

Public Service Motivation, Performance Contingent Pay, and Job Satisfaction of Street-Level Bureaucrats

Presented by

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Introduction

Introduction

Street-level Bureaucrats



Teachers



Social Workers



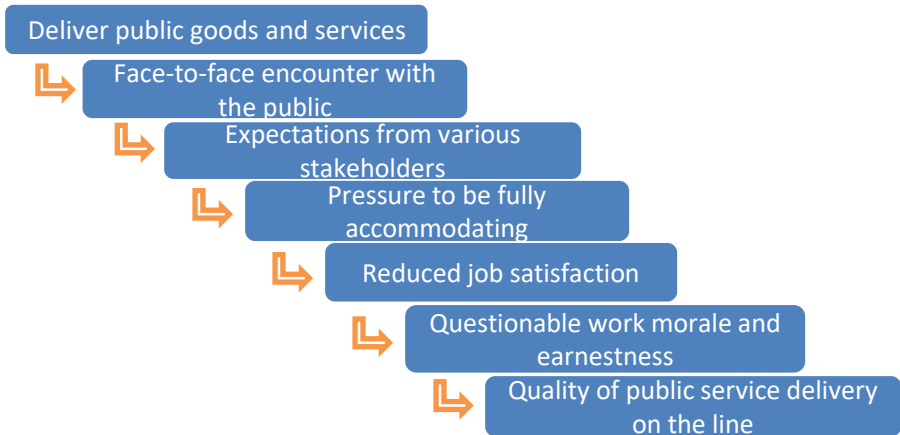
Police Officers



Physicians

Introduction

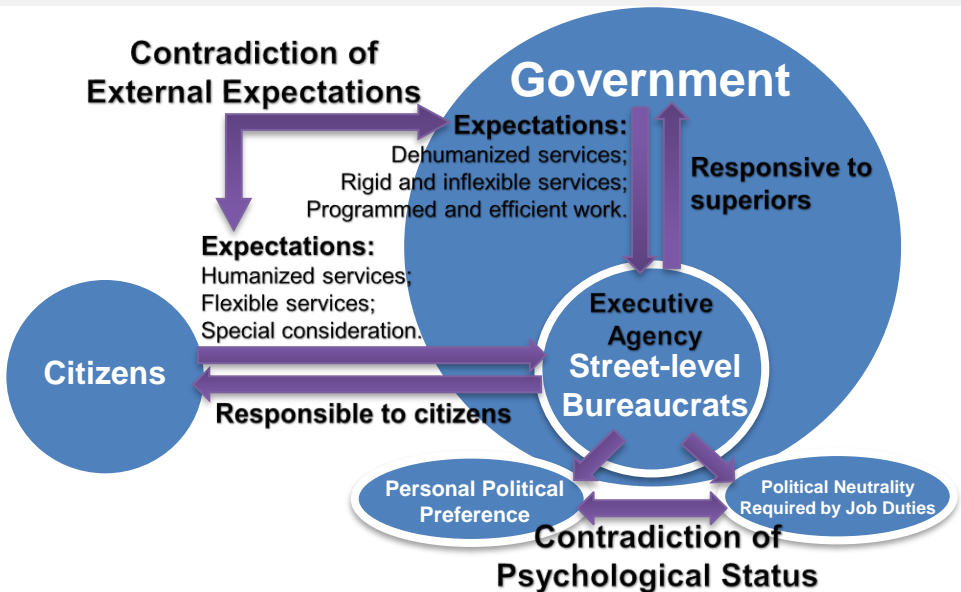
Why do we care about street-level bureaucrats?



Introduction

Why street-level bureaucrats in Hong Kong?

- The occurrence of political and social events in Hong Kong has caused Hong Kong street-level bureaucrats to bear the expectations and pressure from society and the government.
- The street-level bureaucrats' (SLBs) **psychological states (*personal political preferences versus the political neutrality required by their job duties*)** and **complex social situations (*different and potentially conflicting expectations and demands from citizens and superiors*)** are intertwined. This creates a complex set of emotions in street-level bureaucrats (SLBs) related to their job satisfaction, which needs to be noticed and addressed.
- Their job satisfaction is not only related to the quality of public service provision, but also has an impact on the handling of social problems and events, thereby affecting citizens' trust in the Hong Kong government.
- Ignoring their job satisfaction can create a vicious cycle that may bring a greater crisis to society as well as the Hong Kong SAR government.



Introduction

Two crucial determinants of Job Satisfaction (JS)

Performance-contingent Pay (PCP)

- (Perry et al., 2009; Buurman & Dur, 2012; Shim et al., 2017)

Public Service Motivation (PSM)

- (Vandenabeele, 2009; AnderfuhrenBiget et al., 2010; Perry et al., 2010; Ritz et al., 2016)

CET - Crowding-out Effect of PCP on PSM

- Cognitive evaluation theory (CET) - depicts the undermining impact of extrinsic incentives on intrinsic motivation (Deci et al., 1999; Chenhall & Langfield-Smith, 2003; Weibel et al., 2010; Bellé, 2015).
- It may obfuscate the importance of extrinsic motivation to work-related outcomes.

Introduction

Three Puzzles

1. Do PSM and PCP work in tandem to enhance JS?
2. Is JS more susceptible to PSM than PCP in the public sector or the other way around?
3. What serves as the mediator in the impact of PCP and PSM on JS?

Mediator: Perceived Job Control (PJC)

- Employees' level of autonomy and decision-making power over their work tasks and environment (Karasek, 1979).

Framework and Hypotheses

Framework

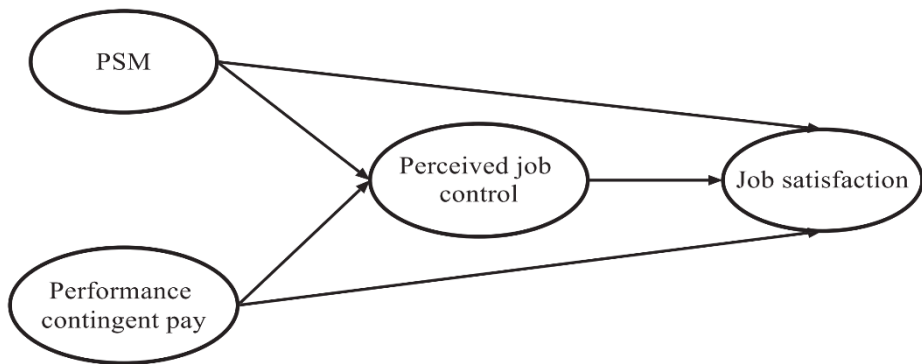


Figure 1. Overarching Analytical Framework

Note. PSM = public service motivation

Hypotheses

H1: Street-level bureaucrats with a higher level of PSM will have higher JS.

- PSM - altruistic or pro-social intentions.
- PSM - a distinct characteristic of public employees (Bozeman & Su, 2015; Houston, 2000; Rainey & Bozeman, 2000).
- The better aligned an individual's attitudes, values, and preferences with those of the organization, the higher the JS likely to be attained (Kristof-Brown et al., 2005).
- Street-level bureaucracy that direct interactions with clients place high emotional demands on employees (Cho & Song, 2017; Hsieh, 2014).

Hypotheses

H2: Greater PCP will lead to a higher level of JS.

- PCP - links performance goals to tangible financial rewards (Boachie-Mensah & Dogbe, 2011).
- PCP - provides meaningful, positive feedback in a context where a person has certain autonomy in coping with their tasks (Eisenberger & Aselage, 2009; Eisenberger et al., 1999).
- Employers' use of performance pay schemes creates greater feelings of belonging, esteem, and satisfaction (Stazyk, 2013; Tu, 2022).

H3: Street-level bureaucrats with a higher level of PJC will have higher JS.

- The vital role of PJC in JS is attributed to basic psychological needs.
- Based on the Job Demands-Resources model, job resources (including job control) can bring about positive employee outcomes, such as JS (Bakker & Demerouti, 2017)

Hypotheses

H4: PJC is a mediator between PSM and JS. Specifically, greater PSM will indirectly increase JS by enhancing PJC.

- Bureaucrats with higher PSM might discover a public sector role to be more fulfilling or personally resonant due to an increased perception of control and autonomy over their professional trajectory (Teo et al., 2016; Vandenabeele, 2008).

H5: PJC is a mediator between PCP and JS. Specifically, greater PCP will indirectly increase JS by enhancing PJC.

- Positive influence on individuals' PJC - a form of external pressure.
- Negative influence on individuals' PJC - incentivize employees by aligning their on-the-job performance with pecuniary pay.
- PCP - a compromise strategy.

Research Design

Research Design

Data

- This study collected data from frontline public service workers in Hong Kong.
- Through the research company, Dynata, 300 frontline workers were approached and 220 valid questionnaires were collected.
- The questionnaire with items stated in both English and Traditional Chinese was administered with guaranteed anonymity to potential respondents. The translation was double-checked by three individuals proficient in both English and Traditional Chinese.
- The sample size meets the minimal threshold in structural equation modeling (SEM).

Research Design

Table 1. Sample characteristics

Note: ^a Hong Kong dollars (HKD)

Highlights:

- 59.09% being female.
- approximately 65.9% are younger than 40.
- 55.45% had worked for less than 5 years.
- 84.09% attaining a bachelor's degree or above.
- 58.64% earn a monthly salary below HK\$30,000.

Demographics	Group	Frequency	Percent
Gender expression	Male	90	40.91
	Female	130	59.09
Age	<21	5	2.27
	21-30	58	26.36
	31-40	82	37.27
	41-50	48	21.82
	51-60	24	10.91
	>60	3	1.36
Education	High school level	20	9.09
	Associate degree	15	6.82
	Bachelor's degree	128	58.18
	Master's degree	53	24.09
	Doctor's degree	4	1.82
	<1	23	10.45
Work tenure	1-2	33	15.00
	3-5	66	30.00
	6-10	47	21.36
	11-15	21	9.55
	>15	30	13.64
Monthly salary ^a	≤15,000	20	9.09
	15,001-20,000	50	22.73
	20,001-25,000	30	13.64
	25,001-30,000	29	13.18
	30,001-35,000	28	12.73
	>35,000	63	28.64

Research Design

Table 2. Factor Analysis of Main Measures

	Job Satisfaction (JS)	Public Service Motivation (PSM)	Performance contingent pay (PCP)	Perceived Job Control (PJC)	Uniqueness
JS1	0.863	0.153	0.116	0.151	0.195
JS2	-0.876	-0.035	0.046	0.044	0.227
JS3	0.792	0.123	0.154	0.285	0.253
PSM1	0.197	0.651	-0.167	-0.085	0.503
PSM2	0.203	0.395	-0.196	-0.084	0.757
PSM3	0.141	0.764	0.063	0.086	0.386
PSM4	0.087	0.755	0.109	0.171	0.381
PSM5	0.060	0.730	0.054	0.062	0.456
PCP1	0.144	0.051	0.812	-0.017	0.318
PCP2	0.103	-0.012	0.866	0.163	0.212
PCP3	-0.052	0.040	0.802	0.227	0.300
PJC1	0.167	0.025	0.139	0.811	0.294
PJC2	0.057	0.133	0.287	0.665	0.455
PJC3	0.142	0.081	0.081	0.794	0.336
Eigenvalue	2.268	2.361	2.157	1.916	
Variance	2.325	2.315	2.269	1.979	
Cronbach's α	0.835	0.712	0.797	0.708	

Research Design

Table 3. Means, standard deviations, and correlation matrix

	Mean	SD	1	2	3	4	5	6	7	8	9
1. JS	3.512	0.778	1								
2. PSM	3.420	0.617	0.292***	1							
3. PCP	2.895	0.906	0.158*	0.066	1						
4. PJC	3.174	0.737	0.299***	0.195**	0.378***	1					
5. Gender	0.591	0.493	-0.138*	-0.021	0.023	-0.096	1				
6. Age	3.168	1.053	0.064	-0.101	-0.061	-0.063	-0.201**	1			
7. Education	3.027	0.865	0.024	0.135*	0.081	0.112	-0.113	0.035	1		
8. Work tenure	3.455	1.480	-0.037	0.011	-0.033	0.051	-0.295***	0.574***	0.044	1	
9. Monthly salary	3.836	1.767	0.120	0.148*	-0.055	0.098	-0.240***	0.353***	0.373***	0.459***	1

Note: JS = job satisfaction; PSM = public service motivation; PCP = performance-contingent pay; PJC = perceived job control

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

In general, the sample of 220 Hong Kong frontline workers exhibited relatively high levels of JS and PSM, as well as moderate levels of PJC and perceived contingency between performance and pay.

Findings

Findings

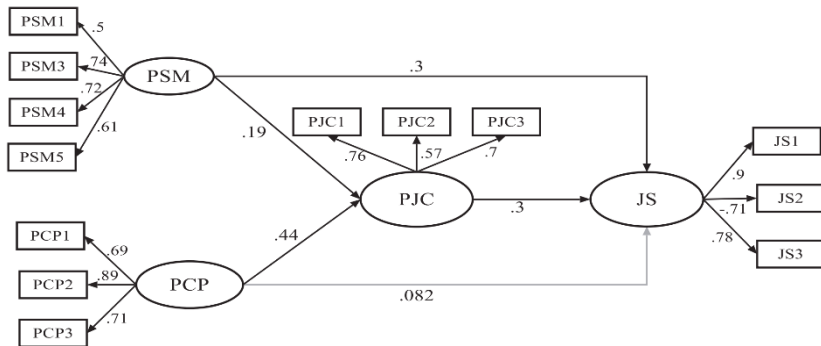


Figure 2. Graphical Representation of SEM Results

Note: Dark lines indicate significant effects and gray lines suggest nonsignificant effects.

JS = job satisfaction; PSM = public service motivation; PCP = performance-contingent pay; PJC = perceived job control

Findings

Table 4. Results of Structural Equation Modeling

	Step 1	Step 2	Step 3	Indirect effects
	Total effects on JS	Effects on PJC	Direct effects on JS	on JS via PJC
Independent variables				
PSM	0.360(0.073)***	0.193(0.079)**	0.304(0.0756)***	0.057
PCP	0.209(0.071)***	0.437(0.084)***	0.082(0.084)	0.131
Mediator				
PJC			0.300(0.091)***	
Controls				
Gender	-0.138(0.069)**	-0.073(0.077)	-0.119(0.068)*	
Age	0.143(0.081)*	-0.135(0.090)	0.186(0.080)**	
Education	-0.051(0.073)	0.038(0.079)	-0.066(0.071)	
Work tenure	-0.247(0.085)***	0.075(0.096)	-0.268(0.083)***	
Monthly salary	0.126(0.082)*	0.103(0.090)	0.104(0.081)	

Note: JS = job satisfaction; PSM = public service motivation; PCP = performance-contingent pay; PJC = perceived job control

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Conclusion

Conclusion

Both PSM and PCP are significantly correlated to JS.

- Extrinsic incentives and intrinsic motivation may take a dual-track approach in simultaneously increasing JS.

PJC serves as a common denominator that mediates the effects of both PCP and PSM on JS.

- PJC - exigent job and needs an adequate level of autonomy.
- PCP - providing clear performance standards.
- PSM - the alignment of personal and organizational values and ideologies.

Compared with PCP, PSM is more important to the JS of street-level bureaucrats in Hong Kong.

- Because the impact of PCP on JS is fully mediated by PJC, whereas PJC only partially mediates the relationship between PSM and JS.

Conclusion

Highlights:

- **A dual-track approach:** beyond the undermining effect of extrinsic incentives on intrinsic motivation.
- **Resonating with literature:** Identify the significant role of PJC for the psychological well-being of frontline public service workers.
- **Contrary to the CET:** support the positive effect of PCP on job autonomy/control.
- **Practical level:**
 - ✓ Guarantee street-level bureaucrats' PJC in job design.
 - ✓ Call for a more exquisite design of extrinsic incentive schemes that convey support and recognition.
 - ✓ Nurture the pro-social motivation, provide adequate support in mental- and resource-related aspects.

Our Response to Reviewers' Comments

Our Response to Reviewers' Comments

Q1: (*Importance of the study*) Please clarify further why we should care about the issue regarding the relationships among public service motivation, performance-contingent pay, and job satisfaction in the Intro section, so that it can convince the reader.

Response:

- **Logical Chain of the Relationship:** Public services cannot be delivered without public servants, and the job satisfaction of street-level bureaucrats directly affects their work morale and earnestness in implementing public policies and delivering services to citizens.
- **Justification Based on Literatures:** PSM and PCP are regarded as two fundamental factors influencing the job satisfaction of street-level bureaucrats (Buurman & Dur, 2012; Shim et al., 2017). With the rise of New Public Management (NPM), PCP has been increasingly adopted in the public sector to motivate civil servants (Perry, Engbers, & Jun, 2009). PSM is referred to as a significant intrinsic pro-social inclination arising from public institutions and missions that influence public sector employees' job satisfaction (Perry, Hondeghem, & Wise, 2010).
- **Literature Gap:** The existing literature predominantly focuses on the negative crowding-out effect of PCP on PSM, implying a need for further investigation into other possible effects and relationships.
- **Practical Implications:** Understanding the impact of PSM and PCP on job satisfaction is crucial in developing effective incentive systems in the public sector. **Comprehending which factor has a greater influence on job performance can assist policymakers and managers in designing more efficient performance management systems that maximize the motivation and performance of public servants.**

Our Response to Reviewers' Comments

Q2: (*Job control as a mediator variable*) *It seems like job control stands alone (in the context of broad theoretical framework), and the reader may wonder why we should examine the variable of job control as a mediator; please provide more explanations regarding why examining a job control as a mediator is important in the context of the study (some rationales, etc.).*

Response:

- **Theoretical and Empirical Foundation:** It has significant role in determining the relationship between work characteristics and employee outcomes, especially job satisfaction. This assertion is backed by Karasek (1979), Bakker et al. (2007), and Parker et al. (2010), who have established the link between job control and employee satisfaction through their research.
- **Definition of Job Control:** Job control refers to the degree of autonomy and decision-making power that employees have in their work tasks and environment, as defined by Karasek (1979).
- **Support from Established Theories:** The Cognitive Evaluation Theory (CET) holds that autonomy is one of the three basic psychological needs of human beings, alongside competency and relatedness (Sheldon & Gunz, 2009; Van den Broeck, 2016). Moreover, **the Job Demands-Resources (JD-R) model stipulates that job resources, such as job control, can act as buffers against job demands, leading to positive employee outcomes, such as job satisfaction** (Bakker & Demerouti, 2017).
- **Objective of Studying Job Control:** The study examines job control as a mediator to understand the mechanisms through which work characteristics and incentives affect job satisfaction. This could provide insights for organizations to enhance job satisfaction through policy and practice design.

Our Response to Reviewers' Comments

Q3: *(Cross-sectional design) All variables are perception measures and cross-sectional. The authors should address the issue. Other than Harmon's single factor test approach only, it would have been better to discuss and handle the issue in a more thorough way. Some may argue that reverse relationships might also work (e.g., workers with high level of satisfaction are more likely to have job control and perceive their performance as related to payoffs).*

Response:

- Address the Issue of Common Method Bias:** We employed the partial correlation technique and factor analysis to extract a general factor that accounted for the majority of the covariance among the measures (Podsakoff et al., 2003). Specifically, we calculated the difference in the R^2 value of the endogenous constructs of job satisfaction (JS) and perceived job control (PJC) before and after adding the general factor. There was no significant increase in R^2 value after adding the general factor, indicating that common method bias was not a serious threat in our study.
- Response to Reverse Causation:** Admittedly, one limitation of our study is the problem of reverse causality in cross-sectional designs. As Pearl (2023) suggests, cross-sectional designs lack temporal precedence and rely solely on the quality of the ideas behind the hypothesis for directionality specifications. Therefore, we based our arguments for the hypotheses on plausible inferences from the literature. **Although reverse causality is possible among some variables, we proposed directionality specifications that were more reasonable and had academic significance.** We also note that the goodness-of-fit of the model supports the plausibility of the postulated relationships among variables (Pearl, 2023). Of course, we acknowledge that this limitation should be addressed in future research, and we put it in our limitation part at the end of the article.



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Thank you for listening!

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Check for updates

Original Article

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Abstract

Does job satisfaction of street-level bureaucrats depend on intrinsic public service motivation (PSM) or extrinsic performance-contingent pay? Which factor exerts a more substantial impact on job satisfaction? Drawing on a data set of 220 frontline public service workers in Hong Kong, this study examines the nuanced relationship among PSM, performance-contingent pay, and job satisfaction. The findings show that both PSM and performance-contingent pay elevate the job satisfaction of street-level bureaucrats through a shared mediator-perceived job control. Furthermore, PSM, as an intrinsic motivator, exerts a stronger impact on job satisfaction than performance-contingent pay.

Keywords

public service motivation, performance-contingent pay, perceived job control, job satisfaction, street-level bureaucrats in Hong Kong

Introduction

Street-level bureaucrats are public service workers, such as police officers, social workers, teachers, and physicians, who implement public policies and interact directly with the public in service encounters (Lipsky, 2010). While their work is essential for

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