

## **The motivational effects of changing from a fixed salary to performance based remuneration of Russian physicians**

### **Objectives**

It is assumed that a performance based pay provides much stronger financial incentives for health workers to improve performance and efficiency than a fixed salary system. The Russian government substituted in 2008 the rigorous national pay scale for public sector workers by the more flexible performance scheme of basic salary and the additional performance based remuneration. In 2012 the new stage of reform started.

The objective of this research is to study what is the impact of development during last years the performance based remuneration system of the Russian physicians on their motivation at work.

### **Data and methods**

The research uses the data of five surveys conducted in 2007–2014. To reveal work motivation physicians were asked a set of questions on professional values and feelings about work with multiple choices of answers and with use of five-point Likert scale. The research used the standard statistical techniques.

### **Results**

The marked increase of physician's salaries during last years and changes in the salary scheme, aimed at strengthening its stimulating character, had not activating, but conservative effect on their motivation.

Changes in the hierarchy of intrinsic motives of doctors to work were minor. Fair remuneration is strongest incentive. But at the same time, the share of doctors willing to work more and better on the condition of linking salary with labor contribution did not increase in the period under consideration. In contrast, almost two-thirds of physicians believe that they are working on a high level of quality and performance, and the share of these doctors has a clear upward trend.

The majority of physicians desire to increase not a stimulating part of the salary but a base, fixed one. Doctors who receive bonuses for the intensity, quality and performance, and

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who have a higher amount of salary wish to see the share of fixed part of salary higher than it is now available. This is a clear indication of orientation of professional groups with good opportunities for earning money to maintain the status quo and to strengthen the protective function of the salary.

These results might be explained by inconsistent implementation of the principles of performance based remuneration, and by sufficient part of informal payment of patients in doctor's incomes.