Motivation of Public Service Officials
Insights for Practitioners
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Giving farmers a chance to get a fair price informed by world markets by opening a commodities exchange in Ethiopia
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1. ABSTRACT

Years of declining public service morale in many countries make the prospect of a public service workforce being able to deliver an increasingly complex agenda on reduced budgets unlikely. Yet the public sector is critical to international development. It is thus important to restore motivation in the public service to achieve UNDP’s post-2015 Sustainable Development Goals.

This paper is directed at practitioners, and pulls out key lessons based on evidence from selected research, underscoring the differences between intrinsic and extrinsic motivation and providing examples and principles to attract and retain motivated frontline public service officials. Anecdotes are gleaned from reports to help illustrate principles of motivation, the use of incentives, and their impact on outcomes.

2. INTRODUCTION

Public service and international development

The public service sector is a critical pillar of international development. Delivery of key public services such as healthcare, sanitation, electricity and water supply can be hampered by an unmotivated workforce, undermining public welfare. Moreover, in many countries, public services are being given fewer resources while facing increasingly complex problems to solve. The statistics on inadequate public services are shocking. For example, 768 million people do not have access to water from safe sources, and one billion people defecate in the open. Safe drinking water and sanitation play a key role in achieving the United Nations’ Millennium Development Goals (MDGs) and moving on to the UNDP post-2015 Sustainable Development Goals, just one reflection of the fact that effective public services are at the heart of development. However, today’s reality is that public services are failing the global poor “in access, in quantity, in quality.” In order to meet the MDGs, effective public services must be made available to this segment of the population. The motivation of frontline public officials is thus crucial for achieving the post-2015 Sustainable Development Goals, which envisage a world where everyone has access to basic health services, education and jobs.

Decline of morale in the public service

Scholars argue that public officials have an intrinsic motivation to serve the public good. Working in the public service sector has been associated with “an attitude, a sense of duty” and “public morality.” Nonetheless, this intrinsic motivation, public service morale and the sense of self-worth among public officials have been in decline for many years.

Low motivation has been cited as a major factor in Africa’s human resource crisis. For instance, Botswana faced a massive strike of almost 100,000 public sector workers in 2011, resulting in the closure of public hospitals, schools and waste collection services. As a result, health facilities could not function effectively, smaller health centres were shut down and lives were lost. Similarly, in South Africa, public sector employees engaged in a strike in 2007 demanding higher wages that disrupted the nation’s health, transport and education services. Workers refused to collect rubbish, maintain power supplies and operate the transport system. Schools were forced to close and hospitals only attended to patients with emergencies, resulting in the loss of lives. The results of both these strikes underline the importance of a public service workforce being motivated and providing examples and principles to attract and retain motivated frontline public service officials. Anecdotes are gleaned from reports to help illustrate principles of motivation, the use of incentives, and their impact on outcomes.

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4. Ibid.


10. UNDP. “Post-2015 Development Agenda.”


service that is not only efficient and effective, but also motivated.

In a 2013 survey of 1,000 United Kingdom government, education and health, and social care employees, management consultancy firm, Hay Group, reported that 70 per cent of respondents felt that their morale was “at an all-time low”. Almost 80 per cent of them were planning to leave their current jobs within the next three years and more than half the employees reported not feeling supported by their managers. The consultants urged managers to “reinvigorate employees’ enthusiasm and reconnect them with a clear organisational purpose and vision”. Otherwise, they warned, organisations would lose their more capable employees and this in turn would lead to a further loss of morale, productivity and pride.16

So why is the morale of public service employees declining? Studies have shown that reasons include reduced salaries, insufficient equipment to perform work duties, “dysfunctional government budgets” and the pressure to remain effective while resources and costs are being cut.17 At the same time, insufficient resources often lead to service failures manifested in understaffed hospitals, long queues for transport facilities and overcrowded classrooms.

**Motivation**

Motivation has been defined as “the ability of people, institutions and societies to perform functions, solve problems and set and achieve objectives.”18 An individual who is motivated is “energized or activated towards an end”.19 Motivating employees to do well at their jobs is vital, as it is through their efforts that the goals of organisations are achieved.20

Motivation has two elements: intrinsic and extrinsic. Simply put, intrinsic motivation refers to doing something that one enjoys, while extrinsic motivation refers to doing something in order to receive a particular outcome. Daniel Pink made popular the use of three concepts to understand intrinsic motivation: Autonomy (the desire to direct our own lives); Mastery (the urge to get better at something that matters); and Purpose (the yearning to do what we do in the service of something larger than ourselves).21 Closely related to this is the concept of self-actualisation, from Abraham Maslow’s classic Hierarchy of Needs.22 However, self-actualisation cannot occur when basic needs such as water and shelter are not met; a higher need in Maslow’s hierarchy cannot be met until all lower needs are fulfilled.23

**Public Service Motivation**

The term ‘public service’ has been variously defined as: (1) government employed people who work in the public administration; (2) a government-funded service; and (3) the motivation of people to contribute to the common good of society.24

Perry and Wise’s 1990 article laid the foundations for our current understanding of Public Service Motivation (PSM) as “an individual’s predisposition to respond to motives grounded primarily or uniquely in public institutions or organizations”.25 It

is an inclination to provide services for the good of society.\textsuperscript{26} The article has strongly influenced subsequent research in this area.

3. WHAT DRAWS PEOPLE TO THE PUBLIC SERVICE?

One study identified four factors that draw individuals to the public service: attraction to public policymaking; commitment to the public interest and civic duty; self-sacrifice; and compassion.\textsuperscript{27} Another study classified motives for public service into different ‘helping orientations’: Samaritans (defined by service to individuals in need), Communitarians (community activists), Patriots (who value service to one’s country) and Humanitarians (who work for the broader interests of humanity).\textsuperscript{28}

Private and public sector workers differ in their intrinsic desire to serve.\textsuperscript{29} The amount of effort that workers exert at work depends on factors such as personality traits and the different types of intrinsic and extrinsic rewards that those personality traits are attracted to.\textsuperscript{30} Workers in the public service sector are regarded as being more altruistic than their private sector counterparts.\textsuperscript{31} However, public sector employees are often stereotyped as being lazy and drawn to a sector which some people consider “safe havens for the lazy” where the workload is lower.\textsuperscript{32}

An individual’s PSM level influences their job choice and work performance: those with greater PSM are drawn to government service.\textsuperscript{33} In a British study of longitudinal data, it was found that employees working in the public sector are attracted because of the intrinsic rewards and so, are more likely to be committed to their organisation.\textsuperscript{34} However, it is wise not to assume that all public service workers are motivated by the greater good. In fact, public sector workers are motivated by both extrinsic and intrinsic factors.\textsuperscript{25}

4. BOOSTING THE MOTIVATION OF PUBLIC SERVICE WORKERS

Is there a gap?

The assumption that all frontline public service officials possess sufficient intrinsic motivation to serve the public good may be naïve. It is challenged by unfortunate incidents across the world, such as a strike in South Africa where staff in public hospitals turned away paramedics when they brought in accident victims.\textsuperscript{35} However, intrinsically motivated public service workers do exist. A doctor in a provincial hospital in the Central African Republic works with limited resources in a very challenging health system, in the midst of a political crisis and with a deteriorating security situation. Yet he survives on allowances provided by aid agencies, and refuses to leave because of his “love for humanity.”\textsuperscript{36} In 2008, the International Civil Service Commission carried out its Global Staff Survey on Recruitment and Retention among 15,000 UN Common System staff.\textsuperscript{37} The survey found that most employees joined the UN because of opportunities to use their skills in “serving a good cause”. Those who were considering leaving were frustrated by a perceived lack of opportunities for career advancement and professional growth.

While the overall impression from the aforementioned anecdotes and survey gives hope that the majority of public service employees are already intrinsically motivated by the missions of their organisations, they also point to the pressing need to improve motivation among public service workers around the world. The problems of decreasing resources and increasing complexity, referred to above, underline the fact that there are matters that require attention.


\textsuperscript{29} Re’em, “Motivating public sector employees,” p. 2.


\textsuperscript{32} Frank and Lewis, “Government employees,” pp. 36-51.


\textsuperscript{36} McGreal, “South Africa hit by strike as left challenges ANC leadership.”


\textsuperscript{38} International Civil Service Commission (2008). Results of the global staff survey on recruitment and retention, August.
Driving motivation
A 2008 Harvard Business Review paper distinguishes four drivers of motivation; employers who wish to have motivated staff must engage all four drivers by means of specific organisational levers. The four drivers identified are to:

- **Acquire** (i.e., obtain scarce goods; best served by a competitive reward system);
- **Bond** (form connections with people; could be fulfilled with a conducive culture that for instance, promotes friendship among staff, fosters teamwork and encourages the sharing of knowledge);
- **Comprehend** (satisfy curiosity; organisations should create and design jobs that are meaningful and challenging); and
- **Defend** (promote justice and protect against threats, by ensuring fairness and openness, and building trust by being transparent when granting rewards and setting assignments).

It has been suggested that selecting candidates with public service values, designing meaningful jobs, creating conducive work environments, encouraging leaders with values and promoting a civic-minded society are useful ways to improve the motivation of employees. These are summarised in the table below.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Summary of Strategies and Tactics for Applying Public Service Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit of Analysis</strong></td>
<td><strong>Strategy</strong></td>
</tr>
</tbody>
</table>
| Individual | Integrate public service motivation into human-resource management processes | • Select based upon public service motivation.  
• Socialise individuals into expectations of behaviour that reflect public service motivation.  
• Utilise performance appraisals that include observations of behaviours that reflect public service motivations. |
| Job | Create and convey meaning and purpose in jobs | • Convey the social significance of jobs.  
• Establish clear goals in line with existing public service motivations. |
| Work Environment | Create a supportive work environment for public service motivation | • Create work structures that enhance self-regulation.  
• Encourage cooperative workplace interactions.  
• Create and maintain incentives that align organisational mission and employee public service motivation.  
• Design compensation systems that emphasise long-term attractiveness to employees and do not crowd out intrinsic motivations. |
| Organisation | Integrate public service into organisation mission and strategy | • Articulate organisation vision and action that reflect commitment to public service motivation.  
• Promote value-based leadership. |
| Society | Create societal legitimacy for public service | • Partner with societal institutions to incorporate public service values into school curricula.  
• Advocate for and provide opportunities for pre-service experiences.  
• Use media to bring public service to the attention of society. |

Source: Adapted from Paarlberg, Perry and Hondeghem (2008).

In a discussion at a workshop on public service motivation, it was observed that developed countries that engage in New Public Management reforms tend to have an over-reliance on extrinsic forms of motivation. In addition, while it was agreed that pay was important in a public service setting, the practitioners and thinkers present felt that this could even be a potential de-motivator in certain situations where responsibility (an ‘esteem’ need in Maslow’s Hierarchy of Needs) had a particularly great effect on motivation. Participants felt that it was important to create an environment characterised by autonomy, mastery and purpose to motivate those on the ground. In fact, a study found that performance bonuses often backfire when it comes to cognitively challenging work, ignoring “the complexity of human drive, particularly the role of intrinsic motivation—the desire to perform an activity for its own inherent rewards.”

These observations are further supported by a recent study focused on Indonesian public sector entrants, which found that among a comparable group, public sector workers were more intrinsically-motivated for public service (“pro-social”) than their private sector counterparts. Public sector workers also exerted greater effort on pro-social tasks; the study also found that more motivated individuals would join the public sector even when pay was low.

5. INCENTIVISING EFFORT

Incentives

In its 2006 report on incentives, the United Nations Development Programme (UNDP) describes incentives as “both the reason for staff to join an organization, and the way an organization rewards and punishes its staff.”

Incentives are often considered as forms of extrinsic motivation. Employees tend to perform their jobs well when incentives such as performance pay and bonuses are in place. Incentives are tools used to encourage changes in behaviour. They are used to attract and retain qualified staff and motivate employees to perform better. Incentives can be classified as financial and non-financial; both motivate employees to join, stay and perform well at their work. Financial incentives could include wages, performance-linked payments or bonuses, pensions and other monetary incentives such as insurance, childcare allowances and subsidies on accommodation, transportation and living expenses. Non-financial incentives could include professional development, sabbatical leave, recognition for work, flexible working hours, positive work environments, occupational counselling and access to benefits. Incentives can also be categorised as individual (financial and non-financial), organisational (internal and external) and environmental (including employment opportunities for spouses and school for children).

Importance of incentives

According to the best-selling author, Daniel Pink, “carrots & sticks are so last century… For 21st century work, we need to upgrade to autonomy, mastery and purpose.” He argues that the current carrot-and-stick operating model does not work and often does more harm than good. Explaining the reason for this, Pink says that rewards “can extinguish intrinsic motivation, diminish performance, crush creativity, and crowd out good behavior”. Nonetheless, he concedes that while rewards and punishments can worsen results when used for complicated jobs requiring conceptual thinking, they do work well with straightforward tasks.

Furthermore, many public services compete with other sectors for staff. Better-paying equivalent jobs can often be found in the private sector. The non-profit and voluntary sectors also compete. Public services are not the only option for people with “pro-social” values looking for a career dedicated to the public good. Having proper incentives in place is therefore a basic prerequisite for public service motivation. After all, without sufficient incentives in place, there might not even be enough employees to carry out minimum required tasks, let alone aspire to enhancing public service effectiveness by the application of principles of motivation. In 2007, some 4,000 Dutch public sector employees were asked to select their most important work motive from a choice of six options, two of which were altruistic. Results showed that job content was most important for slightly more than half of respondents. Salary, career opportunities or work-family balance were chosen by 27 per cent as their most important work motive. Another study, published in the Public Administration Review, revealed that senior civil servants valued intellectually-stimulating work more than anything else. In fact, they list it as their main reason for staying within the public sector.

44 UNDP, Incentive Systems.
47 UNDP, Incentive Systems.
48 Weller, Guidelines.
50 Pink, Drive, p. 218.
Incentives also play an important role in international capacity development. Organisations, including public service institutions, move from “a vicious circle of capacity erosion to a virtuous cycle of economic growth and bureaucratic efficiency” when they link incentives and motivation to the organisations’ objectives. Conversely, poor incentives such as low salaries and unfair recruitment and promotional criteria will lead to capacity erosion.\(^5^4\)

**Use of incentives in developing countries**

**Incentives in East and Southern Africa**

In 2007, Yoswa M. Dambisya from South Africa’s University of Limpopo published a report summarising the incentives given to healthcare workers in east and southern Africa (ESA). Sixteen countries were studied: Angola, Botswana, the Democratic Republic of the Congo (DRC), Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.\(^5^5\)

The incentives provided varied in different countries and included:

- Housing in Lesotho, Mozambique, Malawi and Tanzania
- Staff transport in Lesotho, Malawi and Zambia
- Childcare facilities in Swaziland
- Free food in Mozambique and Mauritius
- Employee support centres in Lesotho

The types of incentives used in the different countries are listed in the following table and are useful as a guide of what has been done in these ESA countries:

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Table 2. Types of incentives in ESA countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Training and career path measures</th>
<th>Social needs support</th>
<th>Working conditions</th>
<th>HR and personnel management systems</th>
<th>Health and ART access</th>
<th>Financial: Salary top-ups and allowances</th>
<th>Financial Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Illicit payments, Overtime pay, Exposure, Evening and night subsidies</td>
</tr>
<tr>
<td>Botswana</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Dual employment, Illicit payments, Timely pay, Performance-based bonuses, Increased overtime pay</td>
</tr>
<tr>
<td>DRC</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Accelerated increment for rural workers, Overtime and night duty allowances, Mountain allowance, Housing subsidy, Top-up pay for CHAL hospital workers</td>
</tr>
<tr>
<td>Kenya</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Dual practice, Extraneous allowances, Risk allowances, Salary adjustments</td>
</tr>
<tr>
<td>Lesotho</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Accelerated increment for rural workers, Overtime and night duty allowances, Mountain allowance, Housing subsidy, Top-up pay for CHAL hospital workers</td>
</tr>
<tr>
<td>Madagascar</td>
<td>No data available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No data available</td>
</tr>
<tr>
<td>Malawi</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Salary top-ups, Professional allowance, Retirement packages (earlier for CHAM; more generous for government), Housing allowance, Car allowance, Subsidised utilities, Access to loans, Dual practice, CHAM - assistance with school fees, Medical expenses, Housing</td>
</tr>
<tr>
<td>Mauritius</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Reasonable salary, Disturbance allowance for Rodrigues and outer islands, Higher pay from savings</td>
</tr>
<tr>
<td>Mozambique</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Dual employment, Illicit payments, Medical assistance fund, Salary top-ups, Housing and fuel subsidies, Per diems, Extra-hours contracts.</td>
</tr>
<tr>
<td>Namibia</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>Reasonable salary, End-of-service benefits, Housing, Car ownership schemes, Medical aid</td>
</tr>
<tr>
<td>South Africa</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>Salary increase, Scarce skills and rural allowance, Limited dual practice, Sponsorship for education, Affordable medical insurance</td>
</tr>
</tbody>
</table>
Swaziland's training institutions produce only about 80 nursing graduates each year. This is due to the prevalence of HIV and AIDS among health workers and because of migration. Workers in the health sector in Swaziland prefer private sector jobs as these have lighter workloads, more training opportunities and better work facilities. As well as the small number of nurses that enter the public sector, staff attrition has also been a problem. To address these issues, the Swaziland government increased the salaries of its civil servants by 60 per cent in 2005; antiretroviral therapy was also made available to health workers, and plans to introduce other incentives such as car and housing loans were announced. These initiatives resulted in a higher retention rate for nurses in the public sector.56

Benefits Related to Vehicle Ownership in Ghana
In 2006, the Ministry of Health in Ghana effectively increased the pay of its healthcare professionals through the allowances they earned for performing extra duties. It also offered a tax waiver on cars and developed a scheme where the cost of the car was deducted from the healthcare employee's salary over a seven-year period. These measures resulted in lower attrition rates.57

Cost of Living Considerations in Cambodia
Government officials earned between US$10 and US$12 a month in Cambodia against an estimated US$100 required to meet the basic costs of living. The Sotnikum district faced the problem of employees working only about 1-2 hours a day, a high absenteeism rate, informal charging of fees and a low quality public health service. In 2000, the Ministry of Health, the UN Children’s Fund and Médecins Sans Frontières launched a pilot scheme to deal with this situation. Under ‘The New Deal Experiment’, monthly bonuses of between US$60 and US$90 were paid to employees who observed organisational rules. With their pay now matching the cost of living, health workers could keep official working hours and not seek supplementary

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56 Dambisya, "A review of non-financial incentives."
57 Weller, Guidelines.
income from external employment or informal fees (such as for attending to health emergencies that took place at night). In fact, this scheme resulted in a reduction of total healthcare costs.

Human resource practices can effectively support health policy objectives. The examples above, as well as the following three anecdotes from a study of incentives for health workers, illustrate this in practice.

Higher Incentives for Rural Work in Thailand
Besides the loss of urban comforts, rural postings in Thailand tended to involve a higher workload. After review, employees in rural postings were given higher salaries and location allowances; remuneration was revised based on workload. Infrastructure was also improved. Together, these measures effectively addressed the problems of recruitment and retention of healthcare workers in rural Thailand.

Differences in Responses to Incentives in Nepal
In addition to reasonable salaries, doctors and nurses in Nepal were given housing and educational opportunities for their families. The objective was to reduce staff attrition and encourage teaching and research. These initiatives were found to be successful only among nurses.

Further Education Opportunities in Ghana and Zimbabwe
Healthcare professionals in Ghana and Zimbabwe were given opportunities for government-funded further education. As part of their advanced training, they were required to work in specific areas. These initiatives helped in retaining these professionals.

The following table from the same study provides a useful overview of various incentive measures provided to healthcare workers, the contexts in which they were applied, and their outcomes.

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58 Ulleberg, Incentive structures as a capacity development strategy in public service delivery.
59 Hongoro and Normand, “Health workers.”
Table 3. Incentive Packages for Health Workers in Selected Countries

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Incentives</th>
<th>Complementary measures</th>
<th>Constraints</th>
<th>Results</th>
</tr>
</thead>
</table>
| Recruiting and retaining staff in the country | • Pay competitive salaries  
• Include seniority awards in pay scales | • Fiscal policies that increase the after-tax marginal value of salaries  
|                                   |                                                                           | • Budget limitations  
• Low public service salaries  
• Policies to reduce salaries as a share of operating costs | • Helped retain physicians in Bahrain                                                                                                                                                                  |                                                                                                                                                          |
|                                   |                                                                           | • Allow after-hours private practice in public institutions  
• Service standards and controls to prevent reduced work effort in the public system | • Work effort may be concentrated in private practice, leading to a deterioration of quality in public practice | • Considered successful in Bahrain  
• In some countries, resulted in deterioration of public systems where providers also engage in independent private practice                                                                                      |                                                                                                                                                          |
|                                   | • Tolerate informal payments  
• Not applicable                                                                 | • Informal charges that limit access and may impede reforms that involve formal user fees and exemptions | • Resulted in widespread use of informal payments in Eastern and Central Europe, Sub-Saharan Africa, and some East Asian and Pacific countries |                                                                                                                                                          |
| Recruiting and retaining staff in rural areas | • Provide higher salaries or location allowances  
• Base remuneration on workload  
• Decentralised administration  
• Freedom to allocate institutional revenues or savings from operational efficiency to fund incentives  
• Improved infrastructure and staff competence | • Overall staff shortages  
• Budget limitations  
• Professional and lifestyle disadvantages  
• Smaller potential for earnings from private practice than in urban areas  
• Conflicting financial incentives (for example, loss of housing allowance in Bangladesh)  
• Risks posed by internal conflicts and civil wars (for example, Colombia and Uganda) | • Premium payments for working in rural areas found successful in Thailand | • Aided retention of professionals in Ghana and Zimbabwe  
|                                   | • Require service in defined areas as condition of licensing or specialty training  
• Provide opportunities for government-sponsored further education | • Consistent application of policies on transfers and tenure  
|                                   | • Provide housing and good quality educational opportunities for health workers’ families  
• Adequate salary  
• Budget limitations  
• Found successful for nurses but not doctors in Nepal | • Loss of confidence if health workers perceive the selection process as arbitrary  
• Providers’ concerns that a temporary posting may become indefinite |                                                                                                                                                          |
|                                   | • Recruit trainees from rural areas  
• Emphasis on public health and family practice in training curricula  
• Traditionally, overrepresentation of urban area students in student populations | • Found successful in Thailand |                                                                                                                                                          |                                                                                                                                                          |
Developing incentive packages
Not all incentives work. An effective incentive package should be realistic, have clear objectives, be fair and equitable, reflect the needs of staff and include both financial and non-financial components.\(^60\) The examples listed above also support the principle that to be effective, incentive measures need to be targeted at identified issues that employees feel need to be addressed.

Monetary incentives are commonly used. However, using money will not always result in increased employee motivation. Our earlier example of healthcare workers in Nepal showed that only nurses responded to salary incentives that encouraged them not to practice outside of their jobs. The same incentive led to massive resignations by doctors in the clinical departments.\(^61\) A survey of 1,047 employees reported in the *McKinsey Quarterly* revealed that non-financial interventions—praise, leadership attention and opportunities to lead projects—were more effective motivators than financial incentives (cash bonuses, increased pay and stock options). The non-financial motivators make employees feel more valued at work, and also signal good career growth opportunities.\(^62\)

In an article in *Forbes*, the CEO of Globoforce, a company that specialises in advising employers on recognising and retaining staff, said that while money is the “currency of compensation”, it is less effective as the “currency of motivation or recognition”.\(^63\) The reason, he says, is that money is tied to entitlement and not to appreciation for having performed well. Recognising staff for their specific efforts can lead to better work performance.

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60 Weller, Guidelines.

61 Ibid.


and motivation. Performance bonuses can backfire when “the complexity of human drive, particularly the role of intrinsic motivation—the desire to perform an activity for its own inherent rewards” is ignored, especially when it comes to cognitively challenging work. The desire to perform an activity for its own inherent rewards” is ignored, especially when it comes to cognitively challenging work. This is borne out by a study on the effects of incentives among health workers in Benin and Kenya which found it was non-financial incentives that contributed to an increase in motivation. Adams and Hicks have produced useful summaries of different categories of incentives. These are presented in the following tables:

### Table 4. Types of Incentives: Financial and Non-Financial

<table>
<thead>
<tr>
<th>Financial</th>
<th>Non-Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pay</td>
<td>• Holiday/vacation</td>
</tr>
<tr>
<td>• Other direct financial benefits</td>
<td>• Flexible working hours</td>
</tr>
<tr>
<td>- Pensions</td>
<td>• Access to/support for training and education</td>
</tr>
<tr>
<td>- Illness/health/accident/life insurance</td>
<td>• Sabbatical, study leave</td>
</tr>
<tr>
<td>- Clothing/accommodation allowance</td>
<td>• Planned career breaks</td>
</tr>
<tr>
<td>- Travel allowance</td>
<td>• Occupational health/counselling</td>
</tr>
<tr>
<td>- Child care allowance</td>
<td>• Recreational facilities</td>
</tr>
<tr>
<td>• Indirect financial benefits</td>
<td></td>
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<tr>
<td>- Subsidised meals/clothing/accommodation</td>
<td></td>
</tr>
<tr>
<td>- Subsidised transport</td>
<td></td>
</tr>
<tr>
<td>- Child care subsidy/ crèche provision</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Adams and Hicks (2001).

### Table 5. Types of Incentives: Internal and External

<table>
<thead>
<tr>
<th>Internal Incentives</th>
<th>External Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Decision rights (autonomy)</td>
<td>• Governance (responsibility for decisions and control over residual income).</td>
</tr>
<tr>
<td>• Accountability</td>
<td>• Financing directed toward public policy objectives.</td>
</tr>
<tr>
<td>• Market exposure (risk)</td>
<td>• Control mechanisms (the degree to which regulations or financial incentives are necessary to obtain desired policy objectives).</td>
</tr>
<tr>
<td>• Financial responsibility</td>
<td></td>
</tr>
<tr>
<td>• Unfunded mandates (e.g. to care for those with special needs without extra compensation).</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Adams and Hicks (2001).

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64 Woolhandler, Ariely and Himmelstein, “Will pay for performance backfire?”
65 Mathauer and Imhoff, “Health worker motivation in Africa.”
The compensation and incentive package an organisation offers communicates to employees its values. Intended or otherwise, the benefits and bonuses provided sends a message to staff and potential recruits; they also elicit responses from employees. However, incentives can be difficult to withdraw, so they should be well thought through. It is strongly advised that salaries for similar jobs should also be comparable both within and outside the organisation. Otherwise, there is a risk that employees “balance their performance through … decreased productivity … absenteeism and eventually…[by] leaving”.

6. CONCLUDING REMARKS

Working for the betterment of society may sound “idealist and naïve”, but it is these very ideals that drive public service workers. When there is a lack of professional growth, these ideals will falter.

Public service employees who join an organisation for the intrinsic rewards it offers and are committed to their organisations are more likely to remain in their jobs and be productive. A productive workforce is a win-win situation for both employees and organisations. However, to have a productive workforce, employees need to feel supported by their managers and have clear organisational goals with opportunities for professional growth.

Rewards, opportunities to form connections with colleagues, participation in professional online communities and meaningful job roles in a fair work environment help to enhance motivation. Organisations need to accept that a diverse workforce makes for a more harmonious one and hire individuals from various backgrounds (ethnic diversity and gender). An effective incentive package with clear objectives and which reflects the needs of staff by means of both financial and non-financial components should be put in place. These actions will help to ensure that, given the right incentives, individuals will be encouraged to join and stay in organisations and not be incentivised to leave.

However, pay can act as a de-motivator and strong extrinsic motivators can “crowd out” the intrinsic motivation of employees to perform tasks. Monetary incentives may be the “currency of compensation” but they are not always as effective as the currency of motivation and recognition. Giving employees responsible roles is motivating and sends a message that they are being recognised for their work, which in turn creates an increased sense of self-esteem.

Despite a decline in the morale of the public service workforce, managers are advised to harness the intrinsic motivation and sense of purpose that public service employees have to work for the good of society.

Having said this, it is important to note that one size will not fit all and that the motivation of public service workers, while intrinsically inclined, differs between countries and settings. It is critical to point out that extrinsic rewards, such as pay, housing and pension schemes, play a key role in encouraging staff in developing countries to join and stay in the public sector. Studies of employees working in African and Asian countries mentioned in this report have shown that extrinsic incentives lead to higher performance and motivation.

The motivation levels of public service workers in developing and industrialized countries vary. Workers earning low wages may be more extrinsically motivated and accept bribes in order to make ends meet. But there are still commendable public service workers like Dr. Wilfried Komoyo from the Central African Republic who, despite working in difficult circumstances without pay, except for aid agency allowances, continues to perform his job because of his love for humanity.

Motivation of public officials is crucial for public service sector effectiveness. And because the public service sector is a key pillar of international development, public service motivation is critical to achieving the goals of international development. Moreover, to produce effective and lasting reforms, there must be an internal desire to change, and motivated public officials are best placed to lead this charge.

Public services are constrained in their ability to compete financially with the private sector for top talent. But it may not actually be in their best strategic, long-term interests to compete on those terms. While the abilities of public and private sector employees to achieve organisational outcomes can be similar, top private sector talent may not possess the intrinsic motivation necessary to sustain good performance in top public sector roles.

The public sector will always lag the private sector in terms of remuneration. Resources will always be a limiting factor, and the vagaries of human nature make the management, let alone the motivation, of staff challenging in the best of conditions. The examples and principles described here are not intended to be comprehensive; instead, they seek to offer inspiration, insight and instruction for public service leaders and managers. They should serve as a starting point on the ongoing journey to improve motivation in the public service.

67 Sarah L. Fogleman (nd). “Using the right carrots: Creating incentive programs that work.”
72 Weller, Guidelines.
73 Mosley, “Incentives vs recognition.”
74 Nattleton, “Plummeting public sector morale threatens brain drain.”
75 UN OCHA, “CAR: Doctor at the heart of a humanitarian crisis.”
With the conclusion of this overarching review, further work needs to be done to review literature or conduct studies on more specific issues related to the motivation of public sector workers. These topics are: (1) the differences and similarities in the motivation levels of female and male public service workers; (2) the motivation levels of workers in post-conflict countries, in those undergoing political transitions and in conflict zones; (3) the level of intrinsic motivation in recent graduates and those nearing retirement; (4) a discussion of how Public Service Motivation fits into Public Administration Reform; and (5) the outcomes of incentives given to workers from various public service professions and in parts of the world not covered in this paper.
7. REFERENCES


8. ACKNOWLEDGEMENTS

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