QUALITY OF HRM PRACTICES AND MOTIVATION OF CIVIL SERVANTS IN URUGUAY

Civil Servants Survey

Key empirical results from the survey
Outline

- Background of the study and objectives
- Survey design and sample
- Key Findings:
  - HRM practices
  - Motivation and retention
- Policy recommendations
Background of the study and objectives

1. Strong demand from the client.
2. **Uruguay 2021 SCD and Institutional Assessment** → Relatively weak center-of-government and public sector management institutions.
3. **Uruguay 2021 PER, Wage Bill chapter** → Rigid HRM structure. De facto, salaries not linked to performance. In the Central Administration, non-transparent salary schemes and large inequalities across Ministries.
4. **Objectives** of the survey: Understand experiences and perspectives of civil servants to inform reform efforts.
Survey design and sample

- Participating entities and target population:
  - **20 public institutions**: 15 Central institutions and 5 Decentralized institutions/SOEs (ANCAP, ANTEL, OSE, UTE y el INAU)
  - **Online survey**
  - **Census** of a population of more than 40,000 civil servants

- Sample:
  - **29% response rate** with 10,281 valid responses
  - **60% women**, 51% with **tertiary education**, 80% public officials (presupuestados)

- Time:
  - May – June 2021
Overview of HRM practices in Uruguay

- **Strongest HRM dimensions**: team work, recruitment, leadership.
- **Weakest HRM dimensions**: capacity building, promotions, absenteism, compensations and mobility.

Note: The score for each dimension was calculated by averaging the share of agree/strongly agree responses over the sub-indicators included in each dimension. The scores are calculated at individual level and then averaged over respondents using balancing weights. For each dimension, the maximum score is 100.
Capacity building: limited opportunities and perceived inequalities

54% of civil servants has received some training in the last 2 years.

- Only 54% has received some training in the last 2 years.
- Training opportunities are perceived as useful and relevant for the job, but there is a widespread perception of inequalities in access.
- Most civil servants (67%) think that performance evaluations do not influence opportunities for training and development.

**Utility of training** (% somewhat / Very much)

- To what extent it was applied: 67%

**Views on Capacity building** (% of agree / Strongly agree)

- It is part of the performance management process: 53%
- There is equality in opportunities for trainings: 35%
think that, before the Covid-19 pandemic, absenteeism was a challenge in own entity

Institutional roots: For example, the system for medical licenses is fragmented and it varies across entities. → Wide range of exemptions and difficult to monitor.

Before the Covid-19 pandemic, 71% of civil servants has a good work-life balance, and less than 40% had an excessive workload.
Compensations: in practice, not linked with performance evaluations

- Institutional roots: Entities have discretionality in the definition of salaries.
- Most civil servants think that performance evaluations do not influence salaries (74%) and bonuses (72%).
- Only 31% of civil servants has ever received a performance bonus. Among them, 20% report that the bonus was distributed equally among everyone in the unit.
- Widespread perceptions of inequalities, especially across entities. Only 14% think to be paid at least the same as other civil servants with similar tasks in other entities.

32% of civil servants are satisfied with their compensations.

Number of observations = 9325.
Excluding those that preferred not to answer.
Results using balancing weights.
Institutional roots: Civil servants cannot move horizontally across entities, except under special circumstances and authorization. Career paths are specific within a given entity.

This rigidity is perceived as a problem, and 64% of civil servants believe that it would be good to increase mobility in the public sector.

### About mobility:

- **Easy to obtain, if wanted:**
  - Strongly disagree: 20%
  - Disagree: 38%
  - Neither agree or disagree: 32%
  - Agree: 9%
  - Strongly agree: 2%

- **I would like to:**
  - Strongly disagree: 10%
  - Disagree: 28%
  - Neither agree or disagree: 22%
  - Agree: 23%
  - Strongly agree: 17%

- **It would be good to increase it:**
  - Strongly disagree: 4%
  - Disagree: 12%
  - Neither agree or disagree: 37%
  - Agree: 27%
  - Strongly agree: 0%

- **Process fair and transparent:**
  - Strongly disagree: 22%
  - Disagree: 30%
  - Neither agree or disagree: 35%
  - Agree: 12%
  - Strongly agree: 8%

*Number of observations = 9783. Excluding those that preferred not to answer. Results using balancing weights.*
Promotions: limited opportunities and perceived inequalities

- Limited opportunities for vertical mobility and promotions.
- Most civil servants (69%) think that performance evaluations do not influence promotions.
- With respect to recruitment, promotions are perceived as driven less by merit (66% vs 95%) and more by political or personal contacts (36% vs 10%).
- Among those that never received a promotion, views are even more pessimistic, with only 18% thinking that the process for promotions in own entity is transparent and fair, and only 18% confident to be promoted in the future if performing well.
### HRM practices → satisfaction and retention

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<thead>
<tr>
<th></th>
<th>Satisfied with own job</th>
<th>Would recommend own entity as a good place where to work</th>
<th>Would like to move to a different entity within the public sector</th>
<th>Has searched for another job in the last 2 years</th>
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<tbody>
<tr>
<td>Team work</td>
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<td>Recruitment</td>
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<td>Absenteeism</td>
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<td>Compensations</td>
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*Nota: Resultados del modelo de regresión con controles demográficos, efectos fijos de organismos y errores estándares agrupados a nivel de entidad. Solo se reportaron correlaciones estadísticamente significativas (pvalor<0.05). Los colores más oscuros indican correlaciones cuyo valor absoluto es superior al 10%. Solo funcionarios sin personal a cargo.*
Most civil servants are satisfied with their job, but risks of low motivation and low retention

- **Satisfied with their job**: 75%
- **Do not feel valued in own entity**: 34%
- **Think not being able to realize his/her full potential in the current job**: 33%
- **Has searched for jobs in the private sector**: 25%
- **Would like to leave the current entity in the next 2 years**: 28%

Risks of low motivation and low retention are particularly concerning for talented workers.

For example, those with tertiary education are less satisfied with their job (70% vs 78%). They are more confident of being able to find a job with better salary in the private sector (38% vs 25%), and less confident of being promoted in the future if performing well (22% vs 19%). As a consequence, they are more likely to have searched for jobs in the private sector in the last 2 years (32% vs 20%).
Policy recommendations

**Strengthen performance evaluations:** Set common standards for performance evaluations and therefore create the conditions for linking them to salaries and promotions.

**Simplify the salary structure:** Reduce the number of different salary types and categories and strengthen the link between salaries and job description, therefore addressing the widespread perceptions of inequality.

**Increase options for career promotions and capacity building:** More frequent and better targeted training opportunities, linked to knowledge gaps. Remove barriers for horizontal mobility.

**Reduce differences across entities:** Reduce discretions of entities in key HRM decisions (e.g., salaries) would reduce the widespread perceptions of inequality.

**Collect and use data for decision-making:** Centralize admin HRM data and increase their completeness (e.g., education, performance evaluations, recruitment process). Routine surveys among civil servants and “exit questionnaire”. More diagnostics, for example on the attractiveness of public sector jobs and knowledge gaps.