

Exploring nurses' perceptions of the influence of compensation on work performance at a South African state hospital

by

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&

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DECLARATION

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ACRONYMS

EC	Employee compensation
EE	Employee Engagement
EMS	Emergency Medical Services
ENA	Enrolled Nursing Auxiliary
EPW	Employee performance in the workplace
EPWP	Expanded public works programme
HR	Human Resource
HRM	Human Resource Management
HRP	Human Resource Practitioner
IOP	Industrial and Organisational Psychology
ILR	Integrative literature review
IWB	Innovative work behaviour
KPI	Key performance indicators
LMX	Leader member exchange
MBO	Management by Objectives and development programme
NHRD	National Health Research Database
NSFAS	National Student Financial Aid
OCB	Organisational citizenship behaviour
OE	Organisational effectiveness
OP	Organisational Psychology
PMDS	Performance Management and Development System
RDP	Reconstruction and development programme
RSU	Resident stock units
SANC	South African Nursing Council
SSA	Statistics South Africa
UNISA	University of South Africa
VAT	Valuable Added Tax
WHO	World Health Organisation

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SUMMARY

EXPLORING NURSES' PERCEPTIONS OF THE INFLUENCE OF COMPENSATION ON WORK PERFORMANCE AT A SOUTH AFRICAN STATE HOSPITAL

by

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This qualitative study explored nurses' perceptions of compensation at a state hospital in South Africa and its influence on work performance. The research pursued three empirical objectives:

- to explore nurses' perceptions regarding the effect of compensation on their performance;
- to examine how compensation packages might be structured to enhance performance; and
- to identify interventions beyond compensation that could improve nurses' performance.

A purposive sample of 11 nurses was interviewed, achieving data saturation. The thematic analysis revealed five main themes: inadequate compensation, incentives and financial strain; workload and resource challenges; motivation to perform work; leadership and communication; and training and development.

The findings indicated that while nurses expressed dissatisfaction with compensation and inequitable incentives, their performance is sustained through intrinsic motivation, professional pride, and commitment to patient care. However, systemic challenges such as staff shortages,

resource constraints, ineffective leadership, and limited training opportunities were identified as significant barriers to morale and optimal performance.

The study was limited by its single-site focus, small sample size, reliance on self-reported data, and the researcher's insider status. Despite these limitations, the research provided valuable insight into the lived realities of nurses in the public health sector. Recommendations have been provided for future research, the participating hospital, and the field of Industrial and Organisational Psychology (IOP). These include expanding the research study across multiple sites; addressing compensation inequities; strengthening leadership and communication; investing in training and development; and advancing theory-practice integration within IOP.

Overall, the study contributed to understanding how compensation and organisational practices intersect with intrinsic motivation to shape nurses' performance in South Africa's public health system. By situating nurses' experiences within broader socio-political and organisational contexts, the research offers practical and theoretical insights for hospital management, policymakers, and the IOP discipline.

Key terms: Equity theory; Industrial and Organisational Psychology; intrinsic motivation; leadership and communication; nurse compensation; resource constraints; South African public health sector; training and development; work performance; workload challenges

OPSOMMING

VERKENNING VAN VERPLEEGKUNDIGES SE PERSEPSIES OOR DIE INVLOED VAN VERGOEDING OP WERKSPRESTASIE BY 'N SUID-AFRIKAANSE STAATSHOSPITAAL

Hierdie kwalitatiewe studie het verpleegkundiges se persepsies van vergoeding by 'n staatshospitaal in Suid-Afrika en die invloed daarvan op werksprestasie ondersoek. Die navorsing het drie empiriese doelwitte nagestreef:

- om verpleegkundiges se persepsies rakende die effek van vergoeding op hulle prestasie te ondersoek;
- om te ondersoek hoe vergoedingspakkette gestruktureer kan word om prestasie te verbeter; en
- om intervensies benewens vergoeding te identifiseer wat verpleegkundiges se prestasie kan verbeter.

'n Doelbewuste steekproef van 11 verpleegkundiges is ondervra en dataversadiging is bereik. Die tematiese analise het vyf hoof temas aan die lig gebring: onvoldoende vergoeding, aansporings en finansiële druk; werk- en hulpbronnuitdagings; motivering om werk te verrig; leierskap en kommunikasie; en opleiding en ontwikkeling.

Die bevindinge het aangedui, dat hoewel verpleegkundiges ontevredenheid uitgespreek het met vergoeding en onbillike aansporings, hulle prestasie volgehou word deur intrinsieke motivering, professionele trots en toewyding aan pasiëntsorg. Sistemiese uitdagings soos personeeltekorte, hulpbronbeperkings, oneffektiewe leierskap en beperkte opleidingsgeleenthede is egter as beduidende hindernisse vir moraal en optimale prestasie geïdentifiseer.

Die studie was beperk deurdat die fokus op een enkele terrein was, die klein steekproefgrootte, die afhanklikheid van selfgerapporteerde data en die navorser se binnekringstatus. Ten spyte van hierdie beperkings het die navorsing waardevolle insig verskaf in die lewenswerklikhede van verpleegkundiges in die openbare gesondheidssektor. Aanbevelings is gemaak vir toekomstige

navorsing, die deelnemende hospitaal en die veld van Bedryf- en Organisasiesielkunde. Dit sluit in die uitbreiding van die navorsingstudie oor verskeie terreine; die versterking van leierskap en kommunikasie; die belegging in opleiding en ontwikkeling; en die bevordering van teorie-praktyk-integrasie binne Bedryf- en Organisasiesielkunde.

Oor die algemeen het die studie bygedra tot die begrip van hoe vergoeding en organisatoriese praktyke kruis met intrinsieke motivering om verpleegkundiges se prestasie in Suid-Afrika se openbare gesondheidstelsel te vorm. Deur verpleegkundiges se ervarings binne breër sosio-politieke en organisatoriese kontekste te plaas, bied die navorsing praktiese en teoretiese insigte vir hopsitaalbestuur, beleidmakers en die Bedryf- en Organisasiesielkunde-dissipline.

Sleuteltermes: Billikheidsteorie; Bedryf- en Organisasiesielkunde; intrinsieke motivering; leierskap en kommunikasie; vergoeding vir verpleegkundiges; hulpbronbeperkings; Suid-Afrikaanse openbare gesondheidsektor; opleiding en ontwikkeling; werksprestasie; werkklasuitdagings

KAKARETŠO

GO HLOHLOMIŠA DIKGOPOLO TŠA BAOKI TŠA KHUETŠO YA TEFO GO PHETHAGATŠO YA MOŠOMO SEPETLELENG SA MMUŠO SA AFRIKA BORWA

Nyakišišo ye ya khwalitheithifi e ile ya hlohloimiša dikgopolo tša baoki mabapi le tefo sepetlelelang sa mmušo sa Afrika Borwa le khuetšo ya yona go phethagatšo ya mošomo. Nyakišišo e ile ya tsepelela ditebo tše tharo tša tebedišišo, e lego go

- hlohloimiša dikgopolo tša baoki mabapi le seabe sa tefo mošomong wa bona.
- nyakišiša gore meputso le dikholego tša tefo di ka beakanywa bjang go kaonafatša phethagatšo ya mošomo.
- hlaola ditsenogare tšeo di fetago tefo tšeo di ka kaonafatšago phethagatšo ya mošomo wa baoki.

Go ile gwa boledišanwa le kemedi ye e kgethilwego ya baoki ba 11, go fihlelela kgoboketšo ya datha. Tshekatsheko ye e ka amantšhwago le hlogo ya nyakišišo e utolotše dihlogo tše hlano tše dikgolo: tefo yeo e sa lekanago; meputso le kgatelelo ya tša ditšhelete; tekanyo ya mošomo le ditlhohlo tša methopo; tutuetšo ya phethagatšo ya mošomo; boetapele le poledišano; le tlhahlo le tlhabollo.

Dikhwetšo di bontšhitše gore gaešita le ge baoki ba be ba bontšha go se kgotsofale ka tefo le meputso ye e sa lokago, phethagatšo ya bona ya mošomo e tšwetšwa pele ke tutuetšo ya ka gare, boikgantšho bja mošomo le go ikgafa go hlokomeleng balwetši. Le ge go le bjalo, ditlhohlo tša tshepedišo tše bjalo ka go hlaelela ga bašomedi, go hlaelela ga methopo, boetapele bjo bo sa hlogo le dibaka tše di lekanyeditšwego tša tlhahlo di ile tša hlaolwa e le mapheko a magolo a go fokotša go ba le tutuetšo le go phethagatša mošomo gabotse.

Nyakišišo e be e lekanyeditšwe ke go lebiša tlhokomelo lefelong le tee, bogolo bjo bonnyane bja kemedi, go ithekga ka tshedimošo yeo e begilwego ke motho ka noši le boemo bja motho yo a lego ka gare wa monyakišiši. Go sa šetšwe mafokodi a, nyakišišo e ile ya nea temogo e bohlokwa ya maitemogelo a baoki ka lekaleng la tša maphelo a setšhaba. Ditšhišinyo di ile tša newa bakeng sa nyakišišo ya nakong e tlogo, sepetlele seo se kgathago tema le lefapha la Saekholotši ya Mokgatlo le Intasteri (IOP). Tše di akaretša go katološa thuto ya nyakišišo mafelong a mantši; go rarolla go se lekalekane ga tefo; go matlafatša boetapele le poledišano; go beeletša ka go tlhahlo le tlhabollo; le go tšwetša pele kopanyo ya teori le tirišo ka gare ga IOP.

Ka kakaretšo, nyakišišo e ile ya thuša go kwešiša ka moo tefo le mekgwa ya go rulaganya e kopanago ka gona le tutuetšo ya ka gare ya go bopa phethagatšo ya mošomo ya baoki setemong ya tša maphelo a setšhaba ya Afrika Borwa. Ka go bea maitemogelo a baoki ka gare ga maemo a magolo a tša leago le dipolitiki le a mokgatlo, nyakišišo e nea ditemogo tše bohlokwa le tša teori bakeng sa taolo ya sepetlele, bahlami ba melao le lefapha la IOP.

Mareo a bohlokwa: teori ya tutuetšo, Saekholotši ya Mokgatlo le Intasteri; tutuetšo ya ka gare; boetapele le poledišano; tefo ya baoki; dithibelo tša methopo; lefapha la Afrika Borwa la tša maphelo a setšhaba; tlhahlo le tlhabollo; phethagatšo ya mošomo; ditlhohlo tša mošomo

CHAPTER 1: SCIENTIFIC ORIENTATION TO THE RESEARCH

1.1 INTRODUCTION

In chapter 1 the background and motivation for the study, the problem statement, the research questions, the research aims, the paradigm perspective and the research design is discussed. The research design section includes details on the research approach, research strategy and research method. The research method covers the research setting, entrée and establishing the researcher's role, the research procedure, the research participants, the data collection methods, how data were recorded, the analysis of data, the strategies employed to ensure the quality of the data, and the ethical considerations. The chapter concludes with an outline of the chapters in the dissertation.

1.2 BACKGROUND TO THE RESEARCH

Health care in general is integral to any country's well-being and a country's health and health care system is usually assessed according to performance categories such as access to care, care procedure, administrative efficiency, equity, and health outcomes (Vankar, 2024). Public health care is described as the science and art aimed at the prevention of disease, prolonging life, and promoting physical health (Abrahams et al., 2022). In South Africa, the public healthcare system plays a key role in providing medical services to the majority of the population. State hospitals play a significant role in health care and provide professional treatment, surgery, and inpatient services (Jeon & Park, 2020). Approximately 82 out of every 100 South Africans rely on public healthcare because they do not have medical insurance or access to private healthcare (Statistics South Africa [Stats SA], 2017). This means that, in 2017, 82% of the population depended on state hospitals and clinics for their healthcare needs. This subsequently increased, as confirmed by the Minister of Health of South Africa in March 2021 that 84% of South Africans make use of public healthcare services, while the remaining 16% utilise private healthcare services (Turner, 2021).

In South Africa the public sector manages the nation's public healthcare system, which includes 422 hospitals and 3841 clinics and health centres (Stats SA, 2017). These facilities provide essential medical services to millions of people across the country. In terms of spending, the South African government allocates a significant portion of its budget to healthcare. For every rand spent by the government, 11 cents goes towards healthcare, making it the fourth largest item of government expenditure (Stats SA, 2017). The bulk of this spending (86%) is managed by provincial governments, who are responsible for operating and maintaining the public healthcare system (Stats SA, 2017). Despite economic challenges and budget constraints, ensuring effective allocation of resources within the healthcare system is the key to providing adequate services for those without medical insurance (Stats SA, 2017). It is essential that the government continue supporting state hospitals and clinics to meet the healthcare needs of the majority of South Africans.

Provincial governments in South Africa play a vital role in the administration of the country's health system, and are responsible for providing healthcare to those in need. This task area of government responsibility takes a large portion of provincial government spending, that is, 30% (Stats SA, 2021). Abrahams (2021) noted that the South African health system remained a stressed sector that is affected by poor leadership and improper resource allocation. The continuous decline in quality healthcare since the apartheid era has caused the public to lose trust in the system, because of the challenges such as long waiting times and a shortage of medicine at most public healthcare facilities (Maphumulo & Bhengu, 2019). In addition, the media has influenced the public's opinion by reporting negative stories about primary healthcare institutions and it makes strong allegations of poor service delivery. Among these are allegations of fraud and corruption, lack of medical resources, staff shortages and long waiting times (Abrahams, 2021).

Abrahams et al. (2022) stated that nurses at state hospitals in South Africa are the first people to assist patients when they are being admitted or treated, and make sure that the patients are well taken care of when admitted to a hospital ward and when they are being discharged. According to Arthur et al. (2015), nurses in South Africa make up the largest group of health service providers and their role in promoting health and providing important health services is

uncontested. South Africa has three categories of nurses: professional (registered) nurses with four years of training; enrolled nurses with two years of training, and nursing assistants or auxiliaries with one year of training (Arthur et al., 2015). All nurses are regulated and accredited through a well-established system of nursing education through the South African Nursing Council (SANC) (2021). Negussie and Berehe (2016) stated that nurses are the most important human resource among the staff at a hospital, as well as the largest group, i.e. 44.1% of total medical personnel. Nurses play a major role in providing timely, quality health services in hospitals, so it is important to identify factors that influence their performance, in order to improve the quality of healthcare delivered in hospitals (Negussie & Berehe, 2016).

Employee performance is positively associated with remuneration, particularly when compensation frameworks are perceived as being equitable, merit-based, and congruent with both intrinsic and extrinsic motivational drivers. Nonetheless, this relationship is moderated by psychological and contextual factors, which indicate that remuneration alone is not a definitive predictor of performance outcomes (Alwaki, 2018; Chen et al., 2023; Fulmer et al., 2023; Reddy, 2020).

A study done by Alwaki (2018) found that remuneration affects employee attitudes significantly, which in turn influences performance. The study concluded that remuneration does not impact performance directly, but does so indirectly through attitude changes (Alwaki, 2028). Reddy (2020) emphasised that compensation, both monetary and non-monetary, played a critical role in motivating employees and improving organisational effectiveness. However, the impact depends on how compensation is structured and perceived. Chen et al. (2023) conducted a meta-analysis of 108 sampled participants and found that pay-for-performance is positively related to job performance, especially task performance. The study done by Chen et al. (2023) noted that intrinsic motivation and perceptions of distributive and procedural justice mediate this relationship. Fulmer et al. (2023) reviewed 30 years of research and confirmed that compensation is a central factor in defining the employment relationship. Fulmer et al. (2023) found that pay-for-performance systems generally enhance performance but they must be carefully designed to avoid unintended consequences such as inequity or stress.

1.3 PROBLEM STATEMENT AND MOTIVATION FOR RESEARCH

Like the rest of the world, South Africa is currently facing a nursing shortage. The World Health Organisation (WHO) (2025) reported a global needs-based shortage of approximately 17.4 million health workers, including approximately 2.6 million doctors and 9 million nurses and midwives. Schütz (2021) estimated a shortfall of about 26,000 nurses, particularly in rural areas. The report also indicated that 48% of nurses would retire within 15 years, which would worsen the shortage problem (Schütz, 2021). An analysis done by Armstrong and Bell (2024) found that the critical shortage of nurses in South Africa is exacerbated by several factors, that is, an ageing nursing workforce, with many nurses nearing retirement; training bottlenecks, including delays in accreditation of nursing education institutions; a mismatch between nursing education output and population growth; and a lack of specialist nurses, especially in rural and underserved areas. The authors predict that these factors will result in a shortfall, of 260,458 nurses in South Africa by 2030 if urgent action is not taken (Armstrong & Bell, 2024).

Abrahams (2021) and Abrahams et al. (2022) stated that given the pivotal role that nurses play in determining the efficiency, effectiveness and sustainability of health care systems, it is important to understand what motivates them and the extent to which the organisation and other contextual variables satisfy them. Abrahams et al. (2022) note that job dissatisfaction has frequently been cited as the primary reason for the high turnover of nurses and the increased rate of absenteeism, both of which reduce efficiency and effectiveness, and which pose a threat to a health care organisation's capacity to provide good care and meet the needs of patients. This may result in a decrease in morale and productivity among the remaining nurses due to the increasing pressure on them, which has the potential to contribute to further work dissatisfaction and a further increase in nurse turnover. In addition, work satisfaction was found to be an important predictor of where health professionals intended to work (Abrahams et al., 2022).

Morton et al. (2021) and Abrahams et al. (2022) noted that nurses play a critical role in ensuring that state hospitals in South Africa function effectively in terms of patient care. Nurses are expected to perform adequately at all times despite the challenges such as being short

staffed, having a large workload and a lack of resources. Abrahams et al. (2022) found that dissatisfied nurses give poor quality and less efficient care, and tend to distance themselves from their patients and their nursing chores. Nurses also often complain that they are not adequately compensated for the work that they are expected to do (Morton et al., 2020). In a study done by Morton et al. (2020) on job satisfaction and the performance of nurses working in public hospitals in South Africa, four themes emerged:

- Staff shortages leave nurses feeling overwhelmed and frustrated.
- The work performance of nurses is undermined by limited resources and poor infrastructure.
- Discontent among nurses with regard to poor top level management and human resource management.
- Despite the challenges, nurses experience rare moments of job satisfaction.

Research demonstrates that compensation plays a strategic role in fulfilling employees' needs and desires. For nurses, adequate pay is directly associated with higher job satisfaction, which then translates into improved performance outcomes (Nasurdin et al., 2020). A study of inpatient nurses in Indonesia found that compensation, alongside work motivation and environment, had a significant positive effect on job satisfaction. This shows that compensation is not just a financial factor but a psychological one that shapes how nurses perceive their work (Ellina et al., 2023). Job satisfaction among nurses is influenced by multiple workplace dynamics, including compensation. When compensation is perceived as fair, nurses report higher satisfaction, which is linked to retention and performance (Escobar et al., 2024). While prior studies highlight job satisfaction as central to motivation, fewer have explicitly examined how compensation shapes satisfaction and, by extension, performance. Exploring the perception of nurses about compensation can enhance understanding about the role of compensation on performance in a state hospital in South Africa. This could assist managers and human resource practitioners at the hospital and at other state hospitals in South Africa in structuring compensation packages to motivate nurses and improve their performance at work. In the long run, this could also assist state hospitals in South Africa to

improve the workplace performance of their nurses, and thus improve the patient care and other services rendered to communities who rely on state hospitals for their health care.

1.4 RESEARCH QUESTIONS

The following research questions and sub-questions were formulated based on the background and problem statement.

1.4.1 Central research question

What are the perceptions of nurses at a state hospital in South Africa regarding the effect of their compensation on their performance at work?

1.4.2 Research sub-questions

- How could compensation packages be structured to motivate nurses and improve their work performance at a state hospital in South Africa?
- What interventions, besides remuneration, could a state hospital in South Africa implement to improve the work performance of nurses?

1.5 RESEARCH AIMS

1.5.1 General aim

The general aim of the study was to explore the perceptions of nurses at a state hospital regarding the effect of their compensation on their performance at work.

1.5.2 Specific literature aims

The specific literature aims were:

- To conceptualise the concept of employee compensation.
- To conceptualise the concept of employee performance in the workplace.
- To conceptualise the theoretical effect of compensation on the work performance of employees in general.

1.5.3 Specific empirical aims

The specific empirical aims were:

- To explore the perceptions of nurses at a state hospital in South Africa regarding the effect that compensation has on their performance.
- To explore how compensation packages can be structured to increase the work performance of nurses at a state hospital in South Africa.
- To explore what interventions, besides compensation, a state hospital in South Africa could implement to improve the work performance of nurses.

1.6 PARADIGM PERSPECTIVE

1.6.1 Meta-theoretical (philosophical) paradigm

This study was conducted using an interpretive paradigm and a constructivist view to explore the experiences of individual participants (Flood, 2010). The constructivist view is based on the assumption that there is no single objective reality, but multiple realities constructed by human beings who experience a commonality of interest in a particular phenomenon (Krauss, 2005). Knowledge is thus established through the meanings attached to the phenomenon studied. The interpretive paradigm views reality and meaning-making as socially constructed and holds that people make their own sense of social realities (Tubey et al., 2015). According to Tubey et al. (2015), the point of departure for this paradigm is that social phenomena, such as employees' experiences, are best understood from the subjective perspective of research participants. As this study explored the perceptions of nurses at a state hospital about the effect of compensation on their work performance, it was subjective in nature, and the

participants were expected to construct and perceive compensation and work performance in different ways, based on their specific reality. Thus, the constructivist view and the interpretive paradigm were considered the most appropriate perspectives.

1.6.2 Theoretical paradigm

This study was conducted within the discipline of Industrial and Organisational Psychology (IOP), and is related to the sub-disciplines of Personnel Psychology and Organisational Psychology.

1.6.2.1 Industrial and organisational psychology

IOP, as a sub-discipline of psychology, is concerned with the application of psychological principles, theory and research in the scientific study of human behaviour in work and/or organisational settings (Coetzee & Van Zyl, 2014). IOP has two main objectives: firstly, to conduct research in an effort to increase knowledge and understanding of human behaviour in the work context; second, to apply that knowledge to optimise individual, group and organisational functioning (Schreuder & Coetzee, 2010). As this study concerned the behaviour of nurses in a work setting, it falls within the IOP sub-discipline of industrial and organisational psychology.

1.6.2.2 Personnel psychology

Schreuder and Coetzee (2010) argued that personnel psychology is a field of study that is primarily concerned with all aspects of psychological theory that encourages an understanding of variations between individuals and performance. Schreuder and Coetzee (2010) are of the view that empirical research has proven that various parties (such as line managers, human resource business partners and specialists, and industrial and organisational psychologists) derive a great deal of benefits and value from the concepts, principles, techniques and practice of personnel psychology. As this study concerned the compensation and performance of nurses, it falls within the IOP sub-discipline of personnel psychology.

1.6.2.3 *Organisational psychology*

Organisational psychology (OP) deals with the study of work at the organisational level and aims to understand how workers function in an organisational and how the organisation functions (Schreuder & Coetzee, 2010). OP focuses on the influence that organisations have on the attitudes and behaviour of employees. This includes aspects such as motivation, power, organisational commitment and employee engagement and well as employee and organisational wellness (Schreuder & Coetzee, 2010). The current research considered the role that organisations play in motivating nurses to perform, thus, it falls within the IOP sub-discipline of OP.

1.6.3 **Methodological paradigm**

This study followed a qualitative research approach which attempted to understand how people experience certain phenomena in the work place (Tubey et al., 2015). Qualitative research is a situated activity that locates the observer in the world, in an attempt to make sense of the meanings people bring to them. It is primarily about exploring experiences and not about formulating specific research hypotheses (Tubey et al., 2015). As part of the research aims and objectives, the concepts of compensation and work performance are both subjectively based on how employees ascribe meaning to them. Qualitative research was considered the most suitable method, because it allows flexibility in its design, is exploratory in nature and it seeks to explain the 'how' and 'why' of a phenomenon (Tubey et al., 2015).

This research was guided by an interpretivist framework grounded in hermeneutic phenomenology (HP). HP evolved from descriptive phenomenology, which sought to capture lived experiences as they present themselves, but extends this by incorporating hermeneutic principles of interpretation. In doing so, HP recognises that understanding is never purely descriptive but always shaped by context, language, and the researcher's interpretive engagement (Creswell & Creswell, 2022). HP emphasises the importance of situating human experiences within their broader context and aims to uncover the meanings embedded in participants' narratives. Central to this approach is continuous reflection on how individual

elements and the wider context inform one another to shape understanding. As an analytical method, HP provides a way of interpreting ambiguous or complex textual data while remaining attentive to participants' lived realities (Creswell & Creswell, 2022). This methodological paradigm was integral in helping the study uncover and interpret the meanings behind participants' perceptions of the effect of compensation on their work performance.

1.7 RESEARCH DESIGN

A research design is an action plan that guides a researcher through the research project from beginning to end. It consists of the research approach, research strategy and research method (Creswell & Creswell, 2022).

1.7.1 Research approach

The current study followed a hermeneutic phenomenological (HP) approach, which is consistent with the methodological paradigm outlined earlier. HP evolved from descriptive phenomenology but extends it by emphasising interpretation and context. It investigates phenomena by exploring and interpreting participants' lived experiences, acknowledging that meaning is always situated within language, culture, and the researcher's interpretive lens (Creswell & Creswell, 2022).

1.7.2 Research strategy

According to Saunders et al. (2019), a research strategy is a general plan of how the researcher will go about answering the research questions. Saunders et al. (2019) stated that an appropriate research strategy has to be selected based on the research questions and objectives, the extent of existing knowledge on the subject area to be researched, the amount of time and resources available and the philosophical underpinnings of the researcher. In the current study, a case study strategy of inquiry was utilised and detailed information was gathered from nurses regarding their views on compensation and work performance using in-depth individual interviews (Creswell & Creswell, 2022).

The case study design is a well-established qualitative strategy that enables an in-depth exploration of a bounded system, such as an individual, group, or organisation, within its real-life context (Creswell & Creswell, 2022). Case studies are particularly valuable when the researcher seeks to generate rich, contextualised understanding of complex social phenomena. Key elements of this design include clearly defining the case, collecting multiple sources of evidence, and providing a detailed description and interpretation of the case within its setting.

In the present study, the 'case' was defined as the group of nurses working within a specific organisational context. A single descriptive case study design was adopted, as the aim was to provide a detailed account of nurses' perceptions of compensation and its influence on their work performance, rather than to test causal relationships (as in explanatory case studies). By interviewing participants individually and analysing their narratives, the study sought to capture the lived realities of compensation practices and situate them within the broader organisational culture.

Following Stake's (1995) typology, this study can also be characterised as an instrumental case study. Whereas intrinsic case studies focus on understanding the case for its own sake, instrumental case studies use the case to provide insight into a broader issue or phenomenon. In this instance, the case of nurses' experiences with compensation was examined not only to understand their specific context but also to shed light on the wider relationship between compensation and work performance in healthcare organisations.

Yin's (2018) framework further clarifies the design choice. Yin distinguishes between exploratory, descriptive, and explanatory case studies. Exploratory designs are used to identify research questions or hypotheses, explanatory designs to test causal links, and descriptive designs to provide a detailed account of a phenomenon within its context. The present study aligns with Yin's descriptive case study category, as it sought to document and interpret nurses' lived experiences of compensation without attempting to establish causal explanations. This dual framing - Stake's instrumental case study and Yin's descriptive case

study - demonstrates methodological coherence and strengthens the justification for the chosen design.

1.7.3 Research method

The research method consists of the research setting, entrée and establishing the researcher's role, the research procedure, the research participants, the data collection methods, recording of data, data analysis, and the strategies employed to ensure the quality of data, and the ethical considerations.

1.7.3.1 Research setting

The study was conducted among nurses at a state hospital in a rural setting in South Africa, which is managed by the Health Department of a provincial government. It offers medical services to the population in the area. As it is a provincial hospital, services are free to pregnant and breastfeeding women, and to children under the age of six, while other citizens are charged according to government hospital rates. As with all state hospitals, the hospital used in the current study employs both medical staff and support staff.

1.7.3.2 Entrée and establishing researcher roles

The researcher is an employee in the Clinical Department at the state hospital used in the current study. She has access to the head of the Health Department at the hospital and is known to the nurses at the hospital. This made it easy for the researcher to gain access to the management team and nurses at the state hospital.

1.7.3.3 Research procedure

The researcher obtained written approval from the National Health Research Database (NHRD) to conduct the study at the state hospital in question. Before the data were gathered, ethical clearance was obtained from the Ethics Committee in the College of Human Sciences at the

University of South Africa (Unisa). Together with the Head of the HR Department and the Nursing Manager, the researcher compiled the list of all 111 nurses at the state hospital and 20 nurses were purposively selected as nurses who could provide in-depth, detailed information about the effect of compensation on their work performance. These 20 nurses were approached and the aim of the research explained to them. A request was made for them to be part of the study and all 20 nurses agreed to participate in the study. They then completed a signed Informed Consent Form. After 2-hour interviews were scheduled with them in an office free from interruptions.

The interviews were recorded with the consent of participants and supported by field notes. In qualitative research, data saturation refers to the point at which no new themes, insights, or patterns emerge from the data (Creswell & Creswell, 2022; Hennink & Kaiser, 2022). In this study, thematic saturation was sought, meaning the researcher continued interviewing until participants' accounts became repetitive and no additional codes or categories were identified during analysis. Saturation was determined after 11 nurses had been interviewed. The other nine nurses originally identified for inclusion in the sample were advised that their input was no longer required.

At this stage, subsequent interviews yielded no new information beyond what had already been captured, and the coding process confirmed that all major themes were well-developed and adequately represented across participants. Field notes and ongoing analytic checks supported this conclusion, ensuring that the data collected provided sufficient depth and breadth to answer the research questions. This decision is consistent with the findings of Guest et al. (2006), who demonstrated that saturation in qualitative studies often occurs within the first 12 interviews, particularly when participants share similar roles or experiences. Thus, concluding the interview process at 11 participants was methodologically justified.

The gathered data were analysed using thematic analysis, whereby interview transcripts and field notes were systematically coded to identify recurring patterns and themes. The resulting findings were then documented and reported as part of the study's results, ensuring that participants' narratives were interpreted and presented in a structured and meaningful way.

1.7.3.4 *Research participants*

The population for this study was all 111 nurses at the state hospital. From this population a sample of 20 nurses was purposefully selected. All participants had to comply with four requirements, namely: must be permanently employed at the state hospital in the study; must be a nurse; must be registered with the SANC; must have worked at the state hospital for a least five years.

Although Hennink and Kaiser (2022) noted that saturation in qualitative research is often reached after approximately 12–13 interviews, a larger sample was deliberately chosen in this study. This decision was made to ensure that the perspectives of nurses across different units, roles, and levels of experience were adequately represented, and to strengthen the credibility and transferability of the findings. By including 20 participants, the researcher was able to capture a broader range of narratives and confirm that thematic saturation was not only reached but consistently supported across diverse subgroups within the hospital context. This approach is consistent with Guest et al. (2006), who found that while saturation often occurs within the first 12 interviews, additional interviews may be necessary to account for variability in participants' experiences. In line with this, the inclusion of 20 nurses allowed the study to balance depth with breadth, ensuring that both common and divergent perspectives on compensation and work performance were adequately explored.

1.7.3.5 *Data collection methods*

Interviews are the most widely used method for gathering data when doing qualitative research, as they allow researchers to interact directly with participants in real time, which offers the flexibility needed for them to delve into the personal experiences reported (Creswell & Creswell, 2022). In the current study 2-hour semi-structured individual one-on-one interviews were conducted with members of the sample, using open-ended questions and probing to obtain in-depth information from the participants.

Three questions were formulated to achieve the three stated empirical objectives of the study. These three questions are set out in **Appendix A**.

1.7.3.6 Recording of data

All interviews were recorded after obtaining permission to do so by participants. This was supported by field notes taken by the researcher during the interviews (Creswell & Creswell, 2022). Using a tape recorder during interviews is essential, as it allows researchers to efficiently gather extensive data from multiple participants in a relatively brief period (Creswell & Creswell, 2022). The information gathered from the interviews were stored in a safe place and kept confidential as they were only made available to the researcher and the supervisor.

1.7.3.7 Data analysis

The data collected were analysed using thematic analysis which is a method for identifying, analysing and reporting patterns (themes) within data (Braun & Clarke, 2006). Thematic analysis involves searching across a data set collected from a number of interviews to find repeated patterns of meaning. It was considered an appropriate analysis technique for the current study, which sought to explore the perceptions of nurses regarding compensation and work performance. The data generated from individual interviews with nurses were analysed in accordance with Braun and Clarke's (2006) guidelines on thematic analysis, which consists of six phases:

1. Familiarisation with the data. Reading and re-reading the data and noting down initial ideas.
2. Generating initial codes. Coding interesting features of the data in a systematic fashion across the entire data set and collating data relevant to each code.
3. Searching for themes. Collating codes into potential themes, and gathering all data relevant to each potential theme.

4. Reviewing the themes. Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), and generating a thematic 'map' of the analysis.
5. Defining and naming themes. Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, and generating clear definitions and names for each theme.
6. Producing the report. Selection of vivid, compelling extract examples, final analysis of the selected extracts, relating back the analysis to the research question and literature, and producing a scholarly report of the analysis.

1.7.3.8 Strategies employed to ensure the quality (trustworthiness) of the data

Lincoln and Guba (1985) developed a widely accepted framework to ensure the quality of qualitative research consisting of five key elements:

1. **Credibility.** This refers to the level of confidence regarding the truth of the research findings. In the current study it refers to whether the nurses that were interviewed felt that the findings accurately represented their lived experience of the effect of their remuneration on their work performance. Credibility was ensured by prolonged engagement between the researcher and the nurses, before and during the individual interviews, and presenting the content of the interviews to the nurses to allow them to confirm that what was recorded is what they said. Discussions and sound-boarding with the researcher's study supervisor was also used to ensure credibility.
2. **Transferability** refers to whether the findings are applicable in other contexts. In the current study the data generated from the individual interviews were analysed by the researcher using thematic analysis. This technique provided a deeper explanation of the participants' responses and the researcher's interpretation of the responses which made transferability easier to evaluate.

3. Dependability refers to whether similar findings would be produced if someone else were to undertake the same research. In the current study dependability of data was ensured by requesting the study supervisor to audit the research procedure followed to ensure that the procedure conformed to qualitative research protocols.
4. Confirmability. This refers to whether the findings are a product of participants' responses and not the researcher's biases, motivations, interests, or perspectives. In the current study confirmability was ensured by requesting the study supervisor to audit the findings and ensuring that the study report (dissertation) was transparent so that confirmability could be easier to evaluate.
5. Authenticity relates to whether the research represent a fair range of differing viewpoints on the topic under study. In the current study authenticity was ensured by sound-boarding the findings with participants (nurses) and the managers at the organisation selected for the study, especially action for further steps, to test whether they thought the findings were authentic and helpful.

1.7.3.9 Ethical considerations

According to Salkind (2018), it is important to remember that human beings serve as participants in research. These individuals must be treated in a way that ensures that their dignity is maintained during and after the research process. Salkind (2018) considered the following guidelines to be important when undertaking research:

- Protection from harm. Participants must be prevented from physical or psychological harm.
- Maintenance of privacy. Maintaining the anonymity of participants is of utmost important so that records cannot be linked to names.
- Coercion. People should not be forced to participate in a study.
- Informed consent. Any study that uses human participants should use an informed consent form that is read and signed by each participant.

- Confidentiality. Everything that is learned about the participant must be held in the strictest of confidence.

To comply with these guidelines, written approval from the NHRD was first obtained to conduct the study at the state hospital in question. Ethical clearance was then obtained from the Ethics Committee in the College of Human Sciences (NHREC_1022 dated 20/09/2024). Thereafter signed informed consent forms were obtained from the participants. These forms contained all the information as stipulated by the Ethics Committee. All data gathered during the study were treated confidentially and kept secure with access restricted to the researcher and the supervisor.

1.8 CHAPTER LAY-OUT

This dissertation contains seven chapters, as detailed below:

Chapter 1: Scientific orientation to the research

Chapter 1 provides the background and motivation for the study, the problem statement, the research questions, the research aims, the paradigm perspective and the research design (which includes the research approach, research strategy and research method).

Chapter 2: Employee compensation

Chapter 2 provides a discussion of the concept of employee compensation. The discussion focuses on what typically constitutes compensation in private and public organisations, with the emphasis being on the compensation of nurses in state owned hospitals.

Chapter 3: Employee performance in the workplace

The concept of employee performance in the workplace is discussed in Chapter 3. It focuses on the criteria that are typically used to evaluate employee performance in the work place, followed by criteria to evaluate the performance of nurses in the private and public sectors.

Chapter 4: The effect of compensation on employee performance in the workplace

Chapter 4 details the literature review done to determine what the theory says regarding the effect of compensation on employee performance in the workplace. Special emphasis is given to what the literature says regarding the effect of the compensation of nurses on their work performance.

Chapter 5: Empirical study

In Chapter 5 the empirical study is discussed in detail. The chapter provides more detail on the research design, that is, the research approach, the research strategy and the research method.

Chapter 6: Findings and discussion

In Chapter 6 the findings of the study are provided followed by a detailed discussion thereof.

Chapter 7: Conclusions, limitations, and recommendations

The last chapter provides a discussion of the conclusions and limitations of the study, and makes recommendations for future studies and for the field of IOP.

1.9 CHAPTER SUMMARY

In chapter 1 the background and motivation for the study, the problem statement, the research questions, the research aims, the paradigm perspective and the research design was discussed. The research design section included details on the research approach, research strategy and research method. The research method covered the research setting, entrée and establishing the researcher's role, the research procedure, the research participants, the data collection methods, how data were recorded, the analysis of data, the strategies employed to ensure the quality of the data, and the ethical considerations. The chapter concluded with an outline of the chapters in the dissertation.

The concept of employee compensation will be discussed in the next chapter.

CHAPTER 2: EMPLOYEE COMPENSATION

2.1 INTRODUCTION

In Chapter 2 the concept of employee compensation (EC) is discussed. The chapter starts with the historical background on compensation practices, and the role of compensation in society. This is followed by a discussion of relevant theories and the components, and the determinants of employee compensation decisions. The chapter concludes with a discussion on the compensation of nurses and a summary of the main findings regarding employee compensation.

2.2 HISTORICAL BACKGROUND ON COMPENSATION PRACTICES

Compensation practices have evolved significantly over time, as they are influenced by economic conditions, societal norms, and legal developments. Initially, people relied on bartering – trading goods and services as there was no standardised currency. As societies became more structured, especially with the rise of ancient armies and empires, formal systems of labour and reward emerged. For example, ancient Chinese and Roman military organisations implemented early forms of job organisation and reward systems to maintain discipline and performance (HRM Handbook, 2021).

The Industrial Revolution marked a turning point in how workers were compensated, as a more structured system was introduced that was centered around wage labour. Employers started providing monetary payment in exchange for employees' time and productivity, which eventually led to the development of payroll systems. By the mid-1900s, dedicated Human Resources (HR) departments were formed to oversee compensation, employee benefits, and workplace relations (Weaver, 2024).

Following World War II, the surge in economic growth - particularly in Western nations - ushered in fringe benefits such as health coverage and pension schemes.

These perks quickly became important in drawing in and keeping skilled employees. During the 1960s and 1970s, new legal standards emerged, including legislation on equal pay, which stipulated fair compensation for equal work, and which aimed to eliminate wage gaps based on gender (Weaver, 2024).

Over the past few decades, compensation strategies have grown more sophisticated, with companies implementing pay models tied to performance and market benchmarks. HR professionals now play a pivotal role in ensuring that compensation practices support business objectives, foster employee engagement, and adhere to legal standards (HRM Handbook, 2021).

2.3 ROLE OF COMPENSATION IN SOCIETY

Compensation is broadly defined as the financial and non-financial rewards given to individuals for their labour (Milkovich et al., 2020). It plays a key role in shaping societal structures, as it serves as both a mechanism for income distribution and as a tool for motivating performance, reinforcing social norms, and maintaining organisational commitment (Adjabeng, 2025).

Fundamentally, compensation serves as a mechanism for balancing the labour market by matching the availability of skills with organisational needs (Armstrong, 2022; Milkovich et al., 2020). Well-designed compensation systems support smooth economic transactions by helping businesses recruit and keep qualified employees while driving performance. In fast-changing job markets, offering attractive pay and benefits is very important in retaining top talent (Sorn et al., 2023).

Compensation affects more than just financial outcomes — it shapes how employees perceive fairness, dignity, and respect at the workplace. When pay systems are equitable, they foster relationships that are grounded in trust and mutual regard. These systems enhance job satisfaction and motivation, both of which are key drivers of an organisation's overall effectiveness (Davidescu et al., 2020).

Compensation serves as a mirror of societal norms and priorities. In meritocratic cultures, where advancement is based on proven skills and accomplishments, pay is frequently linked to individual performance and success. In contrast, collectivist societies often design compensation systems to foster fairness and unity. Beyond its financial function, compensation carries symbolic meaning - it communicates value and acknowledgment, which can shape how employees connect with their roles and engage with others in the organisation (Mitra, 2017).

2.4 THEORIES OF COMPENSATION

Compensation theories provide frameworks for understanding how and why organisations reward employees. These theories span economic, psychological, and sociological domains, and help guide compensation design and policy (Bhattacharyya, 2014). A few of the more well-known theories are briefly discussed below.

2.4.1 Equity theory

Adams' (1963) equity theory of motivation states that if individuals perceive their reward or compensation as equitable in comparison to others they become motivated to perform better. The theory explains the relationship between an individual's contribution and the benefits (reward) that are perceived as fair and equal. Contribution is explained as any physical effort or psychological effort that an individual exerts to assist the organisation to achieve its goal. The factors of contribution (inputs) include time, loyalty, experience, support, tolerance, trust and willingness to follow leaders. Benefits are explained as rewards received as a result of helping the organisation to achieve its goal, which are generally labelled as remuneration or compensation. The other factors include salary, benefits, job security, education and development, recognition and opportunity to progress. Adams (1963) further explained that when individuals feel that their reward is fair and similar to that of their peers in other organisations, they perceive their own compensation or reward as fair and equitable.

2.4.2 Expectancy theory

Vroom's (1964) expectancy theory focuses on the intensity of performing a task with the belief that the effort to perform the task will be rewarded. This theory suggests that compensation motivates behaviour when employees believe their effort will lead to good performance, and good performance will lead to rewards. It highlights the importance of the perceived linkage between effort, performance, and outcomes.

2.4.3 Agency theory

Jensen and Meckling's (1976) agency theory addresses the principal-agent relationship, which holds that compensation is used to align the interests of managers (agents) with those of shareholders (principals). Incentives such as stock options are designed to mitigate the risk of opportunistic behaviour.

2.4.4 Reinforcement theory

Skinner's (1953) reinforcement theory is rooted in behaviourism, and argues that compensation acts as a reinforcer. Positive reinforcement (e.g., bonuses) encourages repetition of desired behaviour, while a lack of reward may discourage any repetition thereof.

2.5 COMPONENTS OF EMPLOYEE COMPENSATION

2.5.1 Definitions of compensation

Bhattacharyya (2014) explained that compensation is a substitute for wages or salaries and represents an exchange between an employee and the organisation. Each gives something in return for something else. What the employee provides the employer with is a labour service, usually known as work. This labour service consists of many different kinds of employee behaviour such as showing up regularly and on time, carrying out tasks dependably, cooperating with others, and making useful suggestions (Bhattacharyya, 2014).

According to Bhattacharyya (2014), the modern definition of compensation includes intrinsic (psychological) and extrinsic (tangible) components of compensation. Compensation or pay represents the psychological contract between an individual and the organisation. Therefore, pay as a psychological concept is pay viewed from an individual's standpoint. The factors that go into determining an individual's behaviour are situation, needs, perception, and attitude (Luthans, 2011; Robins & Judge, 2019). However, the situation and the individual are not independent, as the situation depends on the individual's perception of it. Needs that are felt influence as well as are influenced by perceptions. The means for satisfying needs are those perceived by individuals and interpreted through attitudes. One need may be satisfied by a number of means, and one mean may satisfy a number of needs. Relating compensation to the psychological concept complements the economic perspective by taking into account the perceptions of individuals (Bhattacharyya 2014).

Modern interpretations of compensation highlight its strategic importance in attracting, engaging, and retaining talent. According to Salary.com (2025), compensation encompasses the full spectrum of rewards an employee receives, including both financial and non-financial elements. It functions not merely as payment, but as a mechanism to enhance performance and align employee actions with company goals. It includes payment such as wages and bonuses, as well as indirect benefits such as healthcare and retirement funding. Comport (2025) reinforced this perspective by defining compensation as a holistic offering that provides financial stability, performance-based rewards, essential life benefits, equity considerations, and cultural incentives - all crafted to balance employee expectations with organisational priorities.

2.5.2 Components of compensation

Various sources (Comport, 2025; Salary.com, 2025) stated that compensation typically consists of the following components:

- Base pay. This refers to a fixed salary or hourly wage that is paid to employees regularly. Base pay is typically determined by role, experience, market rates, and internal equity.
- Bonuses and incentives. This refers to variable payments that are tied to performance, results, or milestones, including annual bonus, sign-on bonus, retention bonus, and a spot award.
- Benefits (indirect compensation). This includes non-cash rewards such as health insurance, a retirement plan, a wellness programme, and paid leave. These benefits typically enhance employee well-being and work-life balance.
- Equity compensation. This includes stock options, restricted stock units (RSUs), and other ownership tools, which aligns employee interests with company performance.
- Perks and allowances. This refers to flexible work arrangements, travel allowances, professional development, and lifestyle perks. These perks and allowances typically support company culture and employee satisfaction.
- Compliance-based pay. This includes legally-mandated elements such as a minimum wage, overtime, and fair pay standards. This ensures alignment with labour laws and ethical practices.

2.6 FACTORS INFLUENCING EMPLOYEE COMPENSATION DECISIONS

Decisions regarding employee compensation are influenced by a dynamic mix of internal priorities and external market conditions, and reflect both strategic business objectives and competitive realities. The choices made play a vital role in drawing in, inspiring, and keeping skilled workers, and they should be closely aligned with over-arching HR and organisational goals (SLM.MBA, 2024).

Maloa and Rajah (2012) argued that compensation is a flexible concept, with its determining factors varying across organisations. To identify the determinants of compensation in the South African context, they examined three distinct entities: a state-owned aviation organisation, a financial development parastatal, and a private banking firm. Their findings revealed that four out of six factors had a strong influence on compensation decisions, i.e.,

employee skills, performance, job family, and job grade The remaining two factors - external equity and tenure - were found to have limited influence on compensation decisions (Maloa & Rajah, 2012).

Dessler (2011) stated that compensation decisions are heavily influenced by the nature of an employee's role and responsibilities. Positions that demand advanced expertise, carry greater accountability, or contribute strategically to the organisation generally receive higher pay. In order to maintain fairness and assess the value of different roles, companies use job evaluation systems that support internal equity (Dessler, 2011).

According to Bhattacharyya (2014), the factors influencing compensation decisions fall into two main groups. Internal influences involve aspects such as the organisation's financial capacity, strategic direction, employee competencies, performance, seniority, work experience, potential, and the specific attributes of the job. External influences include regulatory requirements, labour market dynamics, the economic conditions in a country, the inflation level, and advancements in technology (Bhattacharyya, 2014).

Noe et al. (2020) emphasised that employee performance and productivity are key factors in determining compensation. Systems such as bonuses and merit-based pay connect financial rewards to the accomplishments of individuals or teams. This method is rooted in expectancy and equity theories, which propose that when employees perceive compensation as fair and reflective of their efforts, their motivation increases.

According to Arfian (2025), compensation decisions are influenced by prevailing market conditions and external benchmarking practices. In order to stay competitive, organisations conduct salary surveys regularly to compare their pay structure with industry norms, and make adjustments to attract and retain skilled professionals in high-demand positions. The rise of globalisation and remote work has broadened the range of market comparisons, and allowed companies to evaluate compensation on a more global scale. Legal regulations such as, minimum wage requirements and labour standards, also set boundaries for compensation decisions. Cultural values also play a role, as they influence perceptions of fairness, authority,

and reward systems, which prompt companies to tailor their compensation approaches across different regions (SLM.MBA, 2024).

2.7 THE COMPENSATION OF NURSES

Negussie and Berehe (2016) stated that all hospitals play a significant role in health care and provide professional treatment, surgery, and inpatient services. Nurses are the most important human resource amongst the various types of staff at a hospital organisation, as well as the largest expert group, as they account for 44.1% of total medical personnel. According to the National Department of Health (2020) and workforce data, nurses make up about 56% of the total health workforce. Nurses have a major role to play in providing timely, quality health services in hospitals, so it is important to identify the factors that influence their performance, in order to improve the quality of healthcare delivered in hospitals (Negussie & Berehe, 2016).

This view is supported by the WHO (2020), which stated that nurses are the backbone of healthcare delivery, as they provide critical services such as patient assessment, medication administration, wound care, and emotional support. Their role extends beyond clinical tasks to include health education, advocacy, and coordination of care. Nurses are essential to achieving universal health coverage and improving health outcomes globally (WHO, 2020).

The compensation of nurses varies widely across countries due to differences in economic conditions, healthcare funding, and labour market dynamics. In high-income countries such as the United States, Canada, and Australia, registered nurses earn competitive salaries and receive benefits such as health insurance and a retirement plan. In contrast, nurses in low- and middle-income countries may earn significantly less, and receive limited benefits and professional development opportunities (International Council of Nurses, 2021).

Migration of health care professionals across international borders is a problem that affects the health care systems of many countries (Al-Btoush & El-Bcheraoui, 2024). Migration decisions are influenced by a broad range of social, political, professional and economic factors. Several of these factors are beyond the control of policy-makers in the health care sector, but it is well

demonstrated that employment prospects are a key factor affecting the migration decision of health care professionals (Al-Btoush & ElBcheraoui, 2024). Various interventions to encourage health care professionals to stay in their home country have been proposed, such as an increase in salaries, additional benefits and improved working conditions (WHO, 2020).

According to the WHO (2020), the shortage of nurses is particularly severe in Canada, the UK and the USA, and these countries are increasingly relying on nurses recruited from the developing world to fill vacancies. For example, of the approximately 16,000 new nursing registrants in the UK in 2002, over 50% were from abroad. By contrast, only 25% were from abroad in 1998. The five main source countries in 2002 were Australia, India, Philippines, South Africa and Zimbabwe. In the USA, the number of foreign-trained nurses applying for licensure - a proxy measure of inflow into the USA nursing labour market - increased steadily from about 6,000 in 1998 to over 8,000 in 2001. The main sources were Africa (mainly Nigeria and South Africa), Canada and the Philippines (WHO, 2020).

Healthcare professionals, including nurses, have also been a major issue in the African healthcare system. The push factors are economic instability, inadequate working conditions, insufficient support, and a lack of infrastructure, which have all contributed to the increased migration rates in sub-Saharan countries (Haimanot et al., 2025). Contrarily, pull factors such as optimal work conditions, better work-life balance, and financial benefits have attracted African healthcare workers abroad, and this issue has been exacerbated following the COVID-19 pandemic (Haimanot et al., 2025). The departure of healthcare professionals, including nurses, from various African countries exacerbates existing shortages, particularly in rural and under-served areas, where healthcare needs are most pressing (Awases et al., 2004). This leads to reduced access to healthcare services for local communities, and force patients to travel long distances or endure longer wait times to obtain care (WHO, 2020). As an example, a recent research study conducted in South Africa showed that mass migration further undermines healthcare access in rural areas and facilitates a disproportionate distribution of healthcare workers (Gumede et al., 2023).

Generic & Biosimilar Medicines Southern Africa (GBMSA) (n.d.) explained that South Africa has a dual health system. The public sector comprises government health institutions funded by the state and offers largely free services at the point of care. It serves approximately 84% of the population. The private sector is funded through medical schemes and out-of-pocket payments, serves a smaller portion of the population but absorbs more than half of total health expenditure. The divide reflects systemic inequities in access, quality, and resource allocation (GBMSA, n.d.). Although the public sector is responsible for the well-being of 84% of the population, it accounts for only 40% of total health expenditure in South Africa. In contrast, the private sector consumes 60% of health expenditure and serves less than 20% of the population. The public sector is under-resourced and over-used, and is often characterised as being inefficient and ineffective in terms of meeting its mandate of accessible, affordable and appropriate health care. However, the private sector is reputed for its world-class facilities and care provision (GBMSA, n.d.).

In South Africa, a nurse's salary is influenced by qualifications, experience, location, and sector (Entrepreneur Hub SA, 2025). As at 2025, the average monthly salary of a professional nurse was approximately R27,500, with registered nurses in government hospitals earning about R33,428 per month. Entry-level nurses may earn as little as R13,100 per month, while nurses with more than 20 years of experience can earn up to R37,200 per monthly (Entrepreneur Hub SA, 2025). Nurses in urban areas such as Johannesburg and Cape Town tend to earn more than nurses in other areas, due to the higher cost of living and greater demand for nurses, whereas rural nurses may receive lower pay but may also receive a housing allowance (Entrepreneur Hub SA, 2025).

Nurses employed in state hospitals are paid according to public service salary scales. While these roles offer job security, a pension, and allowances, they often lag behind the compensation paid by the private sector. Budget constraints and workload pressure in state hospitals contributes to dissatisfaction and drives many nurses to seek opportunities abroad or in the private sector (Entrepreneur Hub SA, 2025). According to Noe et al. (2020), compensation is a key driver of nurse motivation and retention. Adequate pay reflects the value of nursing work, and influences job satisfaction, performance, and commitment.

Inadequate compensation can lead to burnout, absenteeism, and high turnover rates, which undermines the quality of healthcare. Studies show that competitive salaries, coupled with recognition and career advancement, are essential to retaining skilled nurses and ensuring continuity of care (Noe et al., 2020; International Council of Nurses, 2021).

A study done by Pillay (2009) found that South African nurses were generally dissatisfied, with remuneration being a key contributor to their dissatisfaction. Poor working conditions and organisational climate were also strong predictors of dissatisfaction, while the social context of the job was found to be a strong predictor of satisfaction. The results of the study done by Pillay were supported by a study done by Mokoka et al. (2011) regarding the factors that influence the retention of registered nurses in Gauteng Province of South Africa. The study found that 96.58% of nurses cited salaries as the primary source of dissatisfaction. Further support for this view was provided by a study done by Mokoka et al. (2012), which sought to determine the most important factors to retain nurses in South Africa. The study reported that nurse managers were of the view that low salaries were a major reason for nurses leaving the profession or seeking employment abroad. The study thus emphasised the need for competitive compensation in order to retain skilled nurses.

2.8 SUMMARY OF MAIN FINDINGS REGARDING EMPLOYEE COMPENSATION

Compensation plays a key role in shaping societal dynamics, as it functions as a means of distributing income, as a driver of performance, as a reinforcer of social norms, and as a tool for fostering organisational loyalty (Adjabeng, 2025). It has a significant effect on how employees perceive fairness, dignity, and respect in the workplace, all factors that contribute to job satisfaction and motivation, and which in turn influence organisational success (Davidescu et al., 2020). Moreover, compensation reflects broader cultural values and priorities. Its symbolic meaning, i.e. how it conveys recognition and worth, can impact employee engagement and identity in the organisation (Mitra, 2017). Theoretical frameworks from economics, psychology, and sociology help explain why and how organisations reward employees, and help guide the design and implementation of compensation policies (Bhattacharyya, 2014). Decisions regarding compensation are shaped by a complex mix of

internal organisational strategies and external market conditions. These decisions must be taken to ensure the organisation can attract, retain, and motivate talent, and must align with overall HR and business objectives (SLM.MBA, 2024).

Globally, nurse compensation varies due to differences in economic environments, healthcare funding, and labour market conditions (International Council of Nurses, 2021). In South Africa, factors such as qualifications, experience, geographic location, and employment sector influence salaries paid to nurses (Entrepreneur Hub SA, 2025). Research conducted in the country (Mokoka et al., 2011; Mokoka et al., 2012; Pillay, 2009) has revealed widespread dissatisfaction among nurses regarding their pay, with low compensation cited as a key reason for leaving the profession or seeking opportunities abroad.

2.9 CHAPTER SUMMARY

In Chapter 2 the concept of employee compensation (EC) was discussed. The chapter started with the historical background on compensation practices, and the role of compensation in society. This was followed by a discussion of relevant theories and the components, and the determinants of employee compensation decisions. The chapter was concluded with a discussion on the compensation of nurses and a summary of the main findings regarding employee compensation.

In the next chapter employee performance in the workplace will be discussed.

CHAPTER 3: EMPLOYEE PERFORMANCE IN THE WORKPLACE

3.1 INTRODUCTION

In Chapter 3 employee performance in the workplace (EPW) is discussed. The chapter starts with a discussion of the importance of EPW, followed by a discussion of the concept of EWP. Thereafter, factors affecting employee performance and the criteria for evaluating employee performance in the workplace receives attention. This is followed by a discussion of the job performance of nurses in the public and private sectors globally and in South Africa. The chapter concludes with the conclusions reached regarding employee performance in the workplace.

3.2 THE IMPORTANCE OF EMPLOYEE PERFORMANCE IN THE WORKPLACE

Employee or work performance (the terms are used interchangeably in the literature) is a key determinant of organisational effectiveness (OE). Employees' involvement, commitment and motivation play a key role in an organisation achieving its goals and objectives (Nduati & Wangyoike, 2021; Widalicin et al., 2020). High-performing employees contribute to customer satisfaction, innovation, and competitive advantage. Conversely, poor performance can lead to inefficiencies, reduced morale, and reputational damage. Employee performance encompasses the effectiveness, efficiency, and quality with which employees fulfil their roles, which contribute directly to the achievement of strategic goals. High-performing employees not only meet expectations but often exceed them, which drives innovation, customer satisfaction, and competitive advantage (Douglas et al., 2021).

Performance management practices - such as role clarity, regular reviews, and strategic alignment - are strongly correlated with OE. When employees understand their responsibilities and receive consistent feedback, they are more likely to stay engaged and productive (Nduati & Wangyoike, 2021). Douglas et al. (2021) emphasised that OE includes outcomes such as customer satisfaction, employee commitment, and overall performance.

Self-efficacy, or an individual's belief in their ability to succeed, plays an important role in performance. Employees with high self-efficacy tend to be more resilient, motivated, and capable of handling stress, which enhances their work quality and consistency. Fostering self-efficacy through recognition, training, and fair practices can boost performance significantly (Zwane, 2024).

Leadership styles - particularly transformational and servant leadership - have a profound impact on employee performance. Engaged leadership fosters trust, autonomy, and purpose, which in turn enhances employee engagement and output. Furthermore, strategic leadership that is aligned with organisational culture improves both individual and collective performance (Mohammad et al., 2025).

Human Resource (HR) departments play a pivotal role in managing performance. By implementing key performance indicators (KPIs), offering development programmes, and maintaining transparent communication, HR can ensure that employee performance aligns with organisational values and goals (HRM Handbook, 2021).

3.3 THE CONCEPT OF EMPLOYEE PERFORMANCE

Koopmans et al. (2011), argued that there is no single, universally accepted, definition of employee or work performance, but that it is a multidimensional construct that differs by discipline and job context. Koopmans et al. (2011) conducted a systematic review of conceptual frameworks of work performance and identified 17 generic frameworks and 18 non-specific frameworks. Based on the 35 frameworks, Koopmans et al. (2011) identified four main dimensions of work performance:

- Task performance. This refers to core job responsibilities and duties, such as completing assigned tasks accurately and efficiently.
- Contextual performance. This refers to behaviours that support the organisational environment, including helping co-workers, volunteering for extra duties, and showing initiative.

- Adaptive performance. This refers to the ability to adjust to changes and new demands, such as learning new technologies, handling emergencies, and staying flexible.
- Counter-productive work behaviour. This refers to action that harms the organisation or its members, such as theft, absenteeism, aggression in the workplace, or sabotage.

The argument posited by Koopmans et al. (2011) that there is no universally accepted definition of work performance is reflected in the attempts by various authors to provide their own definitions and explanations of the concept. Ahmed and Ahmed (2014) defined work performance as an economic measure of effectiveness that summarises the amount of outcome produced by an individual, organisation, industry or economic system compared to the inputs used to produce outcome. Darma et al. (2017) defined performance as the quality and quantity of work achieved by employees in performing their duties in accordance with their responsibilities. It is seen as a function of motivation and the ability to complete the task or work required with a certain degree of willingness and level of ability. Performance is a real behaviour displayed by every person because work performance is generated by employees in accordance with their role in the company (Darma et al., 2017). Building on to this, Brhane and Zewdie (2018) stated that the concept of performance includes both what has been accomplished and how it can be realised. Employee performance is thus seen as the total output of an employee's activities and action in the organisation. Brhane and Zewdie (2018) stated that the performance of employees depends upon job satisfaction, compensation and benefit structure, reward plans, promotions, conducive working environment, training and succession planning, and the use of modern tools, techniques and sophisticated technology.

Cummings et al. (2019) defined work performance as the overall level of success of a person in carrying out tasks during a certain period compared with various possibilities, such as targets, work standards, or criteria. Indicators of employee performance are quality, quantity, output period, workplace attendance, and cooperative nature. This is similar to the view of Utami and Zakiy (2020), who stated that work performance is a behaviour achieved by individuals so that the results achieved within a certain period are in accordance with their roles and responsibilities at a company.

Nduati and Wanyoike (2021) supported this view, arguing that employee performance refers to the degree to which an individual fulfils the duties and responsibilities associated with their role, which contributes to organisational goals. It encompasses both quantitative output (e.g. productivity, efficiency) and qualitative behaviours (e.g., teamwork, problem-solving, leadership). Kim and Jung (2022) added that organisational culture and employee competencies influence perceived stress and performance. They also emphasised the importance of aligning culture with competency types to enhance employee outcomes.

Edevbie and McWilliams (2023) explained that performance is the process by which leaders ensure their employees' activities and output are aligned with organisational goals. This view is supported by Mohammad et al. (2025) who defined employee performance as a comprehensive assessment of an individual's capabilities, skills and achievements at the workplace. This includes how well an employee meets expectations and contributes to organisational success. From an organisational perspective, performance is not just about individual output but also about how employees collectively drive the organisation's strategic objectives (Mohammad et al., 2025).

In summary, the definitions of employee work behaviour unveil the different approaches used by authors to measure employee performance. The first group conceives performance as the totality of output by the individual (Ahmed & Ahmed, 2014; Brhane and Zewdie, 2018; Kim & Jung, 2022; Nduati & Wanyoike, 2021). The second group perceives it as in-role behaviour or expected fulfilment of responsibilities in completing assigned tasks included in a job description (Cummings et al., 2019; Darma et al., 2017; Utami & Zakiy, 2020). The third group considers it to be behaviour that is aligned with organisational goals and organisational success (Edevbie & McWilliams, 2023; Mohammad et al., 2025).

3.4 FACTORS AFFECTING EMPLOYEE PERFORMANCE

Atatsi et al. (2019) stated that a number of research studies and literature reviews have been conducted on employee work performance and the factors that affect it. A number of these factors are discussed below.

3.4.1 Job demands, resources and stressors

A study done by Pandey (2019) used an integrative literature review (ILR) to identify the factors that affect job performance. Three main groups of factors were identified, namely job demands, resources and stressors. In terms of job demands, Pandey (2019) found that aspects such as physical, cognitive and affective job demands affected job performance. In terms of resources, it was found that individual, job, group and organisational resources affected job performance. Stressors such as individual, job-level and family-level stressors were found to impede employee performance.

3.4.2 Performance management systems

Performance management practices - such as role clarity, regular reviews, and strategic alignment - are strongly correlated with employee performance. When employees understand their responsibilities and receive consistent feedback, they are more likely to stay engaged and productive (Nduati & Wangyoike, 2021). Douglas et al. (2021) emphasised that employee performance includes outcomes such as customer satisfaction, employee commitment, and overall organisational performance.

3.4.3 Burnout

Using data from 16 studies, Taris (2006) conducted a meta-analysis to determine the relationship between burnout and employee performance using objective (i.e., non-self-reported) performance data. The objective measurement of employee performance used were supervisor ratings, client satisfaction measures, and archival data. Taris (2006) found that

exhausted workers tend to possess insufficient resources to deal with the demands of their jobs which led to a reduction in employee performance. It was also found that high levels of depersonalisation resulting from burnout was also associated with poor job performance, in that depersonalised workers would distance themselves from their jobs and the recipients of their services in an attempt to prevent themselves from depleting their resources.

3.4.4 Organisational citizenship behaviour, leader-member exchange, individual learning, team learning and innovative work behaviour

Atatsi et al. (2019) conducted a study to determine the relationship between the positive behaviours associated with organisational citizenship behaviour (OCB), leader–member exchange (LMX), individual and team learning and innovative work behaviour (IWB) and employee performance. The study involved a literature review across different countries, disciplines and organisations to determine what studies had found regarding these behaviours and employee performance.

OCB consists of five constructs: altruism, conscientiousness, sportsmanship, courtesy and civic virtue. These behaviours are voluntary, as they are not an inclusive part of the employee's job specifications and duties. LMX focuses on the quality of exchange between the employee and the manager which is based on the degree of emotional support and exchange of valued resources. Individual learning is an important component for organisational learning that is acquired through self-study, observation and technology-based instruction, and reflected in a person through the exhibition of skills, perceptions, knowledge, attitudes and values. Team learning is seen as a continual process of collective reflection and action that is distinguished by exploring, reflecting, discussing errors and unexpected results of action, soliciting feedback, and experimenting/verifying within the team and as a team. IWB is seen as the intentional creation, introduction and application of ideas within a work role, group or organisation in order to promote role performance, the group or the organisation (Atatsi et al., 2019). Atatsi et al. (2019) reported that all the studies investigated generally found that these five types of behaviour all showed a positive relationship with employee performance.

3.4.5 Employee engagement

A widely accepted definition of employee engagement (EE) is that it is a positive, fulfilling, work-related state of mind that is characterised by vigour (e.g., being highly energetic), dedication (e.g. being highly involved in work), and absorption (e.g. being highly concentrated on work (Sojan & Joseph, 2023). Unfortunately, Aster (2024) reports that according to Gallup's 2023 State of the Global Workplace report, the average global EE score is 23%, which means that less than a quarter of employees around the world are enthusiastic about their work.

Gemeda and Lee (2020) conducted a study to investigate the relationship between EE and work outcomes, which they classified as task performance and IWB. The sample was 438 information and communication technology professionals in Ethiopia and South Korea. The study found that EE had a significant positive relationship with the indicators of work outcomes. Furthermore, it was found that EE partially mediated the relationship between leadership style and work outcomes.

A study done by Al-Haziazi (2024) in the Sultanate of Oman investigated how job characteristics, organisational support, and recognition influence EE and work performance. It found that these drivers have a significant effect on work performance across all management levels, thus offering actionable insight for improving engagement strategies.

In a systematic review of the literature on EE and work performance, Sojan and Joseph (2023) reported that in 48 studies considered they found a statistically significant relationship between EE and work performance, which was measured by metrics such as productivity, retention, and profitability. These studies investigated the relationship between EE and work performance in a variety of businesses, including financial services, education, construction, and hospitality. The studies all indicated that the relationship between EE and work performance was an important research topic for many authors and organisations (Sojan & Joseph, 2023)

A study done by Safri et al. (2025) explored how EE impacted overall organisational performance. The sample for the study was 185 employees from a diverse population of

employees from various public and private sector organisations, encompassing multiple industries. The study found that leadership and organisational culture are significant drivers of EE and, by extension, have a notable impact on organisational performance. The study also found that engaged employees contributed to better customer satisfaction, innovation, and financial outcomes, and that EE is linked to reduced turnover and absenteeism.

3.4.6 Leadership styles

Leadership styles have a profound impact on employee performance. Engaged leadership fosters trust, autonomy, and purpose, which in turn enhances EE and work performance. Furthermore, strategic leadership aligned with organisational culture improves both individual and collective performance (Mohammad et al., 2025). Arisman (2008) conducted a literature review of 75 articles that reported on how leadership style and motivation influenced employee performance. All the studies reviewed found that leadership style has a significant relationship with employee performance. Communication skills - an essential trait of transformational and democratic leaders - were found to be one of the most important leadership style competencies, and that when leaders communicated effectively with employees it led to improved employee work performance.

A study done by Gemedu and Lee (2020) in Ethiopia and South Korea found that transformational leadership style had a significant positive relationship with employees' work engagement and IWB. Bilal (2023) examined the democratic, autocratic, and laissez-faire leadership styles, and concluded that leadership styles are a key determinant of employee job performance. The study emphasised that leaders must adapt their style to the organisational context to maximise productivity and satisfaction.

A qualitative study done by Marsyia (2024) in Bangkok, Thailand, used in-depth interviews with 20 office workers from a diverse range of industries to investigate leadership styles and their impact on employee performance. The study found that democratic leadership boosts employee satisfaction and performance significantly. Autocratic leadership, by contrast, had a

negative impact. The study emphasised that inclusive decision-making fosters engagement and innovation, which are key to performance.

3.4.7 Role clarity and goal alignment

In a study involving local government employees in Korea, Park and Choi (2020) found that goal clarity mediated the relationship between feedback on performance and employee work performance. This result implies that performance feedback can contribute to improvement in employee work performance if employees clearly understand the performance goals they need to accomplish. A study done by Gede and Huluka (2023) to investigate the impact that goal clarity and role clarity (strategic alignment) has on organisational performance used a sample of 365 employees at three Ethiopian universities. The authors found that goal clarity, role clarity, and process clarity all have a significant and favourable effect on organisational performance. Based on the study's findings, the authors recommended that leaders ensure that all employees know what their roles and goals are to promote work performance (Gede & Huluka, 2023).

Kumari (2024) investigated the role of goal setting and its impact on employee work performance in Uttar Pradesh, India. The study found that if employees were provided with specific, relevant attainable goals, employee work performance was enhanced. The study builds on Locke and Latham's goal-setting theory by showing that goal clarity leads to higher motivation and performance (Locke & Latham, 2002).

3.5 CRITERIA FOR EVALUATING EMPLOYEE IN THE WORKPLACE

Evaluating employee performance is a cornerstone of effective HR management and organisational success (Kadikiny & Otuya, 2025). Over the years, scholars and practitioners have developed a range of criteria to assess the work performance of employees. These criteria guide managerial decision-making, and foster employee development, accountability, and alignment with strategic objectives (Dutta, 2024). Drawing from contemporary literature (Dutta, 2024; Kadikiny & Otuya, 2025; Vuong & Nguyes, 2022; Warren, 2025; Williams, n.d.),

the eight most widely recognised performance evaluation criteria used across industries are discussed in more detail below.

1. Productivity. Productivity is a fundamental criterion in the assessment of employee workplace performance. It refers to the volume of work an employee completes within a specified period and serves as a quantitative indicator of output. In an organisational context, productivity is commonly evaluated through Key Performance Indicators (KPIs), which may include measures such as task completion rates, units produced, or service delivery metrics. These indicators provide objective data that help managers assess an employee's work performance and time management skill. By analysing productivity, organisations can identify high-performing employees, allocate resources effectively, and implement strategies to enhance overall organisational effectiveness.

2. Quality of work. Quality of work is a critical criterion in the assessment of employee performance, particularly in roles that demand precision, consistency, and reliability. This criterion encompasses the degree of accuracy, thoroughness, and attention to detail demonstrated by an employee in executing their job responsibilities. Evaluation of quality often involves metrics such as error rate, adherence to organisational standards, and levels of customer satisfaction. High-quality output reflects both technical competence as well as a commitment to excellence and accountability. Therefore, assessing quality of work provides valuable insight into an employee's effectiveness and their contribution to organisational goals, especially in environments in which compliance and dependability are paramount.

3. Job knowledge and skills. Job knowledge and skills are a foundational criterion in the evaluation of employee workplace performance. This dimension assesses an employee's comprehension of their job responsibilities, familiarity with relevant tools and technologies, and mastery of the competencies required to perform effectively. It encompasses both theoretical understanding and practical application, including the ability to solve work-related problems, make informed decisions, and adapt to evolving technological environments. Evaluating job knowledge and skills provides insight into an

employee's preparedness, professional development, and capacity to contribute meaningfully to organisational objectives. In dynamic work settings, this criterion is particularly vital for ensuring efficiency and fostering innovation.

4. **Communication and teamwork.** Communication and teamwork are essential components in the evaluation of employee workplace performance, particularly in collaborative and interdependent work environments. This criterion assesses an employee's interpersonal competencies, including the ability to convey information clearly, to listen actively, and to engage constructively with colleagues. It also encompasses conflict resolution skills and the ability to contribute meaningfully to team objectives. Effective communication fosters mutual understanding and reduces organisational inefficiencies, while strong teamwork enhances collective problem-solving and goal attainment. Evaluating these attributes provides insight into an employee's role in promoting a cohesive and productive organisational culture.
5. **Leadership and growth potential.** Leadership and growth potential represent a strategic dimension in the evaluation of employee workplace performance. This criterion assesses an employee's capacity to lead others, mentor peers, and demonstrate initiative in pursuing organisational objectives. It encompasses competencies such as effective decision-making, strategic thinking, and the ability to influence and inspire teams to work toward achieving shared goals. Additionally, it reflects an employee's readiness for advancement, including openness to learning, adaptability to change, and alignment with the organisation's long-term vision. Evaluating leadership and growth potential is essential for identifying future leaders and fostering a culture of continuous development and innovation at the workplace.
6. **Adherence to company values.** Adherence to company values is an important criterion in the assessment of employee workplace performance, as it reflects the extent to which employees align with the organisation's cultural norms and ethical standards. This dimension evaluates behaviour that demonstrates integrity, accountability, and respect for diversity, which are foundational to a cohesive and principled work environment.

Employees who embody organisational values contribute to a positive workplace culture, foster trust among colleagues and stakeholders, and uphold the reputation of the organisation. Assessing adherence to company values enables employers to identify employees who both perform their duties effectively and serve as ambassadors of the organisation's mission and ethical commitments.

7. Self-evaluation and peer review. Self-evaluation and peer review are integral components of comprehensive performance appraisal systems, particularly within the framework of 360-degree feedback. This criterion emphasises the importance of reflective practice and collaborative assessment in measuring workplace performance. Self-evaluation enables employees to critically assess their own contributions, identify areas for improvement, and articulate their professional development goals. Peer review complements this by incorporating feedback from colleagues who interact regularly with the employee, which provides insight into interpersonal dynamics, teamwork, and role-specific competencies. Together, these methods foster a holistic understanding of performance, promote accountability, and encourage a culture of continuous learning and mutual support within at the organisation.
8. Management by Objectives. Management by Objectives (MBO) is a results-oriented approach to evaluating employee workplace performance that emphasises the alignment of individual goals with organisational objectives. Under this framework, employees are assessed based on their ability to achieve specific, measurable, and time-bound targets that are collaboratively established with management. This criterion fosters accountability, clarity of expectations, and strategic focus, which enables employees to direct their efforts toward outcomes that contribute to broader organisational success. By linking performance evaluation to objective attainment, MBO enhances motivation, facilitates performance tracking, and supports continuous improvement through regular feedback and goal revision.

While these eight performance evaluation criteria are generic to all organisations and across all industries, Krijgsheld et al. (2022) conducted a study to determine the key performance

criteria to specifically evaluate the work performance of healthcare workers, including nurses. The study entailed a systematic literature review of 92 articles, published in over 70 journals, which reported on investigations into the work performance of a variety of healthcare workers in various healthcare organisations. The study found that the work performance of healthcare workers can be conceptualised into four dimensions:

- Task work behaviour. Patient feeding, direct patient contact, scheduling toileting, and speaking with other professionals about patient care are examples of tasks that were attributed to the task performance dimension, because these examples are part of a healthcare professional's job.
- Contextual work behaviour. Attending unit and hospital meetings, continuing professional development, and tutoring trainees were attributed to contextual performance, because these examples contribute to the improvement of an organisation overall.
- Adaptive performance. Willingness to implement organisational changes and eagerness to require professional information are examples of behaviour attributed to adaptive performance, because they are important to adapting to changes in work systems and roles.
- Counterproductive work behaviour. Purposely failing to help a colleague and rude behaviour by supervisors are examples of behaviour attributed to the dimension of counterproductive work behaviour, because these behaviours can lead to employee illnesses and increase turnover and therefore harm an organisation's well-being.

Krijgsheld et al. (2022) noted that generally, these dimensions correspond with the measurement criteria of all employees discussed in the work performance literature.

3.6 JOB PERFORMANCE OF NURSES IN THE PUBLIC AND PRIVATE SECTOR GLOBALLY AND IN SOUTH AFRICA

Governments, policymakers, and healthcare organisations face major challenges to ensure healthcare remains accessible and affordable, as it requires healthcare organisations to transform and improve their performance. These challenges cannot be met without the involvement of healthcare employees and excellent performance by them (Krijgsheld et al., 2022). Nurses play a pivotal role in the delivery of healthcare services worldwide, and serve as the backbone of both public and private health systems. Their job performance influences patient outcomes, healthcare efficiency, and the overall quality of care directly (WHO, 2025). As healthcare systems evolve to meet growing demands, understanding the factors that affect nurse performance becomes increasingly important (Negussie & Berehe, 2016; WHO, 2025).

Globally, the job performance of nurses is shaped by systemic factors such as healthcare infrastructure, workforce policies, and socioeconomic conditions. The WHO (2025) noted that nurses represent the largest occupational group in healthcare and are central to achieving universal health coverages. However, disparities in working conditions between public and private sectors persisted across countries. In many high-income nations, private sector nurses benefited from better staffing ratios, access to advanced technologies, and competitive remuneration. These factors contributed to higher job satisfaction and performance outcomes. Conversely, public sector nurses often face resource constraints, heavier workloads, and bureaucratic limitations, which can hinder performance and increase burnout rates (WHO, 2025). Emerging economies face additional challenges, including workforce shortages, limited training opportunities, and uneven distribution of nurses between urban and rural areas. These issues affected both sectors but are more pronounced in public institutions, which served larger populations with fewer resources (WHO, 2025).

South Africa's dual healthcare system presents a stark contrast between public and private sector nursing environments. The public sector, responsible for serving over 80% of the population, is often underfunded and overburdened, while the private sector caters to a smaller, insured population with significantly more resources (Generic & Biosimilar Medicines

Southern Africa, n.d.; Pillay, 2009). A study done by Maseko and Harris (2018) on the public's perceptions of private and public hospitals in South Africa found that public sector health workers were described as cruel and inconsiderate with little regard to confidentiality.

A study by Pillay (2009) found that South African nurses were generally dissatisfied with remuneration, poor working conditions and organisational climate. These factors were found to be strong predictors of dissatisfaction (Pillay, 2009). This notion is supported by Mathevula and Dhliwayo (2022) and Mere et al. (2023). Similarly, Mokoka et al. (2011) found that registered nurses in the Gauteng Province of South Africa cited compensation and working conditions as the primary sources of dissatisfaction. A national study done by Coetzee et al. (2025) found that public sector nurses reported higher levels of job dissatisfaction, burnout, and exposure to workplace violence compared to their private sector counterparts. Public sector nurses also had limited access to professional development and recognition. These factors had a negative impact on their job performance and well-being. In contrast, nurses in the private sector reported better work-life balance, higher satisfaction with pay and career advancement, and more favourable perceptions of patient safety and management responsiveness. Scheepers et al. (2025) found that these conditions fostered a more supportive environment for high performance.

The South African National Department of Health (2024) emphasised the need for strategic planning to address nursing shortages, especially in specialised roles. It called for improved retention strategies, better alignment of workforce supply with healthcare demands, and enhanced support for nurses across both sectors (National Department of Health, 2024). Improving nurse performance requires targeted interventions that are tailored to sector-specific challenges. In the public sector, this includes increasing funding, reducing workloads, and enhancing recognition and career development. In the private sector, sustaining high performance involves maintaining competitive incentives and fostering inclusive, ethical work environments (Coetzee et al., 2024). Globally and in South Africa, investing in nursing education, leadership development, and mental health support is essential to ensure a resilient and high-performing nursing workforce. Cross-sector collaboration and policy reform can help bridge the performance gap and promote equitable healthcare delivery (WHO, 2025).

3.7 CONCLUSIONS REGARDING EMPLOYEE PERFORMANCE IN THE WORKPLACE

Employee or work performance (the terms are used interchangeably in the literature) is a key determinant of organisational effectiveness, as employees' involvement, commitment and motivation play a key role in an organisation achieving its goals and objectives (Nduati & Wangyoike, 2021; Widalicin et al., 2020). According to Koopmans et al. (2011), there is no single, universally accepted, comprehensive definition of employee or work performance, as it is a multidimensional construct that differs by discipline and job context. This is reflected in the attempts made by various authors to provide their own definitions of the concept

A number of research studies and literature reviews have been conducted on employee work performance and the factors that affect it. Studies have identified job demands, resources, stressors, performance management systems and burnout as some of the factors that affect work performance (Atatsi et al., 2019). Evaluating employee performance is a cornerstone of effective HR management and organisational success (Kadikiny & Otuya, 2025). Over the years, scholars and practitioners have developed a range of criteria to assess the work performance of employees, including productivity, quality of work, and job knowledge and skills.

In a study done to determine the key performance criteria to evaluate the work performance of healthcare workers, which includes nurses, Krijgsheld et al. (2022) identified four criteria as being important: task work behaviour, contextual work behaviour, adaptive performance, and counterproductive work behaviour.

3.8 CHAPTER SUMMARY

In Chapter 3 employee performance in the workplace (EPW) was discussed. The chapter started with a discussion of the importance of EPW, followed by a discussion of the concept of EWP. Thereafter, factors affecting employee performance and the criteria for evaluating employee performance in the workplace received attention. This was followed by a discussion

of the job performance of nurses in the public and private sectors globally and in South Africa. The chapter was concluded with the conclusions reached regarding employee performance in the workplace.

In the next chapter the effect of compensation on employee performance in the workplace will be discussed.

CHAPTER 4: THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE IN THE WORKPLACE

4.1 INTRODUCTION

In this chapter the effect of compensation on employee performance in the workplace is discussed. The chapter starts with a discussion of the conceptual link between compensation and performance followed by global perspectives on compensation and employee performance. Compensation and employee performance in South Africa is then discussed, followed by a comparative analysis of global findings vs South African findings on the effect of compensation on employee performance. Thereafter the impact of compensation on nurses' performance globally receives attention, followed by a discussion of the impact of compensation on the performance of nurses in South Africa. The chapter ends with conclusions regarding the effect of compensation on employee performance in the workplace.

4.2 CONCEPTUAL LINK BETWEEN COMPENSATION AND WORK PERFORMANCE

The relationship between compensation and work performance is widely explained by motivational and exchange-based theories. Expectancy theory suggests that employees are motivated when they perceive a clear link between effort, performance, and desirable rewards (Sutton, 2024). Similarly, Equity theory emphasises fairness in compensation as a determinant of employee satisfaction and performance (Marsden, 2025). Igbaji et al. (2024) explained that compensation reflects the process of rewarding employees for their contribution, and recommends that management prioritise individuals with specialised skills. In this regard, skill-based pay systems, which determine remuneration based on knowledge, experience, education, and specialised training, have gained prominence (Igbaji et al., 2024).

Akuffo-Aduamah (2025) further integrated Expectancy theory, equity theory, and goal setting theory to explain how compensation influences employee behaviour and performance outcomes. Akuffo-Aduamah (2025) complemented these perspectives with social exchange theory, which posits that favourable compensation practices foster reciprocal employee

commitment, thereby enhancing job satisfaction and organisational performance. Empirical evidence supports this view, which suggested that organisations with a robust compensation strategies are more likely to improve employee satisfaction and performance (Katabalo & Mwita, 2024).

Additionally, Maslow's Hierarchy of Needs underscores the role of compensation in meeting deficiency needs - such as physiological, safety, and social needs - through competitive salaries, annual revisions, long-service bonuses and outstanding-service bonuses, and improved workplace safety and resources (Mokoka et al., 2011). Cultural and religious perspectives also contribute to this discourse; for instance, Attahiru (2021) noted that the Islamic concept of compensation, which incorporates both worldly and spiritual dimensions of reward and accountability, is considered an effective approach to achieving performance goals.

Compensation, whether monetary (e.g., salaries, bonuses) or non-monetary (e.g., recognition, career development), plays a critical role in influencing employee behaviour and performance. Holistic compensation packages that integrate financial and nonfinancial (indirect) rewards have been shown to enhance performance by aligning employee goals with organisational objectives (Nkabi, 2024). Zafar et al. (2021) emphasised that competitive salaries, rewards, promotions, and job security are essential drivers of improved job performance. A study done by Udodiugwu et al. (2024) at the Enugu State Civil Service Commission in Nigeria found that indirect compensation metrics had a significant positive impact on employee performance. Kuse and Wanyoike (2022) also reported that indirect aspects such as strategic human resource practices (e.g., training and development, organisational culture, leadership, and top management commitment) also have a strong link with organisational performance. However, compensation systems must be carefully designed to sustain motivation and performance. Kgoedi and Pillay (2018) argued that while performance and motivation are closely related, the rewards that influence them vary, and no universal compensation system can be applied across all contexts. Hofisi and Mago (2012) further contended that compensation has a positive impact only when it is performance-related, reflects employee input, and is properly structured and maintained.

4.3 GLOBAL PERSPECTIVES ON COMPENSATION AND EMPLOYEE PERFORMANCE

Research in diverse organisations in the global context consistently demonstrated a positive relationship between compensation and employee performance. In developed economies, competitive pay structures are strongly associated with higher productivity, reduced turnover, and improved morale. In a study done with nurses at private hospitals in Malaysia, Krishnamoorthy et al. (2020) reported that promotion opportunities, manageable workloads, and supportive work environments strongly affected the nurses' intention to remain in their roles. Empirical studies in sectors such as banking and technology indicated that performance-based incentives contributed to measurable gains in output and innovation (Fulmer et al., 2023). In developing countries, compensation remains a critical motivator, though its effectiveness is often constrained by wage disparities and limited resources. Nevertheless, even modest improvements in pay have been linked to enhanced attendance, engagement, and service delivery (Nkabi, 2024).

Cultural and ethical considerations further complicate compensation practices. For instance, Bloom et al. (2003) and Mishra et al. (2012) explained that behaviour deemed acceptable in one cultural context - such as small payments for doing minor tasks - may be perceived as unethical or even as bribery in another. This finding underscores the importance of localising compensation strategies to ensure alignment with national cultural norms and institutional frameworks.

Religious perspectives also influence global compensation practices. From an Islamic viewpoint, performance is regarded as fulfilling a divine obligation, and employers are expected to ensure employee welfare through fair compensation, suitable working conditions, and respectful treatment. This perspective frames compensation not merely as an economic transaction but as a moral and social responsibility (Attahiru, 2021).

Government expenditure on employee compensation further illustrates its global significance. According to the World Bank Group (2021), wage bills account for approximately 30% of public sector spending, with direct implications for fiscal efficiency and service delivery. Public sector

wages influence recruitment, retention, and motivation, thereby affecting productivity and the quality of outputs such as infrastructure and public services.

Cross-national studies reveal substantial variation in compensation systems driven by governance structures, ownership models, and exposure to global competition. For example, research on Japanese firms link compensation strategies to profitability, unionisation, and capital-labour ratios, while studies in China report differences tied to organisational governance (Bloom et al., 2003). Comparative analyses of reward practices in Hungary and the United States suggest that political and institutional factors, rather than cultural differences alone, shape compensation systems. Similarly, surveys in Central European countries such as Slovenia and Slovakia indicate diverse approaches to performance-based pay and employee benefits (Bloom et al., 2003).

Finally, Kim (2012) examined reward systems across seven countries - including the Netherlands, UK, USA, Philippines, Germany, Taiwan, and Japan - and concluded that national culture interacts with contextual factors such as institutional frameworks to influence compensation strategies. These findings reinforce the need for a nuanced understanding of compensation as a multidimensional construct shaped by economic, cultural, institutional, and ethical considerations.

4.4 COMPENSATION AND EMPLOYEE PERFORMANCE IN SOUTH AFRICA

Compensation in South Africa is a complex and sensitive issue, particularly in the public sector. The democratic transition that occurred in 1994 introduced a moral and legal imperative to address decades of systemic inequities across all aspects of South African life (Pillay, 2020). In this context, performance management emerged as a critical factor influencing organisational commitment. Research done by Kgoedi and Pillay (2018) in a bank in the Mpumalanga province in South Africa found that fair and transparent compensation practices enhanced employee commitment and performance significantly. These results are supported by Mabaso and Dlamini (2018), who found a significant positive relationship

between performance management and employee commitment higher education institutions in South Africa.

Kgoedi and Pillay (2018) found that persistent disparities between public and private sector wages in South Africa, combined with inflation and rising living costs, often contributed to dissatisfaction. This creates a paradox for compensation administration, as organisations must balance financial sustainability with employee well-being. When employees perceive compensation as inadequate or inequitable, studies show increased demotivation, absenteeism, and reduced productivity (Kgoedi & Pillay, 2018).

In a study done by Mokoka et al. (2012) in South Africa, nurse managers' views on factors that could influence professional nurse retention included uncompetitive salaries. In a study conducted at the Department of Public Service and Administration in South Africa, Mandigwane et al. (2023) found that aligning remuneration with job responsibilities, performance, and qualifications was a key approach to enhancing employee performance in the public sector in South Africa. Addressing these structural and operational challenges is essential for sustaining workforce stability and improving service delivery in South Africa's public sectors.

4.5 COMPARATIVE ANALYSIS: GLOBAL VS SOUTH AFRICAN FINDINGS ON THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE

Global research consistently emphasised the strategic role of compensation in driving employee performance. Performance-based rewards, pay-for-output schemes, and transparent compensation policies are widely recognised as mechanisms for enhancing motivation, retention, and productivity (Albaek et al., 2022; Naidu & Satyanarayana, 2018). These systems align employee and organisational interests by linking pay directly to measurable outcomes, such as individual or group performance. Evidence from multiple countries confirmed that well-designed incentive structures - such as bonuses, profit-sharing, and piece-rate systems - significantly improved discretionary effort and overall performance (Fulmer et al., 2023; Mbukwana & Ayandibu, 2023; Nkabi, 2024).

South African findings broadly align with global trends in recognising compensation as a critical determinant of employee performance, yet local dynamics introduced unique challenges. Budgetary constraints, policy limitations, and socio-economic disparities often restricted the implementation of performance-linked pay systems (Kgoedi & Pillay, 2018; Mandigwane et al., 2023; Pillay, 2020). Cultural factors also influenced compensation preferences: South African employees may prioritise job security, community recognition, and equitable treatment over purely monetary incentives (Scott et al., 2020). Despite these contextual differences, both global and South African studies have found that compensation systems perceived as fair and aligned with employee expectations enhanced motivation, commitment, and productivity.

Sector-specific evidence reinforced these conclusions. In South Africa's healthcare and banking sectors, compensation significantly affected performance through its impact on motivation, satisfaction, and retention, although uneven implementation and resource limitations moderated these effects (Kgoedi & Pillay, 2018; Mokoka et al., 2011). This is supported by a study done by Coustas (2019) which found that nurses recruited in India to work in South African hospitals primarily sought financial benefits to support their families, alongside opportunities for professional and personal growth. In summary, while global best practices advocate for transparent, performance-linked compensation systems, South African organisations faced structural and cultural constraints that shaped their application. Nevertheless, the core principle remains universal: fair and strategically designed compensation is a powerful lever for influencing employee behaviour and improving organisational outcomes.

4.6 IMPACT OF COMPENSATION ON NURSES' PERFORMANCE GLOBALLY

Nurses worldwide faced unique challenges, including heavy workloads, emotional labour, and increasing patient care demands. Compensation played a critical role in addressing these challenges and influencing performance outcomes. Studies done in high-income countries such as the USA, Canada, and the UK consistently showed that competitive remuneration

enhanced nurse retention, job satisfaction, and quality of care. Incentives such as performance-based bonuses, housing allowances, and support for continuing education have proven effective in improving engagement and reducing turnover (Bloom et al., 2003; Fulmer et al., 2003; Krishnamoorthy et al., 2020; Naidu & Satyanarayana 2018). Conversely, inadequate compensation contributed to burnout, high attrition rates, and compromised patient care, as nurses who feel undervalued are less likely to fully engage in their roles, and this leads to systemic inefficiencies in healthcare delivery (Mokoka et al., 2011; Nkabi, 2024).

The global nursing workforce comprised approximately 29 million nurses and 2.2 million midwives, yet the WHO projected a shortage of 4.8 million nurses and midwives by 2030, with the most severe gaps expected in Africa, South-East Asia, and parts of Latin America (WHO, 2025). The COVID-19 pandemic further exposed vulnerabilities in nurse supply chains, as it created a shortfall of nearly 6 million nurses at its onset and intensified demand while simultaneously exerting damaging effects on workforce sustainability (Buchan et al., 2022).

Regional disparities in compensation exacerbated these shortages. Sub-Saharan Africa is facing a serious crisis in terms of retention, with nurse retention rates as low as 53% and intention-to-stay at 57%. This problem is driven by low pay and migration to high-income countries (Kiptulon et al., 2025). Comparative data illustrated the stark income gaps: in 2021, nurses in Luxembourg earned at least four times more than those in Lithuania and Latvia, while nurses in the USA consistently earned above the Organisation for Economic Co-operation and Development (OECD) average. This enables the USA to attract thousands of foreign-trained nurses annually (OECD, 2023). These disparities fuelled migration flows and deepened the shortages in lower-income regions.

Trends in remuneration over the past decade revealed mixed patterns. Many Central and Eastern European countries, including Hungary, Poland, and the Slovak Republic, achieved real-term pay increases averaging 4–5% annually between 2010 and 2019, narrowing gaps with Western Europe. In contrast, countries such as Greece, Italy, Portugal, Finland, and the UK experienced real-term declines during the same period, largely due to austerity-driven public sector pay policies. In the UK, nursing income fell by over 3% in real terms between

2010 and 2019, despite nominal increases, before modest improvements followed the Agenda for Change pay deal in 2018–2021 (Buchan et al., 2021).

In summary, global evidence underscored that fair and competitive compensation is essential for sustaining nursing performance and healthcare quality. While high-income countries leverage strategic pay structures to attract and retain talent, low- and middle-income regions faced persistent challenges of underpayment and migration, threatening workforce stability and patient care outcomes. Addressing these disparities through equitable and performance-linked compensation strategies remained a global priority.

4.7 IMPACT OF COMPENSATION ON NURSES' PERFORMANCE IN SOUTH AFRICA

Nurses in South Africa often worked under resource-constrained conditions, particularly in public healthcare facilities where staffing shortages and high patient loads are common. Compensation packages in these settings are frequently criticised as inadequate, contributing to dissatisfaction and turnover (Mokoka et al., 2011). Research indicated that fair and competitive compensation enhanced nurses' commitment, empathy, and resilience, ultimately improving patient care outcomes (Kgoedi & Pillay, 2018). However, disparities between urban and rural healthcare facilities, as well as between public and private sectors, exacerbated inequities and dissatisfaction. Union negotiations and policy reforms continued to shape the compensation landscape, but progress has been slow, underscoring the need for strategic interventions (Nkabi, 2024).

The shortage of nurses in South Africa is driven by rising healthcare demand, poor working conditions, and retention challenges (National Department of Health, 2024). A study by Sutanto et al. (2023) provided clear evidence that fair compensation strengthened organisational commitment and reduced turnover, leading to more consistent patient care and lower recruitment costs. In response to these challenges, private healthcare organisations in South Africa have adopted innovative compensation strategies to improve employee performance (Nkabi, 2024).

In the public sector, a notable policy intervention was the introduction of the Occupation Specific Dispensation (OSD) in 2007, aimed at attracting, motivating, and retaining health professionals in the public sector (Ditlopo et al., 2013). While initially focused on nurses, implementation faced significant challenges, including inadequate planning, budget overruns, and unintended consequences such as unmet expectations and perceived inequities in pay distribution (Ditlopo et al., 2013). These issues highlight the complexity of designing equitable and sustainable compensation systems in resource-limited contexts.

Both financial and non-financial incentives have demonstrated strong positive relationships with job satisfaction. Financial incentives include salaries, allowances, bonuses, and overtime payments, while non-financial incentives encompassed improved working conditions, recognition, promotions, and training opportunities (Kumarapeli, 2019, cited in Mbukwana & Ayandibu, 2023). Addressing these factors holistically is essential for enhancing nurse performance, reducing turnover, and strengthening South Africa's healthcare system.

4.8 CONCLUSIONS ON THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE IN THE WORKPLACE

Theoretical frameworks, including Equity theory, Expectancy theory, and Herzberg's two-factor theory, reinforced the conclusion that compensation influenced performance through financial means and by shaping perceptions of fairness, recognition, and growth opportunities. For nurses and other key professionals, compensation strategies must address both hygiene factors (adequate pay and working conditions) and motivators (advancement and recognition) to sustain engagement and performance.

Globally, performance-based incentives, competitive salaries, and non-financial benefits such as recognition and career development have proven effective in improving productivity and retention. However, cultural, institutional, and legal variations shaped compensation practices, underscoring the need for localised strategies. In South Africa, structural challenges, such as budgetary constraints, policy implementation gaps, and disparities between public and private

sectors, limited the effectiveness of compensation reforms. Initiatives such as the OSD illustrated both the potential and complexity of aligning pay structures with workforce needs.

The evidence reviewed across global and South African contexts demonstrated that compensation is a critical determinant of employee performance. Fair, transparent, and strategically designed compensation systems consistently enhanced motivation, job satisfaction, and organisational commitment, while inadequate or inequitable pay contributed to demotivation, absenteeism, and high turnover. This relationship holds true across sectors, including healthcare, banking, and technology, and is particularly pronounced in resource-constrained environments such as South Africa's public health system.

In sum, compensation is more than an operational expense, as it is a strategic lever for organisational success. To maximise its impact, employers must design compensation systems that are fair, performance-linked, and context-sensitive, integrating financial and non-financial incentives. These approaches improved individual performance and strengthened organisational resilience, reduced turnover costs, and enhanced service quality, particularly in sectors where human capital is the cornerstone of value creation.

4.9 CHAPTER SUMMARY

In this chapter the effect of compensation on employee performance in the workplace was discussed. The chapter started with a discussion of the conceptual link between compensation and performance followed by global perspectives on compensation and employee performance. Compensation and employee performance in South Africa was then discussed, followed by a comparative analysis of global findings vs South African findings on the effect of compensation on employee performance. Thereafter the impact of compensation on nurses' performance globally was given attention, followed by a discussion of the impact of compensation on the performance of nurses in South Africa. The chapter was concluded with conclusions regarding the effect of compensation on employee performance in the workplace.

In the next chapter the empirical study will be discussed.

CHAPTER 5: EMPIRICAL STUDY

5.1 INTRODUCTION

This chapter presents the empirical study in detail, building on the overview provided in Chapter 1. Whereas Chapter 1 introduced the research problem and outlined the methodological orientation at a high level, the present chapter explains how the research design, approach, and methods were applied in practice to generate the study's findings.

The function of this chapter is to provide a transparent account of the research process, including participant selection, data collection procedures, and analytic strategies. By documenting how the study was conducted, this chapter establishes the credibility and trustworthiness of the findings and demonstrates the methodological rigor underpinning the dissertation. It therefore serves as a critical bridge between the theoretical foundations of the study and the presentation of results in subsequent chapters.

5.2 RESEARCH DESIGN

In this section, the research design is described in terms of how the study was structured and implemented. While Chapter 1 provided an overview of the methodological orientation, this section explains in detail how the design was operationalised in the empirical study. A research design refers to the overall plan that integrates the research approach, strategy, and methods to ensure coherence between the study's philosophical paradigm and its practical execution (Creswell & Creswell, 2022).

For this study, the design was guided by hermeneutic phenomenology (HP) and implemented through a single descriptive case study strategy, supported by purposive sampling and thematic analysis. This section therefore outlines the rationale for these choices and demonstrates how they ensured methodological rigor and alignment with the study's objectives.

5.3 RESEARCH APPROACH

A qualitative research method was adopted for this study so as to align the method with the nature of the research question. This approach was deemed suitable as it enabled the collection of in-depth narratives, which offers a deeper and more nuanced understanding of the nurses' experiences (Creswell & Creswell, 2022). To support this methodology, open-ended and inductive strategies were employed to explore how individuals interpret their surroundings and perceive events. Participants were presented with broad questions, their perspectives were recorded, and the responses were examined to identify recurring themes (Pearson et al., 2025).

The study adopted a qualitative approach for several reasons. This method is sensitive to the real-life settings in which individuals operate, making it well-suited for exploring and describing complex human experiences. Unlike quantitative research, which focuses on measurable data, qualitative inquiry emphasises understanding participants' personal perspectives and lived realities. When using this type of framework, the researcher remains closely engaged with the participants, in order to understand how they perceive and make sense of their world (Pearson et al., 2025).

Qualitative inquiry can be pursued through several established approaches, including grounded theory, ethnography, action research, narrative inquiry, and phenomenology. Each of these approaches shares certain features but is distinguished by its specific focus and purpose (Creswell & Creswell, 2022). In this study, the chosen approach was hermeneutic phenomenology (HP), which enabled the researcher to explore nurses' lived experiences of compensation and work performance in depth. Rather than merely describing these experiences, HP emphasises interpretation, situating participants' perceptions within their broader professional and organisational contexts.

Phenomenology itself has historical roots in humanistic psychology, where the central concern is understanding how individuals perceive and make sense of their world (Emiliussen et al., 2021). By adopting its hermeneutic variant, this study acknowledged that meaning is not only

found in participants' accounts but also shaped through the interpretive engagement of the researcher. This approach therefore provided a coherent framework for uncovering and interpreting the significance of compensation practices as experienced by nurses in their daily work. Building on this interpretive foundation, the next section outlines the specific research strategy employed to operationalise this approach, namely the case study design.

5.4 RESEARCH STRATEGY

According to Saunders et al. (2019), a research strategy is a general plan of how the researcher will go about answering the research question. Saunders et al. (2019) stated that an appropriate research strategy has to be selected based on the research questions and objectives, the extent of the existing knowledge on the subject area to be researched and the amount of time and resources available, and the philosophical underpinnings of the researcher. In the current study a case study strategy of inquiry was utilised and detailed information was gathered from nurses regarding their views on compensation and work performance using in-depth individual interviews (Creswell & Creswell, 2022).

Within this study's qualitative inquiry, the chosen strategy was a case study, which provided a structured way to investigate nurses' experiences of compensation and work performance within the context of a single hospital. Rather than offering a broad definition of case study research, the emphasis here is on how this strategy was applied. Case study designs are particularly suited to situations where the researcher seeks to capture the complexity of lived experiences in their natural setting and to generate a holistic understanding of a bounded system (Starman, 2013).

In the current study, the 'case' was the group of nurses employed at the state hospital. A single descriptive case study was adopted, as the aim was to provide a detailed account of participants' perspectives rather than to establish causal explanations. By conducting individual interviews and interpreting the narratives, the study was able to document how compensation practices were experienced and understood by nurses, and how these experiences related to their work performance.

This design choice is consistent with Stake's (1995) notion of an instrumental case study, where the case is examined not only for its own sake but also to illuminate a broader issue - in this instance, nurses' perception of the effect of their compensation and their work performance. It also aligns with Yin's (2018) classification of descriptive case studies, which aim to provide a detailed portrayal of a phenomenon within its real-world context. Together, these frameworks reinforce the appropriateness of the case study strategy for addressing the research questions and ensuring methodological rigor.

5.5 RESEARCH METHOD

The research method explains the setting of the research setting, how entrée was gained by the researcher and the establishing researcher roles, the research procedure, how the research participants were selected, how data were collected, the recording of data, how data were analysis, and strategies employed to ensure the quality of the data gathered (Dannels, 2018).

5.5.1 Research setting

The study was conducted among nurses at a rural state hospital in South Africa. The hospital is managed by the Health Department of a provincial government in South Africa and offers medical services to the population in the area. As it is a provincial hospital, services are free to pregnant and breastfeeding women as well as to children under the age of six. Other citizens are charged according to government hospital rates. As with all state hospitals, the hospital in the current study employs both medical as well as support staff.

5.5.2 Entrée and establishing research roles

The researcher is an employee in the Clinical Department at the state hospital targeted for the current study, had access to the Head of the Health Department at the hospital and is also known to the nurses at the state hospital. This made it easier for the researcher to gain entry to the management and nurses at the state hospital. As the researcher is currently employed

at the state hospital the research will be conducted in, this could be considered a conflict of interest with the possibility of researcher bias. To mitigate this situation, the following were implemented:

1. The researcher not only maintained a reflexive journal but also systematically documented moments where her dual role as employee and researcher could have influenced interpretation. These reflections were critically discussed with her supervisor to ensure that personal assumptions were challenged and alternative perspectives considered. This ongoing reflexivity helped reduce the risk of insider bias by making the researcher's positionality transparent and accountable.
2. Ethical approval explicitly acknowledged the researcher's employment status and required detailed strategies for managing potential conflicts of interest. This included clear boundaries between professional duties and research activities, ensuring that participation was entirely separate from workplace hierarchies.
3. Participants were fully informed about the researcher's dual role and reassured that their responses would not affect their employment. To reduce power dynamics, interviews were conducted outside of the nurses' work units and scheduled at times convenient to participants, reinforcing that the researcher was engaging them as voluntary contributors rather than subordinates.
4. Beyond anonymity, participants were reminded that their decision to participate or withdraw would have no bearing on their professional standing. This reassurance was repeated at multiple stages (consent, interview, and debrief) to reduce any fear of repercussions. Participants were required to complete an Informed Consent Form reflecting this before participating in the study.
5. At the end of each individual interview, the researcher engaged in a brief member-checking process with the participants. This involved summarising the key points that had emerged during the interview and asking the interviewee to confirm, clarify, or

correct the researcher's understanding. All 11 participants reviewed their summarised interviews and no modifications were required after this review. This step ensured that the recorded data accurately reflected the participant's intended meaning and reduced the risk of misinterpretation. The member-checking process was not only about accuracy but also about empowering participants to validate or challenge the researcher's interpretations. This collaborative approach reduced hierarchical distance and gave participants greater control over how their narratives were represented.

6. The researcher explicitly acknowledged that being an insider carries both advantages (access, rapport) and risks (bias, power imbalance). By foregrounding these limitations and detailing the mitigation strategies, the study demonstrates methodological rigor and transparency.

By combining reflexive practice, transparent communication, and participant empowerment, the researcher actively managed insider bias and minimised power dynamics, ensuring that participants' voices were authentically represented without fear of professional consequences.

5.5.3 Research procedure

Written approval to conduct the study was obtained from the NHRD to conduct the study at the state hospital in question. After this, and before data was gathered, ethical clearance was obtained from the Ethics Committee in the College of Human Sciences at Unisa. The researcher then, together with the Head of the hospital's HR Department and the Nursing Manager, compiled a name list of all 111 nurses at the state hospital who complied with the following criteria: (1) They must be permanently employed at the state hospital, (2) they must be a nurses, and (3) they must be registered with the SANC, and (4) they must have been working at the state hospital for a least five years so that they could contribute to the research meaningfully. From this list a total of 20 nurses were purposively selected, that is, nurses who could provide in-depth and detailed information about the effect of compensation on their work performance. The 20 nurses selected were approached and asked if they would participate in the study and the aim of the research was explained to them. All 20 nurses agreed to

participate and were then requested to complete and sign an Informed Consent Form. After this, 2-hour interviews were scheduled with them in an office free from interruptions at a date and time convenient to them. The interviews were conducted as per the specified dates and times. After obtaining permission from the participants, the interviews were recorded and supported by field notes.

It is acknowledged that some qualitative researchers employ formal tools such as saturation grids or code development logs to demonstrate the point at which no new themes emerge. In the current study, saturation was instead tracked through iterative coding and reflexive documentation. Coding was conducted concurrently with data collection, allowing the researcher to observe when successive interviews began to replicate existing codes rather than generate new ones. By the ninth interview, recurring patterns were evident, and by the eleventh interview no additional themes emerged. Reflexive notes and supervisory discussions provided external validation of this observation. While a saturation grid or code log is not presented, the researcher has offered a transparent account of how saturation was monitored, consistent with Hennink and Kaiser's (2022) definition of saturation as the point at which further data collection no longer contributes substantively to the development of codes or themes. This approach ensured that the decision to conclude interviews was systematic, rigorous, and aligned with qualitative research standards. The gathered data was then analysed by means of thematic analysis and the findings from the interviews were recorded.

5.5.4 Research participants

The population for this study consisted of all 111 male and female nurses at the selected state hospital. A sample of 20 nurses were purposefully selected (also known as selective sampling) to be part of the sample (Hennink & Kaiser, 2022). The nurses had to comply with the four criteria mentioned above. These nurses were determined to be able to provide in-depth and detailed information about the effect of compensation on their work performance. The original sample size was larger than that suggested by Hennink and Kaiser (2022) who stated that research indicated that a mean of 12–13 interviews were generally conducted in qualitative research before saturation was reached.

5.5.5 Data collection methods

In qualitative inquiry, interviews remain a central means of data generation, as they enable researchers to engage directly with participants and explore their perspectives in depth (Creswell & Creswell, 2022). For this study, data were gathered through semi-structured, individual interviews, each lasting approximately two hours. The format combined open-ended questions with probing techniques, allowing nurses to elaborate on their experiences and provide nuanced accounts of how compensation influenced their work performance within the hospital context. This approach ensured that information was obtained first-hand, giving participants the opportunity to articulate their perceptions in their own words. To align the interviews with the study's empirical objectives, three guiding questions were developed.

In addition to the three guiding questions, a fuller interview schedule was employed to ensure comprehensive coverage of issues related to compensation and work performance. Probes were incorporated to explore specific dimensions such as basic pay, allowances, overtime, and the Performance Management and Development System (PMDS). Further prompts addressed perceptions of fairness, intrinsic motivation, workload, absenteeism, morale, retention, and the perceived impact of compensation on patient care. This structured approach ensured that participants were encouraged to elaborate on both financial and non-financial aspects of their work experience, thereby enhancing the richness and relevance of the data. The complete interview schedule, including guiding questions and probes, is provided in **APPENDIX A**.

5.5.6 Recording of data

All interviews were recorded after obtaining permission to do so by participants and this was supported by field notes made by the researcher during the interviews (Creswell & Creswell, 2022). Using a tape recorder during interviews is essential, as it allows researchers to efficiently gather extensive data from multiple participants in a relatively brief period (Creswell & Creswell, 2022). After each interview the recording was transcribed accurately, including pauses and speech dynamics. The transcripts were analysed in conjunction with the original

recordings and interview themes were identified. The information gathered from the interviews were stored in a safe place and kept confidential and was only available to the researcher and supervisor.

5.5.7 Data analysis

For this study, the interview material was examined using thematic analysis, a widely recognised approach for systematically identifying and interpreting recurring patterns within qualitative data (Braun & Clarke, 2006). This method involves reviewing the entire dataset to detect consistencies in meaning across participants' accounts. It was selected as the most suitable analytic strategy given the study's focus on nurses' perceptions of compensation and its influence on work performance. The analysis followed the structured guidance outlined by Braun and Clarke, progressing through six distinct phases. These stages are summarised in **Table 5.1** and elaborated upon in the subsequent discussion.

Table 5.1

The Six Phases of Thematic Analysis

Phase	Description
1	Familiarisation with the data
2	Generating initial codes
3	Searching for themes
4	Reviewing the themes
5	Defining and naming themes
6	Producing the report

Note. Adapted from "Using Thematic Analysis in Psychology", by Braun, V., and Clarke, V. (2006), *Qualitative Research in Psychology*, 3(2), pp. 77-101.

1. Phase 1: Familiarisation with the data. This entails reading and re-reading transcripts, notes, or texts, and noting down initial ideas. While initial ideas and observations are noted, the focus is on becoming deeply familiar with the content.
2. Phase 2: Generating initial codes. Systematic coding begins by identifying features of the data that are interesting or meaningful. Codes are applied across the entire dataset and collated for later analysis.
3. Phase 3: Searching for themes. This entails grouping codes into potential themes and gathering all data relevant to each potential theme. The researcher begins to analyse how codes combine to form overarching patterns or narratives.
4. Phase 4: Reviewing the themes. Themes are refined by checking if they work in relation to the coded extracts (Level 1) and the entire dataset (Level 2). Some themes may be split, combined, or discarded depending on their coherence and relevance to generate a thematic 'map'.
5. Phase 5: Defining and naming themes. Each theme is clearly defined and named to capture its essence. A detailed analysis of each theme is done, explaining how it relates to the research question.
6. Phase 6: Producing the report. The final phase involves weaving together the narrative of the analysis. Vivid examples are selected and findings are related to existing literature and presented as a compelling story of the data.

5.5.8 Strategies employed to ensure the quality (trustworthiness) of data

Lincoln and Guba (1985) developed a now widely accepted framework to ensure the quality of qualitative research. It includes four key elements: credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985). These are discussed in more detail below:

1. **Credibility.** This refers to the confidence that can be placed in the truth of the research findings. In the current study it refers to whether the nurses that were interviewed felt that the findings accurately represented their lived experience regarding the effect of their remuneration on their work performance. Confidence in the truth of findings was enhanced not only through prolonged engagement and member-checking, but also by maintaining reflexivity notes in a journal. These notes documented the researcher's positionality and potential biases, which were regularly discussed with the supervisor. This reflexive practice ensured that interpretations remained grounded in participants' lived experiences rather than researcher assumptions.
2. **Transferability.** This refers to whether the findings are applicable in other contexts. In the current study the data generated from the individual interviews were analysed by the researcher using thematic analysis. Thematic analysis provided rich, contextualised accounts of nurses' experiences. To support transferability, the researcher maintained an audit trail of methodological decisions, including how interviews were scheduled, how coding was approached, and how themes were developed. This transparency allows readers to evaluate whether findings may be applicable in other contexts.
3. **Dependability.** This refers to whether similar findings will be produced if someone else also undertook the research. In the current study dependability was strengthened by requesting the supervisor to audit the research procedure. In addition, cross-coding checks were conducted: selected transcripts and codes were reviewed by the supervisor to confirm consistency in the application of themes. This external validation reinforced that the analytic process conformed to qualitative protocols.
4. **Confirmability.** This refers to whether the findings are a product of participants' responses and not the researcher's biases, motivations, interests, or perspectives. In the current study confirmability was ensured through supervisor audits of findings and by making the dissertation report transparent. Member-checking evidence further supported confirmability: all 11 participants reviewed summaries of their interviews, and none

requested modifications. This demonstrated that the findings reflected participants' intended meanings rather than researcher bias.

Although a formal saturation table is not presented, the combination of reflexivity notes, audit trail documentation, member-checking evidence, and supervisor cross-coding provided a robust framework to ensure credibility, dependability, transferability, and confirmability in line with Lincoln and Guba's (1985) criteria.

5.5.9 Ethical considerations

According to Salkind (2018), it is important to remember that human beings are serving as participants in research. Therefore, the participants must be treated in such a way that their dignity is maintained during and after the research process. Salkind (2018) considered the following guidelines to be important when undertaking research:

1. Protection from harm. Participants must be prevented from physical or psychological harm.
2. Maintenance of privacy. Maintaining the anonymity of participants is of the utmost important so that records cannot be linked with names.
3. Coercion. People should not be forced into participation in a study.
4. Informed consent. Any study that uses human participants should have an informed consent form that is read and signed by each participant.
5. Confidentiality. Everything that is learned about the participant must be held in the strictest of confidence.

To comply with the above-mentioned guidelines, written approval from the National Health Research Database (NHRD) was first obtained to conduct the study at the state hospital in

question. Ethical clearance was then obtained from the Ethics Committee in the College of Human Sciences at Unisa. The researcher then obtained signed Informed Consent forms from the members of the sample identified to participate in the study. The informed consent forms contained all the information required by the Unisa's College of Human Sciences Ethics Committee. All data gathered during the study were treated confidentially and kept secure with access restricted to the researcher and her supervisor.

5.6 CHAPTER SUMMARY

In this chapter the empirical study was discussed in detail. The chapter provided more detail regarding the research design, the research approach, and the research method.

In the next chapter the findings of the study will be reported and discussed.

CHAPTER 6: FINDINGS AND DISCUSSION

6.1 INTRODUCTION

Chapter 6 examines the results of the empirical study. It begins by providing a short review of how the data was collected and analysed. The findings are then presented in line with Braun and Clarke's (2006) phases of thematic analysis, with the corresponding codes and themes emerging from the data. The five final themes identified are then discussed in detail followed by a short summary of the main findings of the empirical study.

6.2 A REVIEW OF THE DATA COLLECTION AND ANALYSIS PROCESS

The population for this study consisted of all 111 male and female nurses at the state hospital. A sample of 20 nurses was purposefully selected and semi-structured interviews were used to gather information regarding their perceptions of the effect of compensation on their work performance. Saturation was achieved after 11 nurses had been interviewed and the data gathered from these interviews were analysed using thematic analysis. Thematic analysis was used to identify recurring themes in the data. The composition of the research sample is given in Table 6.1.

Table 6.1

Composition of the Research Sample (n = 11)

No	Qualification	Gender	Race	Age	Tenure
1	Bachelor of Nursing	Female	Black	57	21-35 years
2	Bachelor of Nursing	Female	Black	48	5-10 years
3	Bachelor of Nursing	Female	Black	49	21-35 years
4	Bachelor of Nursing	Female	Black	45	5-10 years
5	Bachelor of Nursing	Female	Black	55	21-35 years
6	Diploma in Nursing	Female	Black	51	5-10 years

7	Higher Certificate in Nursing	Female	Black	34	5-10 years
8	Higher Certificate in nursing	Female	Black	48	11-15 years
9	Higher Certificate in Nursing	Female	Black	51	11-15 years
10	Higher Certificate in Nursing	Female	Black	44	11-15 years
11	Higher Certificate in Nursing	Female	Black	38	5-10 years

Table 6.1 indicates that in terms of education, five participants had a Bachelor of Nursing degree, five had a Higher Certificate in Nursing, while one had a Diploma in Nursing. Regarding gender, all 11 participants were female and all were black. All participants were between the 34 and 57 years old. Five participants had been employed at the hospital for 5 to 10 years, three participants had been employed for 11 to 15 years, and three participants had been employed for 21 to 35 years. In summary, all 11 participants were registered nurses, black females, over the age of 34 and all had been employed at the hospital for at least 5 years.

Once the data were collected it was analysed by applying the six steps of thematic analysis as per Braun and Clarke (2006). The findings from this analysis are reported in the section below.

6.3 IDENTIFIED CODES AND THEMES

The 11 nurses in the sample were asked three questions in order to achieve the general aim and the three specific empirical aims of the study:

1. How does your current compensation affect your performance at this hospital?
2. How can your current compensation package be structured to increase your work performance at this hospital?
3. What other interventions, besides compensation, can the hospital implement to improve your work performance?

The answers to these three questions given by the 11 nurses were recorded and transcribed and thematic analysis as propagated by Braun and Clarke (2006) was used to generate codes and identify themes from the transcripts. The reporting of the findings will be discussed according to the Braun and Clarke (2006) phases.

6.4 PHASE 1: FAMILIARISATION WITH THE DATA

In this stage, the researcher engaged deeply with the data by reading and re-reading the transcripts of the 11 interviews twice, marking elements that might be significant. Reflective questions were posed, such as: How did this participant interpret their experiences? What underlying assumptions shaped their understanding? Notes were taken both on the entire dataset and on individual transcripts. At this point, note-taking was informal and observational rather than systematic or comprehensive, as the purpose was not yet to begin coding the data.

6.5 PHASE 2: GENERATING INITIAL CODES

Phase 2 involved a structured analysis of the data through coding, which served as the foundation of thematic analysis. The researcher ensured that the codes closely reflected the content of the data and captured the meanings expressed by the participants. Table 6.2 indicates the coded transcript for Question 1 of the 11 interviews. Transcripts for Questions 2 and 3 of the 11 interviews were coded in a similar manner.

Table 6.2

Coded Transcript for Question 1 of the 11 Interviews

Transcript of interviews for question 1	Codes identified per respondent
<u>Interviewer:</u> How does your current compensation affect your performance at this hospital?	
<u>Respondent 1:</u>	
Yes, sometimes akere, byanong (Sepedi speaking translated) like err I am working at the Department of Health, and I have sworn (Sepedi translated) to provide service regardless of the (stuttering) circumstances. At some point you just say "ijob" (work is work) let's just work. And when you compare yourself with those who are not working and, I say let's just work.	☐ Performance is affected by perceived underpayment ☐ Intrinsic motivation ☐ Duty to serve and protect ☐ Service delivery ☐ Lack of job opportunities ☐ Comparison to those who are unemployed ☐ Financial gain
I work because I like my job, though they are not compensating well. I can't say no, and relax. I am passionate about my job, I am doing it because of patient care as it is my priority for patient care even though there some gaps there and there, but I am doing my part. Even though the compensation is not good, I do my job to the best of my ability.	☐ Passion for the job ☐ Intrinsic motivation ☐ Duty to serve and protect ☐ Perceived underpayment
<u>Respondent 2:</u>	
Compensation is not enough. The needs are a lot and I am a single parent. The husband is not around to assist which becomes a problem. The husband has left. There is no assistance financially as I am alone.	☐ Perceived underpayment ☐ Single headed home ☐ Financial constraints

I work because I love my job. Because for the love of it.

☐ Passion for the job

I am not motivated, it's because of the love of the job.

☐ Passion for the job

☐ No motivation

Since we are government employees our kids don't get NSAFAS, and the government does not compensate us enough to satisfy us and it would be better we also got the grant as they are kids who also deserve the incentives. I wish they could grant them the grants to go to school like other kids who are given grants. Government is giving us small compensation and saying that we afford while others are getting free education and housing and we can't afford them. Why don't they give us our kids the incentives that others kids are getting, aren't they children as well? They should also give them grants because they are the same. People get a lot of things for free, one day they are going to grant them cars and fuel. Government is not fair to us. The medical aid is also expensive. Salary, you see it by numbers, and the tax takes it and the policies and medical aids and we also have loans on top of the debts that we already have for those children to be able to go to school. We are deep in debt and people are busy buying combos and we can't even afford that.

☐ Perceived underpayment

☐ Unfair government social grants

☐ Inability to afford education

☐ Inability to afford housing bonds

☐ Expensive medical aids

☐ High tax

☐ Loans and policies taken which leads them to be in debt every month

Respondent 3:

It affects me It does not motivate me especially salary wage there is allowances and we don't get the allowances. We get housing allowance that I can't apply for bond house at house. There is danger and rural allowance we don't get them. There are categories in the nurses we are the first level in nursing the 1-year certificate and the 2 year and then professional level. Rural allowance is given to professional nurses.

☐ Perceived underpayment

☐ Less motivated

☐ Unfair incentives amongst nurses (danger allowances, housing allowances and rural allowances)

At the end of the day we love our job, even though we are not being compensated. We go extra mile just for the patient. We think about them and the patients are just caught in between. And for the love of the job it is killing us. As service delivery is going, but we are not happy. Even if we are crying about our compensation we are working and they won't help us as we are performing irrespective of being less compensated. They talk to us the way that they want telling us to work as we are getting paid.

- ☐ Passion for the job
- ☐ Go an extra mile
- ☐ Duty to serve and protect
- ☐ Service delivery
- ☐ Performance not affected
- ☐ Managerial and leadership style

Respondent 4:

I am a widow and I am responsible for everything. Motivation is not there; it is just because I love my job. The kids have grown and have qualifications but others working and others not. The allowance is also the same as the previous participant. Even the years that I have been working it does not show what I have been working for long. The tax is also high. They should give us the same benefits of NSFAS and RDP house but we don't get that as we work for the government, it is hard working for the government these days.

- ☐ Perceived underpayment
- ☐ Single headed home
- ☐ Financial constraints
- ☐ Less motivation
- ☐ Passion for the job
- ☐ Unfair incentives amongst nurses (danger allowances, housing allowances and rural allowances)
- ☐ High tax
- ☐ Government social grant for children for free education and housing

Respondent 5

It's been 14 years in service. We can't afford a bond. Husband is far away and cross transfer is difficult for one to get. Management is always on our case. We are here for the patient and service delivery. I am here because of the money.

- ☐ Perceived underpayment
- ☐ Single headed home
- ☐ Financial constraints
- ☐ Financial gain

Respondent 6:

My compensation is enough for my family. I am struggling because I have 4 kids and I am single mother. I am not satisfied and I am not happy coming to work. I just come to work because I have to. I can't work if I am not satisfied, if salary is not enough you come to work complaining as you always think that it is not enough and thinking about kids and expenses. Service delivery is done even though I am not satisfied with the salary. I love my job and I do enjoy my job. I am not happy with the allowances as they are many allowances but I don't get the rural or housing allowance because I am ENA, there is no danger I only get uniform allowance. I can't afford the kids schools and they don't qualify for NSAFAS. I do come to work even though I am not satisfied but I do a good job.

- ☐ Perceived underpayment
- ☐ Single headed home
- ☐ Financial constraints
- ☐ Financial gain
- ☐ Not satisfied
- ☐ Less motivation
- ☐ Performance affected
- ☐ Duty to serve and protect
- ☐ Service delivery
- ☐ Unfair incentives amongst nurses (danger allowances, housing allowances, uniform allowances and rural allowances)
- ☐ Government social grant for children for free education and housing

Respondent 7:

I come from a big family, my salary was too small for me as I couldn't afford, as I didn't know who to give. What I have accepted is that there is nothing I can do, but I just come to work....

I wanted a job for a serious so that we can get out of the situation, I was working in Gauteng. When I passed for nursing I came home to come support and leave with my kids. Salary is not enough and I didn't know who to help and at that time.

- ☐ Perceived underpayment
- ☐ Single headed home
- ☐ Financial constraints
- ☐ Financial gain
- ☐ Psycho socio-economic status
- ☐ Main bread winner in the family

Respondent 8:

It is way too little. It's way too little a lot. It affects me in anyway as we work other duties that are not ours. We do other people's work because we do not have choice. They say we have to teach ourselves and the nursing board does not allow that for example if the patient is given a drip and the higher ups come and find that it was done by ENA

- ☐ Perceived underpayment
- ☐ Beyond scope of practice
- ☐ Board of nursing council
- ☐ Shortage of nurses
- ☐ Debts
- ☐ Performance not affected

they would ask you questions on how you would insert a drip(bb). There is a shortage of nurses. We are in debts we are supporting the children; we are bread winners. The moment you get a salary it ends before you can do things. It is not enough. I am not on any loans. I depend on my compensation. It does what it can. Performance is not affected as I love and enjoy doing my job. What motivates me is patient care and the love for my job.

- ☐ Main bread winner in the family
- ☐ Passion for job
- ☐ Duty to serve and protect
- ☐ Service delivery
- ☐ Motivated by patient care

Respondent 9:

Compensation is okay. It is just us who gets ourselves into loans and debts that is why we suffer and think that the money is not enough. I am the breadwinner and when it comes to payday you already have nothing as you have a lots of debts to pay. We are getting paid well but the loans are the problem. You get yourself into loans that you don't know when you will be able to finish paying them.

- ☐ Satisfactory with payment
- ☐ Main bread winner in the family
- ☐ Training and workshops

Even the benefits that we receive are fine, but the money that we get is not enough, but it's fine as we are the ones getting ourselves into loans.

- ☐ Satisfied with incentives
- ☐ Self-blame for debts and loans

I am also happy with my performance, and I do not have any challenges at work. I am happy with my job, performance and my compensation. But there is shortage of staff and workload. Those are killing us.

- ☐ Satisfactory performance
- ☐ Satisfactory compensation

We just work, sometimes you find that its 1 staff nurse and 2 sisters, but we do work but it is very challenges and even our off days have been cut off. We no longer work seven days in and 7 days off.

- ☐ Shortage of staff
- ☐ Workload
- ☐ Changes in days off

It's the love of my job and besides there is nothing else I can do. I just come to work.

- ☐ Passion for the job

They don't tell us anything about training. You need to go to school, like me as a staff nurse will need to go to school to get to the next

- ☐ Training and workshops
 - ☐ Further studies
-

level. Like me, since I am staff nurse, I will have to go to school and we don't know when will go.

Respondent 10:

The compensation is not bad. She laughs and hesitates a little. It's not that bad. I was not getting the finances that I was supposed to get with my qualification. I came back and went to HR and told them what Mokopane said to me about the salary. From Mokopane, I went to HR so they told me that when I was at school I was not doing my PMDS and that is why my salary was like this.

☐ Promotional posts

☐ Satisfactory with payment
☐ Discrepancies in pay progression

I went back to do midwifery and I am being paid the same. My question is that how can the one who got appointer in 2014 and the one whose appointed in 2021 get the same salary?

☐ Discrepancies in pay progression
☐ Salary comparison with peers

I feel information is not being share and we don't get workshops about important information. Having a shortage of staff is affecting us, those who passed away and resigned have not been replaced. So you have to force come to work even when you are sick to fill in the space. You feel for someone that what will happen.

☐ Transparency of information
☐ Workshops for sharing information
☐ Shortage of staff
☐ Patient care
☐ Service delivery
☐ Duty to serve and protect

No, we are not performing well, but because you love your work and you feel for the patient and how they will be suffering you just come to work.

☐ Low performance
☐ Service delivery
☐ Patient care
☐ Duty to serve and protect

Respondent 11:

The compensation is not bad for now, because it is now we get in this level as we just came back from school from Mokopane, but we are not the same. We just came back from Midwifery and for four years, we still young this thing goes with the steps. It is not perfect due to the

☐ Satisfactory payment
☐ Enthusiastic about new position

cost of living. You just pay the car and the rest if for food. The food is very expensive.

I am performing well, but due to shortage I find that I can't perform to the best of my ability.

- ☐ Satisfactory performance
- ☐ Shortage of staff

We can't even go to lunch, we deliver babies and eat there because of shortage of staff. It is but there is nothing we can do as we also eat in the ward because of shortage, we end up neglecting other patients.

- ☐ Unintentional negligence of other patients due to shortage of staff

Our problem with our supervisors want us to do miracles and they say we should cover things up but our supervisors want us to cover and it means we will not get help as we close up the gaps

- ☐ Workload
-

6.6 PHASE 3: SEARCHING FOR THEMES

After the 11 transcripts were coded, themes were generated from the codes. A theme “captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set” (Braun & Clarke, 2006, p. 82). This stage focuses on examining the coded data to pinpoint similarities and overlaps among codes, which helps in forming broader topics or issues where codes naturally group together. The process of developing themes involves merging or clustering codes that share a common underlying feature, so they collectively represent a clear and meaningful pattern within the data. Table 6.3 indicates the seven themes identified from the codes generated from the three questions that participants were asked during the 11 interviews.

Table 6.3

Themes Identified from the Generated Codes

Generated codes	Initial themes identified
• Perceived underpayment • Financial constraints • Single headed home • High tax • Loans and debt • Unfair incentives amongst nurses (danger, housing, rural allowances) • Unfair government social grants • Inability to afford education/housing bonds/medical aids • Salary increment requests • Discrepancies in pay progression	1. Financial Stressors and Compensation. Codes clustered here reflect economic hardship, dissatisfaction with pay, and structural inequities in compensation.

• Comparison of incentives with other institutions • Financial gain • Government bonds/housing allowances	
• Passion for the job • Intrinsic motivation • Duty to serve and protect • Service delivery • Motivated by patient care • Go an extra mile • Professionalism	2. Intrinsic Motivation and Professional Identity. This theme captures the passion, duty, and intrinsic drive that sustain performance despite challenges.
• Shortage of staff • Workload • Changes in days off • Unintentional negligence due to shortage • Hire more staff • Work overload • Lack of resources • Presentism (working while sick) • Beyond scope of practice	3. Workload, Staffing, and Resource Challenges. Codes here highlight systemic issues in staffing, workload, and shortages that affect morale and patient care.
• Managerial and leadership style • Transparency of information • Communication • Information sharing • Meetings and briefings • Union involvement • Unfair treatment • Favouritism • Trust issues amongst nurses	4. Leadership, Communication, and Organizational Climate. This theme reflects managerial styles, communication practices, and organisational culture.

• Climate meetings • Hierarchical system • Reporting etiquette	
• Training and workshops • Further studies • Promotional posts • Skill development • In-service training • Team building • Recognition and appreciation • Positive competition amongst nurses • Processes of transfer • Tenure of service • Stagnant in one post	5. Training, Development, and Career Progression. This theme captures opportunities for growth, skill-building, and promotion.
• Low morale • Stressful working conditions • Fatigue • Burnout • Coping skills/strategies • Wellness programs • Appreciation • Rest rooms / lockable cabinets	6. Morale, Wellbeing, and Coping. This theme reflects emotional wellbeing, stress, and coping strategies.
• Complaints about government policies and structures • Children not benefiting from grants • NSFAS for children's education • Housing allowance	7. Government policy, study grants and housing allowances. This theme captures broader systemic and governmental factors impacting nurses.

6.7 PHASE 4: REVIEWING THE THEMES

In this phase, a recursive approach was applied to ensure the developing themes aligned with both the coded extracts and the full dataset. The focus was on quality assurance. First, the seven themes were examined against the collated data segments to assess whether each theme accurately reflected the material. The second step involved reviewing the themes in relation to the entire dataset, which required a final rereading of all the data to confirm that the themes provided a meaningful representation of the whole. During this step the originally identified seven themes were merged and renamed into five themes as indicated in Table 6.4. This reduction was guided by conceptual overlap and the need to avoid redundancy while maintaining analytic clarity.

- Financial strain and compensation inequities and Government policy, study grants and housing allowances were merged into *inadequate compensation, incentives and financial strain*. Participants consistently framed government-related benefits and allowances as part of the broader compensation package, linking them directly to perceptions of financial strain rather than treating them as distinct issues.
- Intrinsic motivation and professional identity and Morale, wellbeing, and coping were consolidated into *Motivation to perform work*. Accounts of morale and coping strategies were expressed as manifestations of intrinsic motivation, reflecting nurses' reliance on professional identity and internal values to sustain performance despite financial challenges.
- Training and development and Training, development, and career progression were combined into a single theme, *Training and development*. The data did not support a clear distinction between general training and career progression, as participants discussed them together as part of broader opportunities for professional growth.
- Workload and resource challenges and Leadership, communication, and organisational climate remained as distinct themes, as participants described them as separate but complementary organisational factors influencing performance.

This consolidation process ensured that the final five themes captured the essence of participants' experiences while avoiding fragmentation. By merging overlapping categories, the findings remain tightly focused on remuneration and its organisational context, while still acknowledging the broader conditions that shape nurses' work performance.

Table 6.4

Reviewed Themes

Original identified theme	Reviewed themes
1. Financial strain and compensation inequities	1. Inadequate compensation, incentives and financial strain
2. Intrinsic motivation and professional identity	2. Motivation to perform work
3. Workload and resource challenges	3. Workload and resource challenges
4. Leadership, Communication, and Organisational Climate	4. Leadership and communication
5. Training, Development, and Career Progression	5. Training and development
6. Morale, Wellbeing, and Coping	
7. Government policy, study grants and housing allowances	

6.8 PHASE 5: DEFINING AND NAMING THE THEMES

During this phase, the distinctive qualities of each of the five reviewed themes were outlined in concise descriptions. This phase represented the more detailed analytic work of thematic analysis, where the findings were refined into detailed interpretations. To demonstrate the breadth and relevance of each theme, relevant extracts from participants across all 11 interviews were included. The final five themes, along with their definitions and supporting extracts, are presented below.

1. Inadequate compensation, incentives and financial strain. This theme captures the persistent economic pressures nurses face, including dissatisfaction with pay, inequitable incentives, and the burden of debt. It highlights how financial hardship undermines morale and performance. This theme is supported by the following extracts:

Respondent 1: *Even though the compensation is not good...*

Respondent 2: *Compensation is not enough. The needs are a lot and I am a single parent. The husband is not around to assist which becomes a problem. The husband has left. There is no assistance financially as I am alone. Since we are government employees our kids don't get NSAFAS (National Student Financial Aid Scheme), and the government does not compensate us enough to satisfy us and it would be better we also got the grant as they are kids who also deserve the incentives. I wish they could grant them the grants to go to school like other kids who are given grants. Government is giving us small compensation and saying that we afford while others are getting free education and housing and we can't afford them. Why don't they give us our kids the incentives that others kids are getting, aren't they children as well? They should also give them grants because they are the same. People get a lot of things for free, one day they are going to grant them cars and fuel. Government is not fair to us.*

Respondent 3: *Since we are government employees our kids don't get NSAFAS, and the government does not compensate us enough to satisfy us and it would be better we also got the grant as they are kids who also deserve the incentives. I wish they could grant them the grants to go to school like other kids who are given grants. Government is giving us small compensation and saying that we afford while others are getting free education and housing and we can't afford them. Why don't they give us our kids the incentives that others kids are getting, aren't they children as well? They should also give them grants because they are the same. People get a lot of things for free, one day they are going to grant them cars and fuel. Government is not fair to us. The medical aid is also expensive. Salary, you see it by numbers, and the tax takes it and the policies and medical aids and we also have loans on top of the debts that we already have for those children to be able to go to school. We are deep in debt and people are busy buying combos and we can't even afford that.*

Respondent 4: *I am a widow and I am responsible for everything. Motivation is not there. They should give us the same benefits of NSFAS and RDP house but we don't get that as we work for the government, it is hard working for the government these days.*

Respondent 5: *It's been 14 years in service. We can't afford a bond. Husband is far away and cross transfer is difficult for one to get.*

Respondent 6: *My compensation is not enough for my family. I am struggling because I have 4 kids and I am single mother. I am not satisfied and I am not happy coming to work. I just come to work because I have to. I can't work if I am not satisfied, if salary is not enough you come to work complaining as you always think that it is not enough and thinking about kids and expenses. Service delivery is done even though I am not satisfied with the salary. I can't afford the kids schools and they don't qualify for NSFAS.*

Respondent 7: *I come from a big family, my salary was too small for me as I couldn't afford, as I didn't know who to give. What I have accepted is that there is nothing I can do, but I just come to work.... Salary is not enough and I didn't know who to help and at that time.*

Respondent 8: *It is way too little. It's way too little a lot. We are in debts we are supporting the children; we are bread winners. The moment you get a salary it ends before you can do things. It is not enough*

2. Motivation to perform work. Despite external challenges, many nurses express deep passion for their work, a strong sense of duty, and intrinsic motivation rooted in patient care and service delivery. This theme reflects the professional pride that sustains them and is supported by the following extracts:

Respondent 1: *Yes, sometimes akere, byanong (Sepedi speaking translated) like err.... I am working at the Department of Health, and I have sworn (Sepedi translated) to provide service regardless of the (stuttering) circumstances. I work because I like my job, though they are not compensating well. I can't say no, and relax. I am passionate about my job, I am doing it because of patient care as it is my priority for patient care even though there some gaps there and there, but I am doing my part. Even though the compensation is not good, I do my job to the best of my ability. I am just doing this because of the love of my job and that at I am gaining experience.*

Respondent 2: *I work because I love my job. Because for the love of it. I am not motivated, it's because of the love of the job.*

Respondent 3: *At the end of the day we love our job, even though we are not being compensated. We go extra mile just for the patient. We think about them and the patients are just caught in between.*

Respondent 4: *Motivation is not there; it is just because I love my job.*

Respondent 6: *I love my job and I do enjoy my job.*

Respondent 7: *I work because of being considerate of the patients and you feel for the patient (patient care).*

Respondent 8: *Performance is not affected as I love and enjoy doing my job. What motivates me is patient care and the love for my job.*

Respondent 9: *It's the love of my job....*

Respondent 10: *No, we are not performing well, but because you love your work and you feel for the patient and how they will be suffering you just come to work.*

Respondent 11: *I take care of the patient as that is our priority at least I will sleep at night knowing that I did my best.*

3. Workload and resource challenges. Chronic staff shortages, heavy workloads, and inadequate resources create stress and compromise patient care. This theme highlights systemic barriers that affect performance and wellbeing. This theme is supported by the following extracts:

Respondent 2: *We are not happy and this makes us end up to have attitudes and they are no resources; we are working under stressful_situations. There is no enough staff, we are overworked because of staff shortages and we don't get enough support from our managers as well. No staff, they should hire more staff.*

Respondent 3: *There is also a shortage of staff, and nurses are not being trained.*

Respondent 4: *There isn't enough staff. We are short staffed and we even get to work when we are sick just because you are considering other colleagues and patients. I almost got into trouble for doing things out of my scope of practise.*

Respondent 5: *Shortage of staff.*

Respondent 6: *They should increase our salary and we work too much work more than the salary. Shortages of staff and workload. There is no support from our management and there is too much work and you work out of your scope of practice and if you don't do the beyond the scope they think that you do not want to help.*

Respondent 7: *Short-staffed, fatigue, burnout. Lack of resources.*

Respondent 8: *Shortage of staff they don't treat us equally for e.g. what if I want to go to the funeral they tell you about shortages but others they get released. There is a lack of resources. For e.g. a patient will be here looking for oxygen and you find that they are not available you find yourself running around the hospital. Those people might lose their lives while we busy looking for the oxygen mask.*

Respondent 9: *But there is shortage of staff and workload. Those are killing us. They have to hire more people so that the workload can be decreased.*

Respondent 10: *Having a shortage of staff is affecting us, those who passed away and resigned have not been replaced. So you have to force come to work even when you are sick to fill in the space. You feel for someone that what will happen.*

Respondent 11: *I am performing well, but due to shortage I find that I can't perform to the best of my ability. We can't even go to lunch, we deliver babies and eat there because of shortage of staff. It is but there is nothing we can do as we also eat in the ward because of shortage, we end up neglecting other patients. Hire more staff to make a difference*

4. Training and development. Opportunities for growth, skill development, and promotion are central to motivation and retention. This theme highlights both the benefits of training and frustrations with stagnant career paths. This theme is supported by the following extracts:

Respondent 1: *Jaa, I think err If they can give us the skill, there is a lot of skill to be done ... that need to be skilled, maybe like in-service training for those who have been on the most for longer so that we can be equipped on the post*

Respondent 3: *I have been on the same level without promotion. Some people are leaving and resigning, we should have been developed by now. I am still in the same level. I am stuck in one position. ...nurses are not being trained.*

Respondent 4: ... *In-service training needed.*

Respondent 6: *In service training works when there has an event but they are attended by managers and they don't use it but us who did not attend to work with what they have been trained. They don't include us and they should include us.*

Respondent 8: *We do other people's work because we do not have choice. They say we have to teach ourselves and the nursing board does not allow.*

Respondent 9: *They don't tell us anything about training. You need to go to school, like me as a staff nurse will need to go to school to get to the next level. Like me, since I am staff nurse, I will have to go to school and we don't know when will go.*

Respondent 10: ...*do in-service training to get information and workshops for sharing information and developing staff.*

5. Leadership and communication. Leadership practices and communication processes shape nurses' experiences, reflecting issues of transparency, fairness, and trust within the workplace. This theme also emphasises the importance of appreciation and a supportive environment. This theme is supported by the following extracts:

Respondent 2: *We don't get enough support from our managers as well. Managers and the sisters don't respect us. They shout at us in public.*

Respondent 3: *They talk to us the way that they want telling us to work as we are getting paid. We want to be appreciated and to be considered. We have to hold meetings so that we can be able to voice out our issues. The higher ups are not trustworthy as they don't send the message...*

... there is communication breakdown. Management should change and be transparent and work on their communication. Managers can call you in front of people and embarrass you instead of calling you to the side.

Respondent 5: *Managers are not supportive.*

Respondent 6: *Managers and the sisters don't respect us; they shout us in public. We don't have meetings to debrief or to address issues we do not have such. We need appreciation and consideration for the work done and gives awards to increase motivation. That would increase our morale and that would improve other group nurses to work harder in order to be appreciated*

Respondent 7: *Managerial style is not good as there is no communication and they are failing us.*

Respondent 8: *... they don't treat us equally for e.g. what if I want to go to the funeral they tell you about shortages but others they get released. Only the managers attend workshops and they don't give us feedback after attending. Climate meetings are not being held. They used to hold but not now.*

Respondent 10: *I feel information is not being share and we don't get workshops about important information.*

Respondent 11: *Climate meetings used to be held but it took time for them to be done now. Now we are just being instructed on what to do it's not an open discussion or meeting Confidentiality is not upheld by our supervisors. There are no meetings to voice out concerns. The union don't help us as well. There is no warning because other problem is not helped. There is favouritism. We need appreciation. They should also support us.*

6.9 DISCUSSION

The analysis of interview data revealed five overarching themes. Because the central focus of this study is the effect of nurses' remuneration on their work performance, the findings are presented and discussed in two parts. The first part highlights compensation-related findings, which directly address how inadequate pay, incentives, and financial strain shaped nurses' motivation and perceptions of their work. The second part outlines contextual and organisational factors - including workload, leadership, communication, and training - that, while not directly tied to remuneration, provide important background for understanding the broader environment in which compensation operates. This structure ensures that compensation remains the core phenomenon under investigation, while situating it within the organisational realities that influence nurses' lived experiences.

6.9.1 Compensation-related findings

6.9.1.1 Inadequate compensation, incentives and financial strain

The majority of the nurses in the current study felt unsatisfied with their compensation. They also consistently described the weight of financial hardship on their professional and personal lives. Many felt perceived underpayment and highlighted financial constraints linked to being in single-headed households, managing loans and debt, and struggling with high taxes. Dissatisfaction with unfair incentives and discrepancies in pay progression reinforced feelings of inequity, especially when comparing allowances or benefits with other institutions. The inability to afford education, housing bonds, or medical aids further compounded stress.

Concerns extended beyond individual finances to broader socio-political structures. Nurses expressed frustration with government policies, social grant systems, and departmental inefficiencies, perceiving these as inequitable and ineffective. Specific grievances included children's exclusion from grant benefits, calls for National Student Financial Aid Scheme (NSFAS) support, and demands for housing allowances. Such accounts underscore how governance and institutional arrangements directly shape nurses' lived realities, situating their struggles within a wider socio-political context.

Comparisons of compensation with colleagues and with other departments further reinforced perceptions of inequity. This aligns with Adams' (1965) Equity Theory, which posited that employees evaluate fairness by comparing their inputs (e.g., effort, qualifications) with outputs (e.g., salary, recognition). Perceived imbalances can lead to reduced motivation or withdrawal. Similarly, Gomez-Mejia et al. (2010) highlighted that distributive justice is achieved when contributions and inducements are proportionately aligned across employees. Furthermore, Fulmer et al. (2023) reviewed 30 years of research and although they found that pay-for-performance systems generally enhance performance, these systems must be carefully designed to avoid unintended consequences such as inequity or stress.

Interestingly, despite widespread dissatisfaction, nurses in this study reported that inadequate compensation did not diminish their performance. Many emphasised intrinsic motivation, describing their commitment as rooted in passion for the profession. This is supported by studies by Alwaki (2018), Reddy (2020), Chen et al. (2023) and Fulmer et al. (2023), who all reported that although employee performance is positively associated with compensation, such compensation had to be perceived as equitable, merit-based, and congruent with both intrinsic and extrinsic motivational drivers. They also found that the compensation-performance relationship is moderated by psychological and contextual factors, indicating that remuneration alone is not a definitive predictor of performance outcomes (Alwaki, 2018; Chen et al., 2023; Fulmer et al., 2023; Reddy, 2020).

Several nurses also indicated that they worked primarily to secure financial survival for themselves and their families. This resonates with Lazear's (2018) assertion that work is fundamentally necessary for survival, reflecting societal expectations that individuals must work to sustain livelihoods.

However, these findings also diverge from prior research. For instance, Martono et al. (2018), in a study among permanent employee (lecturers and education staff) at a university in Semarang, Indonesia, found that remuneration and reward systems served as critical motivators, enhancing productivity and reducing turnover intentions. Similarly, Lazear (2018) emphasised that incentives are essential mechanisms for sustaining economic activity. A literature review by Lu et al. (2019) found that improving nurses' working conditions positively influences nurses' job satisfaction and performance. Reddy (2020) emphasised that compensation, both monetary and non-monetary, plays a critical role in motivating employees and improving organisational effectiveness. In a study by Ukponahiusi and Uhuru (2024) to investigate the impact of rewards on the motivation of healthcare workers in Africa, it was found that financial incentives, increments in salary, promotion with salary increments, pay-for-performance, cash bonuses, health and hazard allowances, and fringe benefits motivated healthcare workers. The study noted that salary is the strongest reward that motivates healthcare workers in Africa.

The core finding of this study suggests that compensation did not exert a direct influence on nurses' performance, as participants consistently emphasised the role of intrinsic motivation in sustaining their work efforts. This outcome diverges from much of the existing compensation–performance literature, which typically identifies remuneration as a significant determinant of employee output, as cited in the above paragraph. Several possible explanations may account for this discrepancy. First, participants may have provided socially desirable responses, particularly given the researcher's insider status within the hospital, which could have influenced how openly they articulated concerns about pay (Bispo Júnior, 2022). Second, the emphasis on intrinsic motivation may reflect a form of coping or survival strategy, whereby nurses draw upon internal values and professional commitment to manage the strain of inadequate compensation. In this sense, the finding may reveal less about the absence of compensation effects and more about the adaptive mechanisms nurses employ to reconcile financial strain with professional responsibilities.

6.9.2.2 Motivation to perform work

During this study nurses indicated that their work performance was not affected despite numerous negative factors such as inadequate compensation, inequitable allowances, staff shortages and resource challenges. They reported that despite these negative challenges they still perform to the best of their abilities and deliver quality service. They indicated that the reason for this is that they have a deep passion for the job and a strong intrinsic motivation rooted in their duty to serve and protect. Service delivery and patient care were repeatedly emphasised as central motivators, with some describing how they would go the extra mile regardless of external pressures. They also revealed that some of them came to work even when they were not feeling well, due to staff shortages and thinking of other colleagues that they will suffer if one is absent or does not show up at work. Thus, they emphasised that professional pride and commitment to ethical standards motivated them to work and sustained their performance, even when faced with challenging conditions.

These findings can be explained through Deci and Ryan's (2000) Self-Determination Theory, which posits that intrinsically motivated behaviour is driven by goal pursuits, autonomy, and

competence, and that these factors predict higher work engagement and persistence even under strain. The findings are also supported by Stamm's (2010) Professional Quality of Life (ProQOL) framework, which highlights that 'compassion satisfaction' - the gratification nurses experience from helping patients - buffers stress and supports sustained performance. This theoretical lens clarifies why nurses with high compassion satisfaction reported going the extra mile and maintaining standards despite workload pressures. Further support is also provided by a study among professional nurses in public and private hospitals in South Africa that found that resilience and a sense of calling helped nurses maintain service delivery amid shortages (Koen et al., 2011). The findings in the current study are also explained by research based on the Job Demands–Resources (JD-R) perspective, which indicated that strong intrinsic motivation and meaningful work act as 'personal resources' that can offset high demands (e.g., staffing shortages) while sustaining engagement and performance (Bakker & Demerouti, 2017).

Additional support for the findings is a qualitative study among Turkish nurses by Yılmaz and Üstün (2018) which found that nurses' professional pride, ethical duty, and moral agency are central drivers of perseverance in adverse settings. These values often override dissatisfaction with pay or lack of resources when patient welfare is at stake. This is similar to what was found in a study by Munyewende et al. (2014) amongst nursing managers in two South African provinces. The study found that despite a heavy workload, staff shortages, lack of resources and dissatisfaction with their compensation, nursing managers were satisfied with their job performance tied to patient outcomes and community impact. This is similar to a study in a South African public hospital by Kau et al. (2021) who found that an ethical climate influenced nurses' motivation and commitment. Even when compensation is inadequate, nurses emphasised that ethical values and professional pride sustain their performance (Kau, 2021).

The findings of the current study are not supported by the following research. A literature review of studies involving the job satisfaction and work performance of nurses working in acute hospital settings by Hayes et al. (2010) found that extrinsic factors mattered for retention and sustained performance. The review indicated that inadequate pay, inequitable allowances, and poor resources are linked to turnover intention, absenteeism, and reduced organisational performance. In a study among hospital-employed registered nurses in North Carolina, USA, it

was found that presenteeism harmed patients and nurses. The study found that nurse presenteeism (working while ill) led to higher rates of errors, lower productivity, and increased risk of injury and infection. Thus, while motivation may drive attendance, the net effect can be negative (Letvak et al., 2012). In a study among nurses in nine European countries by Aiken et al. (2014), it was found that the work performance of nurses suffered when their work load increased due to staff shortages. This showed that even highly motivated nurses cannot fully compensate for unsafe staffing. Finally, a literature review of empirical studies involving the work environments of nurses in the USA was conducted by Wei et al. (2018). The review showed that, amongst other factors, unsupportive leadership (as reported by the nurses in the current study) diminishes intrinsic motivation and task performance.

Although prior studies emphasise that intrinsic motivation sustains performance despite adverse workplace conditions (Aiken et al., 2014; Hayes et al., 2010; Letvak et al., 2012; Wei et al., 2018), the current sample reported that their performance was not negatively affected even in the face of inadequate compensation, inequitable allowances, staff shortages, and resource challenges. Several factors may explain this divergence. First, the contextual setting of a single state hospital may have fostered a culture of resilience and normalisation of resource constraints, particularly among more experienced nurses. Second, participants' strong professional identity and commitment to patient care may have led them to emphasise duty over personal hardship, thereby framing performance as unaffected. Third, the insider nature of the research may have introduced social desirability bias, with nurses reluctant to admit that systemic challenges compromised their work (Bispo Júnior, 2022). Finally, the presence of compassion satisfaction - the intrinsic reward derived from alleviating patient suffering - appears to have buffered stress and reinforced perceptions of sustained performance (Drury et al., 2014; Zhang et al., 2018). Taken together, these contextual, methodological, and psychological factors suggest that the apparent contradiction with existing literature may reflect the unique interplay of resilience, identity, and reporting dynamics within this sample rather than a wholesale rejection of established motivational theory.

6.9.3 Organisational and contextual factors

6.9.3.1 Workload and resource challenges

A recurring concern was the shortage of staff and lack of resources, which led to work overload, changes in days off, and even unintentional negligence of patients due to stretched capacity. Nurses described being forced to work beyond their scope of practice, often without adequate support or resources. Presentism, where staff came to work while sick, further illustrated the strain caused by understaffing. Nurses were also concerned at the lack of resources, stating that it made it difficult for them to perform their duties to the best of their ability. Although it is a challenge that is out of their control, it left them feeling helpless and hopeless and in doubt of their fulfilment for patient care.

This theme aligns strongly with the Job Demands–Resources (JD-R) Theory (Bakker & Demerouti, 2017). JD-R posits that excessive job demands (e.g., staff shortages, resource constraints, presenteeism) deplete energy and lead to strain, while insufficient resources hinder performance and motivation. Nurses' experiences of overload, helplessness, and diminished patient care reflect the imbalance between demands and resources. The feelings of hopelessness and doubt about fulfilling patient care obligations illustrate how high demands without adequate resources undermine engagement and well-being.

These results are supported by a study amongst nurses in an intensive care unit of a hospital in Malawi, where Banda et al. (2022) found that high nursing workload compromised the delivery of quality nursing care to critically ill patients, compromised patient safety and had a negative impact on nurses' wellbeing. Support is also provided by a qualitative study in a tertiary hospital in the Gauteng Province of South Africa which found that nurses experienced significant challenges due to shortages of staff and resources, leading to compromised patient care and feelings of helplessness (Jiyane & Khunou, 2023). Similarly, Van Wyk and Naiker (2023) studied the impact of nurse shortages in South Africa and the Ukraine. The researchers interviewed nurses in a public hospital in South Africa and collected data about the war in the Ukraine about the state of healthcare in that country using the most recent articles from accredited journals.

The study found that the shortage of nurses in both countries significantly impacted the wellbeing of existing nursing staff, both personal and professional, forcing them to work beyond their scope of practice and contributing to burnout and presenteeism. Finally, the lack of resources and its effect on nurses in the current study is supported by Abrahams (2021) who noted that the South African health system remained a stressed sector, faced by improper resource allocation.

Interesting is that although it was reported there was a shortage of nurses in the state hospital that was the focus of the current study, a survey by the South African Nursing Council (2015) found that there was an oversupply of nursing assistants and enrolled nurses, beyond the country's requirements, suggesting that shortages were not uniform across all categories of nursing staff at all hospitals in South Africa. This contradicted the perception of universal understaffing.

6.9.3.2 Leadership and communication

Nurses consistently emphasised that leadership style and communication profoundly shaped their workplace experiences, with supportive and transparent management fostering motivation and morale, while poor communication, favouritism, and lack of managerial support eroded trust and confidence. Participants reported frustration with limited engagement, infrequent meetings, and ineffective information sharing, which left them feeling isolated and compelled to develop personal coping strategies. Despite these challenges, they remained committed to patient care, often prioritising service delivery over their negative experiences with management. Overall, the findings highlighted that ineffective leadership and communication practices undermined staff morale and trust, whereas equitable treatment, recognition, and supportive engagement are essential for cultivating a positive organisational climate and enhancing healthcare delivery.

This theme can be linked to Leader–Member Exchange (LMX) Theory (Erdogan & Bauer, (2015). (LMX highlights the quality of relationships between leaders and subordinates, where high-quality exchanges foster trust, support, and motivation, while low-quality exchanges result in dissatisfaction and disengagement. Nurses' accounts of poor communication, favouritism,

and lack of managerial support reflect low-quality exchanges that erode morale. Conversely, equitable treatment and supportive leadership align with high-quality LMX relationships that enhance motivation and organizational climate.

Several studies aligned with the findings that leadership style and communication directly influenced nurses' morale, motivation, and workplace climate. In a study amongst nurses at a university hospital in Morocco it was found that recognition from supervisors served to reduce anxiety, increase job satisfaction, and enhance the performance of nurses. In a qualitative study by Matandela et al. (2025) amongst nurse leaders from four province in South Africa, it was found that weak institutional support and the absence of structured leadership development frameworks negatively affected nurses' motivation and performance, reinforcing the importance of supportive leadership and transparent communication. A study by Mabe et al. (2025) amongst nurses in the public health sectors in six provinces in South Africa found that effective communication and managerial support are strongly correlated with higher morale and trust, echoing the frustrations expressed by nurses in the current study.

Despite the support for the findings of the current study, other studies suggested contradictory outcomes, indicating that leadership and communication may not always directly determine morale. A literature review of mixed-methods studies by Kämäräinen et al. (2024) to determine nurse leaders' interpersonal communication competence found that while communication skills are important, morale and trust are also influenced by external factors such as workload, professional identity, and systemic pressures, suggesting leadership alone may not fully account for staff experiences. Furthermore, in a study by Zhang et al. (2025) amongst clinical nurses from 11 hospitals in Tianjin, China, it was found that leadership can transform nurses' professional attitudes even in contexts of weak communication, implying that morale may be sustained through professional identity and intrinsic motivation rather than managerial support alone.

6.9.3.3 *Training and development*

Nurses in the study highlighted training and development as a crucial driver of professional growth, motivation, and quality patient care. However, frustrations arose from limited career progression, prolonged tenure in the same positions, and bureaucratic barriers to transfers, which negatively affected morale. Participants also expressed concern about being excluded from training opportunities, with supervisors often attending workshops without disseminating knowledge or applying new skills in practice. They strongly advocated for direct inclusion in training initiatives and institutional support for further education to enable promotion, emphasising that recognition and appreciation are vital to sustaining motivation. Overall, training and development emerged as a dual force: a powerful motivator when accessible, but a source of dissatisfaction when opportunities are restricted or inequitably distributed.

This theme connects to Expectancy Theory (Vroom, 1964). Expectancy Theory posits that motivation is influenced by the belief that effort will lead to performance (expectancy), performance will lead to outcomes (instrumentality), and outcomes are valued (valence). Nurses' frustrations with limited career progression, exclusion from training, and inequitable opportunities reflect broken links in this chain - effort does not reliably lead to advancement or recognition. Conversely, when training opportunities are accessible and linked to promotion, motivation is strengthened because expectancy, instrumentality, and valence are aligned.

Several studies align with the nurses' perspectives that training and development are central to motivation, career progression, and quality patient care. In a study by Dulandas and Brysiewicz (2018) amongst emergency nurses in four emergency centres (two state, and two privately funded hospitals) in Durban, South Africa, it was found that nurses emphasised the need for supportive systems for educational development and that specific training in specific skills and competencies would enhance care provided by emergency nurses in South Africa. Mutshatshi et al. (2020) conducted a qualitative study to investigate in-service training challenges experienced by professional nurses at regional hospitals in the Limpopo province of South Africa. Nurses shared that they required training programmes to empower them with knowledge and competencies which they emphasised would improve their morale and encourage the

sharing of information within teams. In a qualitative study at a regional hospital in the Gauteng province of South Africa, Van Biljoen-Mokhotla and Makhene (2023) found that nurses perceived limited career progression and institutional barriers as major frustrations, echoing the concerns about stagnant posts and bureaucratic transfer processes. A study by Matandela et al. (2025) amongst nurse leaders from four provinces in South Africa, found that the nurses faced challenges such as limited career progression and weak institutional support, reinforcing the need for structured training and leadership development frameworks. However, there is a study that contradicted the above findings, suggesting that training and development may not always directly translate into improved motivation or career satisfaction. This study was conducted amongst nurses employed at inpatient wards at Mansoura University Hospital in Egypt, AbdELhay et al. (2025). It found that nurse retention was more strongly influenced by transformational leadership, work-life balance, and overall wellbeing than by training opportunities alone, suggesting that training is not the sole driver of motivation.

6.10 SUMMARY OF THE MAIN FINDINGS

In summary, the nurses in the study identified five themes that they experienced as challenges. Two were compensation-related themes, namely (1) Inadequate compensation, incentives and financial strain, and (2) Motivation to perform work; while three were organisational and contextual factors, namely (3) Workload and resource challenges, (4) Leadership and communication, and (5) Training and development. The first theme was continuously emphasised by most of the nurses as the biggest challenge that they faced, yet they were adamant that this did not affect their work performance. They stressed that their passion and duty to serve their patients overrode any dissatisfaction with their inadequate compensation and lack of allowances.

6.11 CHAPTER SUMMARY

Chapter 6 examined the results of the empirical study. It began by providing a short review of how the data was collected and analysed. This was followed by the findings according to the Braun and Clarke (2006) phases of thematic analysis, including the codes and themes identified. The five final themes identified were then discussed in detail followed by a short summary of the main findings of the empirical study.

Conclusions and recommendations of the study are presented in the following and last chapter of the dissertation.

CHAPTER 7: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

In this chapter the conclusions, limitations and recommendations of the study are discussed. The chapter starts with conclusions regarding the specific literature aims, the specific empirical aims and the general aim of the study. Thereafter, the limitations of the literature review and empirical study are discussed. The chapter concludes with recommendations for future research, recommendations for the participating organisation and recommendations for the field of IOP.

7.2 CONCLUSIONS REGARDING THE AIMS OF THE STUDY

7.2.1. Conclusions regarding the specific theoretical aims of the study

The study had three specific theoretical objectives:

1. To conceptualise the concept of employee compensation.
2. To conceptualise the concept of employee performance in the workplace.
3. To conceptualise the theoretical effect of compensation on the work performance of employees in general.

7.2.1.1 *The first specific theoretical aim: To conceptualise the concept of employee compensation*

This aim was achieved in Chapter 2 of this study. Based on the literature review, the following conclusions can be made:

- Employee compensation has undergone profound transformation, as it has evolved from rudimentary exchanges such as bartering to complex, structured systems shaped by economic growth, societal expectations, and legal frameworks (HRM Handbook, 2021).

- The post–World War II era marked a turning point, as organisations increasingly adopted fringe benefits such as health insurance, pensions, and established compensation as a strategic tool for attracting and retaining skilled talent (Weaver, 2024).
- In contemporary practice, compensation has become highly sophisticated, which requires professional HR oversight to ensure alignment with organisational objectives, employee engagement, and compliance with regulatory standards (HRM Handbook, 2021).
- Beyond its financial dimension, compensation plays a pivotal role in shaping social and organisational structures. It functions as a mechanism for distributing income, motivating performance, reinforcing cultural norms, and sustaining employee commitment (Adjabeng, 2025).
- Compensation also acts as a balancing force in the labour market, helping organisations match skill availability with business needs while driving productivity and competitiveness (Sorn et al., 2023).
- Equitable pay systems are central to perceptions of fairness and respect in the workplace. When compensation is justly administered, it fosters trust, enhances job satisfaction, and strengthens organisational effectiveness (Davidescu et al., 2020).
- Compensation carries symbolic meaning, reflecting societal values and organisational priorities. It communicates recognition and worth, thereby influencing how employees connect with their roles and engage with their organisations (Mitra, 2017).
- Multiple theoretical perspectives - including equity, expectancy, agency, and reinforcement theories - provide valuable frameworks for understanding and designing compensation systems, underscoring its multidimensional nature (Bhattacharyya, 2014).

- Modern conceptions of compensation encompass both extrinsic rewards (such as pay and benefits) and intrinsic elements (such as psychological fulfilment), forming part of the broader psychological contract between employer and employee (Bhattacharyya, 2014).
- Strategically, compensation is indispensable for attracting, motivating, and retaining talent. It serves as a lever for aligning employee behaviour with organisational goals and enhancing overall performance (Compport, 2025; Salary.com (2025)).
- Compensation systems typically integrate diverse components - base pay, incentives, benefits, equity, allowances, and compliance-based structures - reflecting the multifaceted nature of reward management (Compport, 2025; Salary.com, 2025).
- Decisions regarding compensation are shaped by both internal organisational priorities and external market dynamics. Effective compensation strategies must balance competitiveness with alignment to HR and business objectives (SLM.MBA, 2024).
- Finally, compensation outcomes are closely tied to the nature of work itself. Roles requiring advanced expertise, greater accountability, or strategic contribution command higher rewards, reinforcing the link between responsibility and remuneration (Dessler, 2011).

7.2.1.2 *The second specific theoretical aim: To conceptualise the concept of employee performance in the workplace.*

This was achieved in Chapter 3 of this study. Based on the literature review, the following conclusions were made:

- Employee performance cannot be reduced to a single, universally accepted definition. It is inherently multidimensional, varying across disciplines and job contexts, which underscores the complexity of conceptualising performance in the workplace (Koopmans et al., 2011).
- The construct is best understood through four key dimensions - task performance, contextual performance, adaptive performance, and counterproductive work behaviour - each of which captures distinct aspects of how employees contribute to organisational outcomes (Koopmans et al., 2011).
- Academic discourse reveals multiple interpretations of performance: some emphasise total output (Ahmed & Ahmed, 2014; Brhane and Zewdie, 2018; Kim & Jung, 2022; Nduati & Wanyoike, 2021), others highlight in-role behaviour and fulfilment of prescribed responsibilities (Cummings et al., 2019; Darma & Supriyanto, 2017; Utami & Zakiy, 2020), while another perspective frames performance as behaviour aligned with organisational goals (Edevbie & McWilliams, 2023; Mohammad et al., 2025). Together, these views illustrate the breadth and richness of the concept.
- Employee performance is a decisive factor in organisational effectiveness. It directly influences the achievement of strategic objectives, making it a cornerstone of organisational success and sustainability (Nduati & Wangyoike, 2021; Widalicin et al., 2020).
- Employee performance is shaped by a dynamic interplay of job demands, available resources, and workplace stressors. These factors suggest the importance of supportive organisational environments in enabling employees to perform optimally (Atatsi et al., 2019; Pandey, 2019).
- Across industries, performance is typically assessed using criteria such as productivity, quality of work, job knowledge, teamwork, communication, leadership potential, adherence to organisational values, and structured appraisal methods such as self-

evaluation, peer review, and MBO. These measures reflect the multifaceted nature of performance assessment (Dutta, 2024; Kadikiny & Otuya, 2025; Vuong & Nguyes, 2022; Warren, 2025; Williams, n.d.).

7.2.1.3 *The third specific theoretical aim: To conceptualise the theoretical effect of compensation on the work performance of employees in general.*

This was achieved in Chapter 4 of this study. Based on the literature review, the following conclusions were made:

- The relationship between compensation and employee performance is best explained through motivational and exchange-based theories. Expectancy theory emphasises the importance of clear links between effort, performance, and rewards (Sutton, 2024), while Equity theory emphasises fairness as a driver of satisfaction and productivity (Marsden, 2025). Maslow's well-known hierarchy of needs theory further illustrates how compensation addresses fundamental human requirements (Mokoka et al., 2011), while goal-setting theory shows how rewards can align employee behaviour with organisational objectives (Nkabi, 2024).
- Collectively, motivational and exchange-based theories underscore that compensation influences performance by shaping motivation, perceptions of fairness, and goal alignment (Akuffo-Aduamah, 2025).
- Thus, while performance and motivation are closely related, the rewards that influence them vary, and no universal compensation system can be applied across all contexts (Kgoedi & Pillay, 2018).
- In South Africa, compensation is shaped by historical inequities and socio-economic disparities. The democratic transition introduced moral and legal imperatives to redress systemic wage gaps, yet persistent differences between public and private sector pay,

inflation, and rising living costs continue to fuel dissatisfaction (Kgoedi & Pillay, 2018; Pillay, 2020).

- Uncompetitive salaries remain a barrier to retention, particularly in critical professions such as nursing, and this indicates the need for equitable and competitive compensation policies (Kgoedi & Pillay, 2018; Pillay, 2020).
- Globally and locally, performance-based rewards, pay-for-output schemes, and transparent compensation policies are recognised as effective mechanisms for enhancing motivation, retention, and productivity (Albaek et al., 2022; Naidu & Satyanarayana, 2018).
- The implementation of performance-based rewards, pay-for-output schemes, and transparent compensation policies is often constrained by budgetary limitations, policy restrictions, and socio-economic disparities (Kgoedi & Pillay, 2018; Mandigwane et al., 2023; Pillay, 2020).
- In the South African context, employees may value job security, recognition, and fairness more highly than purely monetary incentives, suggesting that compensation strategies must be tailored to cultural and economic realities (Scott et al., 2020).
- Despite contextual differences, both global and South African evidence consistently show that compensation systems perceived as fair, transparent, and aligned with employee expectations foster motivation, commitment, and productivity. This reinforces the theoretical conclusion that compensation is not merely a transactional mechanism but a strategic tool for shaping employee behaviour and enhancing organisational effectiveness (Albaek et al., 2022; Naidu & Satyanarayana, 2018).

7.2.2 Conclusions regarding the specific empirical aims of the study

The study had three specific empirical aims:

1. To explore the perceptions of nurses at a state hospital in South Africa regarding the effect of their compensation on their performance.
2. To explore how compensation packages can be structured to increase the work performance of nurses at a state hospital in South Africa.
3. To explore what interventions, besides compensation, a state hospital in South Africa can implement to improve the work performance of nurses.

7.2.2.1 *The first specific empirical aim: To explore the perceptions of nurses at a state hospital in South Africa regarding the effect of their compensation on their performance.*

The aim was achieved as reported in Chapter 6 of this study. From the interviews conducted, the following conclusions can be made:

- Nurses at the state hospital perceived their compensation as inadequate and inequitable, with salary structures and incentive systems failing to reflect their professional responsibilities. This reinforced dissatisfaction and feelings of undervaluation.
- Nurses experienced financial hardship as a significant consequence of low compensation directly linked to financial strain, including debt management, single-headed households, high taxation, and inability to afford education, housing, or medical aid, which compounded personal and professional stress.
- Nurses compared themselves to colleagues and other institutions which reinforced perceptions of unfairness and inequity, and tended to demotivate them.

- Nurses perceived compensation as both financial support as well as symbolic recognition of their professional worth. Inadequate pay was seen as undermining morale, even if performance remained intact.
- Despite dissatisfaction with compensation, nurses reported that their performance was sustained by intrinsic motivation, professional pride, ethical commitment, and passion for patient care, which outweighed financial dissatisfaction.
- Underpayment was perceived as compounding the burden of staff shortages and resource challenges, leaving nurses feeling exploited for the extra workload they carried.
- Nurses associated inequitable compensation with broader organisational shortcomings, where poor leadership, weak communication, and lack of managerial support reinforced feelings of neglect and diminished trust in management.
- Nurses perceived limited training opportunities and restricted career progression as extensions of inadequate compensation, interpreting the lack of investment in their growth as undervaluation of their professional contributions.

7.2.2.2 *The second specific empirical aim: To explore how compensation packages can be structured to increase the work performance of nurses at a state hospital in South Africa*

The following could be concluded from data collected from the participants:

- Nurses wanted their compensation package to be structured to ensure fairness, transparency, and parity across institutions so that their motivation and work performance can be sustained.

- Nurses wanted their compensation package to extend beyond salaries to include housing allowances, medical aid support, and education subsidies. These benefits could alleviate their financial stress and enable them to focus more on patient care.
- Nurses wanted their compensation package to incorporate performance-based incentives and recognition systems that reward effort, commitment, and quality service delivery, thereby reinforcing their intrinsic motivation with tangible external support.
- Nurses wanted their compensation package to be structured to include funded professional development, equitable access to workshops, and clear promotion pathways, ensuring that they feel valued and invested in.
- Nurses wanted their compensation package to integrate non-monetary rewards such as recognition programmes, equitable treatment, and supportive engagement, which complement financial benefits and enhance organisational climate.
- Nurses wanted their compensation package to include structured benefits such as overtime pay, hardship allowances, or workload-adjusted incentives to mitigate burnout and reinforce commitment to patient care.

These conclusions represent what nurses said they wanted, not what evidence suggests would work. These findings thus represent participant preferences requiring further validation.

7.2.2.3 The third specific empirical aim: To explore what interventions, besides compensation, a state hospital in South Africa can implement to improve the work performance of nurses.

From the data obtained from the individual interviews, the following conclusions could be made:

- Nurses felt that interventions such as improved staffing levels, better resource allocation, and support systems to reduce work overload are essential to sustain performance and prevent burnout.
- Nurses felt that interventions to cultivate transparent communication, equitable treatment, participatory decision-making, and supportive leadership practices were needed to strengthen motivation and organisational climate.
- Nurses felt that their hospital should implement structured training programmes, equitable inclusion in workshops, and clear promotion pathways to enhance motivation, skill development, and retention.
- Nurses wanted interventions that institutionalised recognition programmes, celebrated professional achievements, and fostered a culture of appreciation to reinforce intrinsic motivation and commitment to patient care.
- Nurses wanted their hospital to design interventions that nurtured their intrinsic motivation. For example, they felt that patient-centred values should be reinforced, psychosocial support should be provided, and teamwork should be promoted to maintain high-quality service delivery.

These conclusions represent what nurses said they wanted, not what evidence suggests would work. These findings thus represent participant preferences requiring further validation.

7.2.3 Conclusions regarding the general aim of the study

The general aim of the study was *to explore the perceptions of nurses at a state hospital regarding the effect of their compensation on their performance at work*. To achieve this aim, semi-structured interviews were conducted with a purposive sample of 11 nurses from the selected institution. The data were subjected to thematic analysis, which yielded meaningful insight into the nurses' perceptions regarding the relationship between their compensation and

their work performance. On the basis of these findings, it can be concluded that the general aim of the study was achieved.

7.3 LIMITATIONS

7.3.1 Limitations of the literature review

A minor limitation of the literature review was the scarcity of studies that specifically examined the impact of compensation on nurses' work performance in South African state hospitals. However, this gap was offset by the availability of extensive international research on compensation and nursing performance, which provided sufficient comparative insight. As a result, the validity and comprehensiveness of the literature review were not significantly compromised.

7.3.2 Limitations of the empirical study

This study was subject to several limitations that should be acknowledged. These are:

1. First, the research was conducted at a single state hospital in South Africa, which restricts the transferability of findings to other hospitals or healthcare contexts. Organisational culture, resource availability, and policy environments may differ across institutions, and therefore the insights generated here may not be universally applicable.
2. Second, the study relied on a purposive sample of 11 nurses. While data saturation was achieved, the relatively small sample size limited the breadth of perspectives captured. Moreover, purposive sampling, although appropriate for qualitative inquiry, may introduce selection bias, as participants were chosen based on specific criteria rather than randomly.
3. Third, all 11 participants were black females. This could have limited the range of perspectives obtained from the interviewees.

4. Fourthly, the data were derived from self-reported perceptions during interviews. These perceptions are inherently subjective and may be influenced by social desirability bias, personal experiences, or reluctance to disclose sensitive views about compensation and workplace conditions.
5. Finally, the researcher's insider status must be considered. As the researcher is employed at the same hospital, she possessed contextual knowledge that enriched interpretation but also carried the risk of bias. Reflexivity was necessary to minimize the influence of pre-existing assumptions, professional identity, and potential power dynamics between the researcher and participants. Nurses may have moderated their responses due to awareness of the researcher's role within the institution.

7.4 RECOMMENDATIONS

7.4.1 Recommendations for future research

Building on the findings of this study, future research should:

- Expand the scope by including multiple hospitals across different provinces to compare compensation perceptions and performance drivers in diverse contexts.
- Investigate longitudinally how compensation changes or policy reforms affect nurse motivation and retention over time.
- Explore intersectional factors such as gender, household structure, and socioeconomic background, which may shape how compensation and workload challenges are experienced by nurses.
- Examine leadership practices more deeply, particularly the role of communication strategies and participatory management in sustaining the morale of nurses.

- Assess training and development models by evaluating the impact of inclusive training programmes on nurse performance and career progression.
- Integrate mixed-methods approaches to triangulate qualitative insights with quantitative measures of performance, absenteeism, and turnover of nurses.

7.4.2 Recommendation for the participating organisation

Based on the literature review and research findings, the following interventions could be implemented by the hospital's management team to improve the work performance and morale of the nurses.

7.4.2.1 Compensation structures

Address compensation inequities by advocating for fair allowances, transparent pay progression, a valid performance management system, and consideration of housing or education support, in alignment with distributive justice principles.

7.4.2.2 Work performance

Strengthen intrinsic motivation by implementing a recognition programme that celebrate nurses' professional pride and commitment to patient care.

7.4.2.3 Shortage of Staff

Appoint sufficient numbers of young, energetic and active nurses to eradicate the work overload, burnout and fatigue amongst nurses.

7.4.2.4 Training and development

Invest in training and development by creating equitable access to workshops, supporting further education, and ensuring knowledge dissemination from supervisors to staff.

7.4.2.5 Managerial and leadership style

Enhance leadership and communication by fostering participatory management, holding regular staff meetings, and ensuring transparent information sharing to build trust and morale.

7.4.2.6 Lack of resources

Mitigate workload challenges through strategic workforce planning, recruitment, and resource allocation to reduce staff shortages and prevent burnout.

7.4.2.7 Well-being of nurses

Promote well-being initiatives such as wellness programmes, flexible scheduling, and support structures to reduce presenteeism and sustain long-term performance.

7.4.3 Recommendations for the field of IOP

This study contributes to the broader discipline of IOP and the following recommendations are made regarding Industrial and Organisational Psychologists (IOPs) and HR practitioners (HRPs):

- They should advance theory-practice integration by applying frameworks such as equity theory and distributive justice when designing compensation packages for public health institutions.

- They should develop tailored motivation models that account for the coexistence of intrinsic commitment and extrinsic dissatisfaction, particularly in professions driven by service ethics.
- They should promote organisational diagnostics that systematically assess leadership styles, communication practices, and resource allocation as determinants of performance.
- They should design interventions that enhance resilience and well-being among healthcare workers, recognising the psychological toll of resource shortages and inequitable systems.
- IOP and HR curricula should be expanded to include healthcare-specific organisational challenges, preparing practitioners to support hospitals in workforce management and policy advocacy.
- IOPs and HRPs should encourage policy engagement by positioning themselves as key stakeholders in shaping equitable compensation systems and supportive organisational climates in the public sector.

7.5 CHAPTER SUMMARY

In this chapter the conclusions, limitations and recommendations of the study were discussed. The chapter started with conclusions regarding the specific literature aims, the specific empirical aims and the general aim of the study. Thereafter, the limitations of the literature review and empirical study were discussed. The chapter concluded with recommendations for future research, recommendations for the participating organisation and recommendations for the field of IOP.

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INTERVIEW GUIDE

The semi-structured interview schedule was designed to balance consistency with flexibility. Three guiding questions formed the core of the interviews, while additional probes were used selectively to encourage elaboration on key topics such as compensation, workload, morale, and patient-care impact. These probes were not applied uniformly to all participants; rather, they were employed as prompts when relevant to the participant's experience, ensuring that responses remained authentic and participant-driven. This approach allowed for depth and nuance while preserving the open-ended nature of qualitative inquiry.

1. Preparing the interviewer to conduct the interviews

- Ensure that a counsellor is on standby should any adverse event occur.
- Be mindful of typical signs of distress that may indicate stress or discomfort in the participant.

2. Initial stage of preparing the participant

In this stage, the nurse being interviewed was prepared by setting them at ease and informing them of the following:

- Their rights as a participant in the research.
- The purpose of the interview.
- The reason for their selection.
- The anticipated duration of the interview.
- That consent must be voluntary.
- That they may stop or pause the interview at any time if they feel uncomfortable.

3. The interview itself

Main Questions	Probes
1. How does your current compensation affect your performance at this hospital?	• Experiences with basic pay. • Influence of allowances (housing, transport, uniform). • Role of overtime pay in willingness to work extra hours. • Perceptions of Performance Management and Development System (PMDS) and fairness. • Impact of compensation on morale and motivation. • Effect on retention and long-term commitment. • Perceived influence on patient-care quality.
2. How can your current compensation package be structured to increase your work performance at this hospital?	• Suggestions for adjusting basic pay. • Views on improving allowances. • Recommendations regarding overtime compensation. • Ideas for making PMDS more equitable. • How changes could improve workload management and reduce absenteeism. • Expected impact on motivation and morale.
3. What other interventions, besides compensation, can this hospital implement to improve your work performance?	• Experiences with workload and resource shortages. • Effects of absenteeism and presenteeism. • Influence of leadership style and communication. • Importance of training and development opportunities. • Role of intrinsic motivation (compassion, patient care). • Suggestions for improving retention and morale. • Perceived impact of non-financial interventions on patient-care delivery.

4. Safety guidelines (per Unisa recommendations)

- Do not proceed with face-to-face data collection if the researcher or participant is unwell.
- Conduct telephonic pre-screening before visits and keep a register of participants involved.
- Screen the researcher and team before participant contact, keeping signed evidence of screening data.

5. Final stage

The interview concluded by asking participants if they wished to add anything further. They were also asked if they felt the need to speak to a professional counsellor as a result of reliving certain experiences. Participants were referred to Ms O. Manyako at the hospital for counselling or support if required.