

RESEARCH PROJECT REPORT

MONITORING THE EFFECT OF THE NEW RURAL ALLOWANCE FOR HEALTH PROFESSIONALS



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DEPARTMENT OF HEALTH
Republic of South Africa

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**MONITORING THE EFFECT OF THE NEW
RURAL ALLOWANCE FOR HEALTH
PROFESSIONALS**

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INTRODUCTION

The maldistribution of health professionals between rural and urban areas in South Africa demands specific strategies to address the imbalance. Financial and non-financial incentives have been used in other countries to recruit and retain health professionals in areas of need, and in 1994 a rural recruitment allowance was instituted in South Africa. However, this allowance was granted only to medical doctors and dentists, and remained at the same fixed rate since the time of its inception. It was perceived to be ineffective as an incentive for retention of professional staff, and despite the introduction of community service for all health professionals except nurses, it remains difficult to recruit and retain professional staff at rural hospitals, health centres and clinics.

The new rural allowance instituted by the Minister of Health is a national initiative that aims to address this problem. The impact of the initial R500 million allocated by Treasury in July 2003 needed to be measured in order to be in a position to objectively evaluate whether it is a worthwhile investment. While the effect of the rural allowance may eventually be seen in staffing patterns of rural hospitals, the longer-term effect is likely to be diluted by the many other factors that influence health professionals' career choices apart from financial benefits. It was therefore important that the effect of the new allowance was measured in the short term by direct questioning of those receiving the allowance, in order to control these variables as far as possible, and allow a more direct evaluation of the effect.

However, between the time that the rural allowance was announced in May 2003, and its eventual implementation in March 2004, retroactive to July 2003, there was intense and lengthy debate in the Public Service Bargaining Chamber (PSCBC) regarding the exact nature of this allowance, who it would benefit, and most importantly, who would be excluded. Eventually two separate allowances were agreed upon, the Scarce Skills Allowance (SSA) and the Rural Allowance (RA). The SSA benefits certain categories of health professional (see table) regardless of the place of work, whereas the RA benefits all health professionals in certain health facilities that are designated as rural. The latter areas include the "nodes" as defined by the Integrated Sustainable Rural Development Strategy (ISRDS), as well as rural areas as designated by the PSCBC based on the previous "recruitment" allowance. In addition, other so-called "inhospitable" areas could be determined by provincial Heads of Health, depending on available funds, from within provincial budgets. Negotiations within the PSCBC continue up to the time of writing, and the regulations are being challenged by certain unions.

SCARCE SKILLS ALLOWANCE

15% of basic Salary

- Medical and Dental Specialists, Dentists, Medical doctors, Pharmacists, Pharmacologists

10% of basic salary

- Dental technicians, Psychologists, Dieticians & Nutritionists, Occupational therapists, Physiotherapists, Radiographers, Speech therapists
- Professional nurses with qualifications in:
Operating theatre technique, Critical care (intensive care), Oncology

RURAL ALLOWANCE

ISRDS Nodes

- 22% Doctors and Dentists
- 17% Therapists, Pharmacists and Dental technicians
- 12% Professional nurses

PSCBC designated rural areas:

- 18% Doctors and Dentists
- 12% Therapists, Pharmacists and Dental technicians
- 8% Professional nurses

Other inhospitable areas

- To be determined by the Provincial Head of Health, depending on availability of funds, from within provincial budgets (Note: Community service professionals and Interns included)

The changing nature of the allowance made the planning of the research project difficult, in that the data collected for the baseline survey did not anticipate the simultaneous introduction of the SSA, which was confused by some of the respondents and their managers' as the RA. Nevertheless, an attempt was made to capture information as the process unfolded, in order to have a baseline on record for future evaluations.

METHODOLOGY

The aim of the project was to evaluate the effect of the new rural allowance on the short-term career choices of health professionals in rural areas. A longitudinal cohort study design was used, before and after the introduction of the new allowance. The objectives of the study were therefore:

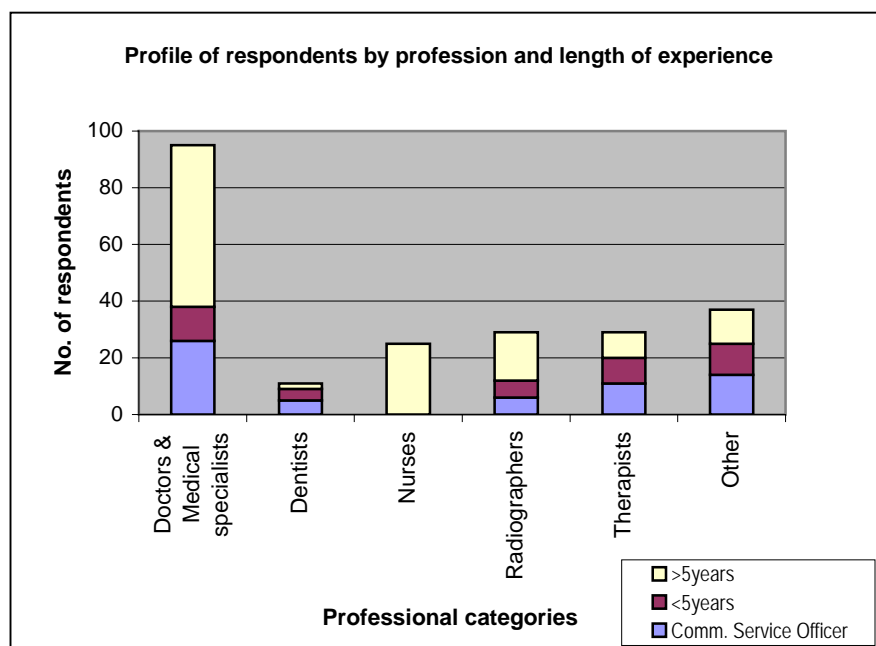
- To measure the extent to which rural health professionals reported that they are influenced to continue in their posts by the previous rural allowance and other factors.
- To measure the same perceptions after the introduction of the new rural allowance
- To analyze the differences in responses
- To make recommendations based on the findings

Those institutions identified for the previous rural allowance were numbered, and a random sample of 20% these institutions was taken. Questionnaires were sent from the National Department of Health, via the Medical Managers to all health professionals working in this sample of institutions.

Two rounds of data collection were undertaken in the same institutions: the first in November 2003, before the new allowance was introduced, and the second in May 2004, two months after it was implemented. A standard questionnaire was administered, with a covering letter to the hospital manager, and respondents were requested to fax the completed questionnaire directly back to the Department of Health to allow for anonymity of the respondents. Permission to conduct the study was obtained from the Director-General of Health. Data was captured onto MSAccess and statistical analyses were conducted using standard tools.

RESULTS

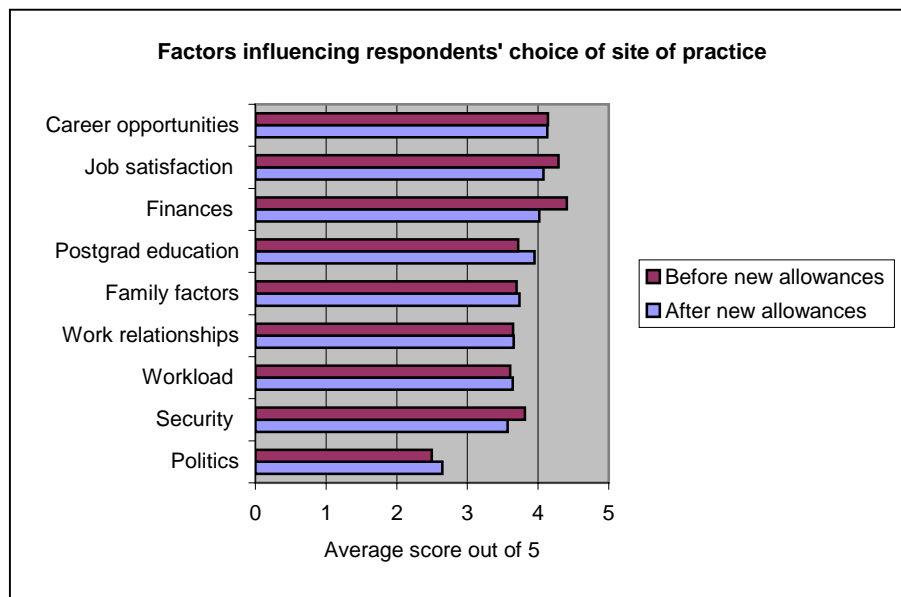
Out of the 159 hospitals identified for the previous rural allowance, 34 (21%) hospitals were sampled, and 243 responses to the first questionnaire were obtained. The profile of the respondents to the first questionnaire included a majority of medical doctors, most of whom qualified in South Africa and had more than 5 years of experience, as seen in the graph below.



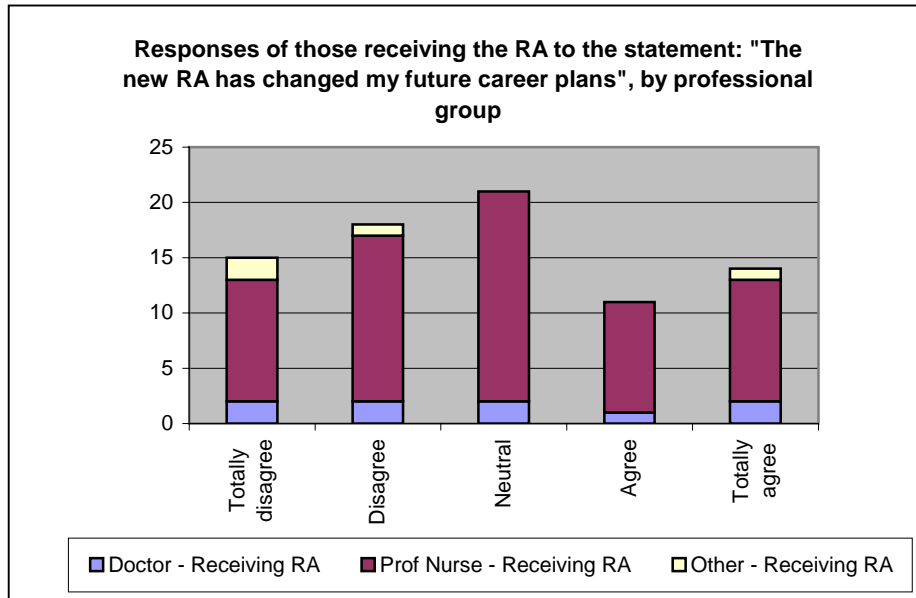
The factors that were reported to influence their choice of where they would work the following year included the following, in decreasing order of frequency: finances, job satisfaction, career opportunities, security, post-graduate education, family, work relationships, and workload. The majority of respondents reported that the previous rural allowance did not influence them favourably towards working in a rural area in South Africa in the future, and furthermore, that factors other than the rural allowance were more important in considering their place of work the following year. However, 36% said that the previous allowance did influence them. Most respondents stated that an allowance of R50 000 per annum would influence them to change their plans the following year towards working in a rural area in South Africa, including the majority of doctors, and those who had more than 5 years of experience.

For the follow-up survey after the implementation of the new allowance, the same 34 hospitals were surveyed, yielding 289 responses to the second questionnaire. It is important to note that due to the delay in implementation of 9 months, all recipients of the new allowances received a significant amount of back-pay, which may have influenced the responses. Most respondents to the second round were professional nurses, in contrast to the first round, with the result that only 20% of respondents to the second survey had actually completed the first survey.

Furthermore, only 53% of respondents were receiving the rural allowance, while the remainder received the scarce skills allowance only. The factors that influenced the second round respondents with regard to their choice of where they would practice the following year, in order of decreasing frequency, were: career opportunities, job satisfaction, finances, post-graduate education, family, work relationships, workload and security. This differed from the first survey, in which financial factors were the most frequent response, as seen in the following graph.



The majority of respondents to the second round (51%) stated that the new RA influenced them favourably towards working in a rural area in South Africa in the future, but when asked whether it had actually changed their career plans for the following year, only 28% agreed that it had, while a further 27% were undecided. Of those respondents who were actually receiving the rural allowance, as opposed to the scarce skills allowance, this proportion amounted to 30%, who had actually changed their plans for where they would work the following year, with a further 25% undecided. This is shown in the graph below.



There were interesting differences in responses from those who had been in the service for more than 5 years, to those who were doing their community service, or had been in service for less than 5 years. The experienced respondents regarded the rural allowance and financial factors as more important than career development opportunities, whereas the younger respondents reported the opposite. There were no significant differences between the professional groups, excepting for the amount of an allowance that would influence them to change their career plans: whereas most respondents stated that R50000 per annum would influence them, the majority of professional nurses said that they would change their plans only if the allowance was R100 000per annum or more.

DISCUSSION

The results indicate that around one-third of health professionals working in rural hospitals were influenced to remain by the former rural allowance. The majority also indicated that an allowance of R50 000 per annum would persuade them to change their career plans. After implementation of the new allowance, the data suggest that between 28% and 35% of rural health professionals, largely professional nurses, have actually changed their short-term career plans because of the new rural allowance. The results also show that financial considerations are only one of a number of important factors influencing respondents' choice of site of practice, and other factors such as career development, job satisfaction and post-graduate educational opportunities are equally important motivators, especially to younger professionals. In terms of recruitment and retention strategies therefore, human resource planners aiming to attract younger health professionals to rural areas should prioritise and support opportunities for professional development and post-graduate education, whereas financial incentives should be prioritized to retain the more experienced professionals in rural health services.

The study was limited by a number of factors beyond the control of the researchers, principally the uncertainty and delay in the implementation of the new allowances, and the simultaneous introduction of the SSA with the RA, which made analysis of the effect of the RA difficult to isolate from that of both allowances. The effect of large back-dated payouts, due to the delay in implementation, could have influenced the responses to be more positive than is actually the case, and further studies will be needed to determine the longer-term effects. The fact that the respondents to the "before" survey were different to the respondents to the "after" survey, due to the inclusion of large numbers of professional nurses in the second survey, undermined the study design, which was therefore not a true cohort follow-up study. Finally, the lack of a control group meant that other simultaneous influences on rural health professionals apart from the new allowances were not taken into account. However, throughout the period of the study, there were no significant changes in the public service

environment impacting on health professionals in rural areas, so there are unlikely to have been major confounding factors.

CONCLUSION

This study is the first attempt to assess the effect of the new rural allowance on the motivation and movement of health professionals working in rural areas. Although methodologically limited, the study gives some indication of the likely impact of the funds allocated by Treasury, namely that almost one-third of health professionals working in rural areas say that they have changed their career plans next year as a result of the new allowance. It is difficult to assess whether this is the effect of the RA alone, or in combination with the SSA. Further evaluations will be necessary to assess the longer-term impact of these strategies.

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