

**COMPENSATION PRACTICES AMONG HEALTHCARE PROFESSIONALS IN
MULTISPECIALTY HOSPITALS**

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Abstract

The compensation practice helps to improve good industrial relations by giving financial and non-financial remunerations to all employees. Reasonable compensation always helps the company in improving attendance, retention, satisfaction, performance and productivity of an organization. The research tries to study the compensation practices among health care professionals in multispecialty hospitals. Convenience sampling technique was used for primary data collection. Data was collected from 50 healthcare professionals in Chennai. Data analysis was done through path analysis. The analysis identified that there is influence of compensation practices such as monetary compensation and non-monetary compensation on job satisfaction among professionals in healthcare sector. Findings of Su-Ming Huang and Wen-Hsiang Lai (2014) and Bolanle Odunlami and Oludele Matthew (2014) are similar. It is also identified that there is influence of job satisfaction on healthcare professionals' performance in healthcare

sector. Masoud Hasanzadeh and Sajjad Shamsi Gooshki (2013) have found similar result. Hence, it is concluded that compensation practices in the healthcare sector for professionals are not adequate. Therefore, it is necessary to develop a performance-based compensation system aimed at healthcare professionals.

Keywords: Monetary Compensation, Non- Monetary Compensation, Job Satisfaction, Healthcare Sector and Professionals' Performance.

Introduction

Compensation is the reward an employee receives in return for a good contribution to his or her company. This is considered to be the most significant job in any HRM process. It is given from time to time and the company should not delay this request. To be more concerned with the formulation and execution of policies and strategies aimed at providing equitable, fair and consistent compensation appropriate with the value of the company's employees. Achieving organizational goals and objectives requires integrating HR information with business processes and strategies. Fair and equitable compensation always helps the company to achieve the desired goals and objectives and retain employees. The compensation practice helps to improve good industrial relations by giving financial and non-financial remunerations to all employees. Reasonable compensation always helps the company in improving attendance, retention, satisfaction, performance and productivity of an organization. The research studies the compensation practices among health care professionals in multispecialty hospitals.

Need and Significance of the Study

Every business organization needs to develop a better compensation management practices to stay afloat in the competitive world. This can be financial and non-financial compensation. This will be useful to retain, motivate and attract the employees towards greater

performance. Employees are required to be paid the amount of wages and salaries required to work in the form of compensation. This method is essential for every country, business organizations and health sector. This research was initiated to study compensation practices among health care professionals in multispecialty hospitals.

Review of Literature

Chhy Sothy (2019) suggested that management should expand compensation strategies in incentive method. Rewarding system and paying structure should be enlarged for efficient execution to guarantee the development of competitive advantage and performance, increasing employee performance that will help both parties' employer and employee.

Azzam A. Abou-Moghli (2019) found that there is positive impact of work life balance, benefits and satisfaction on talent retention and structural capital. The research also identified that there is impact of employees' salary on chances and job nature of the employees.

Ponduri and Aravind Soudikar (2016) found that employees' perception towards benefits and compensation were not satisfied, not circulated between clerical employees and supervisor. Clerical employees are not contributing in benefits and compensation assessment and also the compensation scheme not conversed to clerical employees.

Alice Chepkorir Milgo, et al. (2014) identified that there is significant relationship between compensation, reward and commitment. The analysis also discovered that the influence of compensation and reward has an influence of employees' commitment. The authors recommended that management can influence employees to attain optimized stimulus and commitment, by providing an excellent compensation and reward that is perceived as equitable, fair and consistent.

Abayomi Olarewaju Adeoye (2014) revealed that there is a relationship between employee's leadership role and compensation management practices in the insurance sector at Nigeria. The analysis also revealed that there is influence of compensation management practices on employee's leadership roles. The analysis also discovered that there is influence of leadership to stimulate employees to achieve successfully.

Abdul Hameed, et al. (2014) found that there is positive influence of compensation practices on employee performance. The analysis also identified that there is influence of salary, indirect compensation, rewards and incentives on employees' performance.

Bolanle Odunlami and Oludele Matthew (2014) discovered that there is a positive relationship between improved productivity and compensation management. The analysis also identified that there is relationship between excellent welfare activities and employees' performance, and also that is a significant relationship between compensation practices and employees' job performance.

Patnaik and Prabir Chandra Padhi (2012) revealed that performance appraisals support in influencing the benefits and compensation, but they are moreover active in discovering ways to assist individuals develop their present designations and practice for future chances. Workers should be supervised correctly and provoked by offering adequate compensation and remuneration as per the manufacturing industry standards. The rewarding compensation will also aid in retaining and attracting the most excellent employees.

Su-Ming Huang and Wen-Hsiang Lai (2014) found that there is relationship between incentive system and job satisfaction. The study also discovered that there is influence of job satisfaction and locus of control job performance. Ismail Khan, *et al.* (2013) identified there is positive relationship between each reward type and employee performance.

Ashfaq Ahmed and Muhammad Ramzan (2013) discovered that there is a negative relationship between job stress and job performance. The authors recommended the industry management that they have continued a cooperative, very healthy and friendly atmosphere within the squad for better performance.

Masoud Hasanzadeh and Sajjad Shamsi Gooshki (2013) discovered that there is correlation between job satisfaction, involvement management and job performance. The research also identified that job satisfaction intercedes the correlation between involvement and job performance.

Research Gap

The researcher found that no research has focused on the compensation practices among health care professionals in multi speciality hospitals in Tamilnadu. So, the researcher initiated to evaluate the compensation practices among health care professionals in multispecialty hospitals.

Research Methodology

Descriptive research design has been used in this research work. The descriptive research design attempts to explain the activities of the employees in relation to an exacting practice or ethnicity of meaning. Based on the recompense of descriptive research design, the author has used the descriptive research to establish the compensation practices among health care professionals in multispecialty hospitals.

Framework of the Research

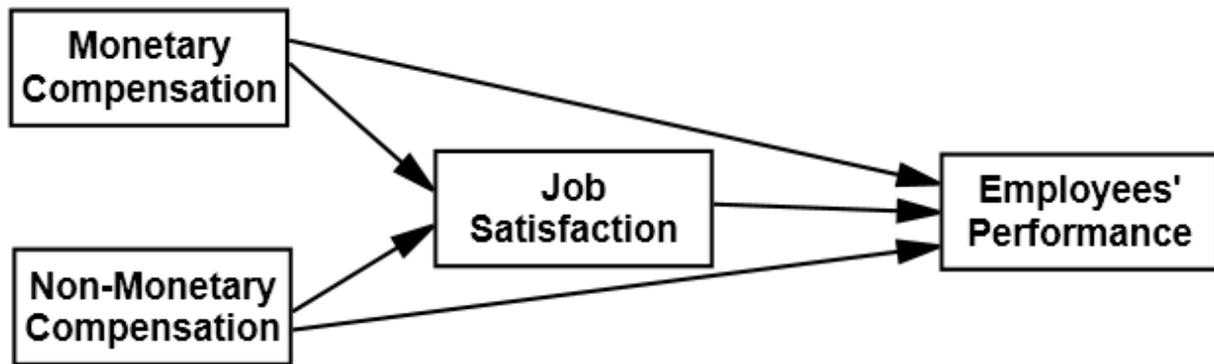


Figure 1: Conceptual framework of the study

It was used to identify the influence of compensation practices on employees' performance which mediates with job satisfaction. Compensation practices were considered as independent variable and classified into two factors such as monetary compensation and non-monetary compensation. Job satisfaction was considered as a dependent variable. Employees' performance was considered as outcome variable.

Statement of the problem

How the compensation practices influence the job satisfaction in healthcare sector? What is the employees' level of perceived compensation practices among healthcare professionals? How the job satisfaction influences the employees' performance in healthcare sector?

Objectives of the Study

- To study the influence of compensation practices such as monetary compensation and non-monetary compensation on job satisfaction among professionals in healthcare sector.
- To know the influence of job satisfaction on healthcare professionals' performance in healthcare sector.

Hypotheses of the Study

- There is no influence of compensation practices such as monetary compensation and non-monetary compensation on job satisfaction among professionals in healthcare sector.
- There is no influence of job satisfaction on healthcare professionals' performance in healthcare sector.

Questionnaire Construction and Reliability

Table 1: Reliability of the Research

S.No.	Variable	Reliability	Author
1	Compensation Practices	0.89	Manisha Gupta (2015)
2	Job satisfaction	0.84	Self Design
3	Employees' Performance	0.80	Adeoye, et al. (2014)

Standard tools were used for primary data collection. For all the statements of the questionnaire construction the alpha was ranged from 0.80 to 89. This reliability value indicates that high reliability of the statements of the questionnaire.

Area of sample and justification

Chennai has been selected for this research as area of sampling. Hence, it is required to defend and expand the employees as well as the healthcare sector as a whole. By understanding this, compensation practices, job satisfaction and professionals' performance are judged for the research.

Sampling design

The sample comprises the professional of healthcare sector in Chennai, Tamilnadu.

Pilot study sample size

Pilot study sample size of the research was 50 healthcare professional from multispecialty hospitals in Chennai, Tamilnadu.

Sampling technique

Sampling technique presents a range of techniques that allow decreasing the amount of data wanted to collect by believing only data from a subgroup pretty than all probable cases or rudiments. Convenience sampling technique was followed to collect the primary data for the research.

Toll for data analysis

Path analysis was used for data analysis. It was used to identify the influence of compensation practices on employees' performance with mediates with job satisfaction in healthcare professionals.

Results and Discussion

From the model fit table, it is identified that the chi-square value was 0.654. The p value was 0.532, which was greater than 5%. The GFI and AGFI scores were larger than 0.90, which was suggested by Saminathan, et al. (2019). The calculated CFI and NFI scores were larger than 0.90, which was suggested by Velaudham and Baskar (2015); Kantiah Alias Deepak and Velaudham (2019). It was also found that RMSEA and RMS values were less than 0.08. The above pointers indicate that it was completely fit, as per Velaudham and Baskar (2016) and Indra, Balaji and Velaudham (2020).

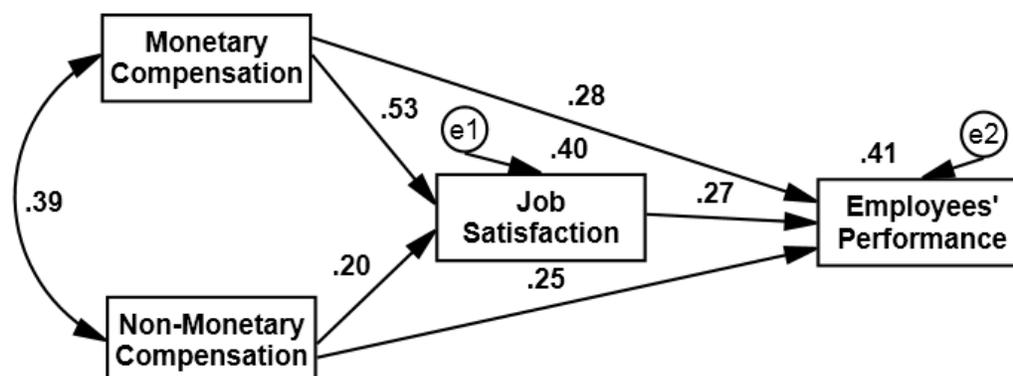


Figure 2: Compensation practices among healthcare professionals**Table 2: shows Model Fit Indication**

Indicators	Observed Values	Recommended Values (Premapriya, et al. 2016) ¹⁴
Chi-Square	0.654	---
p	0.532	Greater than 0.050
GFI	0.999	Greater than 0.90
AGFI	0.992	Greater than 0.90
CFI	0.999	Greater than 0.90
NFI	0.999	Greater than 0.90
RMS	0.002	Less than 0.080
RMSEA	0.001	Less than 0.080

Source: Primary data

H₀: There is no influence of monetary compensation on job satisfaction.

For the influence of monetary compensation on job satisfaction calculated value of CR is 13.608. The Beta value was 0.533. The beta value indicates that 53.3 percent of influence is through monetary compensation towards job satisfaction. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the monetary compensation influences job satisfaction among the healthcare professionals in multispecialty hospitals. Findings of Su-Ming Huang and Wen-Hsiang Lai (2014) and Bolanle Odunlami and Oludele Matthew (2014) are similar.

Table 3: Regression Weights

DV		IV	Estimate	S.E.	C.R.	Beta	p
Job Satisfaction	<---	Monetary Compensation	0.399	0.029	13.608	0.533	0.001
Job Satisfaction	<---	Non- Monetary Compensation	0.188	0.037	5.014	0.196	0.001
Employees Performance	<---	Job Satisfaction	0.483	0.083	5.792	0.268	0.001
Employees Performance	<---	Monetary Compensation	0.377	0.062	6.079	0.280	0.001

DV		IV	Estimate	S.E.	C.R.	Beta	p
Employees Performance	<---	Non- Monetary Compensation	0.429	0.069	6.241	0.249	0.001

Source: Primary data

H₀: There is no influence of non- monetary compensation on job satisfaction.

For the influence of non- monetary compensation on job satisfaction calculated value of CR is 5.014. The Beta value was 0.196. The beta value indicates that 19.6 percent of influence is through non- monetary compensation towards job satisfaction. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the non- monetary compensation influences job satisfaction among the healthcare professionals in multispecialty hospitals. Findings of Su-Ming Huang and Wen-Hsiang Lai (2014) and Bolanle Odunlami and Oludele Matthew (2014) are similar.

H₀: There is no influence of monetary compensation on employees' performance.

Influence of monetary compensation on employees' performance calculated value of CR is 6.079. The Beta value was 0.280. The beta value indicates that 28 percent of influence is through monetary compensation towards employees' performance. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the monetary compensation influences employees' performance among the healthcare professionals in multispecialty hospitals. Abdul Hameed, et al. (2014), Bolanle Odunlami and Oludele Matthew (2014) and Su-Ming Huang and Wen-Hsiang Lai (2014) have found similar result.

H₀: There is no influence of non- monetary compensation on employees' performance.

Influence of non- monetary compensation on employees' performance calculated value of CR is 6.241. The Beta value was 0.249. The beta value indicates that 24.9 percent of influence is through non- monetary compensation towards employees' performance. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the non-

monetary compensation influences employees' performance among the healthcare professionals in multispecialty hospitals. Abdul Hameed, et al. (2014), Bolanle Odunlami and Oludele Matthew (2014) and Su-Ming Huang and Wen-Hsiang Lai (2014) have found similar result.

H₀: There is no influence of job satisfaction on employees' performance.

Influence of job satisfaction on employees' performance calculated value of CR is 5.792. The Beta value was 0.268. The beta value indicates that 26.8 percent of influence is through job satisfaction towards employees' performance. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the job satisfaction influences employees' performance among the healthcare professionals in multispecialty hospitals. Masoud Hasanzadeh and Sajjad Shamsi Gooshki (2013) have found similar result.

Findings

- The analysis identified that there is influence of compensation practices such as monetary compensation and non-monetary compensation on job satisfaction among professionals in healthcare sector. Findings of Su-Ming Huang and Wen-Hsiang Lai (2014) and Bolanle Odunlami and Oludele Matthew (2014) are similar.
- It is also identified that there is influence of job satisfaction on healthcare professionals' performance in healthcare sector. Masoud Hasanzadeh and Sajjad Shamsi Gooshki (2013) have found similar result.

Suggestions

- Compensation practices in the healthcare sector for professionals are not adequately provided. Therefore, it is necessary to develop a performance-based compensation aimed at healthcare professionals.

- Remuneration starts with merit and skills, because the satisfaction of the highly qualified healthcare professionals is that their pay is required to be paid according to their merit.
- Finally, effective recognition and reward practices should be developed for motivated healthcare professionals.

Conclusion

The compensation practice helps to improve good industrial relations by giving financial and non-financial remunerations to all employees. Reasonable compensation always helps the company in improving attendance, retention, satisfaction, performance and productivity of an organization. The research studied the compensation practices among health care professionals in multispecialty hospitals. Convenience sampling technique was used for primary data collection. Data was collected from 50 healthcare professionals in Chennai. Data analysis was done through path analysis. The analysis identified that there is influence of compensation practices such as monetary compensation and non-monetary compensation on job satisfaction among professionals in healthcare sector. Findings of Su-Ming Huang and Wen-Hsiang Lai (2014) and Bolanle Odunlami and Oludele Matthew (2014) are similar. It is also identified that there is influence of job satisfaction on healthcare professionals' performance in healthcare sector. Masoud Hasanzadeh and Sajjad Shamsi Gooshki (2013) have found similar result. Hence, it is concluded that compensation practices in the healthcare sector for professionals are felt inadequate. Therefore, it is necessary to develop a performance-based compensation system exclusively for healthcare professionals.

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