

Performances pay for mgoa physicians



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The primary objectives of the proposed MGOA pay for performance was to return MGOA back to financial stability by motivating the doctors to increase their clinical productivity, ensuring repeated performance, allocating all departmental cost to the doctors and eliminating the salary protection presently provided for low performance. The compensation plan attempted to reward the doctors for number of surgeries they could perform (clinical productivity) in any given period. The new MGOA pay for performance was tied to clinical activities and this, in a way, underestimated the relevance and contribution of teaching and medical research.

While Rubash's argument that " financial security will allow MGOA to achieve its mission" was true, he failed to realize the negative effect of possible misalignment of his proposed pay strategy with the organization mission on the motivation of the physicians. Without a strong medical research activities, MGOA would lose its medical research reputation and this would had a long term effect on the output and number of patients, which could in turn led to decline in revenue. Expectancy Theory:

Rubash goal was to drive productivity in order to increase MGOA revenue, and he figured out he could achieved this by motivating the doctors to increase their clinical productivity and making each one of them take full responsibility for his cost. However, the Expectancy theory reveals that employee motivation is an outcome of how much an individual wants a reward (valence), the assessment that the likelihood that the effort will lead to expected performance (expectancy) and the belief that the performance will lead to reward (instrumentality).

This theory concentrates on the following relationship as it applies to MGOA pay for performance strengths and weaknesses: Effort-performance relationship (Expectancy): This relationship examines the likelihood that the MGOA doctors' effort be recognized in their performance appraisal. Rubash pay plan focused on the clinical productivity, therefore, the doctors who spent most of their hours on clinical activities had high expectancy that their effort would be recognized.

However, the MGOA doctors that focused their interests on Medical Research and Education were worried, and did not believe that they proposed pay plan would work in their favor; they had low expectancy. The reaction of the MGOA researchers reflected the misalignment of the pay strategy with the organizational mission. Performance-reward relationship (Instrumentality): This factor examines the extent which the employees believe that getting a goal performance appraisal leads to organizational rewards.

Rubash specifically laid down what he expected from the doctors and he set the clinical goals they had to achieve in order to qualify for reward. However, despite the "operational frank meetings" with the MGOA physicians, they still didn't believe in the instrumentality of the new pay strategy. The evidence of this weakness was reflected by the complaints of the physicians that the proposed bonus plan would simply be a tax on the productive doctors. They believed the bonus system was a punishment for being over-productive.

In addition, the lack of bonus guarantee was a great concern for the doctors. Lastly, MGOA physicians believed the existing collection system would have a negative impact on the measurement of their productivity under the

proposed pay plan. Reward-personal goal relationship (Valence): The last relationship is "all about the attractiveness or appeal of the potential reward to the individual". This is a question of "how much" the MGOA physicians wanted or valued the proposed pay plan. The statement made Dr. David Ring summed it up all in one sentence. Advancing the care of patients and the science of medicine takes a motivation beyond money". Moreover, the uncertainty about the future of Medical Research and Teaching at MGOA discounted the attractiveness of the proposed plan, and it was a no-surprise that Dr. Jupiter said "An academic faculty practice should provide an environment that supports its faculty in pursuing interests in research and teaching". Therefore, while the MGOA clinical oriented physicians did not seem to have any doubt about the attractiveness of the proposed pay plan, the MGOA researchers did not see any attractiveness in the plan.

Moreover, medical research was a major factor in advancing physicians careers, and for this reason, the only pay strategy that would gain their acceptance was the one that gave priority to research. Conclusion: Medical research was important to the mission of MGOA, it contributed to the reputation and image of the department as a leader in orthopedics. Putting clinical ahead of medical research did not align with the mission of MGOA. Medical research should be given the same attention given to Clinical activities, and understandable metrics should be designed to measure medical research activities, and be rewarded accordingly.

Recommendations: A SMART rule should be used to set goals for the physicians. Rubash should involve them in goal-setting to gain their commitment and acceptance, monitor and provide support and regular

feedback to the physicians; A measurable reward system that effectively measure both research and clinical activities should be designed and this system must be reviewed periodically. Lastly, MGOA leaders should expand the research fund pool in order to ease the cost burden of research activities on the department; and the department should overhaul its collection process.