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A Review of Factors Affecting Human Resource Efficiency

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ABSTRACT

Objective: The improvement of management functions and procedures of human resources in public sector is a continuous and constantly evolving process. From the public officials the citizens and society require effective work in providing public services to the population. In comparison with the private sector, a lower efficiency in public sector is still noticeable in the world. The efficiency of state and municipal authorities depends not only on the education, competence and abilities of public officials. The efficiency of human resources motivation system has a significant impact on the effectiveness of state and municipal authorities. Methodology: For the purposeful work results of the administration offices of human resources, it is important to analyze not only the existing functions and procedures, but also to investigate the factors that affect the motivation of human resources in performing the functions and procedures effectively. Results: The purpose of this article is to perform the motivation factors analysis of human resources in order to enhance the effectiveness of existing administrative functions and procedures. Conclusion: For the realization of the intended purpose, a methodological triangulation is applied: the analysis of scientific literature, comparative and systematic analysis, synthesis and qualitative research methods, analysis of documents.

1. Introduction

1.1 Characteristics of human resources motivation in the public sector

The improvement of management functions and procedures of human resources in the public sector is a continuous and constantly evolving process. From the public officials the citizens and society require effective work in providing public services to the population. Compared with the private sector, a lower efficiency in public sector is still noticeable in the world. The efficiency of state and municipal authorities depends not only on the education, competence and abilities of public officials. It is also important to emphasize that the human resources motivation system has a significant impact on the efficiency of institutions. There is a current problem of institutional performance effectiveness, the effectiveness of public officials, the conditions that are needed to reveal their abilities and unused potential are not set. In order to increase the efficiency of institutional performance, we need to improve the motivation system of human resources.

It has been ascertained that in order to achieve purposeful work results of the administration offices of human resources, it is important to analyze not only the existing functions and procedures, to structure them and look for ways and methods that could form the appropriate background, which helps to increase the effectiveness of human resources management, but also to identify the means motivating human resources. The purpose of this article is to perform the motivation factor analysis of human resources in order to enhance the effectiveness of existing administrative functions and procedures.

For the realization of the intended purpose, a methodological triangulation is applied: the analysis of scientific literature, comparative and systematic analysis, synthesis and qualitative research methods, analysis of documents.

1.2 Motivation importance in public sector and human resource features

The importance of human resources management was evaluated at the end of last century; however, the particularity of human resources management in the public sector lacks the attention compared to the scientific works for the organizations of private sector. States, municipal authorities and institutions

play a significant role in ensuring the efficient state government and the effective fulfillment of citizens' needs. The administration departments of state and municipal authorities, as the object of analysis, are characterized by activity and legal regulations particularities, which determine the specifics of human resources management and describe the problematic areas. One of them is the need to value and control the human resources strategically. The problems can be caused by the necessity to develop a flexible, creative, innovative, active approach performing the strategic planning process, and, at the same time, not to breach the legal regulations of the organizations in public sector. There is an obvious contradiction between flexible and innovative management techniques that are presented in the scientific literature, and fairly strict legal regulations of the Republic of Lithuania human resources management in the public sector. Analyzing the importance of human resources and its and management features in the public sector organizations, at first, it is necessary to discuss these sector's characteristics.

In terms of size and the number of activities, the public sector takes an important role in the state. These are known advantages of work on the public sector: work and carrier opportunities, social security. Eventually, the public sector has taken a number of private sector's management philosophies, which determined significant changes in labor law, employment reform, naming of employees' duties and in other areas. A new approach to the management of public sector, which is based on the principles of greater efficiency (effectiveness), responsibility (transparency) and the need of quality, is often attributed to the new public management area.

Analyzing the development of public sector, these tendencies are observed (Chlivickas et al., 2011): a growing focus on efficiency (the analysis of the main organizations in the public sector is necessary, the analysis of structures ensuring that the existing goals will be retained and new goals will be realized), the transformation of leadership (education of leaders, support for employees, indicating the importance of leadership and its influence on the organization; the education of individuals, the perception of skills needed in their activities ensuring that the work of effective team is more useful to the leaders and organizations); the reformation of payment systems (the creation of payment system that is related to the organization's goals, state's strategy and employees' motivation); the necessity to carry out researches on the efficiency of employees' performance (the personnel change management realizing better the needs and motivation of the employees); the promotion of collaboration between public and private sectors.

It can be stated that the importance of human resources is determined by the specifics of these resources. However, often the importance of human resources is evaluated only formally, rarely investments are made for the appropriate processes and systems, which educate the competencies, experiences and success of the employees. The institutions, trying to set a goal, form an organizational structure; they create departments, determine their subordination, and get work equipment – office equipment and other. However, the institutions are primarily the people working there, they are the ones who seek to set a goal and realize the tasks. How state and municipal institutions realize the set goals depends on the potential of human resources and the level of their motivation. The best strategies may remain unrealized if the public officials do not have the appropriate skills and qualifications, and at the same time are not properly motivated. The competencies of people working in institutions, the successful compatibility of personal features and motivation, their aiming at the realization of strategic goals and plans are one of the challenges, the solving of which may give good performance results (Chlivickas and Raudeliūnienė, 2007).

The human resources management system consists of: management strategy and structure, personnel policies, also management techniques and tools, employees' motivation. It is important how these concepts are realized in a particular institution, and the fact that all parts of human resources management are closely linked and make influence on each other. In state and municipal institutions, the formal human resources management part is determined by legislation, administrative law principles. However, management style and methods used in institutions often vary, and depend not only on the formal part of the management or personnel management techniques, but also on the institution's culture and philosophy, the people who work at that institution, the employees' skills of human resources department. On the other hand, informal processes within the institution have an impact on the formal part of the management and the technique of human resources management. Employees' skills, proficiency, leader's authority, motivation determine a particular human resources policy and management concept.

The human resources management is a dynamic process that depends on the external and internal factors, and its purpose is to harmonize the interests of the institutions with the abilities and interests of people working there, as well to motivate properly, effectively seeking the objectives.

In the reviews published by international organizations the tendency to individualize the human resources management is stated. It is the most prominent in the selection processes, establishing the deadline for appointment to the service, in trainings and so on. Having recognized that the needs of each public official are different, different management and motivation means should be applied to them, considering the needs and goals of the institution. However, it is noted that the individualization of human resources management may have a negative impact on the ethics of public officials.

Another direction, where the reforms of human resources management are carried out, is the delegation of human resources management activities. Although the intensity and volume of this tendency vary in different countries, decentralization of human resources management is observed, some functions of central authority are disposed to other institutions. This tendency is especially apparent in cases, where the leadership role increases, and the functions of central authority that is responsible for the management of state council change.

A part of the European Union member states establishes increasingly decentralized approach to the procedures of human resources management, especially, employment, wages, evaluation, education policy and social dialogue. It is important to note that the trends of individualization are more common in countries, where the state council is organized on the ground of posts system. Delegation trend is typical to those countries, where the career system dominates.

Currently in Lithuania the Public Service Act determines the principles of civil service, the status, responsibility, wages, social and other securities of public officials, various procedures are determined by more than 30 accompanying regulations. However, the need for public service to react to changes quickly and effectively promotes not only the procedures of human resources management, but also the motivation system of personnel.

2. Materials and methods

2.1 Factor analysis of human resources motivation

Many scholars agree that currently one of the most important and popular dimensions in the public sector is the motivation of public sector workers, which is diversely understood and defined (Palidauskaitė, 2007; Palidauskaitė & Segalovičienė, 2008; Worthley et al., 2009; Anderfuhren-Biget et al., 2010; Merkys & Brazienė, 2010; Palidauskaitė & Vaisvalavičiūtė, 2014; Andersen & Pedersen, 2012; Chen & Bozeman, 2012; Park & Rainey, 2012; Andersen & Kjeldsen, 2013; Jin, 2013; Pedersen, 2013).

According to most scholars, the motivation of public officials is related to people's behavior motives, i.e. to personal motives to seek after good for others and society providing them with services. One of the major discourses of scholars and business members are the factors and means that affect personnel's motivation. In the scientific literature, the factors that affect the workers of public sector are analyzed and categorized diversely (for example, the sociodemographic factors, the results of their activities, etc.).

Many scholars distinguish intrinsic (self-help, achievements, personal development, etc.) and external motivation (the level of involvement in work, wage, promotion, career opportunities, and other rewards).

There are a number of scientific researches that try to determine the relationship between motivation and job satisfaction, employees' activities, efforts, the activities of organization, bureaucracy, personal characteristics, etc. However, there is no common approach among the scholars to the concept of workers' motivation and abilities to properly assess the workers' motivation and its influencing factors.

Palidauskaitė (2007) has analyzed what components of motivation are exceptional in public service. The scholar states that value-determined motives, i.e. the desire to serve for public interests, contributing to both creation and realization of public policy, loyalty and respect for authority, dedication to justice and social equality ideas, good intentions regarding individuals and groups, make them unique compared to the motives of private sector workers.

Palidauskaitė and Segalovičienė (2008) in their studies have identified the main reasons for the choice of public service: work content, social security, desire to get work experience in public service, and pursuit of personal goal. Among the intrinsic motivation factors, the following have been mentioned: work content, training possibilities, the nature of responsibility, the desire to contribute to the management of public affairs, agreement with the government policy, the desire to have power. Among the external motivation factors, the following have been mentioned: social security, working conditions, wage, workplace security, the possibility to make career, social status, prestige. The scholars say that minor differences evaluating the importance of some factors enable to state that working in public service both intrinsic (interesting job, self-realization in the professional aspect) and external (good relationships with the managers and colleagues, wage, periodically increasing wage) motivation are important.

Anderfuhren-Biget et al. (2010) analyze external and intrinsic factors that affect motivation, and distinguish two different approaches, which characterize the motivation of public officials: the scholars of first approach say that public officials act according to the maximization of their interests; the scholars of second approach say that public officials are characterized by the fact that they behave differently from the private sector representatives and are not related to the external motives. Scholars distinguish three groups that motive public officials: public service motivation, material stimuli, team relations and support.

Palidauskaitė and Vaisvalavičiūtė (2014), carried out researches and found out that public officials wanted to be evaluated, to be rewarded for their work, and were not likely to suffer personal losses for the public welfare. Not all respondents believed that the main purpose of their activities was to serve for the public good protecting the rights and freedoms of its members. The respondents were familiar with goodwill, compassion, wish to help needy people, desire of justice, however, they were not willing to suffer personally because of these aspects. Respondents, that were younger or with less work experience, were less willing to sympathize with others and make sacrifices for them.

Andersen and Pedersen (2012) have researched how professionalism and public sector motivation are interrelated. The results have showed that professionalism is negatively related to sympathy and orientation to the user, but positively related to policy development. Chen and Bozeman (2012) have analyzed whether there is a difference between factors affecting motivation of public sector leaders and CEOs of non-profit organizations. The scholars state that in the non-profit management such aspects as volunteering, altruism, sociality, ideology and so on are often faced. The research results show that the managers of public sector have a stronger service motivation compared to the leaders of non-profit organizations. Park and Rainey (2012) analyze intrinsic, external motivation and types of social communication that are associated with the work aspects (level of involvement in work, bureaucracy, the perception of organizational effectiveness).

The research results show that the intrinsic motivation is particularly related to the public managers' involvement in the work, the perception of bureaucracy and organizational effectiveness.

Andersen and Kjeldsen (2013) have analyzed how the motivation of public service and user orientation are related to job satisfaction, and that these relationships are different for private and public sectors employees. The scientific studies have shown that the public service motivation and user orientation are positively related to job satisfaction, and this link in Denmark is stronger for private sector employees compared to the public sector.

Pedersen (2013) argues that the motivation of public sector is related to the activities of public sector workers, organizational activities and responsibilities, stimuli, which try to protect the public interests, reduce circulation and increase job satisfaction.

Summing up the various factors, which affect the motivation of public sector workers and are identified by various scholars, five groups of factors influencing motivation have been distinguished:

- Material factors: wages, bonuses, premium allocation, onetime payout in accordance with the procedure established by the government;
- Recognition factors: thanking, nominal gift, state awards, more responsibility and authority, involvement in decision-making, career opportunities;
- Self-expression factors: possibility to work interesting and responsible work, ability to improve constantly (trainings, qualification raising courses, rotation, internships, missions);
- Social factors: good psychological climate, appropriate leadership style, free time or entertainment events, manager's attention, informal conversations, team work organization;

· Security factors: appropriate working conditions, equipped workplace, social security, insurance

3. Discussion and results

3.1 Analysis of factors affecting human resource efficiency

Human resources management offices of states and municipal institutions, carrying out the functions and procedures, follow the State Service Act of the Republic of Lithuania, the Labor Code, representative regulations of personnel administration services, and other normative documents. The State Service Act lays down the basic principles of public service, the status of public official, responsibilities, wage, social and other security. This Act defines functions that should be performed, ensuring the activities of public official: from hiring, transfer, motivation and training, to responsibilities and dismissal. Chapter XI "The Management of Public Service", article 48 "The Personnel Management in State and Municipal Institutions" specifies that the personnel is managed by the leaders of institutions and agencies, and the structural departments or public officials, who perform personnel administration functions, help the leaders to manage personnel. Model provisions of personnel administration services define in detail the activities (aims, functions, rights, and the organization of activities) of personnel administration services. The model provisions distinguish four goals and form 25 functions. These provisions also determine the organization of activities of personnel administration services (Chlivickas et al., 2011).

In order to analyze the functions and performed procedures by personnel administration services and personnel administration specialists, in 2011 the empirical studies were carried out. The research was carried out using surveys. A questionnaire was formed to carry out the survey, 65 close-ended questions formed the questionnaire. The survey was carried out online. More that 87 percent (218) respondents answered the questions. To clarify some individual aspects, there was an additional deep interview formed of 27 open questions. The survey results and deep interview are reliable and represent the summarized opinion of personnel administration services managers of budget (Lithuanian, state and local authorities and agencies) institutions (Chlivickas et al., 2011).

In order to evaluate the effectiveness of motivation factors and means that are applied by personal administration services of municipal institutions, the motivation factors were divided into five factor groups: material, recognition, self-expression, social and security.

The respondents were asked to evaluate each of the factors in the evaluation scale: negatively perceived motivation means, insufficiently motivating motivation means, average, good and very good motivating means. The survey has showed that the function of motivation system design and realization is typically carried out once a year (36 percent). 36.7 percent of respondents noted that this function was not carried out at all. The function of social and other guarantees realization is typically carried put every day (44.0 percent). 7.8 percent of institutions did not carry out this function.

The high demand for the regulation of human resources management procedures can be supplemented with the planning and realization of human resources strategy, also with employees motivation, career planning and implementation (Table 1) (Chlivickas et al., 2011).

Table 1. Classification of human resources administration procedures according to the more detailed regulations of procedure's performance Need to regulate

	recu to regulate
<u>level</u>	Procedures of human resources administration
	Planning and implementation of human resources strategy (56
High	percent) Motivation of employees (56 percent)
	Planning and implementation of employees' career
	(45 percent) Planning of employees' needs (37.2
	percent)
	Preparation of standard acts related to personnel administration
Average	(34.9 percent) Evaluation of employees' activities (31.7
	percent)
	Training of employees (25.2 percent)
	Official study (23.9 percent)
	Staff training (22.5 percent)
	Preparation of orders related to personnel administration (17
	percent) Admission of employees (9.2 percent)
	Dismissal of employees (8.7 percent)

Evaluating the characteristics of motivating factors in the public sector, in the group of material factors wage was mainly evaluated well (34.9 percent) by the respondents, bonuses as the motivating means were evaluated insufficiently (41.3 percent), the premium allocation was evaluated insufficiently (33.5 percent), onetime payout prescribed by the government was evaluated insufficiently (36.2 percent). Summarizing the research results it can be stated that from the material factors group, wage motivates the employees the most, and other means (bonuses, premium allocation, onetime payout prescribed by the government) were evaluated as inadequate means to increase workers' motivation.

In the group of recognition factors, thanking as the means of motivation was evaluated well (32.6 percent), nominal gift was evaluated insufficiently (32.6 percent), state awards were evaluated insufficiently (29.4 percent), more responsibilities and authority were evaluated well (35.8 percent), involvement in the decision-making process was evaluated well (43.6 percent), career opportunities were evaluated well (29.8 percent). Summarizing the research results, the most effective motivating means are employees' involvement in the decision-making process, more responsibilities and authority, thanking, career opportunities; inadequate motivating means are nominal gift and state awards.

In the group of self-expression factors, the ability to work interesting and responsible job, the ability to improve constantly (training, qualification raising courses, rotation, internships, missions) were evaluated well (42.7 percent). In the group of social factors, good psychological climate was evaluated well (37.2 percent), appropriate leadership style was evaluated well (41.7 percent), free time or entertainment events were evaluated average-well (29.4 percent), manager's attention, informal conversations were evaluated well (48.2 percent), team work organization was evaluated well (46.3 percent). Summarizing the motivating means of this group, the most effective means are manager's attention, informal conversations, team work organization, appropriate leadership style.

In the group of security factors, appropriate working conditions, equipped workplace were evaluated well (49.1 percent), social security and insurance were evaluated well (47.7 percent).

The most effective motivating means, which were evaluated as good or very good in the public sector, can be distinguished in this succession:

- Social security, insurance (good 47.7 percent, very good 22.9 percent) 70.6 percent;
- Appropriate working conditions, equipped workplace (good 49.1 percent, very good 20.6 percent) 69.7 percent;
- Ability to improve constantly (training, qualification raising courses, rotation, internships, missions) (good 42.7 percent, very good 17.4 percent) 60.1 percent;
- Leader's attention, informal conversations (good 48.2 percent, very good 11.9 percent) 58.7 percent;
- Appropriate leadership style (good 41.7 percent, very good 17.0 percent) 58.7 percent;
- Good psychological climate (good 37.2 percent, very good 19.3 percent) 56.5 percent;
- Ability to work interesting and responsible work (good 42.7 percent, very good 12.8 percent) 55.5 percent;
- Team work organization (good 46.3 percent, very good 8.7 percent) 55.0 percent;
- Involvement in the decision-making process (good 43.6 percent, very good 7.8 percent) 51.4 percent;
- Thanking (good 32.6 percent, very good 11.9 percent) 44.5 percent;
- Wage (good 34.9 percent; very good 8.3 percent) 43.2 percent;
- Career opportunities (good 29.8 percent; very good 13.3 percent) 43.1 percent;
- More responsibilities and authority (good 35.8 percent, very good 5.5 percent) 41.3 percent;
- Free time or entertainment events (good 24.8 percent, very good 9.2 percent) 34.0 percent;
- Premium allocation (good 22.9 percent, very good 11.0 percent) 33.9 percent;
- Onetime payout prescribed by the government (good 21.1 percent, very good 10.1 percent) 31.2 percent;
- State awards (good 20.6 percent, very good 9.2 percent) 29.8 percent;
- Bonuses (good 19.3 percent, very good 8.7 percent) 28.0 percent;
- Nominal gift (good 17.0 percent, very good 6.4 percent) 23.4 percent.

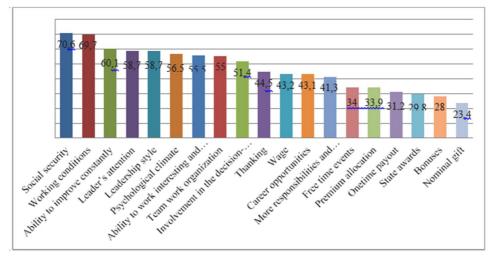


Figure 1. Range of motivating means in public sector (percent)

The research results have showed that the most effective motivating means in the public sector are social security, insurance; appropriate working conditions, equipped workplace, the ability to improve constantly. The assumption can be made, that in the public sector workers care about their social security, the appropriate working conditions and the ability to improve, which, due to limited financial resources, are not always realized. The least effective motivating means in the public sector are onetime payout prescribed by the government, state awards, bonuses, nominal gift. One of the main reasons why these motivating means are less effective in the public sector is the fact that they are rarely applied.

4. Conclusion

The efficiency of state and municipal institutions is highly dependent on the education of public officials, competencies and abilities. It is important to note that the human resources motivation system has a great impact on the effectiveness of institutions. The problem of the performance of institutions and public officials is currently observed, the conditions needed to reveal their abilities and potential are not created. In order to increase the effectiveness of institutions' performance, the human resources motivation system should be improved.

The motivation of public officials is related to the motives of people behavior, i.e. with personal motives to seek good for others and society providing them with services. One of the major discourses of scholars and business members are the factors influencing employees' motivation.

A number of scientific analyses have been carried out in order to identify the motivation factors in the public sector. However, there is no common approach among the scholars to the concept of workers' motivation and abilities to properly assess the workers' motivation and its influencing factors.

In order to evaluate the effectiveness of motivation means applied by the leaders of personnel administration services of state and municipal institutions, the motivation aspects were divided into five groups of factors: material, recognition, self-expression, social and security factors.

In the group of material factors, wage motivates the employees the most, and other means (bonuses, premium allocation, onetime payout prescribed by the government) were evaluated as inadequate means to increase workers' motivation. In the group of recognition factors, the most effective motivating means are employees' involvement in the decision-making process, more responsibilities and authority, thanking, career opportunities; inadequate motivating means are nominal gift and state awards. In the group of self-expressions, both abilities to work interesting and responsible job and the possibility to improve constantly (training, qualification raising courses, rotation, internships, missions) were evaluated well. In the group of social factors, the most effective motivating means were leader's attention, informal conversations, team work organization, appropriate leadership style. In the group of security factors, appropriate working conditions, equipped workplace, social security and insurance were evaluated well. In summary, the most effective motivating means in the private sector are social security, insurance, appropriate working conditions, equipped workplace, the possibility to improve constantly. The least effective motivating means in the private sector are onetime payout prescribed by the government, state awards, bonuses, nominal gift.

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