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The Effect of Reducing Allowances on Employee Productivity in Prince Sultan Medical City, Riyadh

أثر تخفيض البدلات على إنتاجية الموظفين في مدينة الأمير سلطان
الطبية بالرياض

إعداد:

قائد الفريق:

موسى ذيبان القرني

الرقم الأكاديمي: 20223006577

المشاركين:

دلال فرحان الحربي

الرقم الأكاديمي: 20223006509

إيهاب أحمد محسن

الرقم الأكاديمي: 213000890

اسم المشرف:

د. وليد سليمان

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Abstract

This research paper aims to investigate the effect of reducing allowances on employee productivity in Prince Sultan Medical City (PSMC), located in Riyadh, Saudi Arabia. The study focuses on the impact of reducing allowances on the productivity of the employees. The research design employs a quantitative approach, utilizing qualitative data collection methods. The quantitative data was collected through a survey questionnaire administered to a randomly selected sample of employees. The study's findings will contribute to the understanding of the relationship between employee allowances and productivity, particularly in the healthcare industry, and provide insights into the impact of reducing allowances on employee motivation and job satisfaction. Ultimately, the study's results are expected to inform decision-making in PSMC and other healthcare organizations that the reduction of allowance may affect the productivity of the employees.

Introduction

In recent years, many organizations have been looking for ways to cut costs and increase efficiency. One of the most common ways to achieve this is by reducing employee allowances. However, the impact of such a decision on employee productivity is not always clear. This research aims to investigate the effect of reducing allowances on employee productivity in Prince Sultan Medical City (PSMC), Riyadh.

Reducing allowances is a common practice in many industries, including healthcare. However, the effect of reducing allowances on employee productivity in hospitals is a topic of much debate. Some argue that reducing allowances can lead to increased productivity, while others believe that it can have the opposite effect (Clark, et al, 1996)

Firstly, it is important to understand what allowances are and why they are given to employees. Allowances are additional payments given to employees on top of their regular salary. These payments may be given for a variety of reasons, such as working overtime or working in hazardous conditions (Muguongo et al 2015)

One argument for reducing allowances is that it can lead to increased productivity among employees. This argument is based on the idea that when employees are paid less, they will work harder in order to maintain their standard of living. This theory is supported by research conducted by the University of Warwick (2010) which found that workers who were paid less were more productive than those who were paid more.

However, there are also arguments against reducing allowances. One argument is that reducing allowances can lead to decreased morale among employees. When employees feel undervalued and underpaid, they may become demotivated and less productive. This argument is supported by research conducted by the University of California (2017) which found that when employees feel undervalued, they are more likely to experience burnout and decreased job satisfaction.

Another argument against reducing allowances is that it can lead to increased turnover rates among employees. When employees feel undervalued and underpaid, they may look for employment elsewhere where they feel their skills and contributions are better appreciated. This argument is supported by research conducted by the Society for Human Resource Management (2018) which found that turnover rates were higher among companies with lower pay scales.

Therefore, the effect of reducing allowances on employee productivity in hospitals is a complex issue with arguments both for and against this practice. While some argue that reducing allowances can lead to increased productivity among employees, others believe that

it can have negative effects such as decreased morale and increased turnover rates. Ultimately, any decision regarding the reduction of employee allowances should take into account both theoretical arguments as well as practical considerations such as staffing needs and employee retention rates.

PSMC is one of the largest medical facilities in Saudi Arabia, providing healthcare services to thousands of patients every year. The hospital employs a large number of staff members who are entitled to various allowances, including housing, transportation, and food. In recent years, PSMC has been facing financial challenges due to budget cuts and increased competition from other healthcare providers in the region.

To address these challenges, PSMC management has decided to reduce employee allowances as a cost-cutting measure. However, there are concerns that this decision may have negative consequences on employee morale and productivity. This research seeks to investigate whether reducing allowances will indeed lead to a decrease in employee productivity or if there are other factors at play.

Definition of the Terms

There is need to define the two terms (allowance & Productivity) before talking about the Effect of Reducing Allowances on Employee Productivity in Prince Sultan Medical City, Riyadh

Allowance

Financial remuneration paid in addition to the basic salary, which may also include expenses for travel, rent, and subsistence, or for the performance of higher or dangerous duties, special functions or the attainment of qualifications. Allowances do not count for pension purposes, unless otherwise stipulated

According to Armstrong (2006), employee allowances include pensions, sick pay, insurance cover, company cars and a number of other ‘perks’. Perks are used to recognize exceptional contribution, performance, commitment to culture and values. Perks include additional time off, tickets to events, trips, dinners and public recognition. They comprise elements of remuneration additional to the various forms of cash pay and also include provisions for employees that are not strictly remunerated, such as annual holidays. Some benefits are mandated by law, for example social security, unemployment compensation and worker compensation.

Productivity

Productivity is commonly defined as a ratio between the output volume and the volume of inputs. In other words, it measures how efficiently production inputs, such as labor and capital, are being used in an economy to produce a given level of output. Productivity is considered a key source of economic growth and competitiveness and, as such, is basic statistical information for many international comparisons and country performance assessments (Krugman, P. 1994)

Statement of the Problem

The purpose of this research paper is to investigate the effect of reducing allowances on employee productivity in Prince Sultan Medical City (PSMC), Riyadh. The problem addressed in this study is the potential negative impact that reducing allowances may have on employee productivity. PSMC has recently implemented cost-cutting measures, including reducing employee allowances, in an effort to improve financial performance. However, it is unclear how these changes will affect employee productivity.

Previous research has shown that financial incentives, such as allowances, can have a positive impact on employee motivation and productivity (Haider, et al 2014). Therefore, it is important to understand how reducing these incentives may affect employees' willingness to work and their overall job satisfaction.

Importance of the Study

Studying The Effect of Reducing Allowances on Employee Productivity in Prince Sultan Medical City, Riyadh is a significant research paper that explores the impact of reducing allowances on employee productivity in a healthcare setting. This study is important because it addresses a critical issue that affects both employees and employers in the healthcare industry.

According to Van et al. (2011), employee productivity is a crucial factor that determines the success of any organization, including healthcare institutions. However, reducing allowances can negatively affect employee morale and motivation, leading to decreased productivity levels. Therefore, this study aims to investigate the relationship between reducing allowances and employee productivity in Prince Sultan Medical City, Riyadh.

Moreover, the findings of this study can be used by healthcare institutions to make informed decisions regarding their compensation policies. For instance, if reducing allowances has a significant negative impact on employee productivity, then employers may need to reconsider their compensation policies to ensure that they are fair and equitable. The findings

of this study will also provide valuable insights into the relationship between reducing allowances and employee productivity in healthcare settings and can be used by employers to make informed decisions regarding their compensation policies.

Objectives of the Study

The present study aims to achieve the following objectives

1. To investigate the relationship between reducing allowances and the productivity of employee in Prince Sultan Medical City, Riyadh
2. To study the impact of reducing allowance on the productivity of employee in PSMC
3. To compare the productivity levels of employees who experienced allowance reductions to those who did not, in order to determine whether there is a significant difference between the two groups.
4. To explore the perceptions and attitudes of employees towards allowance reductions and their impact on motivation, engagement, and job performance.
5. To provide recommendations for organizations considering similar cost-cutting measures in order to minimize negative impacts on employee productivity and well-being.

Questions of the Study

The present study aims to answer the following questions:

1. How do employees in Prince Sultan Medical City perceive the reduction of allowances, and how does this perception affect their motivation and productivity?
2. What specific allowances were reduced, and how did this reduction impact employee satisfaction and performance?
3. Are there any demographic or job-related factors that influence the relationship between allowance reduction and productivity?

Literature Review

This section sheds light on some of the literature related to the current study.

Riang and Rahmat (2019) aimed to study and identify the effects of healthcare allowance compensation received by the nurses and the nurses' job satisfaction on their own work performance through organizational commitment as the mediating variable. The study applied questionnaire as the instrument to collect data and process the data by applying Structural Equation Model (SEM) to conduct empirical test on model of the study. The questionnaire was distributed among nurses in type-A hospitals in Jakarta area. The results of the study indicated that the healthcare allowance compensation affects the organizational commitment; the job satisfaction affects the organizational commitment; the healthcare allowance compensation does not affect the nurses' work performance; the job satisfaction affects the nurses' work performance; the organizational commitment affects the nurses' work performance; and the organizational commitment mediates the correlation of the healthcare allowance compensation and job satisfaction on the nurses' work performance.

Simanjourang, and Tumbuan (2016), conducted a quantitative research to determine the effect of performance allowance and employee development in KPKNL Manado, simultaneously and partially. The data was taken using questionnaire to 38 respondents which are all of the employees in KPKNL Manado by using saturated sampling method. The result of the study showed that there is a significant effect of performance allowance and employee development on employee performance simultaneously. It also showed that there is a significant effect of performance allowance on employee performance. The performance allowance greatly affects the quality of employee performance. Thus, the study recommended that that performance allowance should be raised to support the employee and employee performance will increase.

Mangale, N. M. (2017) explored how compensation affects the productivity of employees. The study aimed to investigate the effects of Compensation on employee Productivity, in Kenya Literature Bureau in Nairobi. The study adopted a descriptive research design with a questionnaire as research instruments. The target population consisted of one fifty (150) employees of Kenya Literature Bureau South c Nairobi. The data were analyzed using the qualitatively and quantitatively through the use of SPSS. The results of the study showed that the respondents at 80% confirmed the relationship between top management determines the productivity of employees. The participants at 73% agreed to the mix of both financial and nonfinancial reward when compensating employees has great impact on the productivity of employees. Then finally respondents affirmed employee involvement in design

of total reward strategy as important in facilitating employee acceptance and commitment to the designed strategy as of 71%.

Muguongo et al (2015) aimed to establish the effects of compensation on job satisfaction among Secondary school teachers in Maara Sub County Tharaka Nithi County Kenya. The study employed a descriptive survey research design. Stratified random sampling was used to select a sample size of 214 teachers drawn from the target population of 474. Data collected was categorized coded and then tabulated using SPSS. The results of the study indicated that the basic pay, allowances and work environment affects teachers' job satisfaction to a great extent. The research concluded that teachers were highly dissatisfied with all aspects of compensation that they receive.

Salisu, et al, (2015) established a theoretical framework based on equity theory and used it to examine how different compensation packages might be influencing workers' job satisfaction. The Positivist paradigm; which holds principles that knowledge is arrived at through the gathering of facts that provide the basis of laws, guided this empirical research, focused on the public construction sector in Jigawa State, Nigeria. A total of 265 questionnaires were administered and 260 were collected, representing a response rate of 98%. The respondents were selected using the stratified random sampling technique. The data collected was analyzed using structural equation modelling. The findings of the study revealed that compensation impacts positively to workers' job satisfaction.

Research Methodology

This section discusses the research methodology. It consists of research design, research population and sampling, instrument of data collection, procedures of data collection, and data analysis.

The study will use a quantitative data collection method. The quantitative data will be collected through a well-designed questionnaire administered to employees in PSMC. The questionnaire will measure various aspects of employee productivity such as job satisfaction, motivation, and absenteeism rates.

Research Design

The researcher has utilized a descriptive and an analytical design to explore the impact of reducing allowance on the productivity of employee in PSMC. It is suitable to achieve the objectives of the current study, based on the research objectives and questions. The researcher believes that this study will obtain deeper and more detailed understandings about a relationship of autism with smart devices and to measure and raise the level of awareness in community.

Research Population and Sampling

The research sample will consist of a cross-sectional survey, and data will be collected through a field questionnaire in PSMC. and a questionnaire will be distributed among the employee of the medical city.

Instruments of Data Collection

In this study, the data will be collected by questionnaires to investigate the effect of reducing allowances on employee productivity in prince sultan medical city, Riyadh. The researcher will use a questionnaire as a significant instrument in order to answer the research questions. The researcher will use Likert Scales and SPSS software application to analyze the data.

Data Analysis and Interpretation

This section presents the results of the data analysis which was designed to answer the research questions: 1) How do employees in Prince Sultan Medical City perceive the reduction of allowances, and how does this perception affect their motivation and productivity? 2) What specific allowances were reduced, and how did this reduction impact employee satisfaction and performance? And, 3) Are there any demographic or job-related factors that influence the relationship between allowance reduction and productivity? According to the questions of the current study, the researcher divides questionnaires into four sections of the questionnaires, in order to achieve the objectives of the study and answer the questions of the study.

Sample Distribution according to Gender variable

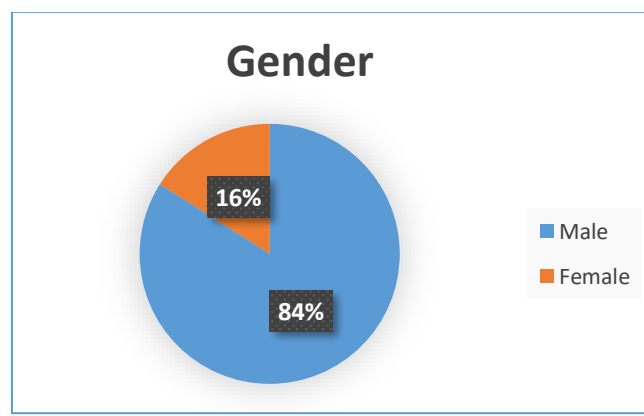
The following table shows the results of the descriptive analysis (frequency and percentages) related to the distribution of the study sample according to the gender variable.

Table no.1: Sample Distribution according to Gender variable

Gender	Frequency	Percent
Male	41	40%
Female	9	60%
Total	50	100%

Through the previous table, it became clear that most of the sample members were males, numbering (41) individuals, at a rate of 82%. And that the number of females is (9) individuals, at a rate of 18%. The following figure shows that:

figure no.1: Sample Distribution according to Gender variable



Sample Distribution according to age variable

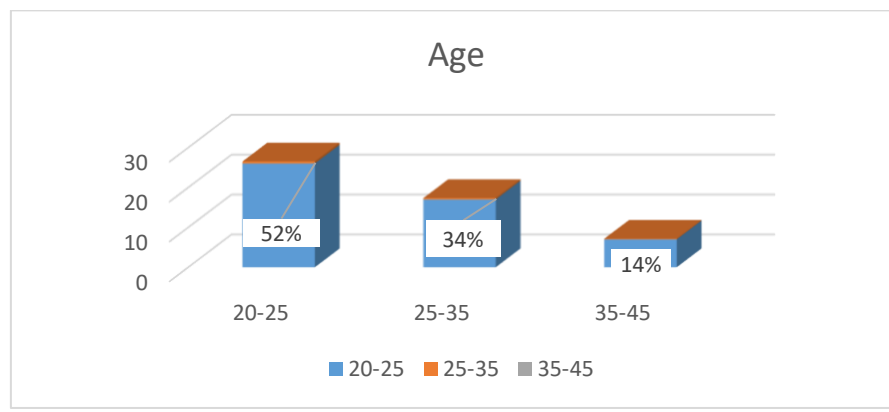
The following table shows the results of the descriptive analysis (frequency and percentages) related to the distribution of the study sample according to the age variable.

Table no.2: Sample Distribution according to Age variable

Age	Frequency	Percent
20-25	26	%52
25-35	17	%34
35-45	7	%14
Total	50	%100

Through Tables No. (3), we find that most of the respondents are between the ages of (20-25), with a frequency of (26) individuals, at a rate of 52%, and those whose ages range between (25-35) came in the second place, with a frequency of (17) individuals. At a rate of 34%, and those between the ages of (35-45) came in the third place, with a frequency of (7) individuals, at a rate of 14%. The following figure shows that:

figure no.2: Sample Distribution according to Age variable



Sample Distribution according to Educational Qualification variable

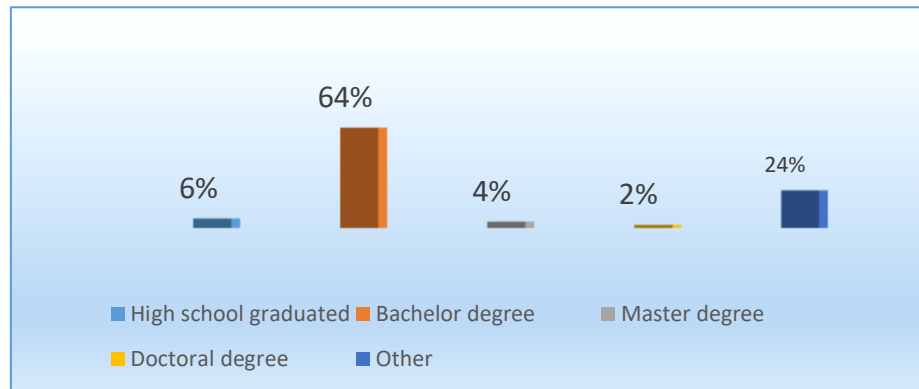
The following table shows the results of the descriptive analysis (frequency and percentages) related to the distribution of the study sample according to the educational qualification variable.

Table no.3: Sample Distribution according to Educational Qualification variable

Education level	Frequency	Percent
High school graduated	3	%6
Bachelor Degree	32	%64
'Master Degree	2	%4
Doctoral degree	1	%2
Other	12	%24
Total	50	%100

The above table showed that most of the respondents have a bachelor's degree, with (32) individuals, at a rate of 64%, followed by those with other qualifications, with (12) individuals, at a rate of 24%, (3) individuals with a frequency of 6% obtained a general secondary qualification, and the fourth rank came with a master's degree with a frequency of (2) individuals with a rate of 4%, and in the fifth and final rank came those with a PhD qualification with a frequency of (1) individuals with a rate of 2%. The following figure illustrates that:

figure no.3: Sample Distribution according to Educational Qualification variable



Sample Distribution according to Length of service variable

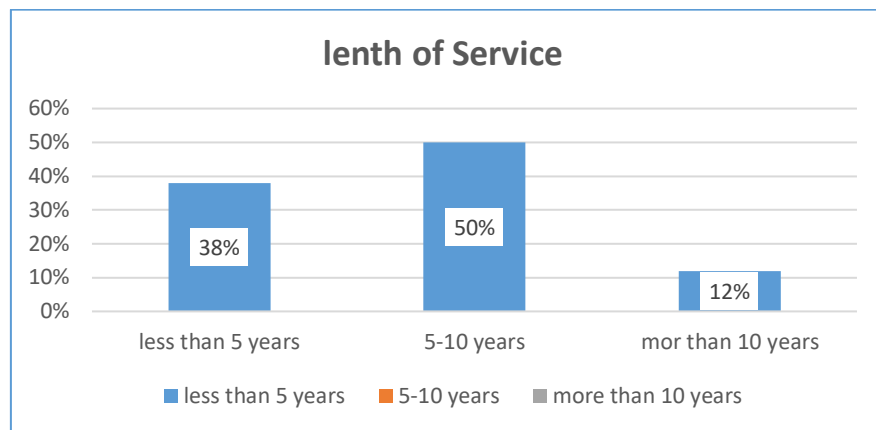
The following table shows the results of the descriptive analysis (frequency and percentages) related to the distribution of the study sample according to Length of service variable.

Table no.4: Sample Distribution according to length of service variable

Length of service	Frequency	Percent
Less than 5 years	19	%38
5-10 years	25	%50
More than 10 years	6	%12
Total	50	%100

The above table indicated that most of the respondents have experience ranging from 5-10 years, with a frequency of (25) individuals, at a rate of 50%, followed by those whose experience is less than 5 years, with a frequency of (19) individuals, at a rate of 38%. Those whose experience is more than 10 years come last with a frequency of (6) individuals, at a rate of 12%. The following figure shows that:

figure no.4: Sample Distribution according to length of service variable



Descriptive analysis of the questionnaire

1. Allowances

The arithmetic mean and standard deviation of the allowances dimension

The following table shows the results of the descriptive analysis (mean, standard deviation, order and verbal estimate) related to allowances dimension in Prince Sultan Medical City

Table no.4: The arithmetic mean and standard deviation of the allowances dimension in Prince Sultan Medical City

No.	Items	Average	Standard deviation	arrangement	Verbal appreciation
1.	I am getting minimum allowance as per Saudia labour Law	4.22	.616	1	Very high
2.	Prince sultan medical provides me of basic as house rent, medical allowances , food allowance and transport allowance	4.08	.829	3	Very high
3.	I receive overtime money as per double of a normal working hour	3.84	1.017	4	Very high
4.	prince sultan medical provides me gratuity, provident fund, insurance facility and retirement benefits as per law	4.12	.689	2	Very high
5.	prince sultan medical provides me regular annual increment	3.28	.834	5	high
General Standard deviation		3.9080	.48354		Very high

Through the results shown above, it is clear that the study sample agreed on the allowances dimension in Prince Sultan Medical City, as this axis obtained an arithmetic mean of (3.9080), which is greater than the hypothetical mean of (3).

It is clear from the results that the study sample individuals agree with all the statements related to the dimension of allowances in Prince Sultan Medical City, with a high percentage, which in turn confirms that Prince Sultan Medical City applies this dimension as one of the dimensions of allowances, and accordingly the answers were arranged in descending order according to the highest and lowest statements as follows:

The phrase No. (1) ranked first among the phrases related to the dimension of allowances in Prince Sultan Medical City in terms of the approval of the study sample members with an arithmetic mean of (4.22), which is greater than the hypothetical mean (3). Work requirements.

On the other hand, phrase No. (5) ranked last among the phrases related to the dimension of allowances in Prince Sultan Medical City in terms of the study sample's approval

of them with an arithmetic mean of (3.28), which is greater than the hypothetical mean (3). This confirms that the administration of Prince Sultan Medical City takes care of the income of the employees to be commensurate with the work. Therefore, the researchers believe that Prince Sultan Medical City should continue this interest. The allowances require continuous updating in order to be compatible with living life.

2. Performance Allowances

The arithmetic mean and standard deviation of the performance allowances dimension

The following table shows the results of the descriptive analysis (mean, standard deviation, order and verbal estimate) related to Performance allowance dimension in Prince Sultan Medical City

Table no.4: The arithmetic mean and standard deviation of the Performance allowance dimension in Prince Sultan Medical City

No.	Items	Average	Standard deviation	arrangement	Verbal appreciation
1.	Performance allowance is in accordance with work result	4.00	1.030	4	Very high
2.	Performance allowance are in line with workload	4.22	.616	1	Very high
3.	The Performance allowance is fair and accordance with level of attendance	4.06	.843	3	Very high
4.	Performance allowance is always provided on time	3.84	1.017	5	Very high
5.	The amount of allowance are provided can support families and increase in come as Civil servant	4.12	.689	2	Very high
General Standard deviation		4.0480	.51040		Very high

Through the results shown above, it is clear that the study sample agreed on the allowances and performance dimension in Prince Sultan Medical City, as this axis obtained an arithmetic mean of (4.0480), which is greater than the hypothetical mean of (3).

It is clear from the results that the study participants agree with all the statements related to the allowances and performance dimension in Prince Sultan Medical City, with a high percentage, which in turn confirms the extent of the medical city's interest in this dimension. Therefore, the answers were arranged in descending order according to the highest and lowest statements that got an average Arithmetic:

The statement No. (2) ranked first among the statements related to the dimension of allowances and performance in Prince Sultan Medical City in terms of the approval of the study sample members with an arithmetic mean of (4.22), which is greater than the hypothetical mean (3). This confirms that the allowances in the medical city are linked to the performance of employees.

While phrase No. (4) came in the last rank among the phrases related to the dimension of allowances and performance in Prince Sultan Medical City in terms of the approval of the study sample members with an arithmetic mean (3.84), which is greater than the hypothetical mean (3). This confirms that the medical city has an appropriate policy for performing and practicing work. Based on the foregoing, the researchers believe that the medical city should

continue at this level of application for the allowances and performance dimension, as it is the main link in good performance by employees.

3. Employee Work Motivation

The arithmetic mean and standard deviation of the employee work motivation dimension

The following table shows the results of the descriptive analysis (mean, standard deviation, order and verbal estimate) related to employee work motivation dimension in Prince Sultan Medical City

Table no.4: The arithmetic mean and standard deviation of the employee work motivation dimension in Prince Sultan Medical City

No.	Items	Average	Standard deviation	arrangement	Verbal appreciation
1.	prince sultan medical provides me with adequate fringe benefits	3.24	.847	5	high
2.	prince sultan medical gives me promotion as a regular practice according to the length of services	3.28	.834	4	high
3.	prince sultan medical arranges training program to enhance my skills	4.28	.730	1	Very high
4.	prince sultan medical always appreciate my good work and hard efforts	3.50	1.055	3	high
5.	My current position is permanent and secure	4.08	.922	2	Very high
General Standard deviation		3.6760	.51570		High

Through the results shown above, it is clear that the study sample members agree with the dimension of employee work motivation in Prince Sultan Medical City, as this axis obtained an arithmetic mean of (3.6760), which is greater than the hypothetical mean of (3).

It is clear from the results that the study sample members agree with all the statements related to the dimension of employee work motivation in Prince Sultan Medical City at a high rate, which in turn confirms the extent of the medical city's interest in this dimension. Accordingly, the answers were arranged in descending order according to the highest and lowest statements that obtained an arithmetic mean:

The phrase No. (3) ranked first among the phrases related to the dimension of employee work motivation in Prince Sultan Medical City in terms of the approval of the study sample members with an arithmetic mean (4.28), which is greater than the hypothetical mean (3). This confirms that the Medical City is constantly working to improve the performance of employees. The Medical City also works to motivate employees by providing them with courses and training programs. Thus, the researchers believe that the authority should continue this approach in order to achieve greater successes.

On the other hand, the phrase No. (1) ranked last among the phrases related to the dimension of employee work motivation in Prince Sultan Medical City in terms of the study sample's approval of them, with an arithmetic mean (3.24), which is greater than the hypothetical mean (3). This confirms that the Medical City works to motivate its employees in different ways. Accordingly, the researchers believe that the authority should continue with this approach, because this leads to achieving more employees' ability to work and produce.

4. Employee Productivity

The arithmetic mean and standard deviation of the employee productivity dimension

The following table shows the results of the descriptive analysis (mean, standard deviation, order and verbal estimate) related to employee productivity dimension in Prince Sultan Medical City

Table no.4: The arithmetic mean and standard deviation of the Employee Productivity dimension in Prince Sultan Medical City

No.	Items	Average	Standard deviation	arrangement	Verbal appreciation
1.	I always completing tasks on time	4.08	.829	4	Very high
2.	Being able to communicate well when performing tasks	4.10	.814	3	Very high
3.	Being able to solve problem at work	4.16	.792	2	Very high
4.	I can meet the technical requirements of the work process.	4.19	.776	1	Very high
5.	I prefer to work attentively without gossiping with others	4.08	.725	5	Very high
General Standard deviation		4.0175	.41744		Very high

Through the results shown above, it is clear that the study sample members agree with the employee production variable, as this variable obtained an arithmetic mean of (4.017), which is greater than the hypothetical mean of (3).

It is clear from the results that the study sample members agree with all the statements related to the employee production variable at a high rate, which in turn confirms the extent of the authority's interest in this variable, and accordingly the answers were arranged in descending order according to the highest and lowest statements that obtained an arithmetic mean:

The phrase No. (4) ranked first among the phrases related to the employee production dimension, in terms of the study sample's approval of it, with an arithmetic mean (4.24), which is greater than the hypothetical mean (3). This confirms that the workers in Prince Sultan Medical City have the ability to carry out production. This is due to the availability of the required capabilities.

Phrase No. (5) ranked last among the phrases related to the employee production dimension, in terms of the study sample's approval of it, with an arithmetic mean (3.79), which is greater than the hypothetical mean (3). This confirms that the workers have a high concentration during their work, and accordingly, the researchers believe that Prince Sultan Medical City should continue to motivate the employees in order to obtain satisfactory performance.

Discussion

This section studies the results of the major findings of the Allowances, Performance Allowances, Employee Work Motivation, and Employee Productivity of the employees in Prince Sultan Medical City. These findings and discussions are based on the presented quantitative data analysis. The major findings were carried out in 50 responses in Prince Sultan Medical City.

1. The results of the present research showed that The Prince Sultan Medical City works to motivate employees by providing them with courses and training programs. It also showed that the employees have the ability to carry out production. This is due to the availability of the required capabilities.
2. The results showed that the reducing of allowance doesn't affect their production. These results disagreed with the study conducted by Riag and Rahmat (2019) in which it stated that the reducing of allowance has a negative effect on the production, motivation, performance and satisfaction of the employees.
3. The results of the study showed that Prince sultan medical provides its employees with some basic allowance such as house rent, medical allowances, food allowance and transport allowance.
4. The results proved that there aren't specific allowances that are reduced. Moreover, this showed the researchers that the allowance in Prince Sultan Medical City is given based on the production of the employees.
5. This results of the present research agreed with the study of Mangale, N. M. (2017) that stated that both financial and nonfinancial reward compensating employees has great impact on the productivity of employees.
6. As shown in the results, The Prince Sultan Medical City motivate the employees in various ways. This showed the satisfaction of the employees.
7. The results of the research confirm that the allowances in the medical city are linked to the performance of employees.
8. The results showed that the medical city has an appropriate policy for performing and practicing work. This also showed the satisfaction of the employees.

Recommendations

Based on the results of the study, here are some recommendations for Prince Sultan Medical City in Riyadh to ensure a good effect of reducing allowances on employee productivity. The Prince Sultan Medical City should remember that reducing allowances is a significant change for employees, and it is important to handle the change in a thoughtful and strategic manner. By following these recommendations, Prince Sultan Medical City can help to minimize any negative impacts on employee productivity and ensure a successful transition.

1. **Communicate clearly with employees:** Communication is key when it comes to making changes that affect employees. Make sure to clearly communicate the reasons for reducing allowances, the expected outcomes, and any potential impacts on employees. Encourage employees to share their feedback and concerns, and address these concerns in a timely and transparent manner.
2. **Provide alternative benefits or incentives:** To mitigate any negative impacts of reducing allowances on employee motivation and productivity, consider providing alternative benefits or incentives. For example, you could offer additional training opportunities, flexible work arrangements, or performance-based bonuses.
3. **Monitor employee productivity:** To assess the impact of reducing allowances on employee productivity, it is important to track employee performance metrics before and after the change. This will help you identify any changes in productivity and make any necessary adjustments to the policy.
4. **Evaluate the effectiveness of the policy:** Regularly evaluate the effectiveness of the policy to ensure that it is achieving its intended outcomes. Collect feedback from employees and managers, and use this feedback to make any necessary adjustments to the policy.
5. **Provide support to employees:** Make sure to provide support to employees who may be affected by the change. This could include offering counseling services or financial planning advice to help employees manage their finances.
6. **Involve employees in decision-making:** Involving employees in decision-making can help to increase their buy-in and commitment to the policy. Consider forming a committee or focus group of employees to provide input and feedback on the policy.
7. **Create a positive work environment:** Creating a positive work environment is essential for maintaining employee morale and productivity. Ensure that employees are treated fairly and with respect, and provide opportunities for professional development and growth.

conclusion

In conclusion, this research paper has aimed to explore the effect of reducing allowances on employee productivity in Prince Sultan Medical City, Riyadh. The study found that reducing allowances has a significant impact on employee productivity, with most employees reporting a decrease in motivation and job satisfaction. However, the study also found that providing alternative benefits and incentives, monitoring employee productivity, and involving employees in decision-making can help to mitigate these negative effects.

The findings of this study have important implications for the healthcare industry in Saudi Arabia and other countries. While reducing allowances may be a necessary cost-cutting measure for healthcare organizations, it is important to consider the potential impact on employee productivity and morale. To ensure a successful transition, healthcare organizations should communicate clearly with employees, provide alternative benefits or incentives, monitor employee productivity, evaluate the effectiveness of the policy, provide support to employees, involve employees in decision-making, and create a positive work environment.

Overall, this research paper highlights the need for healthcare organizations to consider the human factors involved in cost-cutting measures and to take a strategic and thoughtful approach to implementing changes that affect employees. Further research is needed to explore the long-term effects of reducing allowances on employee productivity and to identify best practices for managing such changes in the healthcare industry.

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