

# **Financial Incentives System for Nursing in the Kingdom of Saudi Arabia**

**Majed Alamri**

**King Fahd Hospital, Madinah, Saudi Arabia**

**Nashat Zuraikat**

**King Saud University, Saudia Arabia**

*Nursing shortage is one of the major problems that face the nursing leaders in Saudi Arabia. This article will focus on the role of financial incentive as a strategy to motivate and enhance nurses' job satisfaction and alleviate nursing shortage among Saudi nurses. Incentives are important as they motivate, attract and retain nurses in the era of shortage. It is important to form a desirable incentive system to attract and motivate Saudi and non-Saudi nurses to work in Saudi Arabian governmental hospitals. This article looks at the role incentives play in the nursing career in Saudi Arabia. In so doing, the article attempts to shed light on the factors which govern the incentives framework in Saudi Arabia with the pertinent experience of other countries in mind where necessary.*

## **INTRODUCTION**

Incentives are important as they motivate, attract and retain nurses in the era of international nursing shortage. According to World Health Organization (WHO), Saudi Arabia needs about 170,000 nurses; it is not an easy job to recruit and train such a number of nurses in Saudi Arabia where the nursing profession is dominated by foreign nurses. It is important to form a desirable incentive system to attract and motivate Saudi and non-Saudi nurses to work in Saudi Arabian governmental hospitals. The performance of not only fresh nurses but also both junior and senior nurses could be enhanced with an attractive incentive system (WHO, 2008a).

WHO defines incentives as "all the rewards and punishment that providers face as a consequence of the organizations in which they work, the institution under which they operate and the specific interventions they provide". There are factors and conditions within health professionals work environment that enable and encourage nurses to stay in their jobs and in their profession (WHO, 2000). Incentives could be internal or external, financial (involving the transfer of monetary values such as: salaries, pensions, bonuses, allowances and loans), or non-financial (involving work autonomy, flexibility hours & scheduling, recognition of work and support for career development, etc.). In addition, incentives could be applied to individuals, groups, organizations, and may vary according to the type of employer (ICN, 2008).

In Saudi Arabia, there was an effort to fill the shortage in the nursing position; the Saudi Ministry of Health (SMH) adopted a financial incentives system as a means of recruitment and retention of nursing staff. The adopted system included some direct monetary bonuses depending on nurses' education level and years of experience only, without taking into consideration the annual evaluation of nurses'

performance and quality of nursing care. There are many factors affecting the nurses work environment in Saudi Arabia which include: inadequate staffing and distribution of nurses, lack of supervision, ineffective regularity mechanisms, limited resources in the public sector, lack of standards of care and the absence of procedure manuals.

ICN (2008) report concludes that:

Literature on the application of incentive schemes in health care acknowledges that financial incentives alone are not sufficient to retain and motivate staff. Research has confirmed that non-financial incentives play an equally crucial role. This is the case both in well resourced countries where staffs are able to maintain a high standard of living, as well as in relatively poorly resourced nations. Non-financial incentives include provision of work autonomy, flexibility in working time and recognition of work. Non-financial rewards are particularly vital for countries and organizations where limited funding constrains their capacity to provide financial rewards. Nevertheless, non-financial approaches require a significant investment of time and energy, as well as commitment across the whole organization... While the importance and potential of non-financial incentives is widely recognized, it is important to note that there are limitations to what can be achieved with non-financial incentives alone. (p. 7)

Thus, non-monetary incentives should be carefully considered for adequate planning and study of the cultural values in order to achieve the desired objectives of the proposed program.

This paper investigates the role incentives play in the nursing career in Saudi Arabia and observes the experience of other counties with regards to their strategies in developing a health policy related to nursing incentives and introducing a system of incentives which involves both financial and non-financial elements for a variety of settings (Wieck, Dols and Northam, 2009). Due to the wide varieties of incentives and settings of implementation, it will be hard to verify what particular element influences the outcomes the most (ICN, 2008).

### **Relevant Safety and Quality Issues**

A motivated nursing work force is essential to a well functioning health system (WHO, 2008b). Motivation is an important aspect of enhancing employees' performance. Motivated employees are likely to be more productive than non motivated workers (Sullivan and Decker, 2005). There is evidence that implementation of a range of incentives is important if worker's motivation and behaviors are to be influenced (Dieleman and Harnmeijer, 2006). Many studies showed that financial incentives are not the only reason for motivation, and there are other important motivating factors such as: recognition, appreciation and opportunities for career advancement (Dieleman and Harnmeijer, 2006). However, fairness of rewards affects the manner in which individuals view their jobs and the organization, and it can affect the amount of effort they expend in accomplishing tasks (Kingma, 2003). On the other hand, unfairness may foster poor job performance, psychological tension and lower job satisfaction (Sullivan and Decker, 2005).

In terms of quality of work life and nurses job satisfaction, a Jordanian study found that in Jordan the nursing job satisfaction is actually on the border line, which urgently requires more vital intervention to achieve patients' satisfaction and enhancement of the quality of nursing care to reach the level of *very satisfied* (Murayyan, 2006).

Conversely, McKnight, McDaniel and Ehmann (2006) proposed a new approach to satisfy nurses, their program is "shift rewards" basically it is similar to frequent flyer programs which are offered by airline companies to recruit their customers. Such a program could be based on many factors such as patient satisfaction scores, performance appraisal, years of work, absenteeism, etc. As a result of "shift rewards" program nurses will engage in their profession to increase their rewards points, those rewarded points could be redeemed for a wide variety of selections. Thus nurses' satisfaction is expected to increase which will, in turn, increase the quality of care and client satisfaction as well.

*Pay for performance* (P4P) had been introduced in many sectors. In the United States P4P has emerged as a key strategy for improving quality of care in many states. The basic goal of such a strategy is to give providers a financial incentive to achieve assigned quality goals and it incorporates direct

incentives for measured performance. However, nurses are not currently the focus of P4P and there are few examples of payment incentives that reward nurses for higher productivity and quality or cost saving (Young et al, 2007).

### **Nursing Incentives in Other Countries**

Stilwell et al (2004) look at the motivation of health care workers in four developing countries in Africa. They maintain that

...low job satisfaction and motivation affects the performance of health workers as well as acting to push people to migrate...non-financial incentives are important in motivating health care workers both to do a good job and to continue working in public health services; these incentives include training, study leave, the opportunity to work in a team, and support, feedback from supervisors, and patient to nurse ratio. Some incentives were found to work well to retain staff in rural areas. These included providing housing and transport, agreeing the number of years that will be spent in a rural location, offering further training, and offering financial incentives (p. 598).

Despite the fact that there are varying work environments in Saudi Arabia, one should look at the philosophy and the general ideas of others experiences and apply those ideas in a form that is suitable and acceptable to Saudi Arabian community.

Moreover, the incentive program should be considered carefully, otherwise dramatic changes could happen, for example, in Uganda and Tanzania the improved the incentives in the public sector healthcare provider and the result was shifting of the providers from faith based organization to governmental services (ICN, 2008 & Mathauer and Imhoff, 2006).

### **Nursing Incentives Policy**

The developing and reforming of the existing nursing incentives system in SMH are likely to lead to a strong debate; financing department will have the usual concerns regarding the allocation of resources, but development departments and the directorate of quality are expected to support such reform in the policy of nursing incentives.

Lewin's theory could be used to introduce incentives changes; Lewin's theory is based on what is called a "Change Agent" which performs unfreezing, movement, and refreezing (Marquis and Huston, 2009). Pearce (2007) mentioned ten steps to manage change effectively; providing incentives and support throughout and beyond change process, involving the healthcare worker in identifying problems, demonstrating commitment to change process, ensuring adequate facilities, considering the impact of change on healthcare providers, discover and deal with resistance, understand multidisciplinary team concerns, and communicate effectively and clearly.

However, the goal of reforming of the SMH nursing incentives system in SMH is to recruit and motivate the nurses to provide high quality nursing services while limiting financial expenses. The incentives objectives are to introduce an incentives system which is contextually appropriate, fair, equitable, and reflects health professionals' needs.

The incentives could include a financial and non-financial incentives package: It may include provision of work autonomy, flexibility in working time, recognition of work, appreciation and opportunities for career advancement, study leaves, training, orientation programs, support and feedback from supervisor (ICN, 2008 & WHO, 2006). This policy requires a significant investment of time and energy, and substantial commitment across the whole organization of health system (ICN, 2008). The incentive package will target those who are enthusiastic and do their job with courtesy, who are dedicated in their job and encourage their colleagues to be enthusiastic, who continuously got high scores in the appraisal performances, and those who achieved the goals of the Saudi ministry of health.

Furthermore, Buchan, reports that nurses are attracted to, and retained at, their work because of opportunities to care for patients, to develop professionally, to gain autonomy and to participate in decision making. Buchan, (2002), has also shown that organizations which adopt a participative management style and offer flexible employment opportunities and access to continuing professional

development can improve the recruitment and retention of nurses. Nursing is undervalued and continued lack of understanding about what nurses really do in Saudi Arabia. Joshua-Amadi (2002), found that nurses said their work was neither valued nor appreciated by managers, leaders and employers. They were voiceless and powerless with management which made them less committed to the organization.

Work environment can be modeled after magnet characteristic that provide access to supportive infrastructures to empower and motivate nurses in their roles. Creating work environments that promote accountability, and professional commitment, by decreasing rules and allowing nurses to act on their expert judgment, (Upenieks, 2005).

In conclusion, Saudi Arabia could successfully enhance recruitment and retention by creating a positive work environment to enhance job satisfaction, commitment and reduce turnover among nurses through continuous education to enhance knowledge and improve quality of patient care, support professional development through career ladders, develop a mentoring programs that support new employees in a new roles as they make their transition to a new career, put the nursing staff first, through caring ,effective communication and treating them with respect, take time to connect with staff, encourage staff involvement in decision making process through fair promotion and development of autonomy, and enhance patient – to nurse – ratio (Aiken, Clarke, Sloane, Sochalaski, and Silber, 2010). These strategies showed very successful over the last two decades to motivate and retain nurses. Saudi Arabia has no option but to put these strategies in action to motivate and retain their nurses.

## REFERENCES

Aikan, L. H., Clarke, S.p., Sloane, Jm Sochalski, J. and Silber, J. H. (2010). Hospital Nurse Staffing and patient Mortality, Nurse Burnout, and Job dissatisfaction. *JAMA*.288(8), 1987-1993.

Buchan, J. (200). Nursing shortages and evidence- based intervention: A case study from Scotland. *International Nursing review*, 49, 209-218.

CIA (2009). *The world factbook*. Retrieved July 16, 2009 from:  
<https://www.cia.gov/library/publications/the-world-factbook/geos/SA.html>

Dieleman, M. and Harnmeijer, J. (2006). Improving health worker performances: in search of promising practices. Retrieved July 28, 2009 from:  
[http://www.who.int/hrh/resources/improving\\_hw\\_performance.pdf](http://www.who.int/hrh/resources/improving_hw_performance.pdf)

Joshua- Amadi, M. (200). Recruitment and retention: A study in motivation. *Nursing Management*, 9(8), 17-21.

ICN (2008). Guidelines: incentives for health professionals. Retrieved July 27, 2009 from:  
[http://www.who.int/workforcealliance/documents/Incentives\\_Guidelines%20EN.pdf](http://www.who.int/workforcealliance/documents/Incentives_Guidelines%20EN.pdf)

Kingma, M. (2003). Economic incentive in community nursing: Attraction, rejection or indifference. *Human Resources for Health* 1(2): 1-12.

Marayyan, M. (2006). Jordanian's job satisfaction, patient's satisfaction and quality of nursing care. *International Nursing Review*, 53(3), 224-230.

Marquis, B. L., & Huston, C. J. (2009). *Leadership roles and management functions in nursing: Theory and application* (6<sup>th</sup> ed.). Philadelphia: Lippincott Williams & Wilkins.

Mathauer, I. and Imhoff, I. (2006). Health worker motivation in Africa: the role of non-financial incentives and human resource management tools. *Human Resources for Health*, 4(24): 1-17.

- McKnight B., McDaniel, S., and Ehmann V. (2006) Try point incentives for employee reward and recognition. *Nursing Management*, 42-45.
- Pearce, C. (2007). Leadership resource. Ten steps to managing change. *Nursing Management – UK*, 13(10), 25-25.
- Saudi Ministry of Health (2007). *MOH Statistics Book*. Retrieved June 29, 2009 from: <http://www.moh.gov.sa/statistics/stats2007/2007.html>
- Stilwell, B., Diallo, K., Zurn, P., Vujicic, M., Adams, O., and Dal Poz M. (2004). Migration of health-care workers from developing countries: Strategic approaches to its management. *Bulletin of the World Health Organization* 2004, 82: 595-600.
- Sullivan, E. and Decker, P. (2005). *Effective leadership and management in nursing*. (6<sup>th</sup> ed.). Upper Saddle River, New Jersey.
- Upenieks, V. (2005). Recruitment and retention strategies: Amagent hospital prevention model. *MEDSURG Nursing*, 4, 21-29.
- WHO (2000). *World health report 2000- health systems: improving performance*. Retrieved July 29, 2009 from: [http://www.who.int/entity/whr/2000/en/whr00\\_en.pdf](http://www.who.int/entity/whr/2000/en/whr00_en.pdf)
- WHO (2004). *Regional Committee for the Eastern Mediterranean*. Retrieved July 1, 2009 from: <http://gis.emro.who.int/HealthSystemObservatory/PDF/TechnicalandDiscussionPapers/Health%20system%20priorities%20in%20the%20Eastern%20Mediterranean%20Region%20challenges%20and%20strategic%20directions.pdf>.
- WHO (2008a). *WHO Assesses the World's Health System* . Retrieved June 29, 2009 from: [http://www.who.int/whr/2000/media\\_centre/press\\_release/en/index.html](http://www.who.int/whr/2000/media_centre/press_release/en/index.html)
- WHO (2008b). *Promoting nursing and midwifery development in the Eastern Mediterranean Region*. Retrieved July 27, 2009 from: <http://www.emro.who.int/rc55/media/pdf/EMRC5505En.pdf>.
- WHO (2009). *Vaccine-preventable disease*. Retrieved June 29, 2009 from: <http://www.who.int/vaccines/globalsummary/immunization/countryprofileresult.cfm?C='sau'>
- Wieck, K., Dols, J. and Northam, S. (2009). What nurses want: The nurse incentives project. *Nursing Economics*. 27 (3), 169-201.
- Young, G., Burgers, J., Bokhour, B., Meterko, M., Sautter, K., and White, B. (2007). Emerging trends in quality purchasing through pay for performance in the hospital sector in the united states IHEA 6<sup>th</sup> world congress: Exploration in Health economics paper.