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# THEORETICAL EVIDENCE ON THE EFFECT OF MOTIVATION ON INDIVIDUAL AND PUBLIC ORGANIZATION PERFORMANCE

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## Abstract

Main goal of this paper is to make evidence on how motivation as one of the most important practices on human resources has a great impact on individual performance of the public servant in one hand as a organizational level factors and on the other hand as individual level factor and in this case is called public service motivation. Lastly this paper through its a modest contribution tries to emphasize the importance that the public servant performance has on public organization and the great importance that the performance of public organizations has on representing the state face to public.

Although that is a growing evidence that high performance work practices affect organizational performance, varying sample characteristics, research designs, practices examined, and organizational performance measures used has led extant findings to vary dramatically, making the size of the overall effect difficult to estimate. So first thing done in this paper is to give the evidence of and different approaches on organizational performance and the presence, sometime directly sometime indirectly of the human resources as an important element of the organizational performance equation. The aim of this paper is to give a overall information that testimonies that there is a strong positive effect of human resources practices on the public organization performance, and also that the individual level factors that influences the individual public servant performance are important in the contribution they give on public organization performance.

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**Keywords:** performance, public servant, public organization, motivation, public service motivation

**I.**

During the 1990s, in what has become known as the ‘new public sector’, many services in advanced economies, such as those of the U.K. and Scandinavia, have come under pressure to become more efficient and effective, so as to reduce their demands on taxpayers, while maintaining the volume and quality of services supplied to the public. To achieve this, they have been subjected to the introduction of various ‘private sector’ management techniques and the frequent adoption of some form of neo-market system in which the purchasers and providers of public services have been split and are frequently required to contract with each other<sup>48</sup>.

Second a wide number of considerations on public organizational performance includes actual output measured against planned output, this is one of the general simplest definitions, but also is a comprehensive. Form organizations as from this definition don't make exception also public organizations. Main intention that hides behind performance definition is measuring it and after measuring, improving it. Measures that in fact are not directly related to performance improvement as for example improvement of the public communication to construct faith, in fact these are tools through which main goal is going to be<sup>49</sup>.

One generic assessment framework that has been widely used in public sector services is detailed in Figure 1 (Industry Commission, 1997; SCRCSSP, 1998). The approach is largely based upon the premise that in order to analyze performance a suite of outcome indicators should be considered collectively<sup>50</sup>. Second Richard et al overall performance is divided into two components: (i) efficiency, which describes how well an organization uses resources in producing services; that is, the relationship between the actual and optimal combination of inputs used to produce a given bundle of outputs, and (ii) effectiveness, the degree to which a system achieves its program and policy objectives. In turn, effectiveness encompasses a number of different desired aspects of service linked to program outcome objectives. These are: (i) appropriateness (matching service to client needs); (ii) accessibility (aspects such as affordability, representation amongst priority groups and physical

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<sup>48</sup>Brignall, S and Modell S., 2000. An Institutional perspective on performance measurement and management in the “new public sector”, Management Accounting Research.

<sup>49</sup>Behn, D. R, Why measure performance? Different purposes require different measures. 2003. Public Administration Review, vol 63, No 5.

<sup>50</sup>Worthington, A. Dollery, B. Efficiency Measurement in the Local Public Sector Econometric and Mathematical Programming frontier Techniques, Australian Economic Review

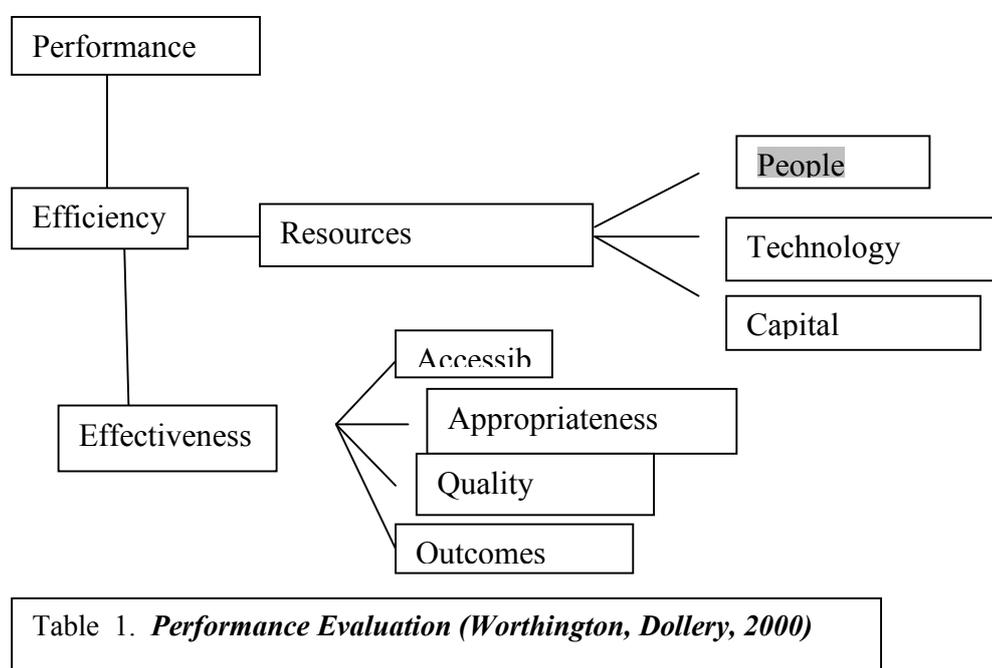
accessibility); and (iii) quality (the process of meeting required standards or incidence of service failures)<sup>51</sup>.

### The conception of performance

An important insight from institutional theory is that performance may be viewed as institutionally defined, as institutional factors determine the interests being pursued by organizations<sup>52</sup>. More succinctly, Meyer and Zucker<sup>53</sup> argue that:

Generally, performance will be defined narrowly to the extent that (a) elites dominate an organization, (b) a high degree of professionalization exists, and (c) the public organization performs a technical function, outputs of which are measurable. Performance will be construed much more broadly, by contrast, to the extent that (a) the norm of participative democratic governance operates, sometimes in the formal structure or rules of an organization, (b) the interests of multiple constituencies are given recognition, and (c) the organization's function is non-technical and outputs elude measurement.

As mentioned before is seen as production with effectively and efficiency of public goods and services, implying different resources as people, technology, capital and assets, as shown in the figure 1 below<sup>54</sup>



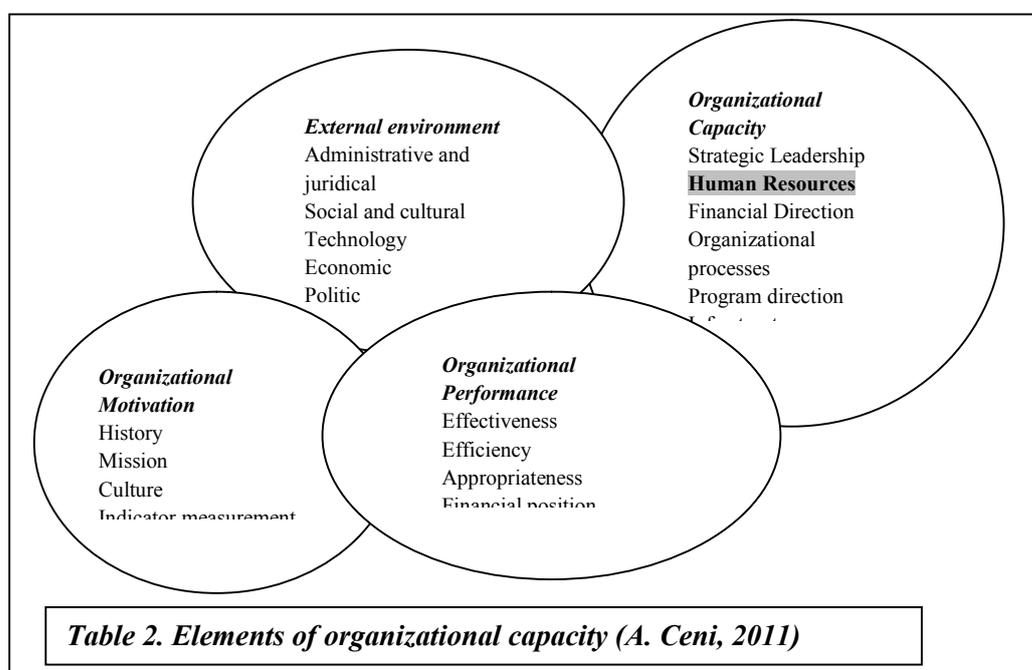
<sup>51</sup>Richard et al. (2009): Measuring Organizational Performance: Towards Methodological Best Practice. Journal of Management

<sup>52</sup> Scott, W. R., 1987. The adolescence of institutional theory, *Administrative Science Quarterly*, 32,493–511.

<sup>53</sup> Meyer, M. W. and Zucker, L. G., 1989. *Permanently Failing Organizations*, Newbury Park, Sage. Midwinter, A., 1994. Developing performance indicators for local government: the Scottish experience, *Public Money and Management*, 14 (2), 37–43.

<sup>54</sup>Worthington, A. Dollery, B. Efficiency Measurement in the Local Public Sector Econometric and Mathematical Programming frontier Techniques, Australian Economic Review.

As Ceni, A. mentioned when explains public organizational performance and main elements of organizational capacity, lists there elements of internal and external environment as sown in figure (2)<sup>55</sup>.



As you can understand from the picture I have tried to illustrate in the previous issues, human resources are always expressed in the definition or through the elements of organizational performance, the way it is measured or the way it is managed.

The desire of human resource practitioners to demonstrate the value of what they do for the public organization has a long history. In 1954 Drucker highlighted that “personnel” managers are worried about “their inability to prove that they are making a contribution to the enterprise”<sup>56</sup>. In response to repeated criticisms that HR does not add value to organizations, the past decade has produced numerous contributions which claim to reveal that HR practices are positively related to performance<sup>57</sup>.

### **Evidence on human resources management effecting organizational performance**

Much of the debate over the links between HR policy and organizational performance has been based on the distinction between two perspectives typically referred to a ‘best

<sup>55</sup> Ceni, A. 2011. Managing Public Organizations.

<sup>56</sup>Wright, P. M., Gardner, T. M., Moynihan, L. M., & Allen, M. R. (2004). The relationship between HR practices and firm performance: Examining causal order. *CARHS Working Paper Series*, 06. Available at: <<http://ilr.corneli.edu/CAHRS>>.

<sup>57</sup> Huselid, M. A., & Becker, B. E. (1996). Methodological issues in cross-sectional and panel estimates of the HR-firm performance link. *Industrial Relations*, 35, 400-422

practice' and 'best fit'. The best practice view<sup>58</sup> identifies a set of HR policies which, it is argued, are associated with improved performance in all types of organization. The best fit approach<sup>59</sup> argues that performance is maximized when the HR policies adopted are consistent with the business strategy. Both of these approaches assume that the set of policies adopted will have the same effect on all employees who work for the organization. Various authors, for example Marchington and Grugulis<sup>60</sup>, have challenged this view pointing out that organizations are complex with many different types of employees who may be managed successfully through diverse sets of HR practices within a single organization.

A recurring issue in HRM is the idea that a certain bundle or combination of HR policies, properly applied, is required for the achievement of high performance<sup>61</sup>. This bundle, first identified by MacDuffie<sup>62</sup> has proved difficult to identify and different research groups have different lists. What these approaches have in common is that they identify a distinctive set of successful HR policies that can be applied successfully to all organizations irrespective of their setting. Pfeffer<sup>63</sup> is perhaps the best known of these, developing initially a list of 16 best practices which were subsequently narrowed down to 7 (1998). The seven practices are: employment security, selective hiring, self-managed teams/team working, high compensation contingent on organizational performance, extensive training, reduction of status differentials and sharing information. This research has been extensively discussed, with a variety of authors identifying methodological and theoretical problems<sup>64</sup>. For example, even when an agreed list could be created there is the problem of whether an organization needs all the policies on the list or just some, and the question of whether one policy is only effective when linked to another. Reference is often made to 'deadly combinations' where one policy, say, individual performance related pay, clashes with another, like team work<sup>65</sup>.

Partly as a response to these kinds of criticisms, various authors drew attention to the importance of analyzing the wider context within which organizations operated. This perspective is derived from the contingency view, and it argues that the effectiveness of HR

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<sup>58</sup> Pfeffer, J., (1994/98) *Competitive Advantage Through People*, Boston, MA: Harvard Business School Press.

<sup>59</sup> Schuler, R. and Jackson, S. (1987) 'Linking competitive strategies and human resource management practices', *Academy of Management Executive*, 1 (3) 207-29.- Miles, R. and Snow, C. (1984) 'Designing strategic human resources systems', *Organizational Dynamics*, Summer, 36-52.

<sup>60</sup> Marchington, M. and Grugulis, I. (2000) 'Best practice human resource management: perfect opportunity or dangerous illusion?' *International Journal of Human Resource Management*, 11 (6) 1104-1124.

<sup>61</sup> Wright, P. and Boswell, W. (2002) 'Desegregating HRM: A Review and Synthesis of Micro and Macro Human Resource Management Research', *Journal of Management*, 28(3) 247-276.

<sup>62</sup> MacDuffie, J.P. (1995) 'Human Resource bundles and manufacturing performance: organizational logic and flexible production systems in the world auto industry.' *Industrial and Labor Relations Review* 48(2): 197-221.

<sup>63</sup> Pfeffer, J., (1994/98) *Competitive Advantage Through People*, Boston, MA: Harvard Business School Press.

<sup>64</sup> Purcell, J., Kinnie, N., Hutchinson, S. Rayton, B. and Swart, J. (2003) *Understanding the People and Performance Link: Unlocking the black box*, London: Chartered Institute of Personnel and Development.

<sup>65</sup> Delery, J. (1998) 'Issues of fit in strategic human resource management: implications for research', *Human Resource Management Review* 8(3): 289-309.

practices depends on how closely the practices fit with the external and internal environment of the organization. Organizational performance, it is argued, improves when HR policies mutually reinforce the choice of business strategy. This is the concept of vertical integration between the business strategy, the objectives of the firm, the HR policies and individual objectives<sup>66</sup> and this concept helps to explain lack of diffusion across firms because the appropriate practices will depend on the context.

What I have cited before emphasizes the importance of human resource, or public servant on the public organization performance, but also the main process and elements that helps in managing and effecting human or individual performance.

Rather than list the number of policies and determine whether there was a relationship with profits or shareholders value<sup>67</sup> we were concerned to try to find which policies were associated with higher levels of organization commitment and job satisfaction, this way performance. In other words I looked for links between satisfaction with policies as experienced by the employees and attitudinal outcomes. In this context the equation below is likely to be useful<sup>68</sup>

$$P = f(A, M, O)$$

(where P is performance, A is ability, M is motivation and O is opportunity. As Boxall and Purcell<sup>69</sup> argue ‘people perform well when:

- they are able to do so (they *can do* the job because they possess the necessary knowledge and skills);
- they have the motivation to do so (they *will do* the job because they are adequately incentivized); and
- their work environment provides the necessary support and avenues for expression (e.g. functioning technology and the opportunity to be heard when problems occur).’

Motivation is a force that drives people to do things. Employees are normally motivated to achieve their needs, whatever they may include. Motivation is inside another person's head and heart. It may be intrinsic or extrinsic. This is what we call motivation. Employees of a company will be motivated if they associate certain incentives with an activity of work.

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<sup>66</sup>Fombrun, C., Tichy, N. and Devanna, M. (eds.) (1984) Strategic Human Resource Management. New York: Wiley.

<sup>67</sup> Guest D., Michie, J., Conway, N. and Sheehan, M. (2003) ‘Human Resource Management and Corporate Performance in the UK’, British Journal of Industrial Relations, 41(2): 291-314.

<sup>68</sup> Kinnie, N et al, 2004. HR Policy and Performance: An Occupational Analysis

<sup>69</sup>Boxall, P. and Purcell, J. (2003) Strategy and Human Resource Management. Basingstoke: Palgrave MacMillan.

It has been seen that the employees in the public sector organizations are not motivated as much as in the private sector. There are so many factors responsible for this state of nature. In this research the focus is that what are the factors responsible for motivation and its impacts on the organization goals.<sup>70</sup>

Was proved that the motivation energizers, directs and sustains behavior. They also identified four factor/variables namely individual characteristics, job characteristics, work environment and the external environment. If motivation is to be affected, one or more of these variables must be changed or affected. Evidence indicates that public managers experience significantly lower levels of satisfaction and motivation than do their counterparts in the business, the primary motivators for public sector employees are the interests that attract them to public service.<sup>71</sup>

Higher pay and package is less important for public service managers (Rainy 1982). The observed behavior in the public organizations can be understood only if citizens and policy makers are motivated by altruistic considerations. Most of the managers in the public sector are motivated by productivity and service enhancement. It has been further proved by John King et al, 1992, that lack of significance of variables such as organizational role and context suggests that motivations are not determine purely or even primarily by environmental factors. They are instead the result of more complex interactions among the environment, experience and personality.<sup>72</sup>

More evidence on the impact that motivation has on individual and organization performance is the model of job performance of motivation<sup>73</sup> where the motivational process is just in the middle of the model through individual inputs and job context. Form the same source we find also a very interesting element which has a great impact to on motivation and so on performance which is job satisfaction. This is an important finding because it supports the believe that employee job satisfaction attitude managers should consider when attempting to increase employees job performance. Researchers believe the relationship between satisfaction and performance is understand due to incomplete measures of individual level performance. Form results of meta-analysis of 7,939 organizational units appear that managers can positively affect a variety of important organizational outcomes, including performance, by increasing job satisfaction.

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<sup>70</sup>Khadim, J. Ramey, M. Qureshi. T. (2003) Motivaton in Public Sector

<sup>71</sup>Perry,L.J. Porter. W, L. (1982) Factors Affecting the conext for Motivation in Public Organization. The Academy of Management R

<sup>72</sup>Khadim, J. Ramey, M. Qureshi. T. (2003) Motivaton in Public Sector

<sup>73</sup>Kreitner and Kinicki (2008) Organizational Behavior, McGrow Hill Company Inc.

## Conclusions

As I can conclude at the end of this illustration of considerations, the human resource performance is important to public organizational performance, and not only because public servant is the face of the state to the eye of the public, but also because it effects the effectiveness and the efficiency of the public organization and public goods and services.

Public organizations use different policies and practices to manage the public servant performance but most of theoretical considerations show that seven of the big list of practices are the most important and on which the public organization must have great attention, and this practices are: employment security, selective hiring, self-managed teams/team working, high compensation contingent on organizational performance, extensive training, reduction of status differentials and sharing information.

The public servant tends to have a great performance when he has the Ability to do a certain Job, when he is well motivated and if the opportunities are good. All these elements or factor in private sector have more flexibility and elasticity, while in public sector the real challenge of the human resources management is to manage well this elements, because public organization don't offer the right elasticity to these elements, wage structure in public organizations is well defined, and there is simple possibility to mange it case by case.

In public structures specially in human resources structures motivation should be considered as a creative process, since public sector has a lack on managing different instruments to motivate employees, specially when this sector is compared to private one.

Job satisfaction should be considered as a cause an as consequence of motivation, and of individual and organizational performance.

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