

Motivation In Public Sector Unionized Organizations

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ABSTRACT

Developing creative ways to motivate unionized public sector employees is a growing concern. The concept of motivation within the public sector work place is something that is generally understood but unfortunately not often practiced. This paper looks deeper at the perception that public sector unions receive overly generous compensation and pension plans while their members deliver substandard performance.

Keywords: Motivation; public sector; unions; civil servants; compensation; benefits; contracts; collective bargaining agreement; worth; measure; taxpayers; tax money

INTRODUCTION

Civil servants have a reputation for being lazy. However, people's personal experiences with civil servants frequently run counter to this stereotype. We develop a model of an economy in which workers differ in laziness in public service motivation, and characterize optimal incentive contracts for public sector workers under different informational assumptions. When civil servants' effort is unverifiable, lazy workers find working in the public sector highly attractive and may crowd out dedicated workers. When effort is verifiable, a cost-minimizing government optimally attracts dedicated workers as well as the economy's laziest workers by offering separating contracts, which are both distorted (Delfgaauw., & Dur., 2010).

Public sector organizations must find a way to instill pride and motivation into their employees while seeking out better service and a way to decrease their budget in hopes of not only making the taxpayer happy, but creating a trend of excellent service throughout the public sector. " In its annual report on union membership, the Bureau of Labor Statistics, a United States agency, undercut the longstanding notion that union members are overwhelmingly blue-collar factory workers. It found that membership fell so fast in the private sector in 2009 that the 7.9 million unionized public-sector workers easily outnumbered those in the private sector, where labor's ranks shrank to 7.4 million, from 8.2 million in 2008 (Union Membership Summary, 2010).

Tax payer's money is being used to write the checks of public sector employees, such as teachers and police. Therefore, ensuring that state and local government employees are working up to their full potentials should be of severe importance.

In order to achieve a high productivity level, these employees must be motivated. Assessing ways to motivate people on an individual basis is the one way to maximize results. Having one basic implemented plan that is meant to stimulate all employees probably will not have the same effect on everyone. It is of interest for leaders to enforce a high level of motivation in the workplace because if one is forced to fire people due to poor performance; then more time will be spend on hiring and training new people. The retention of high quality employees is something all organizations should be aiming towards.

An organization has achieved a successful level of motivation when employees are eager to work. There is not merely a single thing that can motivate everyone, there are many avenues. What is of value to one may not be to another. One must consider the persons age, characteristics and personality when trying to find a way to maximize their productivity. The possibility of a bonus or raise may entice one person but another might prefer an extra vacation day or special recognition. People need an incentives and goals in order to be highly driven.

REWARDS/PUNISHMENT

While many ways are available to motivate a unionized public sector employee, most regularly used are through the implementation of rewards or the threat of punishment. First off, punishment is frequently used however considered the least effective. The employee is capable of taking the threat of punishment to a higher ranking individual, usually within the union, or simply moving on to another job. Rewards play a vital role in the promotion of a successful work ethic. Employees, who are treated to time off, pay raises, bonuses, and simply the praise from those above, are a great motivator in the public sector of work. It is most necessary to make the determination of which of these rewards will motivate each individual the greatest as not everyone will see eye to eye on what a reward actually is. “Generally, the reward approach is successful but it is not without its complications. Individuals are unique and maintain different value systems. What may be considered rewarding to one worker may be no incentive whatsoever to the next employee. Some people prefer pay increases. Others seek promotions. Still others may desire new rugs on their office floors. Establishing meaningful incentives for performance with individuals can be a difficult task for a manager (Jo Moore, 1991).

Another proven manner of promoting motivation in the unionized public sector is by competition. “Banners, plaques, vacations, and free dinners are examples of some rewards offered. This strategy is often used for sales incentives. Difficulties emerge when managers design contests that do not offer a fair opportunity to achieve the specified goals. If the same individuals and groups consistently win the prizes due to the contest design, interest in competing is likely to grow lukewarm for many of the workers. Also, competition does not promote a cooperative strategy and work performance can actually be sabotaged due to the hostility that competition can trigger” (Jo Moore, 1991). Competition has the negative result of potentially promoting jealousy amongst workers. While many may qualify based on their work, not all may actually receive the accolades. If this were to happen consistently those who were always coming up short may decide to continue just completing the job and not wasting their efforts on something that is perceived as unattainable.

DIFFERENT TERMS FOR DIFFERENT PEOPLE

The task of motivating public sector employees may have to be tackled in two different parts. Ultimately, it is going difficult to get people to work harder for things they already have. Especially if they are content and realize there is little chance of having any of it taken away due to union protection. However, that does not mean one cannot make changes that will affect future employees. Perhaps by implementing two different sets of rules, one set for currently existing employees and another set for future employees. This scenario could possibly avoid the bulk of the uproar. It is not terribly uncommon for benefits packages to change for already existing employees with so many years of service versus that of new employees. This may be necessary in order to cut costs and plan for the future.

The problem with finding a way to motivate already existing public sector employees is that one cannot really afford to give them any more incentives. They already have impressive benefits packages that most private sector employees are envious of. Openmarket.org, revealed that overall public sector employees get paid more than private sector. This finding, however, was justified by explaining the pay difference between the two sectors is merely due to the fact that high-paying professional occupations are more common in the public sector. Ultimately, this does not explain or justify why public sector jobs also come with better & more comprehensive benefit packages too. The question is do public sector employees really deserve all of this? One could argue that unless public sector employees work ‘harder’ than private sector employees, it is not justified (Osorio, 2010).

Public sector benefits come in various shapes and forms like an abundance paid time off and exceptional medical coverage. However, the full effect of the cost of all their benefits does not always reveal itself until later down the road, like in pension plans. The people that are in current positions of power usually do not worry about the long-term repercussion of receiving these perks later down the road. They are setting a bad example and are paying no regard to the future problems that these ridiculous compensation packages will cause. In order to further motivate employees one must remind them that they are not entitled to this benefits and that they must actually work for them. It’s been said that the public sector needs to move away from defined retirement plans and contribute to 401k plans like the private sector. “If it’s good enough for the private sector, it’s good enough for the public sector” (McQuain, 2010).

In regards to motivating people who are already lazy and/or comfortable in their positions, one must determine if they are looking to achieve short-term or long-term motivation. Short-term motivation can be achieved by putting things such as monetary incentives on the table. However once that goal has been accomplished motivation levels are likely to drop again. Achieving long-term motivation will require more work and a general change of atmosphere in the organization. Creating a pleasing work environment that meets the most basic human needs is a great way to accomplish this.

GOALS AND OBJECTIVES

Another simple way to motivate employees is by having clearly set-out objectives. It has been discovered that many employees do not even know their objectives for the next year and so they find themselves unmotivated. It seems to often upper management keeps major goals and objectives to themselves and fail to share them with others. Employees have no idea where the future of the organization is headed and don't feel like they are a major part of it. Rightfully so, they begin to feel detached and find it difficult to feel motivated about something they know nothing about (Oyedele, 2010).

Goal setting is a great way to keep motivated. However, it is important to make sure the goals are specific and realistic. Goal setting is vital in staying motivated because it gives you something works towards. Many find that after completing their goals, no matter how big or small, they feel accomplished and more confident.

MASLOW'S THEORY OF MOTIVATION

The employee/manager relationship has a lot to do with how much work an employee is willing to do. We all have basic human needs and when these needs are met we tend to work to our full potentials. Upper management needs to put more effort and emphasis on fulfilling these needs by getting more involved with their employees. Maslow's theory gives fantastic guidelines that managers can follow to change the mentalities of employees' attitudes towards work.

The core of Maslow's theory is a set of basic human needs that serves as the motivating force behind behavior. The theory suggests that there are five basic types of needs that must be fulfilled. These are physiological needs, safety needs, belongingness needs, esteem needs and self actualization. These needs must be satisfied before a person can act unselfishly. As long as we are motivated to satisfy these cravings, we are moving towards growth, toward self-actualization (Seeley, 1992). Managers need to be fully educated on the important of these needs and work with their employees to satisfy them.

EVALUATIONS AND CONTRACT NEGOTIATIONS

Motivating unionized public sector employees is harder than it looks because you can't easily change the rules and regulations. The union acts as a protective barrier which can make it difficult to make any changes. It is near impossible to fire underperforming workers who are Union members. Public sector unions are governed by labor law and labor boards. Once the union is certified into the workplace, it has sole authority to negotiate employment conditions for those member voted into the Union (Ashby, 2008).

Unionized employees are governed by their contract. Therefore, at some point the employer and union representatives will have the opportunity to renegotiate contract terms. When this takes place the organization should take full advantage of amending policies. In order to keep employees adequately motivated throughout their contract period there needs to be a thorough understanding of both positive and negative reinforcements. Being prepared to undergo an annual performance evaluation should be part of every employee's agreement. This performance evaluation should measure the overall performance of the employee and point out the areas they have excelled in and the areas they need to work on.

Every year clear goals and objectives for each employee should be laid out. Depending on the results at the end of the year will determine the outcome for each employee. If an employee fails to meet their requirements they could be demoted to a lower level position and do not receive their cost of living raise. If an employee meets their

requirements adequately they are considered 'safe' and will receive their regular cost of living raise. Lastly, if an employee should surpass their requirements they will be considered for a raise and/or promotion. These rules are both fair and give employees something to work towards. It is demonstrating that one must work to keep what they currently have. It also shows that one must work harder in order to gain more. This is the way it should be in the workplace.

The use of evaluations for promotion and pay negotiations is a common use in the public sector. These evaluations are typically done on a private basis and the employee will have the opportunity to excel in specific work related areas. Upon successful completion a form of compensation will be given for those meeting specific guidelines. Most public sectors will use a schedule that indicates, to others and the public, their rank or pay scale. The use of this allows for everyone to know where they stand as far as their pay. Generally those who have proven themselves in the past and received positive evaluations are those with the higher rank, therefore higher pay.

In terms of contract (re)negotiations it is important for employees to excel at their position in order to prove their worthiness to not only receive a greater pay, but to maintain on the workforce. Many public sector workplaces use evaluations and past performance as a strong indicator as to an employees work habits. Those illustrating positive work ethic will be more likely to continue working their way up the ladder to greater pay and higher authority while those who do not, will be unable to work their way up. The only drawback to this form of promotion is related to those who are comfortable in their job and seek no desire to have any more pay or higher authority. It is imperative to maintain a constant standard of personal development in order to motivate these employees to excel at what they do. It is necessary for each to be performing at a level that is past acceptable in order to promote the overall goal of the organization ("2010 salary tables, n.d.").

NEGATIVITY

A strong opinion showing a negative light on public sector employees gives one much to think about as to where all of the blame should fall. "It is galling for private sector workers to see so many public sector workers thriving because of the power their unions exercise. Take California. Investigative journalist Steve Malanga points out in the City Journal that California's schoolteachers are the nation's highest paid; its prison guards can make six-figure salaries; many state workers retire at 55 with pensions that are higher than the base pay they got most of their working lives. All this is taking place during a time when California endures an unemployment rate steeper than the nation's. It will get worse. There's an exodus of firms that want to escape California's high taxes, stifling regulations, and recurring budget crises. When Cisco's CEO, John Chambers, says he will not build any more facilities in California, you know the state is in trouble (Malagna, 2010).

The business community and a growing portion of the public now understand the dynamics that discriminate against the private sector. The public sector unions organize voting campaigns for politicians who, on election, repay their benefactors by approving salaries and benefits for the public sector, irrespective of whether they are sustainable. And what is happening with California is happening in slower motion in the rest of the country. It must be one of the reasons the Pew Research Center this year reported that support for labor unions generally has plummeted "amid growing public skepticism about unions' power and purpose (Zuckerman, 2010).

Breaking it down even further, in 2009 it was proven that Health care benefits were available to only 71 percent of private sector employees but to 88 percent of public sector employees. Retirement plans were only available to 67 percent of private sector employees but 90 percent of public sector employees. Life insurance benefits were only available to 59 percent of private sector employees but to 80 percent of public sector employees. Lastly, paid sick leave was available to only 61 percent of private sector employees but to 89 percent of public sector employees (Edwards, n.d.).

It is an important fact to remember however that the current process of many baby boomers leaving the public sector workforce has created a major age/experience gap between older and younger employees. Many public sector hiring freezes over the past few decades has contributed to a greater need for a new and younger workforce. In order to recruit and maintain this workforce, these organizations must be able to compete on all levels against private sector employers. The newer public sector workforce is also more educated than those retiring. In

order to compete it is necessary to pay in accordance with the individuals credentials, thus over time creating the need for a higher budget and a greater retirement capability. To many, this drastic change indicates irresponsible behavior from these organizations. Individuals not invested and involved in this decision making process can only see the negatives associated with the public sector (Greenfield, n.d.)

CONCLUSION

In the end, there must be justification that is both morally and fiscally responsible for the public sector that includes both the public and its employee's best interests. The same individuals that are arguing against these unions are in many cases involved with the respective organization. "State and local government officials who once deferred to politically powerful unions are increasingly taking note - and taking aim at traditional union benefits. Last summer, Illinois Gov. Pat Quinn threatened the state's largest public-sector union with the prospect of 2,600 layoffs unless it acceded to new demands for cost savings. In New Jersey, newly elected Gov. Chris Christie has come out swinging, with blistering attacks on the state's dominant teacher union. Moral outrage has played an important role in this process. Boston-area newspapers reveled in the story of a firefighter who, just weeks after being declared "totally and permanently disabled," placed eighth in a men's bodybuilding contest. Californians have been treated to lists of California Public Employees' Retirement System "\$100,000 Club," a group that, according to investigative journalist Ed Mendel, includes 6,133 people" (Buntin, 2010).

During these tough economic times when so many are unemployed many want to be sure that tax dollars are being put to good use. In 2008 the average public sector compensation was \$67,812 which included \$52,051 in wages and \$15, 761 in benefits. Comparing that to the private sectors \$59,909, which includes \$50,028 in wages and \$9,881 in benefits one can see where citizen have reason for concern (Edwards, n.d.).

Employers need to take full advantage of contract renegotiation periods and push harder to enforce some changes. Also, public sector employees need to be more closely supervised and held accountable in order to get the most out of them. These requests are not unreasonable. Citizens need to feel a general level of trust in the moral commitment of public sector employees.

AUTHOR INFORMATION

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