



World Confederation
for Physical Therapy

Fact Sheet

Incentive systems for health care professionals

The growing gap between the supply of health care professionals and the demand for their services is recognised as a key issue for health and development worldwide. The World Health Organization reports a global shortage of 4.3 million health workers, including approximately 3 million health professionals. Many countries are affected by the shortage, and fifty-seven have been identified as 'in crisis.' Health human resources are now a high priority on the political agenda.

In most countries, imbalances in labour supply stem from a number of causes. These include: poor human resource (HR) planning and management and unsatisfactory working conditions characterised by heavy workloads, lack of professional autonomy, long working hours, unsafe workplaces and unfair pay. It is within this context that policy makers, planners and managers have turned their attention to identifying and implementing incentive systems which will be effective in improving the recruitment and retention of health care personnel.

Incentives defined

The World Health Organization defines incentives as "all the rewards and punishments that providers face as a consequence of the organizations in which they work, the institutions under which they operate and the specific interventions they provide."¹ Simply defined, incentives are the factors and/or conditions within health professionals' work environments that enable and encourage them to stay in their jobs, in their profession and in their countries.

Incentives are an important means of attracting, retaining, motivating, satisfying and improving the performance of employees. They can be applied to groups, organisations and individuals and may vary according to the type of employer. Incentives can be positive, negative (as in disincentives), financial or non financial, tangible or intangible.² Financial incentives involve the transfer of monetary values, such as salaries, pensions, bonuses, allowances, loans, etc.³ Non financial incentives include work autonomy, flexible hours and scheduling, recognition of work, coaching and mentoring structures, support for career development, etc.⁴ (see box)

Types of incentives

Financial ⁵	Non-Financial ⁶
<ul style="list-style-type: none">• Salary/Wage• Pension• Bonuses• Insurance (e.g. health)• Allowances (e.g. housing, clothing, child care, transportation)• Fellowships• Loans• Tuition reimbursement	<ul style="list-style-type: none">• Safe and clear workplaces• Vacation days• Professional autonomy• Sustainable employment• Flexibility in working time and job sharing• Recognition of work• Support for career development• Supervision• Coaching and mentoring structures• Access to/support for training and education• Sabbatical and study leave• Planned career breaks• Occupational health and counselling services• Recreational facilities• Equal opportunity policy• Enforced protection of pregnant women against discrimination• Parental leave

Factors influencing the relevance of an incentive

The relevance of an incentive is influenced by a number of factors:

Worker-related

Age
Value system
Location
Number of dependents
Income
Professional background
Career stage
Gender

External

Labour market conditions
Economic conditions
Workforce profiles

Characteristics of effective incentive systems

Incentive systems that are most likely to be effective and sustainable feature the following characteristics:

- Present a well designed and supported package (in both financial and human resource terms).
- Involve input from all relevant stakeholders in the design phase.
- Embrace the principles of transparency, fairness and consistency.
- Fit the purpose for which they are intended.
- Maintain the strategic impact of the incentive components.
- Employ a combination of financial and non-financial incentives.
- Carry out regular and systematic reviews and evaluate impact.
- Motivate the target population.^{7, 8, 9}

Failure to consider these elements when designing and implementing incentive systems could result in unfavourable results such as greater organisational costs and staff attrition. For example, in 1998, Ghana put in place an additional duty hour allowance to compensate physicians for undertaking overtime work. Initially salaries doubled in some geographic locations, but the scheme quickly became too costly to sustain.¹⁰ The same scheme was applied to nurses but due to a disparity in the allowance between the two professional groups it resulted in resentment among nurses and is believed to have prompted an increase in their migration.^{11, 12} The implementation of improved pay for public sector health workers in Uganda and Tanzania is said to have resulted in “ a net movement of health workers from faith-based facilities to government services, leaving many areas where only faith- based services were available to poor communities underserved.”¹³

Financial vs. Non-Financial Incentives

Research has attempted to demonstrate the different impact generated by financial versus non-financial incentives. There is evidence that the implementation of a range of incentives is important if workers’ motivation and behaviour are to be influenced. For example:

- A study exploring the factors affecting motivation of health workers in six African countries found that poor wages in countries like Uganda and Zimbabwe were the most important factor affecting health workers’ decisions to migrate. However, in Cameroon wages factored below “lack of promotional opportunities, poor living conditions and a desire to gain experience” as the reasons workers decided to leave.¹⁴
- A number of studies demonstrate that “financial incentives, though important, are not the sole reason, and often not the main reason, for motivation. Other important motivating factors include recognition, appreciation and opportunities for career advancement.”¹⁵
- Research examining the motivation of health care workers in four countries in Africa found non-financial incentives (i.e. study leave, training, support and feedback from supervisor) to be an important factor motivating staff to perform well and remain working in the public health sector.¹⁶
- Research exploring factors influencing job motivation among rural health workers in two provinces of North Viet Nam showed that motivation was influenced by both financial and non-financial incentives. The study concluded that while financial incentives were important they were not enough to motivate staff to perform better. Staff motivation, however, can be improved by applying incentive strategies that demonstrate/encompass appreciation and respect (e.g. supervision, training, performance appraisal, etc).¹⁷

Some additional facts

- According to available evidence, incentive schemes are the most reliable means of improving motivation.¹⁸
- Incentives influence key determinants of performance.¹⁹
- According to the literature, “when team work is crucial for success, it might be counter-productive to apply individual incentives; doing so might cause unwanted competition among team members that would adversely affect team performance.”²⁰

Strengthening incentive systems for health care professionals - the way forward

Today's policy makers, planners and managers are challenged to identify and apply a combination of financial and non financial incentives that are responsive and effective in meeting policy objectives related to recruitment and retention. While some countries have implemented comprehensive incentive schemes to support the effective recruitment and retention of health personnel, others lag behind and must drastically improve their efforts.

Greater commitment and political will on the part of governments, employers and managers is required and better targeted and committed funding for incentives is needed, particularly in developing country health systems. Improved monitoring, documenting and sharing of experiences, good practices and lessons learnt will support the cost-effectiveness of such initiatives.

The equally important need for more research to inform and support decision making in this area cannot be overstated. Innovation and testing of new ideas must be fostered as countries, organisations and managers move forward to strengthen the health sector workforce globally.

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