

# ASSESSMENT OF COMPENSATION POLICIES IN A PUBLIC HOSPITAL FROM ROMANIA. CASE STUDY: SLATINA COUNTY EMERGENCY HOSPITAL

**Cătălin Ștefan ROTEA**

University of Craiova

Email: roteacatalinstefan@gmail.com

## *Abstract:*

*Individual and collective employee and employee reward and productivity are the central drivers of activity in any type of organization. In the medical sector, due to the challenges posed by the phenomenon of emigration of employees in the area, identifying policies and ways to retain and motivate talented human resources is essential in order to provide a quality medical act. In order for an organization to be able to effectively manage rewards and to have a positive influence on the performance of its employees, organizations' management must understand the different aspects of the rewarding process as a driving force motivating employees and directing their behavior towards organizational goals. In this paper we proposed a tool for evaluating reward policies within a hospital in the Romanian public health care system. This tool was used in the Slatina County Emergency Hospital, which allowed us to analyze reward policies and their impact on hospital activity.*

*Keywords: compensation, pay system, wage package, public hospital*

## **1. Introduction**

Organizations use a variety of resources in the production process to obtain goods and services in conditions of maximum profitability: financial resources (capital), material resources, technological resources and human resources. In fact, we can say that an organization needs to deploy two major categories of resources: human resources and non-human resources, each of these categories having different productivity levels (Bocean, 2009). Most economists have argued that the most valuable resource of an organization is the human resource, and it is therefore necessary to manage it efficiently to ensure increased labor productivity (Byars and Rue, 1997). This statement was valid and will be valid until the automated means of production become predominant in the production process. Until that time, labor productivity and employee performance are critical to the overall performance of the organization. Higher levels of labor productivity can be achieved by rewarding appropriately the human resource (Chabra, 2001). Reward policies play an important role in the strategy and policies of organizations which want to achieve their goals (Armstrong, 2009). Organizations that do not effectively manage this human resource management area will experience poor organizational performance as a result of the low performance of employees and the impact that ineffective reward policies can have on labor productivity (Barbu et al., 2010, 2019).

Reward systems play a significant role in promoting strategic goals of organizations (Gerhart and Milkovich, 1988). Traditionally, reward systems have been designed to reward employees with their specific jobs and the activities they have done. Previous research has led to the conclusion that employees are the organization's most important resource, and in order that employees to meet customer needs, organizations must first meet the requirements of their employees (Henne and Locke, 1985; Thierry, 1987; Nebeker et al., 2001; Dessler, 2016).

Milkovich and Newman (2008) stated that reward refers to all forms of financial income as well as the services and benefits that employees receive as a result of an employment relationship they have with an employer. According to DeNisi and Griffin (2001), reward represents a reward system that an organization offers to individuals in exchange for their desire to carry out various tasks within organizations. They also stated that employees should be given relevant and proportionate rewards so that they feel appreciated and their expectations of sharing their skills, abilities and contributions to organizational goals and the rewards received are fair.

Reward systems known as payroll systems refer to the scheme where rewards are distributed to an employee (Barr, 1998). The typical reward package includes two basic components: direct reward and indirect reward or benefits (Bocean, 2008). Reward systems differ from one organization to another, and Gerhart and Milkovich (1988, p. 12) have suggested that "employers tend to be distinguished among them by differences in reward management."

A number of researchers have argued that reward systems provide outsiders with information about less visible organizational characteristics and can therefore signal to a potential employee the cultural characteristics of the organization, the norms and values of an organization (Gerhart and Milkovich, 1990; Rynes and Barber, 1990). Similarly, Rynes (1987) suggests that reward systems are capable of attracting (or rejecting) the right people because they communicate aspects related to the philosophy, values and practices of an organization. Organizations should therefore look at reward packages not only as a tool that influences current productivity but as a tool that can lead to increased labor productivity in the future. An attractive reward system can attract those candidates on the labor market that can increase the organization's human resources productivity and help the organization achieve its goals (Gibbons, 1998). That is why wage growth from healthcare area in recent years may be a factor that influences productivity, both present and especially in the future.

The purpose of the paper is to analyze and evaluate the rewarding policies of the employees within a hospital unit belonging to the emergency medical system by proposing an analysis tool and testing it in the Slatina County Emergency Hospital (SCEH), Romania.

In the first section of the paper we made an introduction to the research theme. The second section presents a review of the literature. The third section presents the research methodology and it contains an exposition of the hypotheses resulting from the study of the specialized literature, following its own observations, as well as the deductive and inductive analyzes based on this information. The fifth section presents the results of the empirical researches carried out within the SCEH on a sample of employees, regarding their perceptions of reward policies.

## 2. Research design

To examine and explore the perceptions of healthcare workers on reward policies, we conducted a qualitative study of a sample of 70 employees from all levels of health care at the SCEH staff, who participated in an investigation based on a questionnaire. The structure of the questionnaire is presented in Table 1.

**Table 1**

### **Items of the questionnaire regarding the perceptions of the employees on rewarding policies**

| No.                                            | <i>Items of the questionnaire</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic and socio-demographic characteristics |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 1                                              | Sex                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2                                              | Age,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3                                              | Level of studies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4                                              | Length of service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 5                                              | Department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 6                                              | Function                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 7                                              | Category of staff,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 8                                              | Net income category                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Elements of variable reward                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 9                                              | 1. Payment of guards<br>2. Bonuses for jobs with dangerous conditions<br>3. Bonuses for jobs with particularly dangerous conditions<br>4. Bonuses for jobs with dangerous or harmful conditions<br>5. Bonuses for hard work places<br>6. Bonuses for staff working with sources of radiation or radiation generators under hazardous conditions<br>7. General bonuses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Characteristics of employee reward             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 10                                             | 1. The wage package is structured well.<br>2. The wage package is well managed by management.<br>3. Employees receive timely notifications and information on any changes that affect wage packages.<br>4. Employee compensation provides equal rewards for the same type of work.<br>5. My colleague in another department with the same qualification receives higher salary income than me.<br>6. Employees are well informed and involved in formulating, discussing, and implementing reward policies.<br>7. I do not know what happens in terms of payroll in the organization I work in.<br>8. Wage incomes are satisfactory in relation to the work I made.<br>9. I feel motivated by the financial rewards I receive.<br>10. Increasing your financial reward will motivate me to improve my future performance.<br>11. Financial rewards have a positive effect on the working environment and the organizational climate.<br>12. The salary rewards I receive are competitive at national level.<br>13. The salary rewards I receive are internationally competitive.<br>14. I feel appreciated for my work and my accomplishments.<br>15. SCEH recognizes my contribution to organizational success and efficiency.<br>16. I think my job is important for the success and effectiveness of SCEH.<br>17. The structure of the reward system improves employee motivation and organizational efficiency. |

- |                                                                                                                |
|----------------------------------------------------------------------------------------------------------------|
| 18. The wage income I receive motivates me to contribute to the success and effectiveness of the organization. |
| 19. SCEH is a better place to work than private medical centers.                                               |

Source: Developed by author

Besides the data obtained from the completion of the questionnaires, in order to strengthen the results, we collected data using direct observation of the workflow processes, the interactions between the leaders and the employees and the organizational environment of the hospital unit. To build the sample of employees, we used the proportionate layered sampling method as a selection process for the participants in this study. Proportional layered sampling allows the selection of those participants who know the phenomenon.

Starting from the literature study, based on our own observations and the deductive and inductive analysis, we formulated a series of hypotheses regarding the employee reward perceptions, which will be the object of the researches carried out at the SCEH (Table 2).

We then analyzed a series of variables on reward policies and their impact on employee productivity and employee performance, as perceived by the selected employees in the research sample.

In addition to analyzing the frequencies for each variable, we grouped the variables into seven hypotheses (Table 2).

**Table 2**

**Grouping the variables in the hypothesis regarding the policies of reward**

| Hypothesis                                                                                         | Items                      |
|----------------------------------------------------------------------------------------------------|----------------------------|
| H1. Employees of the SCEH are satisfied with the way the salary package is structured and managed. | 10.1, 10.2                 |
| H2. The wage package communication is effective at the SCEH.                                       | 10.3, 10.6, 10.7           |
| H3. The salary system is fairly and correct structured within the SCEH.                            | 10.4, 10.5                 |
| H4. The wage package is motivated in the SCEH.                                                     | 10.8, 10.9, 10.12, 10.13   |
| H5. Salary package encourages performance.                                                         | 10.10, 10.11, 10.17, 10.18 |
| IR6. The contributions and achievements of the employees are recognized within the SCEH.           | 10.14, 10.15, 10.16        |
| IR7. SCEH is a better place to work than private medical centers.                                  | 10.19                      |

Source: Developed by author

These hypotheses regarding reward policies at the SCEH are to be validated or invalidated as a result of the statistical research undertaken.

### **3. Structure of sample selected from employees SCEH**

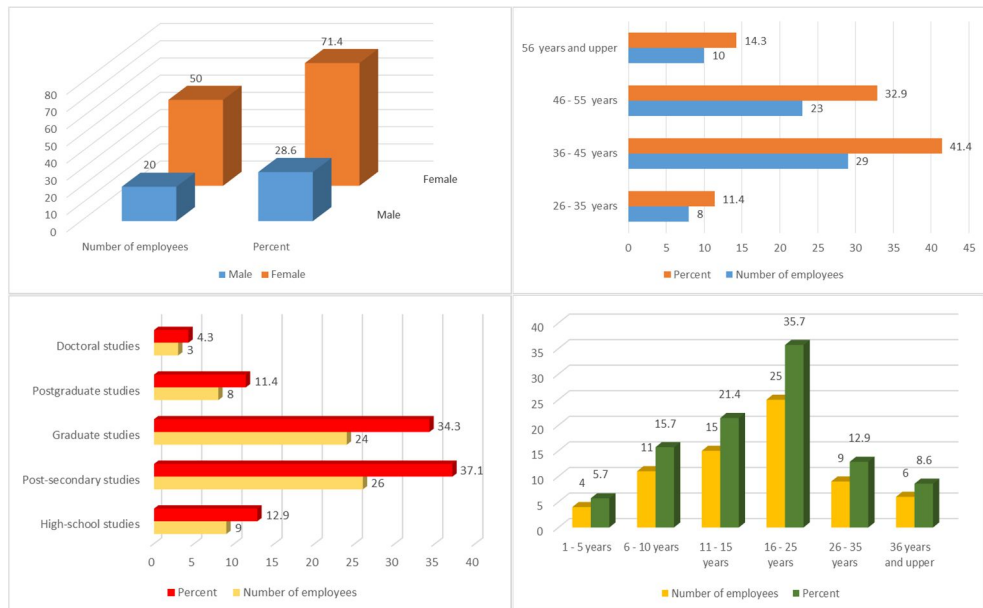
In order to obtain the most relevant results, the structure of the sample is proportional to the structure of the population surveyed. Analyzing the frequencies characterizing the gender structure of the sample, it can be noticed that women in the SCEH predominate as employees.

A percent of 28.6% from the employees are male, while 71.7% of the employees are females, due to the fact that the feminine population is predominant

among the nurses and auxiliary staff ( figure 1).

As a result of the analysis of the frequencies registered by the hospital staff regarding the age category, we can see that over 50% of the respondents are up to 45 years old (52.8% of the total respondents) and that only 14.3% have an age over 55 years.

The staff of the SCEH is relatively young, indicating a high rate of human resource renewal, a staff dynamism, and an interest in the jobs offered by the hospital.



**Figure 1. Sample structure by gender, age category, level of education and length of service**

*Source: Developed by the author based on collected data*

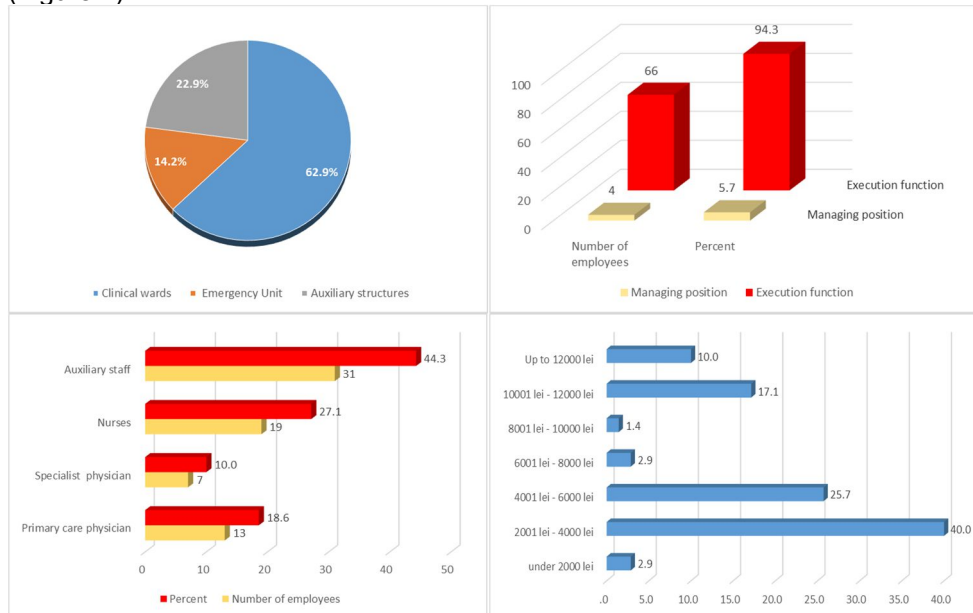
The structure of the population surveyed is relatively balanced in terms of employee surveys. A percentage of 50% of respondents said they had graduate and post-secondary level of education.

This relatively large percentage is generated by the structure of jobs. Many workplaces are placed in auxiliary medical services and many of these do not require higher education. Also, nursing jobs do not require higher education, but only post-secondary studies (in the field of healthcare).

The working age of the respondents included in the research also presents a balanced structure and correlates with the age of the respondents as well as with the level of education (which implies different ages for entering the labor market as a result of different periods for the initial vocational training). A share of 42.8% of the total number of respondents is less than 16 years of age, 35.7% of the total respondents are in the range of 16-25 years, respectively 21.5% of the total number of respondents have a working life over 26 years (Figure 2.4).

The age structure of human resources indicates a sufficiently experienced, dynamic staff, with most of the employees in the middle of their careers.

After analyzing the frequencies of the respondents according to the department it is found that most of them come from the clinical wards (62.9%), while 14.2% are assigned to the Emergency Unit, respectively 22.9% are part of auxiliary structures (Figure 2).



**Figure 2. Sample structure by department, position, category of personnel, net income category**

*Source: Developed by the author based on collected data*

This analysis allows us to affirm that over two-thirds of staff are in direct contact with patients (67.1% of respondents are employed in clinical wards or within the Emergency Unit).

Within the sample, we selected only four senior management staff, respecting the structure of the population surveyed.

The structure of the sample according to the category of personnel also aims to comply to the structure of human resources within the SCEH. 44.3% of all respondents are auxiliary staff, and 27.1% are nurses. Physicians account for 28.6% of the total of the sample selected for research. Of these, primary care physician represent 18.6%, and specialist physician 10%.

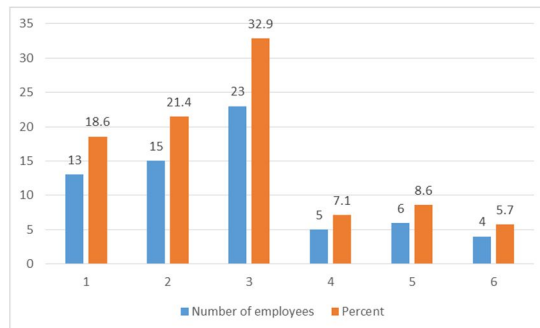
Regarding net salary incomes, an unbalanced payroll structure can be observed, which is strongly influenced by the category of staff, the length of service and the department where the staff are employed. It is noticed that the percentage of 27.1% of those with salary incomes over 10000 lei (about 2200 euro) corresponds to a great extent to the percentage of 28.6% representing primary care and specialist physicians (Figure 2.9).

Also, the percentage of 42.9% of those with salary incomes below 4000 lei (about 800 euro) corresponds to a great extent to 44.3% of auxiliary personnel. The nurses and nurses are usually in the range of 4000-6000 lei (800-1200 euro)

depending on their length of service and the department where the employees are employed.

#### 4. Evaluating different aspects of reward policies

Analysis of the variable elements of the reward system has shown that a limited number of employees benefits from these bonuses and additional payments as a result of the adoption of a national wage law that does not encourage the granting of bonuses. Figure 3 shows the number and percentage of those who benefit from these bonuses and the payment of guards.



**Figure 3. Variables distribution of the reward system**

Note: 1. Payment of guards; 2. Bonuses for jobs with dangerous conditions; 3. Bonuses for jobs with particularly dangerous conditions; 4. Bonuses for jobs with dangerous or harmful conditions; 5. Bonuses for hard work places; 6. Bonuses for staff working with sources of radiation under hazardous conditions

Source: Developed by the author based on collected data

It is noted that the variable elements of the reward system are not related to performance but to working conditions and overtime. According to the respondents selected in the research, the employees of the SCEH did not receive general bonuses.

Before undertaking an analysis of respondents' perceptions of reward policies, we conducted a test of the reliability of the information obtained in these questions to check how the items related to reward policies capture the phenomena investigated. In this sense, we calculated the Alpha Cronbach coefficient with SPSS (Statistical Package for the Social Sciences) (0.870 for the 19 items).

In order to test reliability, we also performed a test computing all values of Guttman's Lambda ( $\lambda$ ). Of these, the  $\lambda_2$  and  $\lambda_3$  (Alpha Cronbach) values are the most used in performing statistical reliability tests (table 3).

Both values recorded by Guttman's coefficients (Alpha Cronbach - 0.899 and  $\lambda_2$  - 0.916 respectively) show excellent reliability to the variables making up the questionnaire, allowing for the recording of relevant and replicable results.

**Table 3****Values of Guttman's Lambda coefficients ( $\lambda$ )**

| Coefficient | Value |
|-------------|-------|
| Lambda 1    | 0,824 |
| Lambda 2    | 0,891 |
| Lambda 3    | 0,870 |
| Lambda 4    | 0,839 |
| Lambda 5    | 0,868 |
| Lambda 6    | 0,942 |
| Items       | 19    |

*Source: Developed by the author based on collected data*

In order to increase the relevance and depth of the analyzes, we calculated the averages for all variables as well as a series of aggregates indices as the averages of the values assigned to each variable. These aggregate indices were calculated for each of the seven hypotheses about reward policies (IAIR1-IAIR7) and for all hypotheses about reward policies (total IAIR) (Table 4).

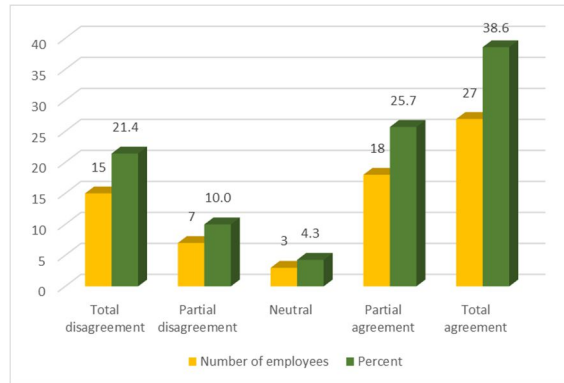
**Table 4****Variable averages and aggregate indices of formulated hypotheses**

| Items  | The average of the values assigned to the answers | Items  | The average of the values assigned to the answers | Items / Hypotheses | The average of the values assigned to the answers |
|--------|---------------------------------------------------|--------|---------------------------------------------------|--------------------|---------------------------------------------------|
| r10.1  | 3,50                                              | r10.11 | 4,53                                              | IAIR1              | 3,76                                              |
| r10.2  | 4,01                                              | r10.12 | 3,51                                              | IAIR2              | 3,41                                              |
| r10.3  | 3,86                                              | r10.13 | 2,87                                              | IAIR3              | 3,02                                              |
| r10.4  | 3,34                                              | r10.14 | 3,69                                              | IAIR4              | 3,29                                              |
| r10.5  | 2,70                                              | r10.15 | 3,69                                              | IAIR5              | 4,33                                              |
| r10.6  | 3,39                                              | r10.16 | 4,64                                              | IAIR6              | 4,00                                              |
| r10.7  | 2,99                                              | r10.17 | 3,93                                              | IAIR7              | 4,46                                              |
| r10.8  | 3,33                                              | r10.18 | 4,31                                              | IAIR total         | 3,72                                              |
| r10.9  | 3,44                                              | r10.19 | 4,46                                              | -                  | -                                                 |
| r10.10 | 4,56                                              | -      | -                                                 | -                  | -                                                 |

*Source: Developed by the author based on collected data*

These average indices for individual variables and aggregate indices associated with hypotheses are used to increase the relevance and reliability of research.

*Investigating the validity of the first hypothesis involves analyzing the answers obtained for items 10.1 and 10.2.* Analyzing the perception on the structure of the salary package (individual variable r10.1) it can be noticed that 31.4% of the surveyed employees are dissatisfied (Figure 4).



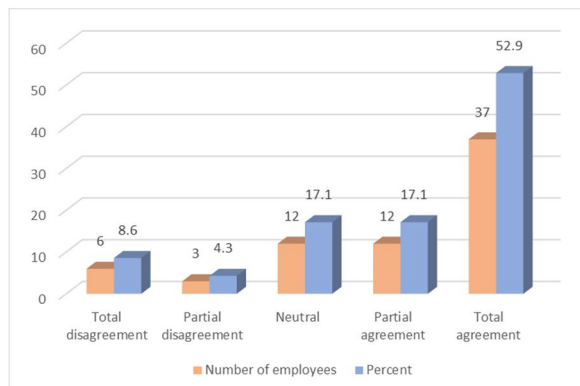
**Figure 4. Perception on the structure of the salary package**

*Source: Developed by the author based on collected data*

Structure of the wage package is a variable that does not depend on hospital management given that there is strict legislation regulating the wage grid within health care. Law no. 153/2017 on the remuneration of staff paid from public funds regulates wages in clinical units, and medical-social assistance units. Within this normative act, one can notice a very large difference in the basic salary between specialist and primary care physicians, on the one hand, and the other categories of staff. This is also evident in figure 4 that illustrate the perception of employees on the structure of the salary package.

Looking at the management of the salary package (individual variable r10.2), we noticed that a large number of respondents (70% of the total respondents) are satisfied with the management of the salary package by the hospital management (Figure 5).

Although Law no. 153/2017 on the remuneration of staff paid from public funds that regulate wages in clinical units and medical-social care units leave little freedom of movement to hospital management, the pay system being based on competencies and contributions rather than on performance, yet employees appreciate the way in which hospital management manages to apply the provisions of this law. Only 14.9% of the respondents have been totally or partially dissatisfied with the management of the salary package by the hospital management.



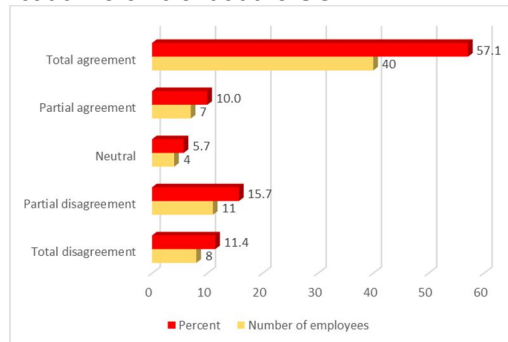
**Figure 5. Perception on the management of the salary package**

*Source: Developed by the author based on collected data*

Following the IR1 hypothesis, we can say that this hypothesis is partially validated. Employees of the SCEH are partially satisfied with the way the wage package is structured and managed. Regarding the way in which the wage package is structured, discontent is greater than in the way it is managed.

Investigating the validity of the second hypothesis involves analyzing the answers obtained for items 10.3, 10.6 and 10.7. Analyzing the perception on the ways in which employees receive appropriate and timely notification and information on wages (the individual variable r10.3), we found that 11.4% of the surveyed employees are totally dissatisfied, 15.7% of the surveyed employees are partially dissatisfied, 5.7% of the surveyed employees are neutral, 10.0% of the surveyed employees are partially satisfied, and 57.1% of the surveyed employees are totally satisfied (Figure 6).

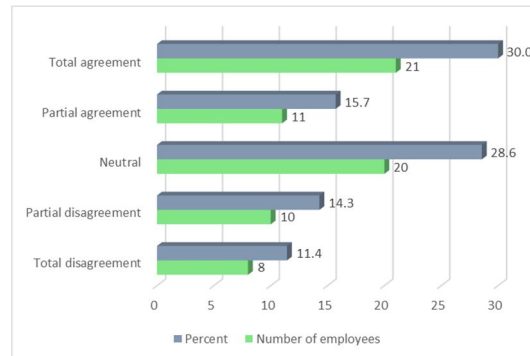
The percentage of 67.1% of the surveyed employees who are satisfied with the way of communicating the information regarding the salary package is a good one, exceeding two thirds of the total number of respondents, which allows us to say that this type of communication is efficient at the SCEH.



**Figure 6. Perception on the ways in which employees receive appropriate and timely notification and information on wages**

*Source: Developed by the author based on collected data*

Researching the involvement in formulating, discussing and implementing reward policies (individual variable r10.6) we found that less than half (45.7% of total respondents) are satisfied with the way in which employees are informed and involved in the formulation, discussion and implementation of reward policies (Figure 7). A percentage of 25.7% of respondents said they were dissatisfied, while 28.6% said they were neutral in relation to this issue.

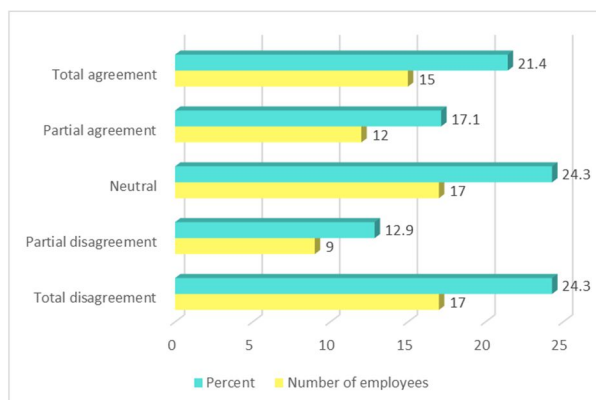


**Figure 7. Perception on the ways in which employees are well informed and involved in formulating, discussing and implementing reward policies**

*Source: Developed by the author based on collected data*

Hospitals management tends to not discuss policies with employees considering that they are public through regulatory acts. In spite of this, specialized language and various changes in the normative acts regulating public pay, it is difficult for the hospital staff to understand the elements regarding the formulation, discussion and implementation of reward policies.

Analyzing the perception of the level of knowledge regarding salary (individual variable r10.7) one can see that there is a relatively balanced distribution, however inclined to those who do not know what is happening in terms of salary in the organization in which they work (Figure 8). A percentage of 38.5% of respondents said they did not know what was happening in terms of pay in their organization, while 37.1% said they were well aware. A fairly high percentage (24.3% of respondents) have no opinion on this issue.



**Figure 8. Perception on the level of knowledge regarding the salary at the organization level**

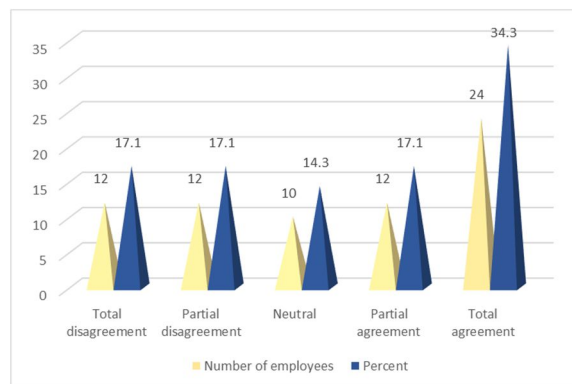
*Source: Developed by the author based on collected data*

This individual variable is basically a variable result, awareness regarding remuneration in the organization is the result of how employees are informed and involved in formulating, discussing and implementing policies rewards and how the

employees receive timely notifications and information on any changes that affect wage packages.

*Following the IR2 hypothesis, we can say that this hypothesis is partially validated. The wage package communication is partially effective at the SCEH. With regard to wage policy communication, discontent is greater than in the case of wage package communication. Also, there were no strong links between communication policy and employees' knowledge of salary at the organization level.*

*Investigating the validity of the third hypothesis involves analyzing the answers obtained for items 10.4 and 10.5. Analyzing the perception of ensuring equal reward for equal work (individual variable r10.4) we can see that over half of respondents (51.4% of respondents) are satisfied with the fairness of the rewards for the same type of work (Figure 9).*



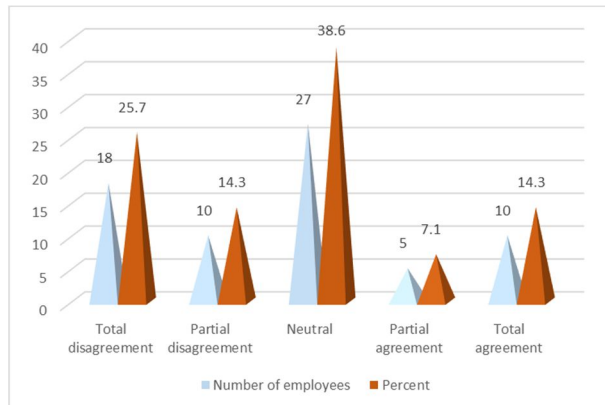
**Figure 9. Perception on ensuring equal rewards for the same type of work**

*Source: Developed by the author based on collected data*

However, 34.2% of respondents are unhappy about the inequality of rewards awarded for the same type of work.

Although there is strict legislation regulating the wage grid within the health care sector (Law No 153/2017), the pay system is not fully equitable.

Looking at employees' perception of wage equity between different departments (individual variable r10.5), we noticed that a large number of respondents (38.6% of the total respondents) declared themselves neutral because they did not know well how colleagues from another department were paid (Figure 10). In connection with the statement "my colleague from another department with the same qualification receives higher wage earnings than myself", 21.4% expressed their agreement in whole or in part, while 40% expressed their total or partial disagreement.



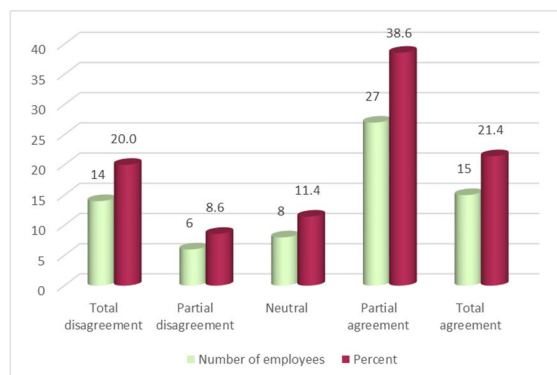
**Figure 10. Employees perception on wage equity between different departments**

Source: Developed by the author based on collected data

Following the IR3 hypothesis, we can say that this hypothesis is partially validated. Only a part of the employees of SCEH believe that reward policies and the pay system are set on a fair basis. If the r10.4 variable tests the equity of the payroll system, the r10.5 variable tests the inequality that hospital employees feel.

Investigating the validity of the fourth hypothesis involves analyzing the answers obtained for items 10.8, 10.9, 10.12 and 10.13. Analyzing the employee satisfaction with the income obtained in relation to their work (the individual variable r10.8) we found that 20% of the surveyed employees are totally unsatisfied, respectively 8.6% of the surveyed employees are partially unsatisfied (Figure 11) .

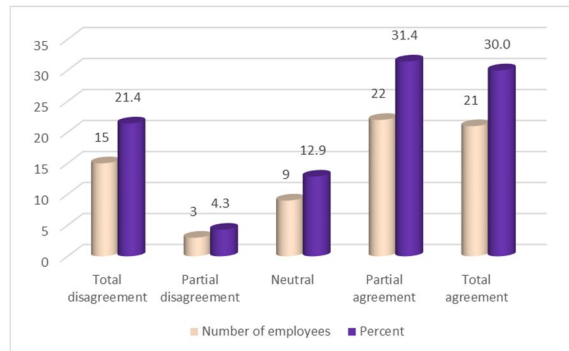
The percentage of 60% of the surveyed employees who say they are happy with their earnings in relation to their work is a good one. Adding to the respondents who declared themselves neutral (11%) exceeds two thirds of the respondents, which allows us to say that in the SCEH, employees are generally satisfied with the income they receive relative to their work.



**Figure 11. Satisfaction of employees with income in relation to their work**

Source: Developed by the author based on collected data

Investigating the level of motivation generated by the financial rewards received (the individual variable r10.9), we found that it correlates quite strongly with the employees' satisfaction with the incomes obtained in relation to their work, the two variables having similar values. 61.4% of the total respondents are satisfied with the level of motivation generated by the financial rewards received, while 24.7% of respondents said they were dissatisfied (Figure 12).

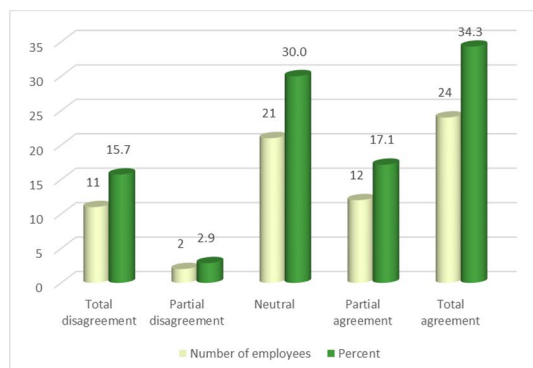


**Figure 12. The level of motivation generated by the financial rewards received**

*Source: Developed by the author based on collected data*

Taking into account the salary increases in health care in recent years, the level of motivation generated by the financial rewards received is good, being affected by the imbalances among the different categories of staff in Law no. 153/2017.

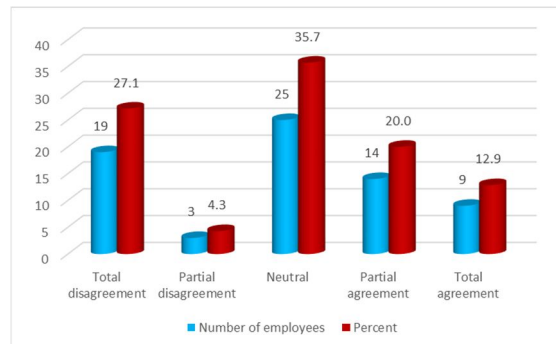
Analyzing the perception of the competitiveness of rewards at national level (individual variable r10.12), more than half of respondents (51.4%) consider that salary rewards received are comparable to those offered nationally to other categories of workers with similar qualifications and skills. A fairly high percentage (30% of the total respondents) declared themselves neutral on this question and only 18.6% said that salary rewards are not competitive at national level.



**Figure 13. Perception of the competitiveness of rewards at national level**

*Source: Developed by the author based on collected data*

Similarly to r10.12, the analysis of the perception on competitiveness of rewards at international level (r10.13) indicates that a fairly high percentage (35.7% of the total respondents) declared themselves neutral on this question. The number of respondents who consider that received salary rewards are comparable to those offered internationally to other categories of workers with similar qualifications and skills is lower (32.9% of the total number of respondents). The number of those who claimed that salary rewards are not internationally competitive (31.4% of the total of respondents) is relatively equal to those who have stated the opposite, indicating a balanced distribution.

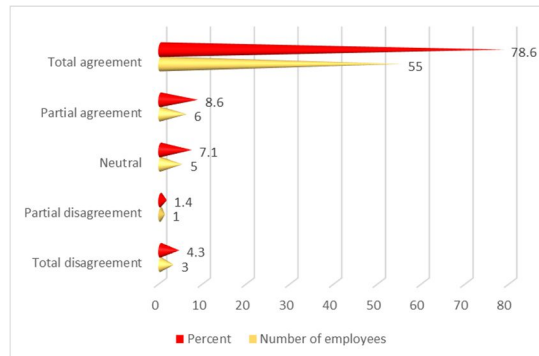


**Figure 14. Perception of the competitiveness of rewards at international level**

*Source: Developed by the author based on collected data*

*Following the IR4 hypothesis, we can say that this hypothesis is validated. The wage package is motivating in the SCEH. Although there are some staff categories among the auxiliary personnel who claim to be demotivated by the level of rewards, the overall level of motivation is good. Regarding the competitiveness of the salary rewards offered, the employees of the SCEH consider that they are competitive at national and international level, except for some auxiliary staff.*

*The investigation of the validity of the fifth hypothesis involves the analysis of the answers obtained for items 10.10, 10.11, 10.17 and 10.18. Analyzing employees' perceptions on the positive effects of financial rewards on individual performance (r10.10), 87.2% of surveyed employees consider that an increase in financial rewards is a motivating factor for improving individual future performance (Figure 15). Only 5.7% of the surveyed employees do not see the positive effects of the financial rewards on individual performance in the SCEH.*

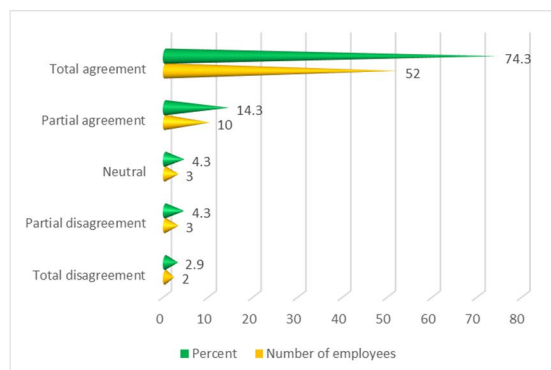


**Figure 15. Employees perception on the positive effects of financial rewards on individual performance**

*Source: Developed by the author based on collected data*

Employees of SCEH have a prominent orientation towards performance, considering that financial reward (extrinsic) is an essential factor in stimulating individual performance.

Researching the perception of the positive effects of financial rewards on the working environment and the organizational climate (the individual variable r10.11), we found that it correlates quite strongly with the perception of the employees about the positive effects of financial rewards on individual performance, the two variables having similar values. 88.6% of the total respondents agree with the statement that financial rewards have a positive effect on the working environment and the organizational climate (Figure 16).



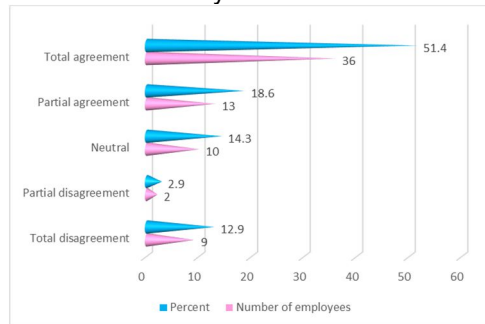
**Figure 16. Perception of the positive effects of financial rewards on the working environment and the organizational climate**

*Source: Developed by the author based on collected data*

Employees at SCEH, considering that financial reward (extrinsic) is a key factor not only in stimulating performance but is beneficial for establishing a good working environment and a performance oriented organizational climate.

Analyzing the perception on the effects of an effective reward structure on employee motivation and organizational efficiency (individual variable r10.17), it can be seen that more than half of respondents (51.4%) consider that a balanced

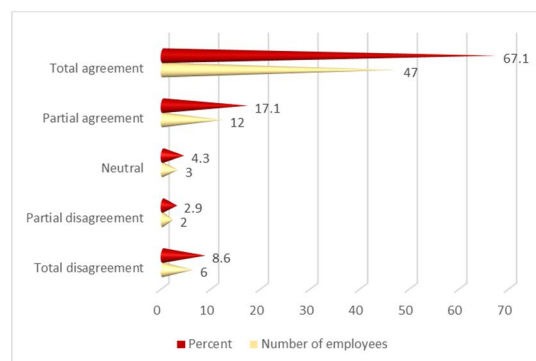
structure of the system reward improves employee motivation and organizational efficiency. Only 15.8% said that the structure of the reward system had no noticeable effects on employees' motivation and organizational efficiency. Figure 17 illustrates employees' perception on the effects of an effective reward system on employee motivation and organizational efficiency.



**Figure 17. Perception on the positive effects of financial rewards on the employee motivation and organizational effectiveness**

*Source: Developed by the author based on collected data*

From the analysis of the perception on the motivational effects of the salary incomes on the success and efficiency of the organization (individual variable r10.18) it can be noticed that over two thirds (67.1% of the total respondents) declared in total agreement with the claim that salary incomes received motivate employees to contribute to the success and effectiveness of the organization. A total of 12 respondents (representing 17.1% of the total respondents) stated in the partial agreement with the respondents, while 11.5% said they disagreed with the statement.



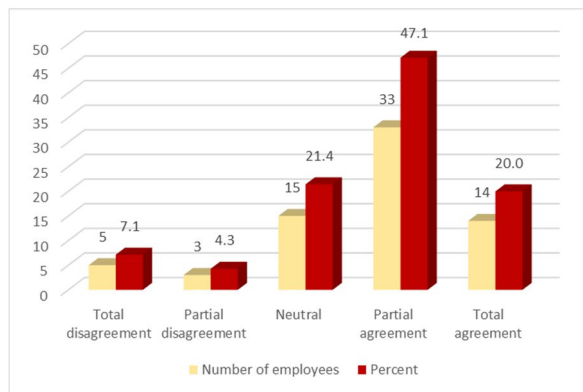
**Figure 18. Perception of the positive effects of financial rewards on the success and effectiveness of the organization**

*Source: Developed by the author based on collected data*

Employees of the SCEH consider that the earnings received motivate employees to contribute to the success and effectiveness of the organization, which shows the importance of these types of rewards in boosting performance and increasing labor productivity

*Following the IR5 hypothesis, we can state that this hypothesis is validated. Structuring of the salary package encourages performance.* Although there are a number of employees among auxiliary staff or physicians who consider that a performance-oriented effective payroll performance has no significant impact on labor productivity, organizational effectiveness and individual performance, the majority feel that there is a need to improve the system payroll in this respect.

*Investigating the validity of the sixth hypothesis involves analyzing the answers obtained for items 10.14, 10.15 and 10.16.* Analyzing employees' perceptions on the organization's appreciation for work and personal achievements (r10.14), we found that 7.1% of the surveyed employees are totally dissatisfied, 3.3% of the surveyed employees are partly dissatisfied with the appreciation they received (Figure 19).



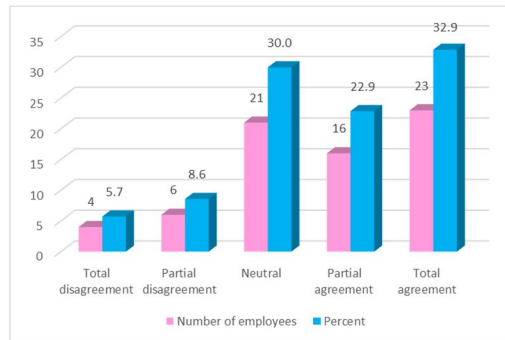
**Figure 19. Employees' perception on the organization's appreciation for work and personal achievements**

*Source: Developed by the author based on collected data*

The percentage of 67.1% of the surveyed employees who are satisfied with the way they are valued by the management of the organization is a good one, exceeding two thirds of the total respondents, which allows us to assert that the appreciation of the work done by the management of the organization is achieved effectively at SCEH, which influences the employees' activity, labor productivity and their performances.

Researching employees' perception on organizational success and efficiency (r10.15) we found that more than half (55.8% of respondents) are satisfied with how the organization's management recognizes the employees' contribution to success and organizational efficiency (Figure 20). A percentage of 15.3% of the respondents said they were dissatisfied, while a fairly high percentage (30% of the total respondents) declared themselves neutral in relation to this issue.

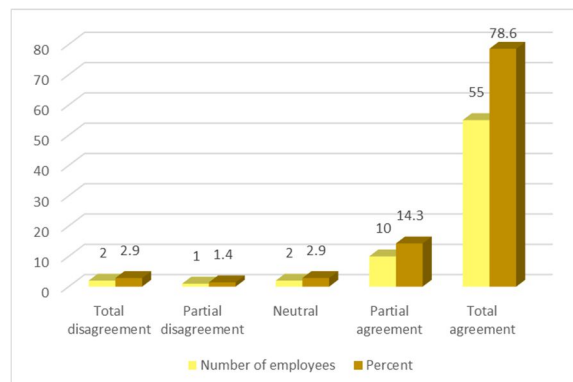
Recognizing the contribution to organizational success and efficiency by management of the organization can have significant influences on employee productivity and employee performance without involving financial efforts, recognition being an intrinsic motivational factor (Constantinescu et al., 2008).



**Figure 20. Perception of management's recognition of the contribution to organizational success and efficiency**

*Source: Developed by the author based on collected data*

Analyzing employees' perception on the importance of their workforce for the success and effectiveness of SCEH (the individual variable r10.16), we found that an overwhelming percentage (92.9% of the total respondents) think their job is important for the success and effectiveness of SCEH. Only a very small percentage (4.3% of the total respondents) did not consider their job to be important for the success and effectiveness of SCEH (Figure 21). This variable is a control variable that illustrates the importance of assessing the work done and recognizing the contribution made by employees to organizational effectiveness and performance.



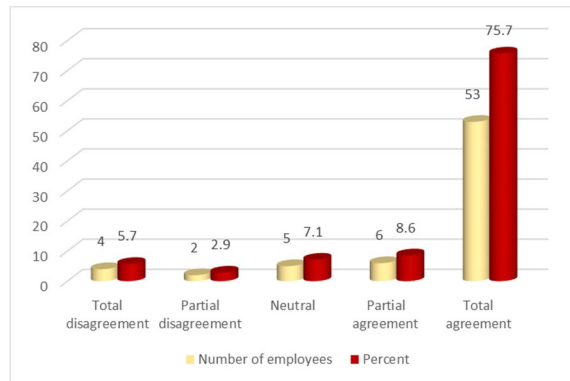
**Figure 21. Perception on the importance of their job for organizational success and efficiency**

*Source: Developed by the author based on collected data*

Following the IR6 hypothesis, we can say that this hypothesis is validated. The contributions and achievements of the employees are recognized within SCEH. Hospital staff said they felt appreciated and there are acknowledged their contributions, such organizational management actions being important to them.

The last hypothesis on reward policies (seventh) involves the analysis of a single individual variable (r10.19). Analyzing the employees' perception of the desirability of the job at SCEH compared to the private centers (the individual variable r10.19) it can be seen that 84.3% of the surveyed employees believe that

the SCEH is a place better for work than private medical centers, while only 8.6% do not share this opinion (Figure 22).



**Figure 22. Employees perception of the desirability of the job at the SCEH in relation to the medical private centers**

Source: Developed by the author based on collected data

Following the research of the IR7 hypothesis, we can say that this hypothesis is validated. SCEH is a better place to work than private medical centers.

An analysis of the correlations among the aggregate indices calculated for hypothesis regarding reward policies has revealed that all aspects of reward policies are strongly correlated, which allows us to conclude that all these aspects are important in the mechanics of the reward system, providing better motivation to the employees of the SCEH (Table 5).

**Table 5**

**Correlations between the aggregate indices calculated for hypothesis regarding reward policies**

|            |                     | IAIR1  | IAIR2  | IAIR3  | IAIR4  | IAIR5  | IAIR6  | IAIR7  | IAIR total |
|------------|---------------------|--------|--------|--------|--------|--------|--------|--------|------------|
| IAIR1      | Pearson correlation | 1      | .474** | .248*  | .690** | .468** | .503** | .408** | .813**     |
|            | Significance        |        | .000   | .038   | .000   | .000   | .000   | .000   | .000       |
| IAIR2      | Pearson correlation | .474** | 1      | .551** | .188   | .299*  | .436** | .371** | .627**     |
|            | Significance        | .000   |        | .000   | .119   | .012   | .000   | .002   | .000       |
| IR3        | Pearson correlation | .248*  | .551** | 1      | .140   | .342** | .237*  | .406** | .491**     |
|            | Significance        | .038   | .000   |        | .248   | .004   | .049   | .000   | .000       |
| IAIR4      | Pearson correlation | .690** | .188   | .140   | 1      | .546** | .489** | .322** | .793**     |
|            | Significance        | .000   | .119   | .248   |        | .000   | .000   | .007   | .000       |
| IAIR5      | Pearson correlation | .468** | .299*  | .342** | .546** | 1      | .493** | .460** | .758**     |
|            | Significance        | .000   | .012   | .004   | .000   |        | .000   | .000   | .000       |
| IAIR6      | Pearson correlation | .503** | .436** | .237*  | .489** | .493** | 1      | .434** | .732**     |
|            | Significance        | .000   | .000   | .049   | .000   | .000   |        | .000   | .000       |
| IAIR7      | Pearson correlation | .408** | .371** | .406** | .322** | .460** | .434** | 1      | .594**     |
|            | Significance        | .000   | .002   | .000   | .007   | .000   | .000   |        | .000       |
| IAIR total | Pearson correlation | .813** | .627** | .491** | .793** | .758** | .732** | .594** | 1          |
|            | Significance        | .000   | .000   | .000   | .000   | .000   | .000   | .000   |            |

\*\* The correlation is significant. \* The correlation is average.

Source: Developed by the author based on collected data

The way in which the salary package is structured and managed, encouraging performance through reward policies, and providing a motivating pay package are essential in the perception of employees of SCEH and can lead to an increase in employee productivity and performance, or a reduction if these issues are treated inadequately.

## 5. Conclusions

The purpose of health care services is to protect and improve the physical, mental and social health of individuals in order to increase the level of well-being and satisfaction in society. As in all service organizations, work productivity and employee performance are critical to the performance and quality of services that occupy an important place in organizational policies.

In this paper we have proposed and tested a tool for evaluating reward policies within a public hospital. At the SCEH, employees are satisfied with the way the wage package is structured and managed, and the wage package communication is effective. The salary system is structured fairly and correctly, the salary package being motivating within the SCEH. However, for some categories of staff the way the salary package is structured does not encourage performance. The SCEH recognizes employees' contributions and achievements, hospital being a better place to work than private medical centers due to wage increases in public hospitals, but precarious working conditions still cause medics emigration .

Based on the analysis we consider that the reward package should be related to the vision, strategy, culture and business models and objectives of the organization. The organization must also set up a good communication system to ensure a clear understanding by the employees of the organization's future. Employees must understand the role they play in achieving organizational goals, and they must be aware that the fulfillment of organizational roles lead to an increase in organizational performance.

Reward programs need to be well defined at different levels of the organization and must be reviewed periodically to keep employees motivated to the desired levels. Also, promises made regarding reward should be honored to ensure a fair relationship between the two sides.

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