Evaluation of Labour Related Disputes and Service Delivery in Healthcare Institutions in Nigeria: Moderating Role of Pay Structure

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Abstract

Medical doctors traditionally head healthcare institutions especially in the developing countries but of recent there has been increased agitation by other medical professionals challenging this practice, and this has come with an avalanche of challenges. In addition, there are complex employee features such as; non-implemention of signed agreements arising from negotiation, the reoccurring frictions among healthcare professionals over perceived discriminatory pay structure is another source of worry, coupled with other corporate welfare packages which have further compounded issues and worsened these agitations. This situation has led to a lot of disputes among the healthcare professionals which is affecting efficient service delivery to patients. Hence, the study examined the perceived impact of pay structure on labour related dispute and service delivery in healthcare institutions in Nigeria. Data were collected using descriptive study adopting the survey and case study designs and relying on qualitative method. The interview responses were analysed and transcribed thematically using NVivo 12 software, where each theme answered each research question, and the results anchored on the pay structure and issues of conflict. The study concludes that pay structure has a significant impact on labour-related disputes as all other explanatory variables also have an association with the explained variable. Therefore, the study recommended that the issue of pay structure should be based on qualification, equity and fairness in order for employees to get the desired job satisfaction that will promote industrial harmony and improve service delivery.

Keyword: labour dispute, pay structure, healthcare, service delivery

Introduction

Over the years, there have been several narratives of conflicting issues bedevilling the Nigerian health sector and in a quest to find lasting solutions, the federal government in 2014 set up a presidential committee of experts on inter-professional relationships in the public health sector. The committee discovered that there are no fewer than fifty (50) areas of conflict amongst the various professionals in the sector. These areas of conflict are mainly in organisational management, infrastructure, leadership and teamwork, remuneration and motivation, career development and management, professional practice, labour, legal and governance issues amongst others (Omisore, Adesoji, & Abioye-Kuteyi, 2017).

On the Asian continent, physicians and other healthcare professionals often quarrel on issues of common interest, while the stakeholders in the health sector continuously educate them on understanding their roles (Xu & Davidhizar, 2004). This misunderstanding of roles creates what is called identity conflict between physicians and other healthcare professionals. Traditionally in the developing countries, doctors lead medical teams responsible for patients’ wellbeing and must handle all situations with diligence. Nurses and other health professionals can offer different views to the
healthcare team to provide quality service to patients. These dissenting opinions can sometimes lead to conflicts amongst these professionals. Additionally, Xu and Davidhizar (2004) discovered in their study that in most Asian hospitals stressful work environment can be a source for tension, miscommunication, and conflict, not only among healthcare professionals but patients as well. Professionals especially in the Middle East region are not well grounded in the concept of healthcare and team members among groups as physicians are considered the dominating profession in the hospital environment.

The creation of regional organisations provided a niche to help ensure the stability of organisations for efficiency. The level of conversion of norms, interests and objectives between various organisations has increased considerably in Europe. Also, organisations still offer a unique and useful service to regional stability and business performance. The unique combination of institutional and policy analysis makes conflict a stimulating resource within organisations (Gebhard & Galbreath, 2010).

American organisations have norms (standards of appropriate behaviour) for conflict resolution. These norms are culturally based and can explain cultural differences in conflict management outcomes although the norms of discussing parties’ interests and synthesizing various issues of conflict are exhibited more strongly by managers in organisations. Equally, managers are more likely to resolve a greater number of issues and reach more integrative outcomes by arriving at solutions that satisfy every party to the conflict (Galanes & Adams, 2012). Culture in America has a significant effect on whether parties to the conflict select an integrative outcome involved distribution, compromise higher management, or no resolution at all (Tinsley & Brett, 2011).

Organisations that are structurally differentiated by character in modern time whether in manufacturing or service industry in Africa inevitably generate conflict of interests. These conflicts of interests arise in groups because of scarcity of freedom, position and resources (Hotepo, Asokere, Abdul-azeez, & Ajemuigbolohun, 2010). Workforce is divergent and conflict is an epidemic despite the best of management practices in organisations and manifest in various forms as an intrinsic and unavoidable feature of employment relationship. It is by nature an ever-present process and more likely to occur in hierarchical organisations where there were people with divergent views, opinions, backgrounds and interests.

Furthermore, the issue of disparity in wages and appointments into management positions has created a lot of disputes between medical doctors and other healthcare professionals in hospitals. For instance, it will take about thirteen years of working post-qualification as a pharmacist before one is qualified to earn the salary of a newly employed doctor. Also, worthy of mention is the 2009 and 2014 negotiated and renegotiated agreements between Academic Staff Union of Universities (ASUU), National Association of Resident Doctors (NARD), Joint Health Sector Union (JOHESU), Assembly of Healthcare Professionals, and the Federal Government of Nigeria (FGN) which were not fully honoured by the Federal Government and has resulted in several labour strikes and disputes (Ameh, 2018). It is against this background that the study examined the perceived impact of pay structure on labour-related disputes and service delivery in the Nigerian health sector.

Service delivery is another very crucial issue in the healthcare sector where patients receive treatment and care they are entitled to. Although, there are several forms of conflict that can affect service delivery in hospitals, as conflict can impact negatively on access to services, while compromising the ability of governments to provide healthcare to citizens. Likewise, the quality of care can diminish when patients receive poor treatments. Weingart and Cronin (2007) observed that organisations which had a good communication strategy in place, increased in performance especially on service delivery over time, whereas those that decreased in performance over time were more particularistic and focused on solutions to address negative reactions to conflict (reactive managers) rather than expertise in settling disputes through communication.

This study identified the problem of discriminatory pay structure within the tertiary healthcare institutions. Complains about the discriminatory pay structure amongst employees in the healthcare institutions have also been a source of worry and concern for government and stakeholders. The above reasons have frequently led to industrial disputes where different unions within the healthcare sector negotiate packages for their members.
Literature Review

There are many studies in literature which examine the issue under discussion that are reviewed so as to have a historical perspective of it and a balanced understanding of the concepts.

Conceptual Review

Issues of Labour Related Dispute

Salary, leadership management and government inability to implement agreements were common causes of healthcare workers’ strikes in Nigeria. Conflict or dispute is indeed an expression of disapproval, contradiction and clashes of interest between two groups or parties (Adomi & Anie, 2005). Its occurrence affects the system and its interdependent relationships exist in the system. It brings about disorderliness and break down of rules and procedural orders. Conflict is generic essentially because in every system; social, political and economic issues often generate into conflict. The peculiarities of organisational conflict always brew out of differences in stakeholder’s interests.

There are processes and management structures for the resolution of dispute whenever it rare its ugly head. The dispute and conflict resolution mechanism include special courts like industrial arbitration panel (IAP) as the external mechanisms while internal mechanisms include workers’ representatives (union leaders), meeting the management, and settlement between the concerned workers and the management.

Service Delivery

Service delivery refers to the actual delivery of a service and products to the customers or clients (Lovelock & Wright, 2002). It is therefore concerned with the where, when, and how a service or product is delivered to the customer and whether this is fair or unfair in nature. Smooth working relationships among health professionals are prerequisite for efficient delivery of healthcare services. This has often been overlooked to the detriment of patients’ care and increased cost to the healthcare system, particularly in developing countries. In many countries, doctors determine the scope of health education, nursing practices, and can directly define their limits and practicing boundaries which is prone to conflict.

Gjerberg and Kjolsrod (2001) opined that increasing male entry into nursing and female entry into medicine may change the perception of the role of gender in doctors-nurses work relationships. In many countries, including Nigeria, nursing is moving away from the traditional practice-based training towards dynamic university-based education. Furthermore, nursing education is increasingly socialized and this may ensure that nurses play a more independent professional role. Older nurses may also expect the traditional cultural respect that is due to older persons from often relatively younger doctors by way of decorum and show of respect which is lacking in most young medics. With these developments, nurses and other professionals in the healthcare industry are challenging the subordination of their occupational status to that of physicians which is having adverse effects on service delivery to patients. Nevertheless, some authors have warned that higher status workers could just as likely be victimized as those in lower status.

In Nigeria, the working relationships between doctors and other healthcare professionals have also been affected by episodes of withdrawal of services by both doctors and other allied healthcare professionals in recent times, which has occurred within the context of changing political and social environment and crippling economic difficulties associated with agitations by labour unions and civil society. There is also lack of political will as well as bureaucratic bottlenecks in public healthcare delivery in Nigeria. Professional conflict in the health sector is a serious cankerworm that is killing the system. The lack of team spirit and claim of superiority of a particular health professional over others has had a negative impact on performance and service delivery in Nigeria. These factors also affect the healthcare industry and relationships between various categories of health workers. Inter-professional conflicts in the Nigerian healthcare delivery system have been described as very intense, deep-rooted and crippling. Therefore, this study was conducted in order to identify such factors that brew disputes and the changes that are needed in order to improve these relationships and enhance delivery of better and more efficient healthcare services. Healthcare service delivery is a very important part of building blocks because it is
the fundamental backbone of any system. The importance of health systems is to deliver healthcare services effectively in order to address healthcare needs of the citizens.

Countries with effective and efficient healthcare delivery systems are those that deliver effective services to its users, anywhere, anyhow, and at any given time, by using Just-in-Time (JIT) approach (Abdulraheem, 2010). These services can be delivered in the rural areas, urban areas, hospitals, in every home, or as required by its citizens. Effective service delivery of healthcare in an effective health system requires recruiting trained and qualified experts (professionals) who are vast on their jobs; supplying adequate products and technologies that can be delivered; policies and guidelines; and ultimately funding from all levels of government (Omacho & Einspruch, 2010). Efficient and affordable healthcare service delivery leads to decrease in morbidity and decrease in mortality rates while it also reduces inequalities in the health sector.

Nigeria’s healthcare service delivery unlike the advanced countries has been on the downward trend for decades due to failure on the part of the government. Service delivery is carried out by professionals in tertiary health institutions in Nigeria as lack of political-will, poor salary structure and decay in infrastructure has rendered the system in shambles thereby leading to the frustration and migration of healthcare professionals to developed countries (brain-drain) where their expertise can be much appreciated (Alenoghena & Einspruch, 2010).

Pay Structure

Pay structure is a compensation plan often referring to all the components of a welfare package (wages, salaries, allowances and benefits), the mode of payments, and for what purpose employees receive bonuses, salary increases, and incentives. Pay structure is another significant area where there is sharp division of opinions among doctors and other health professionals as par monetary issues, remuneration and compensation. The persistent calls for review of salaries, allowances and the totality of employees’ emoluments upward is always the first order of the labour’s demand list whenever conflict occurs in the Nigeria health sector. For example, the issue of hazard allowance which is pegged at five thousand naira for all categories of health workers (with the exception of medical doctors whose allowance was unilaterally raised to sixty thousand naira when doctors’ salaries were reviewed upwards in 2014) created a lot of disputes in tertiary health institutions in Nigeria (Ogbonnaya, Ogbonnaya, & Adeoye, 2007).

In addition, the breakout of the novel Corona Virus disease tagged COVID-19 which has put the whole world in total lockdown has triggered the health workers’ demands for improved welfare package especially the issue of hazard allowance. While thousands of medical and health workers has lost their lives due to this deadly virus in the cause of their duties, and also the lives of workers are in grave danger due to this global pandemic, hence the need for a review to their hazard allowances.

Every reward system is based on the notion that rewarding employees would motivate, attract and retain workers especially now when there is shortage of quality health professionals due to the issue of brain drain in the Nigeria health sector. Thus, any reward system or compensation that fails to achieve these assumptions would be considered a failure (Keitner & Kinicki, 2004). Over the years, scholars have held that financial reward is the best at motivating and reinforcing workers’ morale thereby increasing their level of performance. But in recent times organisations do not see the need to pay employees commensurate with their productive capacities and even as at when due, corrupt tendencies, discriminatory pay systems, impunity and sentiments drive organisational managers to misappropriate monies meant for salary payments and allowances, and also embarking on frivolous spending that is totally different from the statutory payments that workers are due.

Any organisations that do not take into consideration the issue of staff welfare is prone to vulnerabilities which might lead to failure to achieve its set objectives and target as a result of decline performance of employees (Oyira, 2010).

Bratton and Gold (2007) ascertained that, there are other means to reward employees other than financial compensation. Some of these intrinsic rewards include: job recognition, commendation, training and development, managers’ award, leadership attention and so on. This would work out if the monetary reward (extrinsic) is added to non-monetary rewards. These motivators seamlessly appeal to
workers most when reward systems are put at the front burner and are therefore considered as excellent means to encourage employees to work harder for efficient service delivery in organisations (Dada, 2004). This is because a well-rewarded employee feels more committed to the organisation and therefore works harder to deliver quality service to clients as every organisation especially healthcare institution needs a non-discriminatory and fair pay structure for healthcare professionals (Saiananova & Gonzales, 2002). Good wage structure plays an important role in organisational success, while monetary rewards can be tangible such as; cash compensation, bonuses, hazard allowance, research allowance, health insurance scheme for staff and other ancillary benefits which makes staff satisfied on their job, hence prompting them to be more committed and deliver efficient service to patients. (Schuller & Jackson, 2002).

Basic pay is the payment that is received as a wage or as salary paid to an employee for carrying out their specific job functions. Paauwe and Boselie (2005), argued that merit pay is a basic term for any mechanism that is used to adjust salaries or provide compensation to reward higher level of employee’s task in organisation (Desler, 2006).

**Theoretical Review**

**Equity Theory**

The theory was postulated by Adams in 1965 and focuses on determining whether the distribution of resources is fair to both working partners. Equity is measured by comparing the ratio of contributions (or costs) and benefits (or rewards) for each person. The equity theory is considered as one of the justice theories. Equity theory was first developed in the 1960s by John Stacy Adams, a workplace and behavioural psychologist, who asserted that employees seek to maintain equity between what they bring on board as contributions and what they get out of it as rewards (Adams, 1965). According to this theory, in order to maximize individuals’ rewards, we tend to create systems where resources can be fairly divided amongst members of a group. Inequalities in a relationship will cause those within it to be unhappy to a degree proportional to the amount of inequalities. The belief is that people value fair treatment which causes them to be motivated or prompt their motivation to keep the fairness maintained within the relationships of their co-workers and organisations. Partners do not have to receive equal benefits (such as receiving the same amount of love, care and financial reward) or make equal contributions or sacrifices (such as investing the same amount of energy, time, skills and resources) as long as the ratio between these benefits and other contributions is similar.

Equity like other motivational and performance enhancement theories acknowledges that subtle and variable individual factors affect each person’s assessment and perceptions of their relationships with their partners (Guerrero, Peter, & Walid, 2014). According to Adams (1965), anger is induced by independent inequity and guilt with over payment equity (Spector, 2008). Payment whether wage or salary is the main concern and therefore the cause of equity or inequity in organisations. In any situation, employees want to feel that their contribution and work performance is being rewarded and appreciated. If an employee feels underpaid then it will result in the employee feeling hostile towards the organisation and perhaps their co-workers which may lead to dispute that will affect performance in organisation. The mere idea of job recognition and appreciation will cause employee a feeling of satisfaction on their job and therefore help the employees feel worthwhile and better and offer quality services.

However, scholars have criticized equity theory towards both the assumptions and practical application of the theory, and have questioned the simplicity of the model, arguing that a number of demographic and psychological variables affect peoples’ perceptions of fairness and interactions with others. Furthermore, much of the research supporting the basic propositions of equity theory has been conducted in laboratory settings, and thus has questionable applicability to real-world situations (Huseman, Hatfield, & Miles, 1987). Critics have also argued that people might perceive equity and inequity not only in terms of the specific inputs and outcomes of a relationship, but also in terms of the overarching system that determines those inputs and outputs. Thus, in an organisation, one might feel that his or her compensation is equitable to other employees but another might view the entire compensation system as unfair (Carrell & Ditrich, 1978).
This theory has been widely applied to organisations to describe the relationship between employees’ motivation and their perception of equitable or inequitable treatment. Healthcare organisations are faced with a lot of conflicts arising from staff dissatisfaction of how they are treated especially other health professionals versus medical doctors. Conclusively, this theory states the concept of social comparison, whereby employees examine their input/output ratios viz a viz other employees. The implication of this is that self-evaluation and healthy competitions among health professionals come into play which will result in improved service delivery to patients and nip conflict in the bud.

**Empirical Review**

Bun and Huberts (2018) examined the impact of higher fixed pay and lower bonuses on productivity. The objective of the study was to analyse the effect of performance-related pay on productivity exploiting a change in the payment structure of a large Dutch marketing company. The study made use of primary data of roughly 3000 employees in 2013 and 2200 in 2014 with workers’ specific shift performance as the appropriate measure. The data was analysed using a range of models and estimation techniques. The study found that average productivity decreases when the pay structure shifts more to fixed pay. It recommended that the effect of pay structure on the performance of workers, as demonstrated in this analysis can cause a double dip effect for companies required to pay a minimum wage if this wage reduces the workers’ performance pay incentives.

Quentin and Busse (2018) conducted a study on “Paying hospital specialists: Experiences and lessons from eight high-income countries”. The objective of the study was to review and compare specialist payment systems in Canada, England, France, Germany, Sweden, Switzerland, the Netherlands, and the USA (Medicare) in order to provide inspiration for future reforms of payment systems internationally. Data was collected through the use of structured questionnaires. The study found that many countries were increasingly shifting towards blended payment systems as well as systematic bonus schemes for salaried employees.

In the work of Oleribe, Udofia, Oladipo, Ishola and Taylor-Robinson (2018), documented physicians’ views on healthcare workers-initiated strike action in Nigeria were examined. The methodology of their study was cross-sectional and descriptive approach using a self-administered pre-tested structured questionnaire. The study concluded that poor staff welfare, salary, leadership and government inability to implement agreements were common causes of healthcare workers’ strikes. The study therefore recommended that the federal government respects agreements made with the management of healthcare institutions, implement the national health act and ensures that only leaders or managers who are formally trained are appointed to lead healthcare institutions.

Agba and Ushie (2013) in their study on wage differentials and industrial disputes in Nigerian hospitals examined medical and non-medical staff perception of differences in wage on industrial disputes in Nigerian hospitals. Samples of 1109 respondents were purposively selected from primary, secondary and tertiary hospitals in south-south geo-political zone of Nigeria. Information was elicited from respondents via structured questionnaire and data was analysed using Pearson product moment correlation coefficient and multiple regression analysis. Results indicated that wage differentials in terms of basic salary, hazard and fringe benefits significantly influenced industrial disputes in hospitals. The study recommended among others policy reforms options and upward review of medical and para-medical staff wages in Nigeria.

**Methodology**

This study is a descriptive study adopting the survey and case study method using the deductive approach and relying on qualitative method common in business management research. The qualitative method helps to solicit information on the perspective and thought of the staff in the areas of pay structure and dispute resolution in tertiary health institutions in Nigeria. The population of this study involved the staff of Federal Medical Centre Bida, Niger State, Nigeria.
Thematic Analysis of the Interview Responses

Figures 1 and 2 below present the thematic analysis of the study, based on data collected from the in-depth interviews conducted with staff of Federal Medical Centre Bida, Niger State, Nigeria. The analysis presented answered the research questions which were explored through in-depth interview. The aim of the thematic analysis is to examine and probe the opinions of the staff on pay structure and issues of conflict in FMC Bida, and their mindset. The interview responses were analyzed and transcribed thematically using NVivo 12 software, where each theme answered each research question, the result anchored on the pay structure and issues of conflict in FMC Bida, and their goals. The study identified themes and sub-themes that describes the constructs and variables under consideration. The population of study comprised of 920 members of staff in the selected medical and health professionals of the Federal Medical Centre Bida. The sample size for the study was eight (8) staff, with their gender status being six (4) males representing 50%, while the number of females is four (4) which represents 50%. There are four medical doctors and four other health professionals within those interviewed whose job description align with the objective of this study being qualitative a work. In addition, the sample size was validated by what is called respondent validation.

Figure 1: Informants’ perceptions on service delivery
Source: NVivo Output (2020)
Figure 2: Perception on equitable pay structure
Source: NVivo Output (2020).

Pay Structure

A compensation plan refers to all the components of a compensation package (wages, salaries, and other allowances), the manner in which payments will be administered, and why employees receive bonuses, salary increases, and incentives.

All employees in a job category can be paid the same, or pay can vary based on performance, seniority, skill, competency, etc. Distinctions in pay across employees can be large or small and the system can be hierarchical with most of the compensation benefits going to top executives whereas lower-level employees are paid the lowest possible rates, or the compensation system can be more egalitarian, with greater parity across organisational echelons; etc.

The above statements is in line with the submission of Interviewee 1 who sees discriminatory pay structure and the concept of no-work-no-pay rule as one of the issues that negatively affect service delivery in the health sector. In his words
The discrimination in pay structure in the Nigerian healthcare institutions, disparity in salaries between doctors and other health workers. This is highly discouraging due to we people attending the universities and providing similar services to patients. Also, the issue of no-work-no-pay rule is also affecting as some of us are being owed two (2) month salary arrears due to our involvement in April 2018 industrial strike embarked upon by JOHESU members. (JHS 1)

In addition, JHS2 also supports equitable pay structure be given to employees in the healthcare sector so as to prevent conflict which in turn leads to efficient service delivery. Also, in his submissions “Dispute resolution strategies influences the delivery of efficient service or otherwise in the health sector when workers see the pay structure as being fair and equitable”. Similarly, NUAHP2 corroborated the submissions of the two interviewees by saying ‘In addition, monetary reward such as bonuses, allowances and other ancillary benefits should be attached to work to make it more attractive, while workers should be given the opportunity to develop their careers to the peak”.

Service Delivery

Based on interviews with the executive members of the leading labour unions; NMA and JOHESU in the tertiary healthcare institutions used for this study in figure 1 above, that equitable pay structure, job description and conducive work environment affects service delivery in the Nigerian health sector.

The submissions of the interviewees above aligned with the work of Bun and Huberts (2018) who examined the impact of higher fixed pay and lower bonuses on productivity and submitted that compensation influences the quality of the people who apply for job, those that are hired and the likelihood of job acceptance. In addition, Ogbonnaya, Ogbonnaya and Adeoye (2007) report revealed that differential salary scale between the doctors and other health workers, physician intimidation and discrimination of other professions, inordinate ambition of the other professions to lead the health team, and envy of doctors by other professions was the main factor perceived to cause inter-professional conflict among health workers This corroborates findings from this study where conflict management dynamics had positive impact on service delivery. According to Shaukat, Yousaf and Sanders (2016), they found that relationship conflict is negatively related to task performance and contextual performance positively relates to turnover intentions, and that the three dimensions of job burnout distinctively mediate the linkages between relationship conflict, task and contextual performance and turnover intentions.

However, this is contrary to the work of Gjerberg and Kjolsrod (2001), who opined that inter-professional conflict amongst the professionals in the health sector such as challenging the occupational status of physicians which have adverse effects on service delivery.

Conclusion and Recommendations

The study concludes that pay structure has a significant impact on dispute resolution as all other explanatory variables also have positive relationship with the explained variable. Therefore, categorizing the appropriate style of managing conflict based on the competence of individual staff so as to get them to a satisfactory level by providing conducive work environment, room for career development, and equitable reward system.

The main role of managers is to understand the dynamics of disputes which arises as a result of conflict determinants such as discriminatory pay structure, interpersonal relationship that brews disputes amongst doctors and other health professionals and the re-occurring issue of not honouring wage agreements signed during negotiation between the government and labour unions.

Therefore, the study recommended that the issue of pay structure should be based on qualification, equity and fairness in order for employees to get the desired job satisfaction that will promote industrial harmony and improve service delivery in the Nigerian tertiary healthcare institutions.
References


