs to have the strength and drive to do so well. In addition, motivation must be cultivated so that it can grow.

The source of motivation is within an individual, and this it is influenced by beliefs, ambitions, thoughts, and goals. Studies on motivation are often directed to leaders and managers as they are the most interested parties. This is because these studies may provide insights into why people perform at the workplace as they do, and as a result provide leaders and managers with techniques to improve and keep high workers' productivity.

Within the DGHS, NBG, MoH in Oman, little attention has been paid to establishing what motivation means for the employees in general, and further more for employee's specific to various departments.

### **Motivation Theory**

Understanding what motivation means to the employees in the DGHS, NBG, MoH in Oman, requires the scrutinization of motivation theory, and Maslow's hierarchy of needs offers the best explanation. This is a content theory of motivation that can be considered as the most widely recognised as it forms the basis for a myriad of motivational studies. It looks at motivation as a sequential process, based on the needs of the worker, and it has revolutionized the study and practice of management.

Instead of delving into the particulars of Maslow's personal life, the purpose here is to explain the meaning and structure of the hierarchy of needs theory as it relates to employee motivation. In order to do such task, the researcher must first identify the original stages in the theory. Five basic sets of objectives constitute the theory, including physiological needs (health, sleep food), safety needs (removal from danger, shelter), belonging needs (affection, love etc), esteem needs (self-esteem and esteem from others), and self-actualization needs (achieving individual potential) (Maslow, 1943).

These needs are stratified into a hierarchal triangle. The worker is able to move up and down the triangle, navigating and experiencing the various needs. This is because all the needs are cohesively interrelated meaning that a worker cannot move up the proposed hierarchy prior to satisfying the previous needs. Accordingly, the most proponent objective will take over one's level of consciousness and will tend to organize with regard to various other human capacities (Maslow, 1943).

In the workplace, there is one reward that most workers strive for and care about, and that is a good salary. Following this as a base, an employer can then look to fulfil some of the more advanced needs, which include challenging tasks, workplace safety, effective communication, and opportunity to advance, in order to keep the employees happy and motivated.

However, another theory can also come into consideration in this case and that is the motivators that are identified by Herzberg. Where Maslow's hierarchy was more extrinsic in nature, Herzberg's are more intrinsic. The motivators includes "responsibility, achievement, recognition,

advancement, and the nature of work” (Herzberg, 1968). According to Herzberg, compensation is a hygiene factor that does not increase motivation but decreases motivation if it is not adequate. Herzberg confirmed that job enlargement programs could provide opportunities for satisfying employee needs. Years immediately following Herzberg's introduction of the hygiene factors theory, organizational leaders began programs like job rotation, quality circles, and flexible scheduling that focused on intrinsic factors relating to job content and ignored compensation.

At the workplace, the employees must be provided with good extrinsic factors in order to be happy. These factors include; good pay, good environment, and safety. Furthermore, the employers need to provide additional intrinsic factors to get highly motivated employees.

### **Intrinsic and Extrinsic Motivation**

Motivation can be addressed from two view points, “intrinsic” or “extrinsic” (Sansone & Harackiewicz, 2000). Intrinsic motivation is derived from within the person or from the activity itself, positively affects behavior, performance, and well-being (Ryan & Deci, 2000). Extrinsic motivation in contrast looks at the externally administered consequences, or extrinsic behavioral contingencies as powerful determinants of motivated behavior.

The actions that result in the attainment of externally administered rewards, including pay, material possessions, prestige, and positive evaluations from others are extrinsically motivated. Intrinsically motivated tasks include those which are characterized by key “motivators” such as responsibility, challenge, achievement, variety, and advancement opportunity (Herzberg 1966). This paper shall investigate one extrinsic motivation which is pay, and one intrinsic motivation which is promotion.

### **Motivating Employees**

A study by Islam and Ismail (2008) in Malaysia stated that motivation constitutes a central element when going through the process of human learning. Organizations are at a disadvantage when they do not motivate their employees, as the knowledge within the organization is not practically used to a maximum. This simply means that talent, which is a key resource within an organization, goes to waste when motivation is inadequate.

Increased levels of motivation enable the organization to be more profitable since a high correlation exists between motivation and organizational profitability. This correlation supports the assumption that highly-motivated employees are more productive and can lead to greater profits for organizations and a happier, more loyal work force. When employees do not work to their highest level of production, they begin to cost the organisation in revenue, through lost productivity, and possible destruction of property and theft. Therefore, organizational leaders need to ensure that the most effective incentive plans are provided and that rewards are given on a consistent basis.

Determining how to motivate workers to reach their highest level of performance is essential in achieving the goal of increased productivity. Incentives and rewards have long been considered as the most effective practices for boosting high levels of performance (Chiang & Birtch, 2007). Organizations need to outline rewards prior to performance,

as this makes employee inclined to be more productive, efficient, enthusiastic, creative and committed to the organization (Wormald, 2009).

A study based in UAE by Sulaiman and Al-Sabri (2009) revealed that healthcare establishments have been evidently slow to recognize the importance of the human element in their organizations. Health workers including doctors and nurses have missed out on being adequately motivated. Private sector companies have realized this problem and started to implement motivation programs for their medical staff. However, the government sector who experience a higher turnover of individuals seeking medical services have been slow to identify what motivates their staff and implement the appropriate motivation programmes. The situation in UAE is also seen in the Sultanate of Oman, and in this case, particularly within the DGHS, MoH, NBG.

### **Payment and Motivation**

In today's world, as it has been in history, an honest day's work demands an honest wage. It is generally understood and accepted that employees want and expect to earn reasonable payment or salary, and employers desire their workers to feel that is what they are getting (Houran, J, 2012). Luthans (1995) notes that “*wages and salaries are recognized to be a significant, but a complex, multidimensional predictor of job satisfaction.*”

In regards to motivation, money is the primary, major, and fundamental factor. No other incentives or motivational techniques come close to it with respect to its influential value to employees (Sara et al, 1999). It has the supremacy to magnetize and motivate employees towards higher performance.

There are numerous studies that have been carried out to link payment and motivation. In 2002, Mani surveyed four types of employees namely, ground workers, library clerks, patient relation representatives, and medical record assistants working at East Carolina University to determine what motivated them. The author found that good pay and recognition were the most effective motivators.

Then in 2008, Pathak determined that there is a significant importance and positive effect of payment on employee motivation and further stated that the primary reason people have to work is because of money and they are motivated by money the most. Wagner and Hollenbeck (2009) also indicated that money has significant importance as a motivator. Money in form of compensation or other similar incentives is assumed to play a significant role to improve performance.

An analysis of foreign immigrant workers to the Gulf reveals that they may be seeking jobs in the Gulf due to higher salaries. Filipino nurses earn 10 times their salary by working in Gulf hospitals compared to working in the Philippines. Salary was the overwhelming pull factor for 80% of the participants working in the Ministry of Health in Saudi Arabia and this pull factor was representative of participants from the Middle East (Joan, 2009).

Employee satisfaction appears to be directly influenced by rewards, and this in turn affects their performance and productivity. Most businesses use pay, promotion or other types of rewards to encourage high level performance and motivation of employees. Payment is not limited to only salaries, as organisation managers now include other components and structures such as payment according to performance, special allowances, pensions, fringe benefits and so on.

However, around the world, employees are not satisfied with their pay. A survey conducted in 2009 in the USA indicated that, only 7% of the employees are satisfied with their pay. Similarly, the recent survey held in 2011 in other GCC countries (KSA and Kuwait) shows the similar result, 7% of employees are satisfied with their pay.

### Promotion and Motivation

Many employees have their own inner drive and want to advance in their careers. This means different things to different people and holds varying levels of applicability and appeal for different groups (Perkins, et al., 2009). According to Bajpai and Srivastava (2004), promotion provides employees with opportunities for personal growth, more responsibilities and also increased social status. Some employees see promotion as a change to gain new knowledge and develop new skills. Other employees, particularly those who are on a low wage scale, view promotion as the chance to move up in the hierarchy of the organization and get higher compensation.

There is also another group of people, for whom to advance means to build a brilliant career and get to the top of the organizations eventually, to hold the position of a very important executive or board member. The advancement opportunities, either being a promotion or new training opportunity are an important motivating factor. According to the survey conducted by recruitment agency Brook Street, promotion and moving up the career ladder are the most important factors at the workplace (Recruiter, 2006). A survey conducted by Bao, C. et al. (2008), shows that, a majority of respondents consider the promotion (33.5%) as a main factor for employee motivation, 24.6% for pay, 23.1% for recognition and 13.8% for challenging work.

### Methodology

In order to determine the relationships between payment and promotion, and employee motivation in the DGHS, MoH, NBG in Oman, a survey was carried out and the target population was all the employees who were working in the DGHS, NBG, MoH in Oman. This population consists of 2926 employees. Of these, 345 were administrators, 657 were doctors, 1462 were nurses and 462 were technicians. From this population, the targeted sample size was 938, and the total number of respondents 713, making up a response rate of 76%.

A quantitative survey was carried out, with 8 items addressing all issues related to payment and promotion as factors for motivation. The monthly salary for all the respondents was determined, and it was found that approximately 90% of the respondents earned between 500 and 1000 Omani Rial per month. 28.1% of the employees have been employed for 4-7 years, followed by 21.3% for 8-10 years and 20.6% for 11-15 years. This is an indication of the dedication that the staff have to retaining their jobs within the health industry. Only a nominal 8.4% had been with the health service for less than one year.

The staff that retained their jobs for the longest were the administrators, followed by the nurses. Most doctors did not remain in employment with this ministry after the 10<sup>th</sup> year of service.

### Survey Results

A survey was done looking to investigate the influence that certain factors had on employee motivation. Two of those

factors were the payment and promotion. The reason that these two factors are being evaluated together is because they have a high correlation where  $r = 0.528$ ,  $p\text{-value} = 0.00$ , which was higher than all the other variables that were included in the survey questionnaire.

This basically is an indication that the employees who were satisfied with their pay, were also satisfied with their promotion. Therefore, motivation in this instance is not as a result of earning a higher wage, or being in a higher position. That aspect of motivation is viewed as fair and is accepted by all.

Results from an independent samples t-test suggested that there is no significant difference for satisfaction with payment and promotion by gender. This rules out the possibility that motivation in this particular case is in a way determined by being male or female.

In a country that has a significant presence of immigrant workers, the dynamics of motivation may be affected between Omani employees and Non-Omani employees. Results from an independent samples t-test reveal that nationality does not have a statistically significant effect on motivation. Therefore, the fact that immigrant workers are flocking to the Gulf countries to earn higher salaries does not separate them from the locals in regards to motivation. Education revealed an interesting effect on these two factors, as the level of education had a statistically significant effect on satisfaction with payment, yet the effect of education on promotion was not statistically significant. This same scenario of results repeats itself in the assessment of the level of satisfaction by length of service.

Correlation tests to measure whether intrinsic motivation had a relationship with satisfaction with payment and satisfaction with promotion indicated that the correlations with these factors was weak. This indicates that they are not predictive of intrinsic motivation in the DGHS, NBG, MoH. In addition, these factors did not reveal themselves to be predictive of extrinsic motivation either following similar correlation tests.

Responses specifically relating to satisfaction with payment and satisfaction with promotion were drawn using a Likert scale. From these results, 81% of the respondents believed that they were being underpaid, and only 13.6% concurred that their salaries were competitive with other organisations. However, 69% revealed that they were not satisfied with the chance that they could receive a salary increment. In addition, 18.9% felt underappreciated for the work that they are doing, in relation to the salary that they are receiving.

For the respondents from the questions specifically on promotion, 33.7% were under the impression that there was little chance of promotion for their jobs, and only 16.3% said that they felt promotions were faster in comparison to other organisations. 77.6% of the respondents pointed out that the standards for promotion were not clear to them, and in general, 80.1% of the respondents were not satisfied about their chances of promotion.

### Recommendation

A review of the results reveals that although payment and promotion should have significant influence over employee motivation, here they seem to be just average. There were some concerns that were raised that would need to be addressed to improve on the overall employee motivation.

To begin with, employees revealed their concern for the compensation that they received for the work that they have done, and the amount they are likely to gain in the future through promotion. These values revealed dissatisfaction, which in turn has a negative effect on employee motivation. Furthermore, the results revealed some interesting facts. The motivation within the DGHS, NBG, MoH does not appear to hinge on payment structures and promotions. Furthermore, demographic variables including gender and nationality have little to no effect on the way that payments and promotions are viewed. This points to a setting where there is minimal favouritism or segregation of specific groups.

Leaders and managers in the Sultanate of Oman seeking to understand employee motivation need to look beyond payment and promotion. Whereas in many nations around the world, these two factors form what could be termed as the currency for employee motivation, in this scenario, that is not the case.

This difference in behaviour requires deeper research, particularly in determining whether there are any cultural or other barriers that may be the cause of this scenario. What does come out clearly is that if there is any employee motivation that should be focused on, it should be intrinsic in nature. The key to building employee motivation here, also lies in increasing the level of job satisfaction, and this can be done in several ways.

To begin with, there should be a system in place that formally and informally recognises the work that employees do at different levels. Then, the issues surrounding dissatisfaction with pay should be addressed, as once the employees are motivated by their compensation, their levels of motivation are bound to increase.

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