

EFFECT OF HYGIENE-MOTIVATIONAL FACTORS ON PERFORMANCE OF PRIVATE HOSPITALS IN NIGERIA

By

¹ All, Hegen Rex*

² ABBAH, J. E. I.

³ ONANA, K. I.

^{1,2,3}Department of Business Administration, Nasarawa State University, Keffi

*rhegenai@gmail.com [Corresponding Author]

Abstract

The study was hinged on the important role that health care institutions play in developing nations like Nigeria including of customer satisfaction, lifesaving, and contribution to the national economy. The problem of the study was the rate of patients traveling out of Nigeria to purchase health care from other institutions in other countries while there are similar institutions in the country. The study therefore sought to assess the effect of hygiene-motivational factors on the performance of private hospitals in Nigeria with reference to stress management and compensation as the independent variables while the performance of hospitals is the dependent variable of the study. The data for the study was collected in the year 2021. The study employed a survey research design. The population of the study was all employees of all private hospitals in Nigeria which is infinite, therefore sample size of 385 was determined for using the Cochran (1977) formula for attaining sample size from infinite or unspecified populations. Primary data was collected for the study using a structured close ended questionnaire which was purposively distributed to respondents in the study area electronically via Google forms. The Partial Least Square Structural equation model (PLS-SEM) was used to analyse the data collected and the findings showed a positive but insignificant effect of stress management on performance of private hospitals in Nigeria; and a positive and significant effect of compensation on performance of private hospitals in Nigeria. The study therefore recommended that stress management practices should be improved, while the compensation practices can be maintained so that the performance of the hospitals can be optimized.

Keywords: hygiene-motivational factors, stress management, compensation, performance, private hospitals

© 2022 the Author(s). Published by OASIS Journals. Open access under CC BY-NC-ND License

INTRODUCTION

Organizations like health care institutions have an important role in our daily lives and therefore, successful health care institutions are a key ingredient for developing nations like Nigeria. Continuous performance is a determinant of organizational survival, customer's loyalty, growth and profitability of the organisation. It is understood that organizations are successful when they are able to accomplish their goals (effectiveness) using minimum available resources (efficiency). Performance is dynamic; requiring judgment and interpretation and it may be illustrated by using a causal model that describes how current actions may affect future results.

Over the years, management and researchers have taken interest in studying work related stress, many studies have shown that work situation has certain demands and meeting these demands can lead to stress. Consequently, these Studies have shown that work related stress is a real problem to the health care organizations, health care professionals and their clients/customers. As far as life is concerned, stress is a necessary and common phenomenon, stress has undesirable

consequences in the emotional, mental and physical wellbeing of an individual, thus we can say that stress can physically or psychologically lead to decreased quality of life and poor organizational performance (Flanagan & Flanagan, 2002).

According to Winwood, *et al.* (2006), the health care environment is a notable work place associated with high levels of work stress fatigue due to high demands as healthcare professionals are usually exposed to stress at their workplace that affect their work performance they engage in physically demanding tasks on a daily basis and are often exposed to people's needs, problems and sufferings. The current study is concerned with the management of stress among health care professionals among other issues that affect the overall performance of the health care institutions in the study area.

Consequently, Kaarna (2007) observed that hospital personnel have difficulties in meeting the needs of patients, if their own needs are not met. Therefore, hospital managers have responsibilities to both staff and patients. Employee satisfaction and patient satisfaction both are important from the hospital point of view. Patient satisfaction forms one of the main outcomes for quality for patient in hospital. Job satisfaction is an important variable especially in health care settings.

Overall growth and job satisfaction are important factors to retain hospital employees in the long run. Hence job satisfaction has become an integral part of theories of motivation and dedication to work. Ensuring hospital employees' job satisfaction and motivation is important to effectively deliver health services and to retain employees. In a hospital setting, employee satisfaction has been found to be positively related to quality service and patient satisfaction. Employees can directly influence patient satisfaction because of their involvement and interaction with patients (Kaarna, 2007).

Sikpa (2011) noted that the human resource that an organization has is one of its major resources. Therefore, an effective and efficient use of the human resource will translate into the overall effectiveness and efficiency of the organization and there is hence the need for management to ensure that personnel in the organization work in safe and healthy environment that will promote their optimum utilization.

Sikpa (2011) also mentioned that the success of an organization always depends on the participation and job performance of their employees. They are the one who is responsible in achieving the vision and goals of the organization. Employee's positive characteristic and feelings towards the work they perform lead to job satisfaction. Job satisfaction is influenced by many factors and each employee's job satisfaction is totally different from one another. Some of the factors that influence attitude and job satisfaction among employees in organizations are the working environment, chances of promotions, increment, management and co-workers.

Furthermore, many have said that the most valuable asset of an organization is its human resource and therefore they must be managed efficiently to ensure increased productivity. Compensation plays an important role in organisations that want to reach their objectives and their goals. It goes without saying that organisations which do not properly manage this aspect of human resource activity very well will have a negative impact on the total performance of their employees and impact on productivity. The kind of compensation that will motivate employee to give their best to influence performance positively will depend on how much it addresses their need for status, security, and their survival need as postulated by Maslow (1943, 1954) in his hierarchy of needs.

Statement of the Problem

The researcher has observed that the rate of patients traveling out of Nigeria to purchase health care from other institutions in other countries is on the rise; and many a times recommended by Nigerian hospitals while other times it is due to lack of trust of customers in the ability of the Nigerian healthcare personnel to deliver the required service adequately. This phenomenon currently limits the maximization of value for the Nigerian health care industry and has the potential of crippling the industry if unchecked. Hence, there is the need to assess the root cause(s) of this issue in order to make informed recommendations that will curb the menace and maximize the industry potentials.

Consequently, a dive into literature, showed the researcher that several studies (such as Kanungo & Menon, 2005; Cohen, 2006; Preston, 2008; Fatoki, 2014; Tarwirei, 2015; to emanation a few) have been conducted on the determinants of organizational performance in several industries in Nigeria like the banking, insurance, manufacturing, textile, and SMEs industries among others but the researcher could not find any studies on the determinants of hospitals performance from a management perspective. However, studies like Samsudin, *et al*, (2014) as well as Tran and Vu (2018) conducted similar studies on the determinants of hospitals' performance in Malaysia and Vietnam respectively, but the researcher could find none from Nigeria.

The study therefore hinged on the above research gaps and contributed to the body of literature by conducting an empirical inquiry into the effect of hygiene-motivational factors on the performance of private hospitals in Nigeria.

Research Questions

Drawing from the problem of the study, this research effort sought to answer the following research questions:

- i. What is the effect of stress management on performance of private hospitals in Nigeria?
- ii. To what extent does Compensation affect performance of private hospitals in Nigeria?

Research Objectives

The main objective of this study was to assess the effect of hygiene-motivational factors on the performance of private hospitals in Nigeria. The specific objectives included to:

- i. determine the effect of stress management on performance of private hospitals in Nigeria; and
- ii. assess the effect of Compensation on performance of private hospitals in Nigeria;

Statement of Research Hypotheses

The study proposed the following null research hypotheses to be empirically tested in line with the research problem, questions and objectives:

H₀₁ Stress management has no significant effect on performance of private hospitals in Nigeria.

H₀₂ Compensation has no significant effect on performance of private hospitals in Nigeria.

The outcome of this study is of importance to the different stakeholders concerned by the variables of the present research study. The information, findings and recommendations from this study is of relevance to the body of academics, ownership and management of hospitals in Nigeria, their customers, government and its hospitals regulating bodies, and the general public, as it would provide relevant information value addition to all the relevant stakeholders. The

research endeavor took a cross sectional nature in which data was collected only once at an average point in time for the study, particularly in the year 2021.

LITERATURE REVIEW

Conceptual Of Organisational Performance

According to Mahoney and Roberts (2009) Organizational performance is the analysis of a company's performance as compared to goals and objectives. Performance is the outcome of all of the organization's operations and strategies. Organizational performance is an indicator which measures how well an enterprise achieves their objectives. Organizational performance can be assessed by an organization's efficiency and effectiveness of goal achievement. Within corporate organizations there are three primary outcomes analyzed, financial performance, market performance and shareholders value performance. The concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets including human, physical and capital resources for achieving a shared purpose. Organizational performance comprises the actual output or results of an organization as measured against its intended output. Organization Performance can be classified into financial performance and non-financial performance (Mahoney & Roberts, 2009).

Operational measures of organizational performance include business survival (Lindow, 2013), customer satisfaction (Gremier & Abdullah, 2000), customer loyalty (Hu & Abdullah, 2009; Hawkins & Mothersbaugh, 2009), and market share (Shiv, 2009). On the other hand, according to Tudose (2012), the classical indicators used in financial analysis to measure performance have been the ROI, leverage, capital efficiency, liquidity, cash flow, inventory turnover, receivables turnover ratio. The choice of alternatives of ascertaining performance may be influenced by the firm's objective. The assessment of firm performance using financial indicators must be complemented by an assessment based on non-financial indicators that express the quality of management, corporate culture, the effectiveness of executive compensation policies, the quality of shareholder communication system, etc. Presently, there is a trend towards assessing performance based on value creation, subsumed under the goal of sustainable development (Tudose, 2012).

Concept of Hygiene Motivational Factors

Hygiene Factors are one of the factors that can decide employees working attitudes and level of performance (Herzberg, 1959 as cited in Robbins, 2009). Hygiene Factors are extrinsic factors to prevent employees' dissatisfaction at work. The implication is that meeting employees' extrinsic or hygiene factors will prevent employees from becoming actively dissatisfied. (Robbins, 2009). The hygiene or extrinsic factors are also well known as job context factors; they are extrinsic satisfactions granted by other people for employees (Robbins, 2009). These factors serve as guidance for employers in creating a favourable working environment where employees feel comfortable working inside. When all these external factors were achieved, employees will be free from unpleasant external working conditions that will banish their feelings of dissatisfactions, but remain themselves neutral in neither satisfied nor motivated; however, when employers fail to supply employees' Extrinsic Factors needs, employees' job dissatisfaction will arise. Some of these factors are work environment, work equipment, work stress, compensations, and personnel competencies.

Stress Management

Selye (2009) defined stress as “a non-specific response of the body to any demand for change”. Different authors have defined the term stress in several ways as an automatic physical response to any Stimuli that require you to adjust to change. Benson and Casey (2006) defined stress as a state of mental or emotional strain or tension resulting from adverse or demanding circumstances. While another definition puts it as a state of tension one experiences when one's side of coping are insufficient as a dynamic condition in which an individual is confronted with opportunity, constraint or demand related to which he or she desired and for which outcome is perceived to be both uncertain and important (Robbins & De Cenzo, 2008). Organization stressors as noted by Sardiwalla et al. (2007) include communication problems between workers and higher authorities, problems with team worker, role antiquity and administrative factors. Stress management on the other hand is defined by Davis (2020) as the tools, strategies, or techniques that reduce stress and reduce the negative impacts stress has on your mental or physical well-being. This study defines stress management as the assessment of the causes of stress and implementation of its prevention techniques.

Compensation

According to DeNisi and Griffin (2001) compensation is a reward system that a company provide to individuals in return for their willingness to perform various jobs and tasks within organizations. The Journal of Global Business and Economics (2010) also defines compensation as “the combination of all cash incentives and the fringe benefits mix that an employee received from a company which constitutes an individual's total compensation.” (Chabra 2001) refers to Compensation as a wide range of financial and non-financial rewards given to employees in exchange for their services rendered to the organisation. According to him, it is paid in the form of wages, salaries and employee benefits such as paid vacations, insurance, maternity leave, free traveling facility, retirement benefits, etc. He indicated that the term 'wage' is used to denote remuneration to workers doing manual or physical work. Thus, wages are given to compensate the unskilled workers for their services rendered to the organization. Wages may be based on hourly, daily, weekly or even monthly bases.

Empirical Review

The following empirical works reviewed by this study all had their areas of strengths and weaknesses. However, it can be observed from the reviews that all the studies were carried out with different approaches, at different times and in different locations using different scopes and methodologies, but none was conducted on Nigerian private hospitals using ordinal method of regression technique and a mixture of the five independent variables used in the present study. The findings and recommendations of the previous studies may therefore not be appropriate to be generalizable to the focus of the present study due scope and methodological disparities. The present study therefore seeks to build on and contribute to the body of knowledge by providing more recent findings and recommendations on the effect of hygiene motivational factors on the performance private hospitals in Nigeria using the ordinal method of regression technique because of its greater appropriateness for primary Likert scale data.

Stress Management and Organizational Performance

Ekeyi (2021) investigated Stress Management and Performance of employees in Public Health Institutions in the South-Eastern States of Nigeria with particular reference to five selected Public Health Institutions in the area. The challenges and pressures in the health care sector which

necessitated the need for a continuous change in Management strategies and administration, and the increased demands on employees to perform was the motivating factor for this research. The objective of this study is to investigate stress management and performance in Public Health Institutions in the South-East of Nigeria. The study follows a quantitative research approach using cross-sectional survey research design. The study population was 2007, from which a sample of 396 was drawn from the population using Borg and Gall formula (1989). The reaction to the study posited a response rate of 75.76% (300). Simple linear regression analysis was used in testing the hypothesis with the aid of SPSS computer software version 23. The study revealed that there is no positive relationship between role conflict and performance in the public hospital under study; career development positively influences performance in the public hospitals understudy and there is a strong positive relationship between organizational leadership and performance in public hospital understudy.

The study by Egberi and Olufolahan (2021) evaluated the relationships between employee stress management and the performance of healthcare firms in Nigeria via ex-post facto research design. Data of employee stress was gauged using dummy variables of vacation and health disclosures while organizational performance by market share, and earnings per share, which were sourced from the annual reports and accounts of selected healthcare firms from 2012-2019. Data sourced were analysed by means of both descriptive and inferential statistics and findings revealed a significant relationship between employee stress management dimensions and market share and earnings per share. Impliedly, employee stress management contributes significantly to organizational performance of healthcare firms in Nigeria. In view of the findings, it was recommended that employee stress audits should be carried out frequently by management of organizations so as to determine whether stress levels lead to decline in organizational performance.

Uchechukwu (2020) examined effect of stress management on employee performance of selected deposit money bank in Osogbo, Osun State, Nigeria. Descriptive survey research design was used with the target population comprising of all Staff in Guarantee Trust Bank Plc, First Bank of Nigeria Plc, and Access bank. Osun State, Nigeria. The total population was two hundred and twenty-five (225). The sample size of 200 for this study was arrived at using Taro Yamane (1964) formula. Linear Regression Analysis and Pearson Product Moment Correlation coefficient test was adopted for the study. The findings showed work-life balance to employees' performance ($F [1, 188] = 32.030, P < 0.05, R^2 = 0.041$), work overload and employees' performance ($r = .219^*; P < .05$) and organizational change on employee's performance ($r (188:1) = .414; P < .05$). The study concluded and recommended that the major effect of work-induced stress on an organization is reduced productivity.

Leung (2018) aimed to investigate the impact of stress on the performance of Construction Project Managers (CPM's). Correlation analysis and structural equation modeling were employed to uncover the relationships between different types of stress (i.e., objective stress, burnout, and physiological stress) and the work performances (i.e., task performance, interpersonal performance, and organizational performance) of CPMs. Data were collected from 108 CPMs who work in a variety of construction sectors, including prime contractors, subcontractors, developers, consultant firms, and the public sector. Results showed that (1) objective stress reduces the task performance of CPMs while burnout can have a positive effect on it; (2) interpersonal performance is maximized with a moderate level of objective stress (i.e., an inverted-U-shaped relationship between these two variables) and increases in line with the improvement of the task performance of individuals; and (3) organizational performance has U-

shaped relationships with both burnout and physiological stresses and is worsened by objective stress.

Nwakwushue and Ofulue (2017) examined stress management for organizational effectiveness in a Federal Medical Centre Delta State, Nigeria. The general aim of the study is to determine how stress management can improve organizational effectiveness/efficiency. Simple random sampling technique and simple percentage/chi - square were used for effective statistical analysis of data. Based on the analysis, it was found that unmanaged stress can be counterproductive, also that poor working condition, job dissatisfaction, machine breakdown among others can cause stress, Consequently, it was recommended that there should be job enrichment for employees, creating good working environment/atmosphere. sending managers, supervisors and other employees on training while ensuring cordial relationship between management and workers will enhance organizational effectiveness and efficiency. The writers are however of the opinion that stress cannot be totally eliminated but can be reduced when adequate measures are employed to combat stressors.

Compensation and Organizational Performance

Onwuka and Onwuchekwa (2018) aimed at establishing the influence of compensation policy on employee commitment of selected pharmaceutical companies in Anambra state. Primary data was collected using self-administered questionnaire and the data was analysed by use of Pearson product correlation. The data was presented using simple percentage table. Generally, the study found that pay for performance policy was the popular compensation. It was also established that the compensation policy influences employee commitment owing to the level of relationship established between the variables and this led to enhanced performance, trust in management and strong relationship in the organization. Furthermore, the cash rewards were reflective of individual skills and effort which included allowances for extra duties and responsibilities.

Buhamba (2018) aimed to establish if there is a significant relationship between employee compensation and organizational performance in the selected conservational areas of western Uganda. The researcher used questionnaires to solicit information from the respondents. The questionnaires contained open and close ended questions to enable the respondents choose from the options given and also make their own contribution. The study findings showed that though the non-financial tools such as reducing the workload, job security, acknowledgment are all good motivators, financial tools such as salary and performance related pay are better motivators.

Singh (2013) conducted a study on hospital employees to probe the factors influencing job satisfaction. Author states that positive performance of employee in the organization is an outcome of his satisfactory job experience. Study investigated the factors influencing the job satisfaction among the private hospital employees of Manipur in India. There was a significant association between job satisfaction of employees and relationship behavior factors, pay and compensation factors and training and career growth factors. Pay and compensation factors were the most important factors positively correlated with employee job satisfaction.

Elarabi and Johari (2013) studied the factors that affect job satisfaction and job performance and the relationship between job satisfaction and job performance. Study identified four factors: work comfort, Work treatment, salary, incentives and evaluated their impact on job satisfaction of the medical staff working in government hospitals in Libya. Employees and medical staff were not satisfied with all the factors affecting job satisfaction which lead to low job performance in the

hospital. The study concluded that the performance of medical staff and medical service quality in hospitals could be enhanced when employees are satisfied and are well treated by their managers in addition to good salaries and effective incentive system.

Theoretical Framework

The theory that best describes and underpins the present study is the Resource Dependency Theory, which is reviewed as follows:

Resource Dependency Theory

The resource dependency theory (RDT) was postulated in the year 1978 by Pfeffer and Salancik examining dependency on the internal resources effect on firm performance. The theory postulates that for a start-up to survive it should locate in more profitable and controllable niches in which to do business. Pfeffer and Salancik, (1978) further elaborate the resource dependence approach as being members of the coalition in a constant state of change and these coalitions have some power over the firm's failure or survival. The resource dependency theory established three main conditions for firm success. These include firm self-sufficiency, anticipation of the acceptability of resource flows and operation benefits exceeding operation costs.

High performance and resources are co-related according to (Barney, 2007). The resource dependency theory claims that resources (assets, competencies, marketshare, market-value) a firm enjoys should be totally controlled within to be valuable, rare, imperfectly imitable and not substitutable. These three resources should be available at all times during the life cycle of the firm. Resources can be organisational characteristics, processes, information and knowledge controlled by the company and its employees (Barney & Clark, 2010).

The theory is based on the notion that, firms survive by acquiring and maintaining resources from their environments (Afrifa, 2013). Rogerson (2008) highlights resource dependence theory by asserting that the most firms dissolve due to resource insufficiency. Ahmad and Seet (2009) and Townsend, *et al.* (2010) state that inadequate resources are among the main causes of small business high failure rates. Therefore, it is projected that Businesses will fail if they experience depletion of resources. In particular, Fatoki (2014) and Garcia-Teruel and Martinez-Solano (2011) confirm that the conversion of an idea into a successful firm requires that business owners/managers to acquire resources. Consequently, the success or failure of a new business is thus affected by its resource profile.

Resource dependency theory implies that businesses ultimately depend on resources for increased performance, meaning resources are the basis of performance. The probability of any firm realising full economic potential is dependent on internal resources. These resources include, among others, work effort, expertise, organizational networking connections, transparent production process and efficient inter-department relationship (Botha & Musengi, 2012). According to Barney (2007), a firm will only succeed in the current business environment if it acquires the right mix of resources.

However, Barney and Clark (2010) established that additional resources are needed to promote firm growth to the next business cycle phase, especially during the growth phase. Townsend, Busenitz and Arthurs (2010) confirm this position. The authors state that, depriving any firm additional resources is positively related project failure. This implies that, acquiring resources and utilizing market opportunities does guarantee firm development. Therefore, any business not acquiring and developing additional organizational resources will not realise the full economic utility over time. A firm cannot hold resources for utilisation on a corresponding opportunity for a long period. This is a result of the changing environment which accelerates depletion of these

resources. Consequently, if firms hold similar resources for too long, a shortage of resources arises from lack of resource replenishment and augmentation.

The shortcomings of the resource dependency theory are grouped into cost, constraints and information. Gulati, *et al* (2005) argued a weakness of the resource dependence work which assumes an atomistic environment where information is accessible to all. This assumption is not accurate as information asymmetry is common in the business world. The theory basis firm success on market influence and control, but the business environment is generated through a process of consistent attention and interpretation of market forces (Pfeffer & Salancik, 1978). This means business owners/manager behaviours are largely moulded by learning, selecting and processing information about the environment.

METHODOLOGY

This study employed a survey research design. A questionnaire was designed and administered to assess the effect of hygiene motivational factors on performance of private hospitals in Nigeria. The population of this study was all employees of all private hospitals in Nigeria which is infinite because the researcher could find no record for the exact number of all employees of private hospitals in Nigeria. The sample size of 385 for this study was therefore determined using the Cochran (1977) formula for attaining sample size from infinite or unspecified populations;

$$n = pq \left(\frac{z}{e} \right)^2$$

Where:

n = the required sample size, **z** = confidence level at 95% (standard value of 1.96), **p** = probability value (0.5), **q** = (1-P), **e** = margin of error the study was ready to accept 5% (standard value of 0.05)

$$n = 0.5 \times 0.5 \left(\frac{1.96}{0.05} \right)^2$$

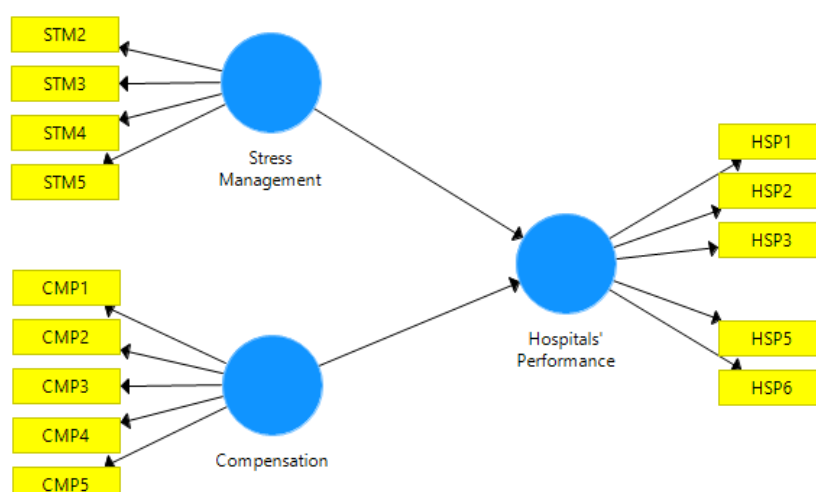
$$n = 384.6 \text{ or } 385$$

Primary data was used for the study and collected with the use of structured close ended questionnaire which made use of likert scale that ranges from strongly agree, agree, undecided, disagree, and strongly disagree (Likert, 1932). These questionnaires were purposively distributed to respondents in the study area electronically via Google forms. For the purposive sampling, the study carried out selection of respondents based on the following criteria as is required by of the objectives of the study:

- i. The respondents must be presently employees of a private hospital in Nigeria; and
- ii. The respondents should be available to partake in the survey electronically, having access to internet enabled devices for the survey.

This study analyzed the data using descriptive statistics like the mean, median, maximum and standard deviation to analyze the characteristics of the variable. The Partial Least Square Structural equation model (PLS-SEM) was used to model the regression analysis used to test the hypothesis to determine if there is an effect relationship between each of the independent variables and the dependent variable. The Structural Equation Model adopted for this study is as follows;

Figure 2: Initial Structural equation model for the study



Source: Researcher's Design in SmartPLS 3 (2022)

The model depicts the effect of measurement variables of hygiene-motivational factors (stress management and compensation) on hospitals' performance, where:

HSP = Hospitals' Performance (Dependent Variable)

STM = Stress Management (Independent Variable)

CMP = Compensation (Independent Variable)

RESULTS AND DISCUSSIONS

Descriptive Statistics

The table I showed the mean responses to each of the question for all the respondents, the median, the minimum, the maximum, and the standard deviation of the responses. The median is the proper measure of the average in this instance because of outliers. Although, from the minimum and maximum values, there is no sign of outliers, but it is still necessary to state that the best measure of average for an ordinal response is median. Furthermore, the table also showed that there were no missing values for all the responses.

Table 1: Summary Statistics of the Measurement Variables for the Study

S/N	Item	Measurement Factor	Missing	Mean	Median	Min	Max	Standard Deviation
1	STM1	The hospital work environment is very stressful	0	3.395	3	1	5	1.16
2	STM2	There is a lot of mental stress working in the hospital environment	0	4.096	5	1	5	1.14
3	STM3	There is a lot of physical stress encountered in the work	0	3.535	4	1	5	1.16
4	STM4	Stress symptoms in hospital work are very visible and easily recognizable	0	3.636	4	1	5	1.15
5	STM5	Employees have effective ways of dealing with stress	0	4.177	4	1	5	1.00
6	CMP1	The hospital management always pays compensation for all work done	0	4.504	5	1	5	0.97
7	CMP2	There are financial compensations to every personnel	0	4.244	5	1	5	0.98
8	CMP3	There are non-financial compensations always given to the health personnel	0	4.078	4	1	5	1.08
9	CMP4	The compensation packages always come in early as at when due	0	4.218	5	1	5	0.99
10	CMP5	Compensations provided are deemed sufficient to meet the needs of the personnel	0	4.294	5	1	5	1.02
11	HSP1	Customers' complaints is at the minimum	0	3.901	4	1	5	0.94
12	HSP2	Complete attention is given to the customers all times	0	3.631	4	1	5	0.99
13	HSP3	Our actual service always matches the advertised value	0	3.958	4	1	5	0.89
14	HSP4	Repeat purchase customers have significantly increased	0	3.683	4	1	5	1.00
15	HSP5	Sales income has significantly improved	0	3.847	4	1	5	0.94
16	HSP6	There have been more profits generated	0	3.758	4	1	5	0.97

Source: Researcher's Computation in SmartPLS (2022)

In summary, table 1 above shows that there are no missing values, all the minimum values were 1 (strongly disagree) and all the maximum values were 5 (strongly agree). All the means and medians of all the construct items were close and their rounded values are the same ranging from 3-5 (undecided, agreed and strongly agreed) with standard deviations all less than 1.2. These values did not indicate the presence of any outliers, showing that the data was good for further analyses. Only the items STM1 and HSP4 had low factor loading (indicator reliability) values and were removed from further analyses.

Indicator Reliability

The indicator loadings should be larger than 0.7 to ensure indicator reliability. Table 2 shows that all item loadings exceeded the recommended value of 0.7 (Chin, Peterson, & Brown, 2008). This indicates that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability.

Table 2: Reliability of the Indicators

Item	Indicator	Loadings
CMP1	The hospital management always pays compensation for all work done	0.795
CMP2	There are financial compensations to every personnel	0.760
CMP3	There are non-financial compensations always given to the health personnel	0.770
CMP4	The compensation packages always come in early as at when due	0.785
CMP5	Compensations provided are deemed sufficient to meet the needs of the personr	0.779
HSP1	Customers' complaints are at the minimum	0.778
HSP2	Complete attention is given to the customers at all times	0.705
HSP3	Our actual service always matches the advertised value	0.768
HSP5	Sales income has significantly improved	0.735
HSP6	There have been more profits generated	0.733
STM2	There is a lot of mental stress working in the hospital environment	0.730
STM3	There is a lot of physical stress encountered in the work	0.726
STM4	Stress symptoms in hospital work are very visible and easily recognizable	0.732
STM5	Employees have effective ways of dealing with stress	0.714

Source: Researcher's Computation in SmartPLS (2022)

Construct Reliability

To establish internal consistency reliability of the construct, Cronbach's alpha and composite reliability (CR) should be higher than the threshold of 0.7. It is clear from table 3 that all the latent indicators are reliable since their values are higher than the threshold value of 0.7. As an alternative to Cronbach's alpha and composite reliability, Dijkstra and Henseler (2015) proposed rho_A as an approximately exact measure of construct reliability, which usually lies between Cronbach's alpha and the composite reliability. Hence, rho_A may represent a good compromise if one assumes that the factor model is correct.

Convergent Validity

Convergent validity is the extent to which the construct converges in order to explain the variance of its items. To assess convergent validity, the average variance extracted (AVE) should be larger than 0.5. In table 3, all the constructs value of the average variance extracted AVE are larger than 0.5 which shows that the constructs of the study satisfied the condition of convergent validity. It also indicates that all the construct explains 50 percent or more of the variance of the items that make up the construct.

Table 3: Construct Reliability and Validity of the Indicators

	Cronbach Alpl	rho_	Composi Reliabili	Average Variance Extracted (AVE)
Compensation	0.8	0.8	0.8	0.6
Hospitals' Performance	0.8	0.8	0.8	0.
Stress Management	0.	0.7	0.8	0.5

Source: Researcher's Computation in SmartPLS (2022)

In summary, the composite reliability values, which depict the degree to which the construct indicators indicate the latent construct, exceeded the recommended value of 0.7 while average variance extracted, which reflects the overall amount of variance in the indicators accounted for by the latent construct, exceeded the recommended value of 0.5 (Hair et al., 2013). Also, the Cronbach alpha internal consistency reliability values are also all above the recommended 0.7 (Chin et al, 2008). This is supported by the rho_A internal consistency reliability values that are also all above the recommended 0.7 (Ringle, et al, 2015).

Discriminant Validity

Discriminant validity is the extent to which a construct is empirically distinct from other constructs in the structural model. There are many traditional methods for discriminant validity assessment, such as cross loadings and the Fornell-Larcker criterion (Fornell & Larcker, 1981), but researchers are advised to apply the Heterotrait-Monotrait (HTMT) criterion (Henseler et al., 2014). This is because traditional methods fail to indicate a lack of discriminant validity, even when two constructs are perfectly correlated, rendering this criterion's use ineffective for empirical research. For this thesis, table 5 shows the HTMT criterion for all the latent constructs. The discriminant validity of the construct is valid if the upper bound of the 95% confidence interval of HTMT is lower than 0.9. From table 4, this condition is satisfied.

Table 4: Discriminant Validity (Heterotrait-Monotrait Ratio (HTMT) Criterion)

	CI	H	ST
CMP			
HSP	0.4		
STM	0.4	0.4	

Source: Researcher's computation in SmartPLS (2022)

Collinearity Test

Before assessing the structural relationships, collinearity was examined to make sure it does not bias the regression results. This was done using the Variance Inflation Factor (VIF). VIF values above 5 are indicative of probable collinearity issues among the predictor constructs, but collinearity problems can also occur at lower VIF values of 3 to 5 (Mason & Perreault 1991; Becker et al. 2013). Ideally, the VIF values should be close to 3 and lower. If collinearity is a problem, a frequently used option is to create higher order models that can be supported by theory (Hair et al., 2016).

Table 5: Inner VIF Values of the Study

Item	VIF
CMP1	1.862
CMP2	1.689
CMP3	1.695
CMP4	1.756
CMP5	1.753
HSP1	1.614
HSP2	1.568
HSP3	1.644

HSP5	1.682
HSP6	1.705
STM2	1.436
STM3	1.342
STM4	1.333
STM5	1.424

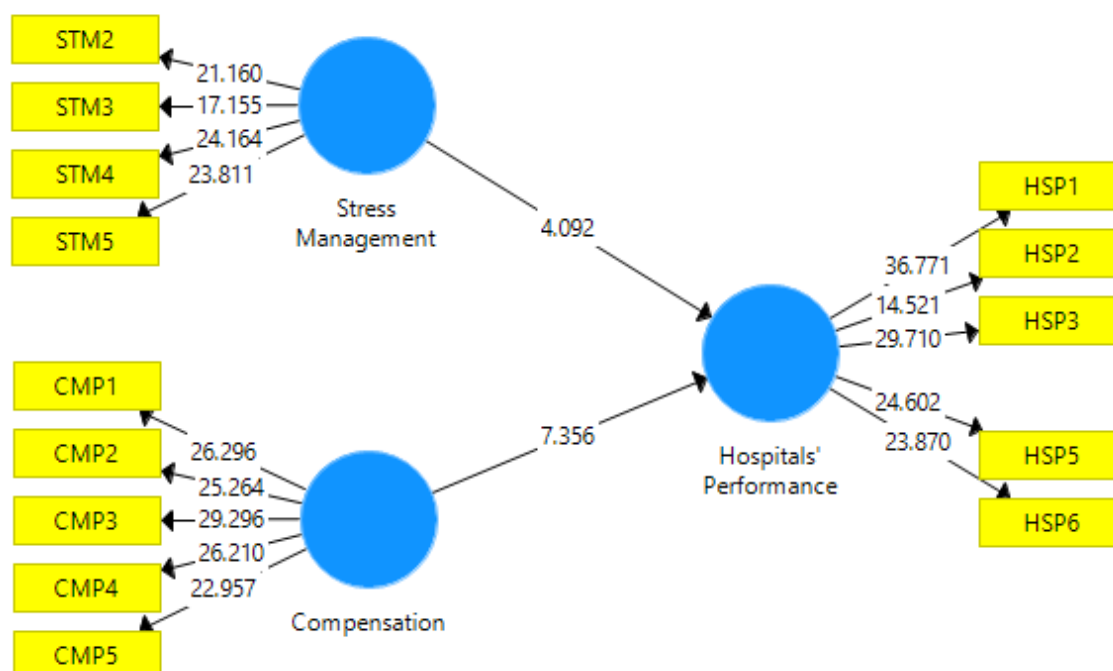
Source: Researcher's computation in SmartPLS (2022)

From table 5 above, none of the VIF values is close to 5 which shows that they are no indication of probable collinearity issues among the predictor constructs for this thesis. In summary, the study tested for possible Multicollinearity problems with the data using Variance Inflator Factor (VIF) Test and Table 5 shows the collinearity between the items are all below the recommended 3.3 (Ringle, et al, 2015), which shows that there is no multicollinearity problem with the data of the study. This means that all the items used are unique and not replicated.

Test of Hypotheses

To assess the structural model, Hair et al. (2013) suggested looking at the R^2 , beta, and corresponding p and t-values via bootstrapping procedure with a resample of 5000. They also suggested that, in addition to these basic measures, researchers should also report the predictive relevance (Q^2) and the effect sizes (f^2). Figure 3 showed the structural model results, the loadings and the R^2 values for Performance and customer loyalty. The resample of bootstrapping procedure was done using 5000.

Figure 3: Analysed Structural Model for the Variables of the Study



Source: Researcher's Development in SmartPLS (2022)

H₀₁ Stress management has no significant effect on performance of private hospitals in Nigeria.

Table 6: Path Coefficient Results Extract for Hypothesis One

Hypothesis	Coefficient	T- Stat	P-Value
Stress Management -> Performance	0.1	1.2	0.089

Source: Researcher's computation in SmartPLS (2022)

The results in Table 6 shows that the coefficient for the effect of Stress Management on Performance is 0.079 with a p-value of 0.089 which is greater than the acceptable 5% significance level showing that there is insufficient statistical evidence to reject the null hypothesis one, so the study cannot adopt the corresponding alternative hypothesis. This means that there is a positive but insignificant effect of Stress Management on Performance of Private hospitals in Nigeria.

The finding shows that the stress management practices in the private hospitals in Nigeria are not contributing significantly to the performance of the Hospitals. This could be because the employees still undergo excessive work stress that hinders their capacity to be optimally efficient in discharging their duties towards a generally and significantly improved performance for their hospitals. This finding implies that a continuation of the present stress management practices would amount to an insignificant increase in the performance of the private hospitals in Nigeria. This finding is inconsistent with those of Egberi and Olufolahan (2021) who found that stress management contributes significantly to organizational performance of healthcare firms in Nigeria, but consistent with that of Uchechukwu (2020) who found that the major effect of work-induced stress on an organization is reduced productivity.

Ho₂ Compensation has no significant effect on performance of private hospitals in Nigeria.

Table 7: Path Coefficient Results Extract for Hypothesis Two

Hypothesis	Coefficient	T- Stat	P-Value
Compensation -> Performance	0.190	2.1	0.003

Source: Researcher's computation in SmartPLS (2022)

The results in Table 7 shows that the coefficient for the effect of Compensation on Performance is 0.190 with a p-value of 0.003 which is less than the acceptable 5% significance level showing that there is sufficient statistical evidence to reject the null hypothesis two (Ho₂) and adopt the corresponding alternative hypothesis. This means that there is a positive and significant effect of Compensation on Performance of Private hospitals in Nigeria.

This finding shows that the compensation practices in the private hospitals in Nigeria are contributing significantly to the performance of the Hospitals. This could be because the employees satisfied with their compensation plans like salaries and incentives given by the hospitals causing them to put in their best towards optimal performance for their hospitals. This finding implies that a continuation of the compensation practices would continue to amount to a significant increase in the performance of the private hospitals in Nigeria. This finding is consistent with those of Onwuka and Onwuchekwa (2018) found that pay for performance policy was the popular compensation and it influences employee commitment that led to enhanced performance, and those of Buhamba (2018) whose findings showed that financial tools such as salary and performance related pay are better motivators for improved performance.

Predictive Power of the Model

Table 8: Predictive Power of Model Using R^2 and Q^2 Predict

		Q^2_{pred}
Performance	0.572	0.559

Source: Researcher's computation in SmartPLS (2022)

The r-square statistics shows the level of determinism of the outcome and mediating variables by the independent variables of the study. The r-square values for the study both have moderate strengths and are higher than the recommended 40% according to Chin *et al.*, (2008). Table 8 shows that the study has an r-square value of 0.572 for Performance which indicates that the independent variables used for the study account for about 57.2% of the variability in the dependent variable (Performance). Other factors not captured in the model may account for the remaining 42.8%.

Furthermore, the Q^2 values corroborate the assertions of the R^2 results with 55.9% predictive power for Performance. The Q^2 predict is another measure of predictive power of models that is very similar to the R^2 but more recent and gaining increasing popularity with PLS-SEM researchers who argue that the Q^2 may be a more efficient measure of predictive power (Ringle, et al, 2015). The Q^2 is usually computed in PLS-SEM analysis, particularly PLS-predict analysis in SmartPLS tool as was used by this study.

CONCLUSION AND RECOMMENDATIONS

Considering the research questions and objectives of this study, two hypotheses were tested. The results of the structural equation modelling could not reject all the null hypotheses in relation to their significant effect on performance of private hospitals in Nigeria. Specifically, one of the factors namely compensation exerted significant positive effect on the performance of the private hospitals so the study concludes that there was no issue regarding the factors in relation to private hospitals in Nigeria as generally opined by the respondents. However, the remaining factor namely stress management exerted insignificant effect on the performance of the private hospitals in Nigeria, leading the study to conclude it could be partly responsible for the problem of sub-optimal performance experienced by the private hospitals in Nigeria as identified by the study.

Drawing from the findings and conclusions in previous sections, the study hereby makes the following recommendations:

- i. The private hospitals in Nigeria should make concerted moves to improve on stress management practices for their employees so that the positive effect of stress management may become significant towards the performance. The hospitals can do so by implementing flexible working and work-life balance practices that would help the employees properly deal with the work stress they encounter working in the Nigerian private hospitals sector.
- ii. Conversely, the private hospitals in Nigeria can maintain or continue with their compensation practices in terms of wages and salaries, allowances and other incentives since the findings showed that compensation already has a positive and significant effect on the performance of the hospitals.

As a suggestion for further studies, since this study did not consider the role of any mediating or moderating factor in its analysis of the cause-effect relationship between the variables of the study as many recent studies do, future studies can replicate the same assessment and introduce the mediating role of variables employee job satisfaction or employee performance, or the moderating role of variables such as work-life balance to see how performance of the hospitals will be affected as the dependent variable.

REFERENCES

- Afrifa, G.A. (2013). Working capital management practices of UK SMEs: The role of education and experience. *International Journal of Academic Research in Accounting, Finance and Management Sciences*. Vol. 3 (4) Pp. 185-196.
- Agrawal, A. & Knoeber, C. R. (1996). Firm performance and mechanisms to control agency problems between managers and shareholders. *Journal of Financial and Quantitative Analysis* 31(3), 377–197.
- Ahmad, N.H., & Seet, P.S. (2009). Dissecting behaviours associated with business failure. A qualitative study of SME owners in Malaysia and Australia. *CCSE Asian Social Science*, Vol. 5, No. 9:98-105.
- Barney, J.B. (2007). Integrating organizational behavior and strategy formulation research: A resource-based analysis. Greenwich, CT: JAI Press.
- Barney, J.B., & Clark, D.N. (2010). Resource-based theory: Creating and sustaining competitive advantage. New York: Oxford University Press.
- Becker, G. (1964). *Human capital: A Theoretical and empirical analysis with special reference to education*. Chicago: The University of Chicago Press.
- Benson, D. & Casey, F. (2006) *Stress management strategies*. New York: Riley
- Botha, S., & Musengi, S. (2012). *Introduction to business management*. Cape Town: Pearson.
- Boyatzis, R.E. (2006). Using tipping points of emotional intelligence and cognitive competencies to predict financial performance of leaders. *Psicothema*, 18(1), 124131.
- Boyatzis, R.E., Goleman, D., & Rhee, K. (2000). Clustering competence in emotional intelligence insights for the emotional competence inventory, Chapter in *Handbook of Emotional Intelligence*. San Francisco: Jossey-Bass.
- Buhamba, E. (2018). *Employee Compensation and Organizational Performance in Selected Conservational Areas in Western Uganda*. A Bachelor Thesis submitted to the College of Economics and Management, Kampala International University
- Cohen, S.G. (2006). Measuring the relationship between managerial competencies and performance. Retrieved From, [Http://jom.sagepub.com/content/32/3/360](http://jom.sagepub.com/content/32/3/360).
- Cooper, D.R., & Schindler, P.S. (2008). *Marketing research*. USA: Mcgraw-Hill Companies, Inc.P663.
- Cox, T. & Griffiths, A. (1996) *Work-related stress in nursing: Controlling the risk to health*. Geneva, International Labour Office, Working Paper London/T/WP/1996.
- Cronbach, L.J. (1951). Coefficient alpha and internal structure of tests. *Psychometrika*. Vol. 31. Pp. 93-96.

- Egberi A. K. & Olufolahan O. M. (2021). Employee Stress Management and Organizational Performance: Evidence from Healthcare Sector in Nigeria. *Nigerian Journal of Management Sciences*, 22(2).
- Ekeyi, S. O. (2021). Stress Management and Performance in Public Health Institutions in the South-East Of Nigeria. *International Journal of Innovative Psychology & Social Development* 9 (3):98-110
- Elarabi, H. M., & Johari, F. (2014). The Determinant Factors Effecting the Job Satisfaction and Performance in Libyan Government Hospital. *Asian Social Science*, 10(8), 55–65. <http://doi.org/10.5539/ass.v10n8p55>
- Essays, UK. (November 2013). What is Survival in Business Objectives?. Retrieved from <https://www.ukessays.com/essays/business/survival-and-growth-the-two-main-objectives-of-organisation-business-essay.php?vref=1>
- Essays, UK. (November 2016). Customers Satisfaction Services. Retrieved from <https://www.ukessays.com/essays/general-studies/customers-satisfaction-services.php?vref=1>
- Fatoki, O. (2014). The impact of managerial competencies on the performance of immigrant-owned enterprises in South Africa. *Mediterranean Journal of Social Sciences*. Vol. 5 (6) Pp. 141-144
- Flanagan, D. & Flanagan, T. (2002). An analysis of the relationship between Job satisfactions and Job stress in correctional health care givers. *Research in Nursing and Health*, 25 (4), 282 – 294
- Gremler, B. & Abdulahi, M. (2000). Customer Satisfaction and Innovation. *UKEassy Online publication retrieved (October, 2018)*.
- Gulati, R., Dialdin, D.A., & Wang, L. (2005). Organizational network in the blackwell companion to organizations, Joel Baum (Ed.) (pp. 281-303). Malden, MA: WileyBlackwell.
- Hawkins, J. & Motherbaugh, S. (2009). Customer Loyalty and Business survival. *UKEassy Online publication retrieved (October, 2019)*
- Hu, J. & Abdullahi, M. (2009). Customer Loyalty and Value Satisfaction. *UKEassy Online publication retrieved (October, 2018)*
- Kaarna, M. (2007). The importance of job satisfaction in hospital quality process. Master of Public Health. NHV: Nordic School of Public. http://www.nhv.se/upload/dokument/forskning/publikationer/mph/2007/mph2007-4_marina_kaarna.pdf
- Kanungo, R.N., & Menon, S.T. (2008). Managerial resourcefulness: Leadership Effectiveness. Retrieved From, <Http://Joe.Sagepub.Com/Content/14/1/39>.
- Leung, E. (2018). Impact of Stress on the Performance of Construction Project Managers. *Journal of Construction Engineering and Management*, 134 (8)
- Likert, R. (1932). A Technique for the Measurement of Attitudes. *Archives of Psychology* 140(1), pp1–55.
- Martin, G., & Staines, H. (2008). Managerial competencies in small firm. Retrieved From, <Http://Www.Emraldinsight.Com/Insight/Viewcontentitem.Do?Contenttype>.
- Nwawkwushue, J.I. & Ofulue J.I. (2017). Stress Management for Organisational Effectiveness. *World Educators Forum*, 9(1).

- Onwuka, E. M. & Onwuchekwa, F. (2018). Compensation Management and Organizational Performance: A Study of Selected Pharmaceutical Companies in Awka, Anambra State. *Journal of Business and Management*, 20(9), 36-47.
- Pfeffer, J., & Salancik G.R (1978). The external control of organizations: A Resource Dependence Perspective. (1st Ed.). New York: Harper and Row.
- Preston, M.S. (2008). The effects of rural practice settings on core managerial role competencies. Retrieved From, [Http://Arp.Sagepub.Com/Content/39/6/640](http://Arp.Sagepub.Com/Content/39/6/640).
- Robbins, S. P. (2009). *Organizational Behaviour: International Version*, 13/E. Pearson Higher Education
- Rogerson, C.M. (2008). Tracking SMME development in South Africa: Issues of managerial competency effects. *Urban Forum*, 19(1): 61-81.
- Ross, T. (2003), *Corporate Finance: Volume I*, (3th ed). United States of America: McGraw-Hill/Irwin.
- Samsudin, S., Applanaidu, S. D., Jaafar, A. S., Ali, J. and Majid, R. (2014). Performance of Public Hospitals in Malaysia and its Determinants: An Analysis Using Data Envelopment and Tobit Model. *Proceedings Book of ICETSR, Handbook on the Emerging Trends in Scientific Research*, ISBN: 978-969-9347-16-0. 1(1), 1-9.
- Sardiwalla, N, VandenBerg. H. & Esterhuysa K. G. F. (2007): The Roles of stressors and coping strategies in the Burnout Experienced by Hospice workers cancer Nursing. *LBL* 30 (6), 31-46
- Selye, H. (2009) *Stress Management for healthcare, nursing management*. New York: Riley
- Shiv, K. (2009). The purpose of Business: Profit Maximization versus Citizens. *The World Street Journal*, 6 (1), 28-36
- Sikpa, F. C. (2011). *An assessment of occupational health and safety practices on job performance at the Tetteh Quarshie Memorial Hospital, Mampong-Akuapem*. A Thesis Submitted to the Institute Of Distance Learning, Kwame Nkrumah University of Science and Technology in Partial Fulfillment of the requirements
- Singh, R. G. (2013). Factors Explaining Job Satisfaction Among Hospital Employees. *OPUS: Annual HR Journal*, 1 (1) p. 29-43, ISSN 0973-9866. Available at: <http://www.i-scholar.in/index.php/oahj/article/view/43487>
- Tarwirei, M. B. (2015). The impact of managerial competencies on the performance of SMEs in the buffalo city municipality. *A dissertation submitted in fulfilment of the requirements for the Master Degree in Business Management in the Faculty of Management and Commerce University of fort hare*.
- Townsend, D.M., Busenitz, L.W. & Arthurs, J. (2010). To start or not to start: Outcome and ability expectations in the decision to start a new venture. *Journal of Business Venturing* 25(2): 192-202.
- Tudose, M. B. (2012),"Capital Structure and Firm Performance". *Economy Transdisciplinarity Cognition Journal*, Vol. 15, No. 2, Pp. 76- 82.
- Uchechukwu, T. (2020). Stress Management and Employee Performance of Selected Deposit Money Bank in Osogbo, Osun State, *Journal of Business and Management*, 22(11), 26-35.