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ΕΥΑΓΓΕΛΙΑ Π. ΜΥΛΩΝΑ

MSC, UNIVERSITY OF BIRMINGHAM

Διδακτορική Διατριβή
που υποβλήθηκε στο Τμήμα Οργάνωσης και Διοίκησης Επιχειρήσεων
του Πανεπιστημίου Μακεδονίας

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Επιβλέπων : **Δημήτριος, Μ. Μιχαήλ, PhD**
Καθηγητής
Τμήμα Οργάνωσης και Διοίκησης Επιχειρήσεων
Πανεπιστήμιο Μακεδονίας

Μέλη Συμβουλευτικής Επιτροπής : **Ανδρέας, Κ. Γεωργίου, PhD**
Καθηγητής
Τμήμα Οργάνωσης και Διοίκησης Επιχειρήσεων
Πανεπιστήμιο Μακεδονίας

Βασίλειος, Ο. Αλετράς, PhD
Καθηγητής
Τμήμα Οργάνωσης και Διοίκησης Επιχειρήσεων
Πανεπιστήμιο Μακεδονίας

UNIVERSITY OF MACEDONIA
SCHOOL OF BUSINESS ADMINISTRATION
DEPARTMENT OF BUSINESS ADMINISTRATION

INNOVATIVE MOTIVATION SYSTEMS TARGETING ON THE DEVELOPMENT OF HUMAN RESOURCES: THE CASE OF THE GREEK PUBLIC ADMINISTRATION RESTRUCTURING

EVANGELIA P. MYLONA

MSC, UNIVERSITY OF BIRMINGHAM

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SCHOOL OF BUSINESS ADMINISTRATION
DEPARTMENT OF BUSINESS ADMINISTRATION

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Supervisor : **Dimitrios, M. Mihail, PhD**
Professor
Department of Business Administration
University of Macedonia

Co-supervisors : **Andreas, C. Georgiou, PhD**
Professor
Department of Business Administration
University of Macedonia

Vasilios, H. Aletras, PhD
Professor
Department of Business Administration
University of Macedonia

ΠΕΡΙΛΗΨΗ

Η παρακίνηση στον εργασιακό χώρο αναφέρεται στα στοιχεία εκείνα που υποκινούν τους εργαζόμενους να εισέλθουν στην εργασία, να συμμετέχουν ενεργά σ' αυτήν, καθώς και να παραμείνουν αποτελεσματικοί και αποδοτικοί στον επαγγελματικό τους χώρο. Η παρακίνηση, ως μέσο ενεργοποίησης της ανθρώπινης συμπεριφοράς, διαμορφώνεται υπό το πρίσμα διαφορετικών παραγόντων (Matheson, 2012). Η παρούσα διατριβή αναπτύσσεται στη θεωρητική θέση του Armstrong (2006), ότι ο εργασιακός οργανισμός μπορεί να επιτύχει υψηλά επίπεδα παρακίνησης των εργαζομένων παρέχοντας ανταμοιβές και κίνητρα (οικονομικά ή μη) καθώς και πρόσβαση σε ευκαιρίες για εκπαίδευση και επαγγελματική ανάπτυξη του ανθρώπινου δυναμικού της.

Στη διάρκεια της οικονομικής κρίσης, οι δυσμενείς οικονομικές και κοινωνικές συνθήκες που αναπτύχθηκαν ως αποτέλεσμα των δημοσιονομικών και των διαρθρωτικών εργασιακών αλλαγών, επιβάλλουν στα ανώτατα στελέχη του Δημόσιου Τομέα να λειτουργήσουν σε ένα ιδιαίτερα απαιτητικό περιβάλλον το οποίο χαρακτηρίζεται από τη δυναμική επίτευξης υψηλών στόχων, διαθέτοντας όμως περιορισμένα οικονομικά μέσα. Εντούτοις, η επίδραση των συνεχιζόμενων μέτρων λιτότητας τόσο στην συμπεριφορά όσο και στην αποδοτικότητα των εργαζομένων στο δημόσιο τομέα, δεν έχει ακόμη μελετηθεί εκτενώς. Στην Ελλάδα, η ένταση της οικονομικής δυσπραγίας ανάγκασε τη Δημόσια

Διοίκηση να αντιληφθεί τη σπουδαιότητα της παρακίνησης των εργαζομένων ως μέσο αποτελεσματικής προσαρμογής στις αλλαγές που προκλήθηκαν (Mitsakis, 2017). Επομένως, ο σχεδιασμός και η εφαρμογή ενός πλάνου παρακίνησης στο Δημόσιο Τομέα που θα περιλαμβάνει τόσο οικονομικές όσο και μη οικονομικές ανταμοιβές καθίσταται πιο αναγκαίος από ποτέ.

Η παρούσα διατριβή έχοντας στο επίκεντρό της τον εργαζόμενο, υπό το πλαίσιο της οικονομικής κρίσης, επιδιώκει να καλύψει το κενό που υπάρχει στη βιβλιογραφία σχετικά με τους παράγοντες που επηρεάζουν την παρακίνηση των εργαζομένων στη Δημόσια Διοίκηση. Συγκεκριμένα, προκειμένου να διερευνήσουμε τις αντιλήψεις των εργαζομένων του Δημόσιου Τομέα υιοθετούμε την προσέγγιση του ολοκληρωμένου συστήματος αμοιβών (total reward system) το οποίο αναγνωρίζει τη συμβολή τόσο της εξωτερικής (extrinsic) όσο και της εσωτερικής παρακίνησης (intrinsic motivation).

Όσον αφορά την *εξωτερική (ή εξωγενή)* παρακίνηση, η παρούσα μελέτη παρέχει νέα εμπειρικά δεδομένα για εναλλακτικούς, μη οικονομικούς παράγοντες που εν τούτοις επηρεάζουν την ικανοποίηση των εργαζομένων με το επίπεδο των αμοιβών τους στο Δημόσιο Τομέα. Λαμβάνοντας υπόψη ότι οι αλλεπάλληλες μειώσεις των αποδοχών των δημοσίων υπαλλήλων, ως αποτέλεσμα της εφαρμογής του ενιαίου μισθολογίου, της κατάργησης των επιδομάτων-δώρων και το «πάγωμα» των μισθολογικών αυξήσεων, αντικατοπτρίζει το πρόβλημα των περιορισμένων οικονομικών πόρων και συνεπώς της έλλειψης των οικονομικών κινήτρων, στρέφουμε την προσοχή μας σε μη οικονομικούς παράγοντες που μπορούν να επηρεάσουν τόσο την παρακίνηση όσο και την αποδοτικότητα των εργαζομένων. Συγκεκριμένα, επικεντρωνόμαστε στην έννοια της δίκαιης αμοιβής που συνιστά *«τη* *σύγκριση μεταξύ της αξίας που πιστεύουν οι εργαζόμενοι ότι πρέπει να πληρωθούν και της αξίας που άλλοι εργαζόμενοι πρέπει να λάβουν».* Υιοθετώντας τη θεωρία του ψυχολογικού συμβολαίου, η παρούσα διατριβή παρέχει μία πληρέστερη κατανόηση του βαθμού επηρεασμού της αποδοτικότητας των εργαζομένων από το επίπεδο της ικανοποίησής τους με τις χρηματικές αμοιβές, όπως όμως αυτό καθορίζεται από τις αντιλήψεις τους για την ύπαρξη οργανωσιακής δικαιοσύνης (organizational justice). Για τον σκοπό αυτό διενεργήθηκε έρευνα πεδίου σε εργαζόμενους στο Δημόσιο Τομέα και με τη χρήση ερωτηματολογίου συγκεντρώθηκαν δεδομένα από δημοσίους υπαλλήλους στην Ελλάδα. Τα αποτελέσματα της έρευνας υποδεικνύουν μία στατιστικά σημαντική θετική σχέση της αποδοτικότητας των εργαζομένων όχι μόνο με το επίπεδο ικανοποίησης αυτών με τις αμοιβές, αλλά και με τις αντιλήψεις των εργαζομένων σχετικά με την ύπαρξη υψηλής διανεμητικής (distributive) και διαδικαστικής δικαιοσύνης (procedural justice). Υπό συνθήκες λιτότητας και περιορισμένων διαθέσιμων πόρων, τα αποτελέσματα της παρούσας έρευνας παρέχουν στα στελέχη της Διεύθυνσης Ανθρώπινου Δυναμικού της Δημόσιας Διοίκησης σημαντικές κατευθύνσεις για την ανάπτυξη τόσο της παρακίνησης όσο και της αποδοτικότητας των απασχολουμένων, μέσω εναλλακτικών, μη οικονομικών παραγόντων παρακίνησης.

Αναφορικά με την *εσωτερική (ή ενδογενή)* παρακίνηση και λαμβάνοντας υπ' όψη ότι η εκπαίδευση και η ανάπτυξη των εργαζομένων αποτελεί θεμέλιο λίθο τόσο για την προσωπική τους εξέλιξη όσο και την εξέλιξη ενός οργανισμού, η παρούσα διατριβή διερευνά τους παράγοντες που ενισχύουν τις αντιλήψεις των εργαζομένων σχετικά με το βαθμό επένδυσης του οργανισμού σε παροχές δράσεων ανάπτυξης και εξέλιξης του ανθρώπινου δυναμικού (perceived investment in employee development - PIED). Στη συγκεκριμένη έρευνα θεωρούμε ότι η υποστήριξη που αντιλαμβάνονται ότι δέχονται οι εργαζόμενοι τόσο σε επίπεδο οργανισμού (perceived organizational support - POS) όσο και σε επίπεδο προϊσταμένου (perceived supervisor support - PSS) αποτελούν σημαντικούς διαθέσιμους εργασιακούς πόρους (job resources).

Με βάση αυτή τη θεώρηση αξιολογούμε την επίδραση αυτών των δύο αντιλήψεων κοινωνικής υποστήριξης (POS, PSS) στον καθορισμό των αντιλήψεων που έχουν οι εργαζόμενοι ως προς την παροχή δράσεων ανάπτυξης του ανθρώπινου δυναμικού (PIED) από τον οργανισμό. Τα αποτελέσματα δείχνουν ότι η αντιλαμβανόμενη υποστήριξη σε επίπεδο οργανισμού (POS) αποτελεί ισχυρότερο δείκτη πρόβλεψης του PIED σε σχέση με το βαθμό υποστήριξης σε επίπεδο προϊσταμένου (PSS). Το εύρημα αυτό ενισχύει το ρόλο του προϊσταμένου ως παράγοντα του οργανισμού (organizational agent). Επιπρόσθετα, σε συμφωνία τόσο με το μοντέλο των επαγγελματικών απαιτήσεων και των εργασιακών πόρων (job demands-resources model) όσο και με τη θεωρία της κοινωνικής ανταλλαγής (social exchange theory) τα αποτελέσματα της έρευνας τονίζουν τη θετική επίδραση της μεταβλητής PIED στις στάσεις και στις συμπεριφορές των εργαζομένων και συγκεκριμένα στην οργανωσιακή δέσμευση (organizational commitment) και στην φιλότιμη εργασιακή συμπεριφορά (organizational citizenship behavior - OCB). Επίσης, η μεταβλητή PIED βρέθηκε ότι είναι στατιστικά σημαντικός μεσολαβητής στις σχέσεις μεταξύ της κοινωνικής υποστήριξης (POS και PSS) και των συμπεριφορικών επιδράσεων στους εργαζόμενους (organizational commitment, OCB).

Επιπλέον, λαμβάνοντας υπ’ όψη τη σημασία της εκπαίδευσης και της ανάπτυξης, η παρούσα διατριβή διερεύνησε τους παράγοντες που ενισχύουν την παρακίνηση των εργαζομένων να συμμετάσχουν σε προγράμματα κατάρτισης και ανάπτυξης (motivation to learn and develop - MLD). Τα εμπειρικά δεδομένα καταδεικνύουν ότι αναπτύσσονται θετικές σχέσεις μεταξύ των αντιλήψεων των εργαζομένων αναφορικά με την ύπαρξη κοινωνικής υποστήριξης (POS, PSS) και την επιθυμία τους να λάβουν μέρος σε προγράμματα εκπαίδευσης και ανάπτυξης (MLD). Περαιτέρω όμως διαφαίνεται ότι η θετική επίδραση της υποστήριξης του προϊσταμένου (PSS) στη μεταβλητή MLD είναι πιθανόν να μειωθεί όταν οι εργαζόμενοι ταυτόχρονα θεωρούν ότι ο οργανισμός που απασχολούνται αποτελεί ένα μη υποστηρικτικό περιβάλλον (POS). Τέλος, σύμφωνα με τη θεωρία της κοινωνικής ανταλλαγής και δεδομένου ότι οι αμοιβαίες ανταλλαγές μεταξύ του εργαζομένου και του προϊσταμένου βασίζονται στην οργανωσιακή δέσμευση, τα αποτελέσματα της έρευνας φανερώνουν ότι η οργανωσιακή δέσμευση (τόσο η συναισθηματική όσο και η κανονιστική δέσμευση) αποτελεί μεσολαβητική μεταβλητή στις ανωτέρω θετικές σχέσεις μεταξύ των μεταβλητών POS, PSS και MLD.

ABSTRACT

'Work motivation' refers to the aspects that induce people to enter work, to remain in the job, and to engage in work. Each of these may differ, and work motivation accordingly represents an amalgam of such factors (Matheson, 2012). In this thesis, our analysis was based on Armstrong's (2006) demonstration that the work organization as a whole can provide the context within which high levels of workplace motivation can be achieved by providing rewards and incentives (tangible or intangible) as well as opportunities for learning and growth.

In a period of economic crisis, the increasing pressure of sparse financial resources and the structural reforms in the labor law are factors pushing and forcing managers of public organizations to do more with less (Askounis et al., 2016). Nevertheless, the impact of the austerity measures and budgetary constraints on workplace behavior and employee performance in public administration has not been a subject of rigorous empirical scrutiny. In Greece, the severity of the economic crisis, forced public sector organizations to realize the significance of employee motivation as a mean of adapting to ongoing changes more effectively (Mitsakis, 2017). Thus, the design of an effective motivational plan in the public sector, including both financial and non-financial rewards, appears more crucial than ever before.

The employee-level perspective of this thesis responds to the call for additional research concerning factors that affect employees' motivation, which is currently lacking in the public sector literature. In this thesis, it is argued that in order to gain a

comprehensive understanding of employees' motivation in the public sector, it would be essential to adopt the total reward strategy perspective (Lyons and Ben-Ora, 2002). A total reward strategy acknowledges the value of both extrinsic and intrinsic motivation.

Regarding *extrinsic motivation*, the current thesis contributes new empirical evidence on alternative, non-financial antecedents and performance outcomes of public sector workers motivation. Hence, this thesis explores non-monetary predictors of employees' satisfaction with compensation. Considering the debt crisis, since wage rates are kept low, we shift the attention from the actual pay levels as a predictor of pay satisfaction and work performance and address the importance of alternative intangible motivational predictors i.e., pay fairness in terms of 'the comparison between what people believe they deserve to be paid and what others deserve to be paid' (Jackson and Schuler, 2000). We adopt the psychological contract as a theoretical framework and provide a deeper explanation of how work performance (i.e., work effort and work quality) is affected by both employees' perceptions of organizational justice (i.e., distributive and procedural justice) and employees' level of satisfaction with pay. The responses received from a sample of employees working for public organizations in Greece indicated that work performance is significantly and positively related not only to employees' satisfaction with pay, but also to employees' perceptions of distributive and procedural justice. In the context of the austerity measures, the findings of this survey provide human resource managers with significant guidelines on how to enhance motivation and work performance of their employees.

With regard to *intrinsic motivation*, since employee training and development is a key component of individual and organizational growth, this thesis initially explored the antecedents and outcomes of employees' perceptions of the organization's investments to their development (PIED). However, prior surveys, conducted both in the private and the public sector, neglected to explore the employee-level reactions to the efforts made by both the organizations and their supervisors to enhance employees' intrinsic motivation and well-being. Thus, we conceptualize supportive conditions (both organizational and managerial) as job resources and evaluate the effects of employees' social supportive perceptions on their perceived developmental opportunities. Findings indicate that employees' perception of organizational support (POS) is a stronger predictor of PIED, compared to employees' perception of supervisor support (PSS). This finding provides support for the role of supervisors as agents who represent or personify the organization. Furthermore, consistent with the job demands-resources model (JD-R model) and the social exchange theory, we indicated that public employees within a workplace that provides substantial training and developmental incentives, are more likely to report greater levels of organizational commitment and organizational citizenship behavior (OCB). PIED was found to act as an important mediator between the relationships of POS and employees' outcomes and PSS and employees' outcomes.

Furthermore, given the importance of training and development in the workplace, this thesis seeks to understand the mechanisms that drive employees' motivation to learn and develop in a context of budgetary constraints and austerity measures. Our empirical evidence indicates that the positive effects of supervisor support on employees' motivation to participate in development activities are likely to become less influential when employees concomitantly perceive that their work organization constitutes an unsupportive environment. Moreover, consistent with the social exchange theory, and since reciprocal exchanges between supervisors and subordinates are built on commitment, it is found that affective and normative commitment mediate the positive relationship between employees' perceptions of supportive policies and motivation to learn and develop.

The findings of this thesis posit that in contexts of economic crisis and limited financial resources, the need of non-financial incentives is intensified. Since organizations face challenges in providing competitive compensation, benefits and training programs, it is evident that the focus should lie on the concepts of fairness, justice and employees' social supportive perceptions as effective alternatives to high-cost financial rewards.

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To my husband and my daughter

Στον σύζυγο και στην κόρη μου

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PART I

Introduction

1. Introduction

1.1 General Description of the Research Problem

Work motivation is a longstanding topic in organizational studies (Latham and Pinder, 2005) since it is the primary determinant of performance for both private and public sector (Biget et al., 2010). Motivation is a meta-concept that comprehensively focuses on the effort and energy deployed by an individual when acting in a given setting (Kroll, 2010). The theory of motivation makes a distinction between two dimensions of motivation – extrinsic and intrinsic. Extrinsic motivation is addressed through financial rewards, such as pay, bonuses and benefits, or even avoiding punishment. Intrinsic motivation deals with behavior performed for itself, in order to experience pleasure and is concerned with satisfying employees psychological needs, such as through the provision of interesting and challenging jobs, opportunities for personal and professional development, recognition of achievement, social contact and a ‘voice’ in decision making (Wilton, 2012).

It is important to shed light on employees’ motivation because of its link with job performance (Oldham, 1976; Mitchell, 1982), as well as with employees positive job attitudes and work behaviors, such as job satisfaction (Lam and Zhang, 2003; Linz, 2003) and organizational commitment (Mathieu and Zajac, 1990; Lam and Zhang, 2003; Linz 2004). Motivating employees in a period of crisis is one of the most critical challenges facing managers today.

Focusing on the public sector, since it is labor intensive and is judged on the basis of the performance of their human resources (Tessema, 2014), a motivated, skilled and deployed workforce is crucial for the success of service delivery (Vermeeren, 2017). Nevertheless, the reduction of governments' revenue and the increasing pressure of sparse financial resources are factors pushing and forcing managers of public organizations to do more with less (Askounis et al., 2016).

An OECD survey conducted globally during the financial downturn between 2008 and 2013, shows that different countries implemented different cost-reduction measures in the Human Resource Management (HRM) systems of their public sector. Not surprisingly, countries with the highest budget pressures have implemented the most cost-reduction employment measures. Portugal, Greece, the United Kingdom and Ireland have implemented almost all types of measures explored in this survey. In contrast, countries with modest budgetary pressures, such as Germany, Norway, Sweden and Japan, have implemented fewer and less-intense measures (OECD, 2015).

Despite the extent and the intensity of the financial distress, the impact of the austerity measures and budgetary constraints on workplace behavior and employee performance in public administration has not been a subject of rigorous empirical scrutiny (Demmke, 2017). Furthermore, few research exceptions (such as Cropanzano et al., 2011), explored the impact of changing emotions and fairness perceptions in the workplace, as a consequence of the introduction of austerity measures and restructuring programs.

Since government employees at all levels are continually asked to provide more effective and efficient services to meet the financial challenges (Ho et al., 2011), it is timely to examine employees' perceptions of motivation and development in the public sector. In Greece, one of the first countries to experience budget cuts, the severity of the economic crisis forced public sector organizations to realize the significance of employee motivation as a means of adapting to ongoing changes more effectively (Mitsakis, 2017). Thus, the design of an effective motivational plan in the public sector, including both financial and non-financial rewards, appears more crucial than ever before.

The employee-level perspective of this thesis responds to the call for additional research concerning factors that affect employees' motivation, which is currently lacking in the public sector literature. Furthermore, in this thesis we argue that in order to paint a clear picture of employees' motivation in the public sector, it would be essential to adopt the total reward strategy perspective (Lyons and Ben-Ora, 2002). A total reward strategy acknowledges the value of both extrinsic and intrinsic motivation and ensures that all human resource programs are in alignment with the overall business strategy.

1.2 Purpose, Objectives and Research Questions

The purpose of this thesis is to explore predictors of public sector employees' extrinsic and intrinsic motivation in Greece during the debt crisis. Hence, the current study is guided by three objectives. The first objective refers to the exploration of extrinsic motivation, while the second and the third objectives refer to the examination of intrinsic motivation.

i. Extrinsic work motivation:

Objective 1. Explore non-monetary predictors (i.e., organizational justice) of extrinsic work motivation (i.e., satisfaction with pay) in the Greek public sector during the debt crisis and their effects on employees' performance (i.e., work effort and work quality) .

As a result of the unfavorable economic conditions, global real wage growth has fallen from 1.6% in 2012 to 0.9% in 2015 (ILO, 2016). In the EU, the real wage dropped remarkably in Greece, Cyprus, Portugal and Slovenia, among other countries. Moreover, previous research has noted the importance of fairness in the workplace and indicated that employees' perceptions of workplace justice are positively associated with beneficial outcomes such as employees' attitudes and behaviors.

Hence, considering the debt crisis and the limited financial resources setting, the first objective acknowledges the need to shift the attention from the actual pay levels, as a predictor of work motivation and performance to the importance of alternative non-monetary motivational predictors i.e., pay fairness in terms of "*the comparison between what people believe they deserve to be paid and what others deserve to be paid*" (Jackson and Schuler, 2000). Therefore, the first part of this thesis was guided by the following research questions:

Research Question 1: What is the level of employees' satisfaction with pay in the Greek public sector?

Research Question 2: What non-monetary compensation could enhance employees' satisfaction with pay?

Research Question 3: To what extent employees' level of satisfaction with pay is affected by perceptions of organizational justice?

Research Question 4: To what extent employees' performance (i.e., work effort and work quality) is affected by employees' satisfaction with pay?

Research Question 5: How valuable are employees' perceptions of organizational justice in predicting individuals' work performance?

Research Question 6: What is the role of employees' satisfaction with pay in the relationship between employees' perceptions of organizational justice (i.e., distributive and procedural) and employees' work performance (i.e., work effort and work quality)?

ii. Intrinsic work motivation:

Objective 2: Explore antecedents and outcomes of employees' perceptions of the organization's commitment to their development (i.e., perceived investment in employee development) in the Greek public sector during the debt crisis.

Employee development opportunities have become a topic of utmost importance for both the academics and the practitioners, given that organizations are increasingly relying on employee development as a key part of how they function effectively and continuously improve (Pierce and Maurer, 2009). Not surprisingly, motivational theories acknowledge the value of non-financial incentives, such as training, career development, coaching and other employee-related policies.

In financially distressed contexts where compensation per employee drops dramatically, managers inevitably shift their attention from monetary rewards to the intrinsic aspects of work (Prouska et al., 2016). Since most of the previous research in the public sector neglected to examine the interconnections between supportive conditions (i.e., perceived investment in employee development, perceived supervisor support, perceived organizational support) and employee outcomes, our study addresses the following research questions:

Research Question 1: What is the level of perceived investment in employee development for the Greek public sector employees?

Research Question 2: To what extent is employees' perceived investment in employee development affected by supportive conditions (i.e., perceived organizational support, perceived supervisor support)?

Research Question 3: What are the effects of perceived investment in employee development and perceptions of supportive conditions (i.e., perceived organizational support, perceived supervisor support) on employees' job attitudes and work behaviors?

Objective 3: Explore predictors of employees' orientation for engaging in learning and developmental activities (i.e., motivation to learn and develop) in the Greek public sector during the debt crisis.

In order to maximize employee performance, training and development programs are the major tools that organizations use to enhance organizational human capital competences (Zahra et al., 2014). Since cost-saving measures were higher in the state than in the private sector (Christopoulou and Monastiriotis, 2011), maintaining or even improving the effectiveness and efficiency of public service to meet new public demands has become a critical issue.

As previous studies have indicated that within a supportive organizational context employees reciprocate by feeling attached and committed to the organization (Eisenberger et al., 2002), and as it has been empirically shown that supervisors serve as agents of employees' training opportunities (Towler, et al., 2014), we posit that it is imperative to examine the interconnections between supportive conditions (i.e., perceived supervisor support, perceived organizational support) and employees motivation to participate in training and developmental programs. Hence, the following research questions are addressed:

Research Question 1: What is the level of employees' motivation to engage in learning and developmental activities in the Greek public sector?

Research Question 2: To what extent is employees' motivation to learn and develop affected by supportive conditions (i.e., perceived supervisor support and perceived organizational support)?

Research Question 3: To what extent is employees' motivation to learn and develop affected by employees' level of organizational commitment (i.e., affective and normative commitment)?

1.3 Thesis Contribution

The current thesis contributes to workplace motivation literature in numerous ways. We adopt an employee-level perspective, which is currently lacking in public sector studies and respond to the call for additional research concerning factors that affect both extrinsic and intrinsic motivation of public sector employees during the financial crisis era.

With regard to extrinsic motivation the current thesis contributes new empirical evidence on alternative, non-financial antecedents and performance outcomes of public sector workers motivation. Nowadays, as structural reforms in the labor law are imposed, it is valuable to examine what extrinsically motivates public sector employees in a period of limited financial resources. Hence, this thesis explores non-monetary predictors of employees' satisfaction with compensation. Considering the debt crisis, since wage rates are kept low, we shift the attention from the actual pay levels as a predictor of pay satisfaction and work performance and address the importance of alternative intangible motivational predictors i.e., pay fairness in terms of *'the* *comparison between what people believe they deserve to be paid and what others deserve to be paid*' (Jackson and Schuler, 2000). Given the important role of justice in organizational management, it is surprising how little scholarly effort has been invested in exploring the relationship between organizational justice and employees' outcomes in public sector settings (Choi, 2011). Furthermore, we adopt the psychological contract as a theoretical framework and provide a deeper analysis of how work performance (work effort and work quality) is affected by both employees' perceptions of organizational justice (distributive and procedural justice) and employees' level of satisfaction with pay.

With regard to intrinsic motivation, as prior surveys conducted both in the private and the public sector have neglected to explore the employee-level reactions to the efforts made by the organizations and the supervisors to enhance employees' intrinsic motivation and well-being, we provide a comprehensive approach of employees' perceptions regarding supportive conditions. Therefore, initially, taking into account the combined effects of organizational and supervisor support, the present thesis seeks to expand our understanding of the antecedents and outcomes of employees' perceptions of the organization's commitment to their development. In addition, this thesis sheds light on the mechanisms that drive employees' motivation to learn and develop. While few research studies have explored employees' outcomes in a period of uncertainty and limited financial resources (Chatzopoulou et al. 2015; Markovits et al., 2014), there are, to our knowledge, no empirical studies examining the antecedents of employees' motivation to learn and develop in financially turbulent times. The current thesis, by utilizing the social exchange theory as a theoretical framework, extends existing theoretical and empirical knowledge by investigating how employees' motivation to learn and develop, in a period of economic crisis, is affected by two organizational – level factors, i.e., perceived organizational support and perceived supervisor support.

1.4 Structure of the Thesis

This thesis is organized in six core parts. Following the First Part, which serves as an introduction to the research problem, the Second Part provides a review of the motivation literature. We provide the definition of workplace motivation and we present a description of the different types of motivation. Finally, we present the main motivation theories.

The Third Part focuses on the Greek public sector. The specific characteristics of this sector are presented as well as the several attempts made so far to reform this sector. In parallel, by providing official statistical data, we compare the implementation of austerity measures in Greece with that of other OECD countries.

The Fourth and Fifth Part consider the antecedents and outcomes of extrinsic and intrinsic motivation in the Greek public sector, respectively. In these surveys, empirical evidence was obtained from 490 Greek public sector employees and Chapters 9 and 10 are developed based on this quantitative data. Structural equation modelling (SEM) and regression analyses are presented with the aim of exploring the research hypotheses.

The Sixth Part discusses the most important conclusions with regard to extrinsic and intrinsic motivation in the Greek public sector, along with the theoretical and practical implications. Finally, the limitations of this thesis and directions for future research are discussed.

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PART II

Review of

Motivation in

the Public Sector

2. Work Motivation and its Effects

2.1 Defining Motivation

The word motivation derives from the Latin term *motivus* meaning “a moving cause”. “*Deciphering what motivates human beings is a centuries-old puzzle. Some of history’s most influential thinkers about human behavior - among them Aristotle, Adam Smith, Sigmund Freud, and Abraham Maslow - have struggled to understand its nuances and have taught us a tremendous amount about why people do the things they do.*” (Nohria et al, 2008, p.1). Motivation has been a featured topic in different disciplines such as psychology, sociology, economics, political science, organizational development, leadership, management, and even philosophy. Each discipline has sought to better define what human motivation is, how it can be measured, and how it can be achieved and sustained (Mobbs and Mc Farland, 2010).

In contemporary management science, motivation has been a topic of keen interest to organizational scholars and practitioners since the work of Fredrick Taylor *“The Principles of Scientific Management*” (1911). Motivation is a meta-concept that comprehensively focuses on the effort and energy deployed by an individual when acting in a given setting (Kroll, 2010). Motivation is measured indirectly since it is inferred as the result of behavioral changes in reaction to internal or external motives and hence experimental scientists focus on observable behavior and the stimuli that elicited it (Latham, 2012).

A motive is a reason for doing something (Armstrong and Taylor, 2020). Theories of motivation classify motives into primary, or basic, motives, which are unlearned and common to both animals and humans; and secondary, or learned, motives, which can differ from animal to animal and person to person. Social motives are learned motives acquired as part of growing up in a particular society or culture. Primary motives are thought to include hunger, thirst, sex, avoidance of pain, and perhaps aggression and fear. Secondary motives typically studied in humans include achievement, motivation, and numerous other specialized motives. Nevid (2013), defined motives as the why's of behavior - the needs or wants that drive behavior and explain what we do.

When it comes to describe motivation in terms of outcomes, the following definition is provided: motivation is concerned with the factors that activate, direct and influence people to behave in certain ways and toward a particular outcome (Armstrong and Taylor, 2020; Nevid, 2013; Sansone and Harackewicz, 2000). Arnold et al. (1991) referred to the three components of motivation:

- direction – what a person is trying to do;
- effort – how hard a person is trying;
- persistence – how long a person keeps on trying.

Similar to the Arnold's et al. (1991) study, Robbins and Judge, (2013) referred to *direction* as the goal that forces an individual to perform an act to achieve it. There are either internal or external factors that affect a person's choice of the goal, but the final one is the best one chosen among potential alternatives. *Intensity (or effort)* is how hard a person has tried, and how much money, effort, time, or any other effort has been used during the process to achieve the goal. *Persistence* is the ability of an individual to maintain the motivation through times even though obstacles may exist.

Based on Armstrong and Taylor (2020), well-motivated people are those with clearly defined goals who take action that they expect will achieve those goals (see Figure 2.1). Such people may be *self-motivated*, and as long as this means they are going in the right direction to achieve what they are there to achieve, then this is the best form of motivation. Most people, however, *need to be* motivated to a greater or lesser degree (Armstrong, 2006; Armstrong and Taylor, 2020; Dessler, 2017).

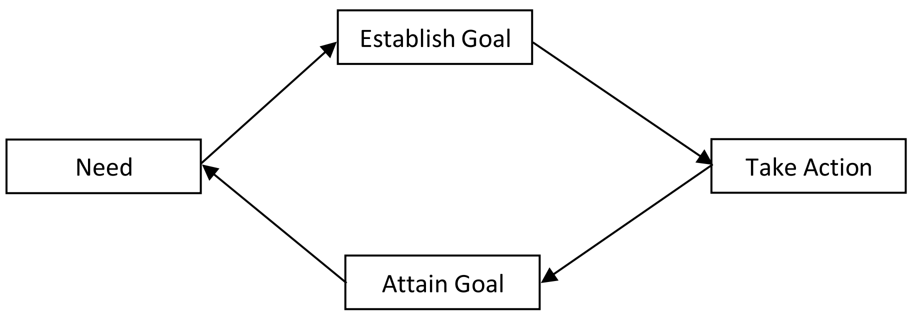

Figure 2.1 The process of motivation

Source: Armstrong, M. and Taylor, S., 2020. *Armstrong's handbook of human resource management practice*. Kogan Page Publishers.15th edition.

2.2 Defining Workplace Motivation

Motivation at the workplace is a central driver of success for any organization, regardless of sector, which is why numerous attempts have been made in various disciplines to theoretically explain the emergence, persistence, and decline of individual motivation levels (Ritz et al., 2016).

Motivation in the workplace is defined as the willingness to exert high levels of effort toward organizational goals conditioned by the effort's ability to satisfy some individual needs (Mobbs and McFarland, 2010). The term *'work motivation'* refers to the factors that induce people to enter work, to remain in the job, and to engage in work. Each of these may differ, and work motivation accordingly represents an amalgam of such factors (Matheson, 2012).

2.2.1 The Economics Perspective on Work Motivation

Economists have traditionally focused on monetary rewards as the principal motivator of work effort. This view, however, has been extended to give some recognition to the influence of individual differences like employee attitudes (Hicks, 1932 [1968]; Robins, 1930; Spencer, 2005), cost of job loss, reciprocity and fair wage. Some researchers within the economics discipline, have also incorporated additional aspects of the Organizational Behavior perspective in their empirical studies and examined these phenomena at the individual level of analysis (Morris, 2009, p.8).

2.2.2 The Organizational Behavior Perspective on Work Motivation

Compared to economic researchers, organizational behavior researchers place less emphasis on the role of monetary rewards in determining discretionary work effort and focus more on phycological and social factors associated with the work environment and individual differences. This body of literature has researched how a wide array of non-monetary factors relate to employees' work effort. These factors among others include leader-employee relationships, co-worker relationships, organizational characteristics, job characteristics and individual characteristics (Organ, et al. 2005; Podsakoff et al. 2000) (Morris, 2009, p.8).

It is important to acknowledge the considerable progress that has been made in theory and research through the years. In this thesis, our analysis will be based on Armstrong's (2006) demonstration that "the organization as a whole can provide the context within which high levels of motivation can be achieved by providing incentives and rewards, satisfying work, and opportunities for learning and growth. But managers still have a major part to play in using their motivating skills to get people to give of their best, and to make good use of the motivational processes provided by the organization. To do this it is necessary to understand the process of motivation - how it works and the different types of motivation that exist (Armstrong, 2006, p. 252).

2.2 Types of Motivation

Based on the early work of Herzberg et al. (1957) and that of Deci and Ryan, (1985) we distinguish between different types of motivation based on the different reasons or goals that give rise to an action. Nonetheless, the most basic distinction is between *intrinsic* motivation and *extrinsic* motivation:

- ***Intrinsic motivation*** – the self-generated factors that influence people to behave in a particular way or to move in a particular direction. These factors include responsibility (feeling that the work is important and having control over one's own resources), autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement.

- ***Extrinsic motivation*** – what is done to or for people to motivate them. This includes rewards, such as increased pay, praise, or promotion, and punishments, such as disciplinary action, withholding pay, or criticism.

Extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. The intrinsic motivators, which are concerned with the 'quality of working life' (a phrase and movement that emerged from this concept), are likely to have a deeper and longer-term effect because they are inherent in individuals and not imposed from outside (Armstrong, 2006).

Moving a step further, Ryan and Deci (2000) using the Self-Determination Theory (SDT) (Deci and Ryan, 1985) classified motivation based on the different reasons or goals that give rise to an action. They proposed that there are varied types of extrinsic motivation, some of which do, indeed, represent impoverished forms of motivation and some of which represent active, agentic states. They claimed that within

SDT a second subtheory, referred to as Organismic Integration Theory (OIT), was introduced to detail the different forms of extrinsic motivation and the contextual factors that either promote or hinder internalization and integration of the regulation for these behaviors (Deci and Ryan, 1985). Figure 2.2 illustrates the OIT taxonomy of types of motivation, arranged from left to right in terms of the extent to which the motivation for one's behavior emanates from one's self.

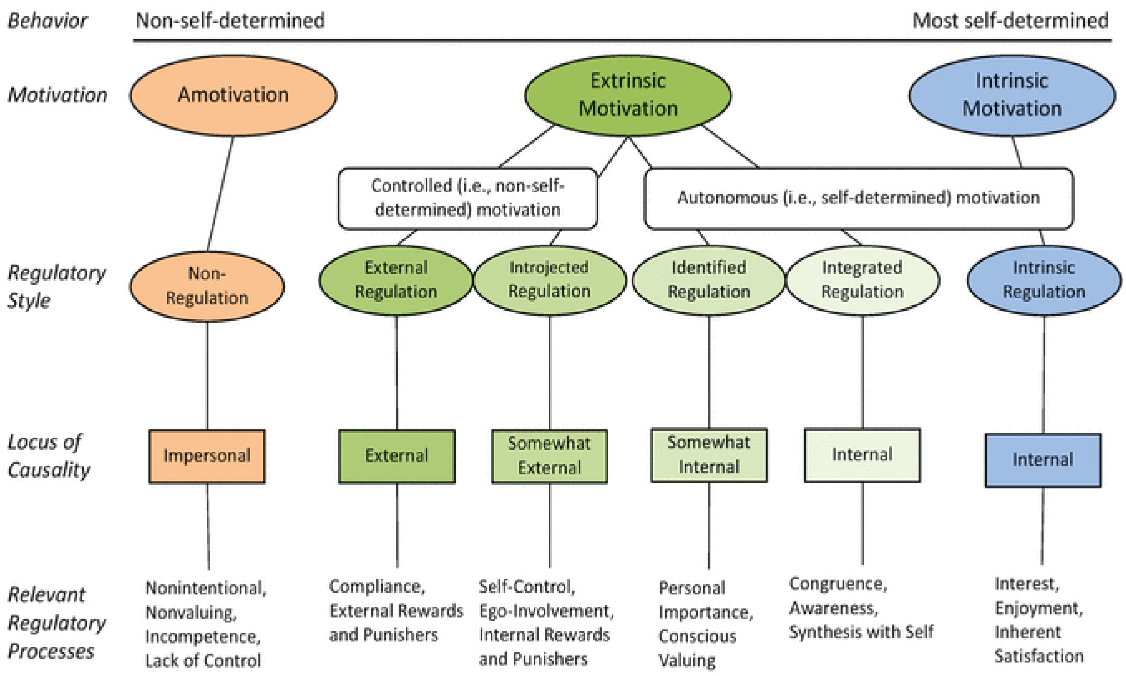

Figure 2.2 Intrinsic and extrinsic motivation

Source: Legault, L., 2017. Self-determination theory. *Encyclopedia of personality and individual differences*, pp.1-9.

Specifically, in Figure 2.2 four types of motivation are illustrated:

i. *External regulation.* Such behaviors are performed to satisfy an external demand or obtain an externally imposed reward contingency.

ii. *Introjected regulation*. Introjection describes a type of internal regulation that is still quite controlling because people perform such actions with the feeling of pressure in order to avoid guilt or anxiety or to attain ego-enhancements or pride.

iii. *Identification.* The person has identified with the personal importance of a behavior and has thus accepted its regulation as his or her own.

iv. *Integrated regulation*. Integration occurs when identified regulations have been fully assimilated to the self. This occurs through self-examination and bringing new regulations into congruence with one's other values and needs.

2.3 The Relationship between Intrinsic and Extrinsic Motivation and their Effects on Employees' Outcomes

Despite more than 40 years of research on the relationship between intrinsic and extrinsic motivation and on their differing effects on employee outcomes, important questions remain unanswered about the relationship between the two types of motivation and their respective roles and outcomes. Historically, the majority of motivation researchers found that both would have positive effects and that the two types of motivation could be combined. Porter and Lawler (1968) for instance, drawing on expectancy theory (Vroom, 1964), proposed that intrinsic and extrinsic motivation jointly and positively predicted work performance and employee well-being. Behavioral modification theorists also proposed (and demonstrated meta-analytically) that the combination of tangible and intangible incentives can have a synergistic effect on performance (Kuvaas et al., 2017, p. 246).

Concerning the effects, Armstrong, (2006) states that extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. The intrinsic motivators, which are concerned with the *'quality of working life'* (a phrase and movement that emerged from this concept), are likely to have a deeper and longer-term effect because they are inherent in individuals and not imposed from outside. Scholars have also claimed that intrinsic motivation is linked to a number of positive outcomes such as work engagement and enthusiasm, well-being, task identification, positive affect, and employee productivity (Van den Broeck et al., 2013; Cerasoli et al. 2014).

Therefore, motivation without money, - or intrinsic motivation - has become a fashionable topic in business magazines during the last ten years (Kuvaas et al. 2017). In today's turbulent business environment, where there are limited financial resources, it is even more crucial to find alternative ways of gaining full potential from employees.

In summary, the relationship between intrinsic and extrinsic motivation can be enlightened. Considering the debt crisis and the budget constraints, the combination of the limited tangible with the intangible incentives can have a synergistic effect on performance. Employees display positive attitudes and behaviors and as a result, discretionary behaviors. In turn, these positive employee attitudes and behaviors lead ultimately to organizational effectiveness.

3. Motivation Theories

Motivation theory examines the process of motivation. It explains why people at work behave in the way they do in terms of their efforts and the directions they are taking. It describes what organizations can do to encourage people to apply their efforts and abilities in ways that will advance the achievement of the organization's goals as well as satisfying their own needs. It is also concerned with job satisfaction – the factors that create it and its impact on performance (Armstrong, 2006; Armstrong and Taylor 2020). Furthermore, several motivational theories have particular relevance to designing incentive plans (Dessler, 2017).

There are different theories of motivation such as the Need Theory, Goal-Setting Theory, Reinforcement Theory, Equity Theory and Expectancy Theory (Mobbs and Mc Farland, 2010). Based on Armstrong and Taylor (2020, p. 171), the most influential theories can be classified as follows:

- *Instrumentality theory*, which states that rewards or punishments (carrots or sticks) serve as the means of ensuring that people behave or act in desired ways.
- *Content theory*, which focuses on the content of motivation. It states that motivation is essentially about taking action to satisfy needs and identifies the main needs that influence behavior. Needs theory was originated by Maslow (1954), and in their two-factor model, Herzberg et al. (1957) listed needs which they termed *'satisfiers'*.

- *Process theory*, which focuses on the psychological processes which affect motivation, by reference to expectations (Vroom, 1964), goals (Latham and Locke, 1979) and perceptions of equity (Adams, 1963, 1965).

3.1 Instrumentality Theory

'*Instrumentality*' is the belief that if we do one thing it will lead to another. In its crudest form, instrumentality theory states that people only work for money. The theory emerged in the second half of the nineteenth century with its emphasis on the need to rationalize work and on economic outcomes (Armstrong, 2006, p. 254). Instrumentality theory assumes that a person will be motivated to work if rewards and penalties are tied directly to his or her performance, thus the awards are contingent upon effective performance It has its roots in Taylorism, i.e. the scientific management methods of F. W. Taylor (1911), who wrote: *'It is impossible, through any long period of time, to get workmen to work much harder than the average men around them unless they are assured a large and permanent increase in their pay.*'

Instrumentality theory relies exclusively on a system of external controls and does not recognize a number of other human needs. It also fails to appreciate the fact that the formal control system can be seriously affected by the informal relationship existing between workers (Armstrong and Taylor, 2020, p. 171).

3.2 Content (Needs) Theory

Content theories attempt to explain those specific things, which actually motivate the individual at work. These theories are concerned with identifying people's needs and their relative strengths, and the goals they pursue in order to satisfy these needs (Dinibutun, 2012, p. 133). The theory focuses on the content of motivation in the shape of needs. Its basis is the belief that an unsatisfied need creates tension and a state of disequilibrium. To restore the balance, a goal that will satisfy the need is identified, and a behavior pathway that will lead to the achievement of the goal is selected. All behavior is therefore motivated by unsatisfied needs (Armstrong, 2006; Armstrong and Taylor, 2020).

The main content theories include:

- Maslow's hierarchy of needs theory (1954), who postulated the concept of a hierarchy of needs which he believed were fundamental to the personality.
- Herzberg et al.'s two-factor model (1957).
- Alderfer's ERG theory (Existence, Relatedness and Growth) (1972), who modified the need hierarchy model.
- McClelland's achievement motivation model (1985), which identifies four types of motivational need, namely: need for achievement; need for power; need for affiliation; need for avoidance.

Nevertheless, Maslow's hierarchy of needs theory and Herzerberg's two factor models have been the most influential content theories.

3.2.1 Maslow's Hierarchy of Needs

Maslow (1954) made what may be the most popular observation on what motivates people (Dessler, 2011). He suggested that there are five major need categories which apply to people in general, starting from the fundamental physiological needs and leading through a hierarchy of safety, social and esteem needs to the need for self-fulfilment, the highest need of all (Armstrong and Taylor, 2020). Maslow‘s hierarchy is as follows (see Figure 3.1):

1. *Physiological* – the need for oxygen, food, water, warmth and sex.
2. *Safety* – the need for protection against danger and the deprivation of physiological needs, a secure income, knowing one has a job).
3. *Social* – the need for love, affection and acceptance as belonging to a group, friendship and camaraderie.
4. *Esteem* – the need to have a stable, firmly based, high evaluation of oneself (self-esteem) and to have the respect of others (prestige).
5. *Self-fulfilment (self-actualization)* – the need to develop potentialities and skills, to become the person you believe you can become.

He postulated, based on his observations as a humanistic psychologist, that there is a general pattern of needs recognition and satisfaction that people follow in generally the same sequence. He also theorized that a person could not recognize or pursue the next higher need in the hierarchy until her or his currently recognized need was substantially or completely satisfied, a concept called prepotency (Gawel, 1996). This means that the most prepotent goal will monopolize consciousness and will tend of itself to organize the recruitment of the various capacities of the organism. The less prepotent needs are minimized, even forgotten or denied. But when a need is fairly well satisfied, the next prepotent ('higher') need emerges, in turn to dominate the conscious life and to serve as the center of organization of behavior, since gratified needs are not active motivators. Thus, man is a perpetually '*wanting animal'* (Maslow, 1954).

One of the implications of Maslow's theory is that the higher-order needs for esteem and self-fulfilment provide the greatest impetus to motivation – they grow in strength when they are satisfied, while the lower needs decline in strength on satisfaction. But the jobs people do will not necessarily satisfy their needs, especially when they are routine or deskilled. Maslow's needs hierarchy has an intuitive appeal and has been very influential. But it has not been verified by empirical research and it has been criticized for its apparent rigidity – different people may have different priorities and it is difficult to accept that people's needs progress steadily up the hierarchy (Armstrong and Taylor, 2020).

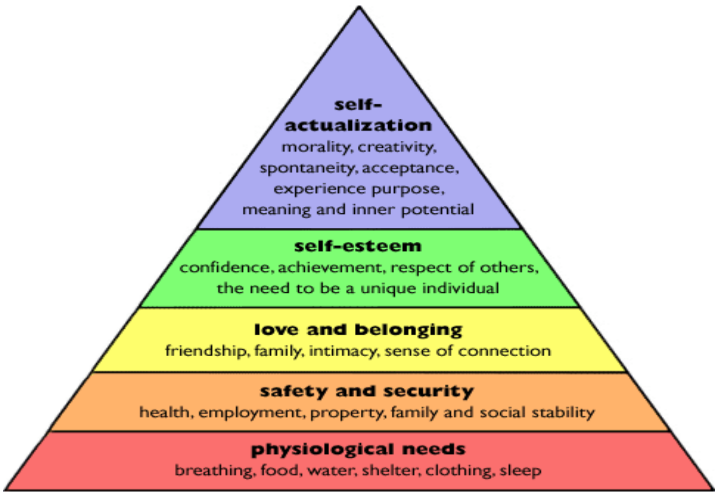

Figure 3.1 Maslow's hierarchy of needs

Source: Maslow, A.H., 1987. Available at: http://www.researchhistory.org/2012/06/16/maslows-hierarchy-of-needs/

3.2.2 Herzberg’s Two-Factor Model

Herzberg et al., (1957) developed a two-dimensional paradigm of factors affecting employees’ attitudes in the workplace. He assumed that people have the capacity to report the conditions that made them satisfied and dissatisfied with their jobs. Hence, he surveyed workers, analyzed the results, and concluded that to understand employee satisfaction (or dissatisfaction), he had to divide work factors into two categories (Collins, 2012):

- *Motivation factors.* Those factors that are strong contributors to job satisfaction.
- *Hygiene factors.* Those factors that are not strong contributors to satisfaction but that must be present to meet a worker’s expectations and prevent job dissatisfaction.

Specifically, Herzberg concluded that factors such as company policy, supervision, interpersonal relations, working conditions, and salary are hygiene factors rather than motivators. Based on the two-factor model, the absence of ‘hygiene’ factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. Herzberg claimed that the ‘hygiene’ factors that satisfy lower-level needs are different from the “motivators” that satisfy or partially satisfy higher-level needs. If *hygiene* factors (factors outside the job itself, such as working conditions, salary, an incentive pay) are inadequate, employees become dissatisfied. Instead of relying on hygienes, says Herzberg, managers interested in creating a self-motivated workforce should emphasize “job content” or motivator factors. Managers do this by enriching workers’ jobs so that the jobs are more challenging, and by providing feedback and recognition - by making the job intrinsically motivating, in other words (Dessler, 2017).

Based on the analysis of Armstrong and Taylor (2020) the main implications of Herzberg's, are that: The wants of employees divide into two groups. One group revolves around the need to develop in one's occupation as a source of personal growth. The second group operates as an essential base to the first and is associated with fair treatment in compensation, supervision, working conditions and administrative practices. The fulfilment of the needs of the second group does not motivate the individual to high levels of job satisfaction and to extra performance on the job. All we can expect from satisfying this second group of needs is the prevention of dissatisfaction and poor job performance (see Figure 3.2).

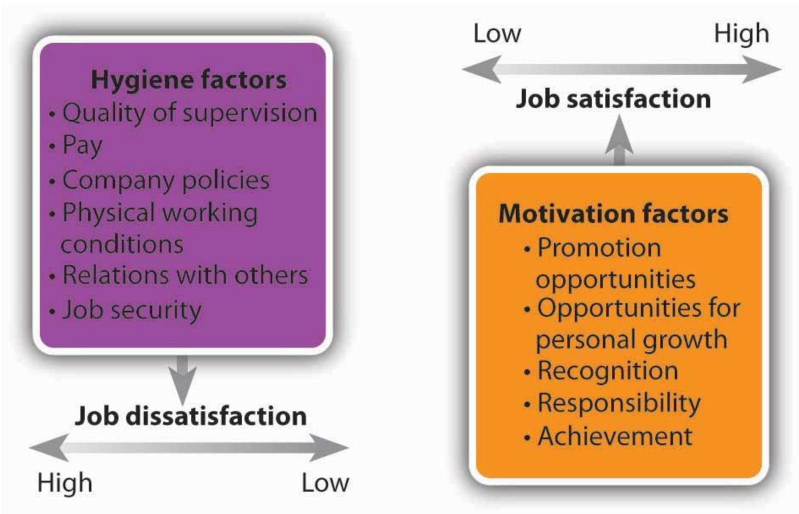

Figure 3.2 Herzeberg's two-factor theory

Source: Collins, K. 2012. *An introduction to business*. Creative Commons

3.3 Process Theory

While on content theories the main focus is on '*what*' motivates employees, the process theories focus on the issues relating to how the process of motivation works and its elements. In process theory, the emphasis is on the psychological processes or forces that affect motivation, as well as on basic needs. It is also known as cognitive theory because it is concerned with people's perceptions of their working environment and the ways in which they interpret and understand it (Armstrong and Taylor, 2020). According to Guest (1992), process theory provides a much more relevant approach to motivation than the theories of Maslow and Herzberg, which, he suggests, have been shown by extensive research to be wrong. Process or cognitive theory can certainly be more useful to managers than needs theory because it provides more realistic guidance on motivation techniques (Armstrong, 2006). The processes include:

- expectations (expectancy theory);
- goal achievement (goal theory);
- feelings about equity (equity theory).

3.3.1 Expectations

The concept of expectancy was included in the valency-instrumentality-expectancy (VIE) theory developed by Vroom (1964). Psychologist Victor Vroom's expectancy motivation theory is based on the commonsense observation that people won't pursue rewards they find unattractive, or where the odds of success are very low. He says a person's motivation to exert some level of effort depends on three things: the person's expectancy (in terms of probability) that his or her effort will lead to performance; instrumentality, or the perceived connection (if any) between successful performance and actually obtaining the rewards; and valence, which represents the perceived value the person attaches to the reward (Dessler, 2017). Hence, Vroom argues that an employee will be motivated to exert a high level of effort to obtain a reward under three conditions (Collins, 2012, see Figure 3.3):

1. The employee believes that his or her efforts will result in acceptable performance.
2. The employee believes that acceptable performance will lead to the desired outcome or reward.
3. The employee values the reward.

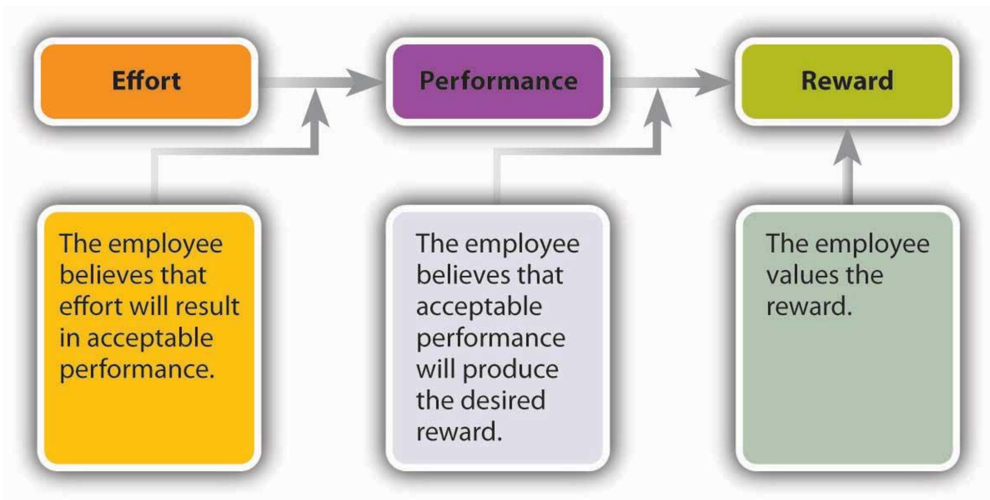

Figure 3.3 Valency - Instrumentality - Expectancy (VIE) theory

Source: Collins, K. 2012. *An introduction to business.* Creative Commons

Based on the analysis of Armstrong and Taylor (2020), motivation is only likely when a clearly perceived and usable relationship exists between performance and outcome, and the outcome is seen as a means of satisfying needs. This proposition explains why extrinsic financial motivation is successful only if the relationship between effort and reward is clear (in the words of Lawler (1990) there is a *'line of sight'*) and the value of the reward is worth the effort. It also, based on the authors, provides an explanation of why intrinsic motivation arising from the work itself can be more powerful than extrinsic motivation. Intrinsic motivation outcomes are more under the control of individuals, who can place greater reliance on their past experiences to indicate the extent to which positive and advantageous results are likely to be obtained by their behavior. This theory was developed by Porter and Lawler (1968) into a model, which follows Vroom's ideas by suggesting that there are two factors determining the effort people put into their jobs:

1. the value of the rewards to individuals in so far as they satisfy their needs for security, social esteem, autonomy, and self-actualization;
2. the probability that rewards depend on effort, as perceived by individuals – in other words, their expectations about the relationships between effort and reward.

Thus, the greater the value of a set of awards and the higher the probability that receiving each of these rewards depends upon effort, the greater the effort that will be put forth in a given situation. But, as Porter and Lawler (1968) emphasize, mere effort is not enough. It has to be effective effort if it is to produce the desired performance. The two variables additional to effort which affect task achievement are:

- ability – individual characteristics such as intelligence, manual skills, know-how;
- role perceptions – what the individual wants to do or thinks he or she is required to do.

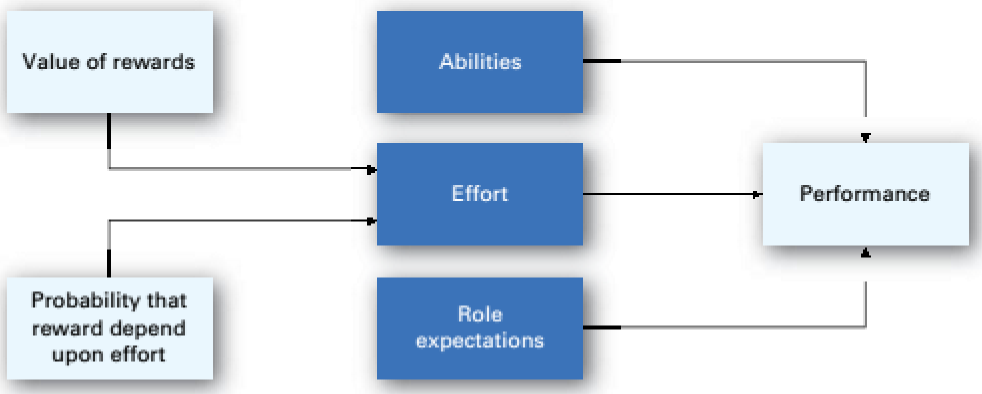

Figure 3.4 Porter and Lawler model of motivation

Source: Armstrong, M. and Taylor, S., 2020. *Armstrong's handbook of human resource management practice*. Kogan Page Publishers.15th edition.

3.3.2 Goal Achievements

Goal theory as developed by Latham and Locke (1979) is based on Ryan's (1970) premise that conscious goals affect action. A goal is the object or aim of an action, for example, to attain a specific standard of proficiency, usually within a specified time limit. The researchers aim was to predict, explain, and influence performance on organizational or work-related tasks. Thus, they focused on the relationship between conscious performance goals and level of task performance rather than on discrete intentions to take specific actions (e.g., to apply to graduate school, to get a medical examination). The latter type of intention has been studied extensively by social psychologists, such as Fishbein and Ajzen (1975).

Goal theory states that motivation and performance are higher when employees set specific goals, when goals are difficult but accepted, and when there is feedback on performance. Participation in goal setting is important as a means of getting agreement to the setting of higher goals. Difficult goals must be agreed, and their achievement reinforced by guidance and advice. Finally, feedback is vital in maintaining motivation, particularly towards the achievement of even higher goals (Latham and Locke, 1979). The focus of goal setting theory is on the core properties of an effective goal. These properties are as follows: specificity and difficulty level; goal effects at the individual, group, and organization levels; the proper use of learning versus performance goals; mediators of goal effects; the moderators of goal effects; the role of goals as mediators of other incentives; and the effect of goal source (e.g., assigned vs. self-set vs. participatively set) (Locke and Latham, 2002).

Based on the analysis of Armstrong (2006), emphasis should be given to the acceptance of and commitment to goals (Erez and Zidon, 1984). It is found that, as long as they are agreed, demanding goals lead to better performance than easy ones. Erez (1977) also emphasized the importance of feedback. As Robertson et al., (1992) point out: Goals inform individuals to achieve particular levels of performance, in order for them to direct and evaluate their actions; while performance feedback allows the individual to track how well he or she has been doing in relation to the goal, so that, if necessary, adjustments in effort, direction or possibly task strategies can be made.

Goal theory, as developed by Latham and Locke (1979), highlights four mechanisms that connect goals to performance outcomes: i. they direct attention to priorities; ii. they stimulate effort; iii. they challenge people to bring their knowledge and skills to bear to increase their chances of success; and iv. the more challenging the goal, the more people will draw on their full repertoire of skills (Armstrong and Taylor, 2020).

3.3.3 Feelings of Equity

As Huseman et al., (1987) point out equity theory (Adams, 1963, 1965) draws from exchange, dissonance, and social comparison theories in making predictions about how individuals manage their relationships with others. Four propositions capture the objectives of the theory:

1. Individuals evaluate their relationships with others by assessing the ratio of their outcomes from and inputs to the relationship against the outcome/input ratio of a comparison other.

2. If the outcome/input ratios of the individual and comparison other are perceived to be unequal, then inequity exists.
3. The greater the inequity the individual perceives (in the form of either overreward or underreward), the more distress the individual feels.
4. The greater the distress an individual feels, the harder he or she will work to restore equity and, thus, reduce the distress. Equity restoration techniques include altering or cognitively distorting inputs or outcomes, acting on or changing the comparison other, or terminating the relationship.

The theory's distress prediction (Proposition 3 above) is based upon the assumption that individuals are equally sensitive to equity; that is, the general preference is that outcome/input ratios be equal to that of the comparison other. This premise has been termed the '*norm of equity*' .

Equity theory, as defined by Adams (1965), is concerned with the perceptions people have about how they are being treated as compared with others. He proposed that employees assess the fairness or otherwise of their rewards (outcomes) in relation to their effort or qualifications (inputs) and that they do this by comparing their own input/output ratio against that of other individuals. If the input/output ratio is perceived to be unfavourable, they will feel that there is reward inequity (Armstrong, 2006). Equity is not synonymous with equality, which means treating everyone the same, since this would be inequitable if they deserve to be treated differently.

Adams equity theory (1965) suggests two forms of equity: *distributive equity* and *procedural equity,* or procedural justice. Distributive justice is concerned with the fairness with which people feel they are valued in accordance with their contribution and in comparison with others; while, procedural equity is concerned with the perceptions of fairness of the processes and procedures used by the organization/managers to make decision regarding the allocation of rewards.

As noted by Williams (1999), procedural justice consists of two components: (a) the presence or absence of distribution procedures such as involvement in decisional control and (b) interactional justice or the explanations employees receive about formal procedures. For the first procedural justice component, fairness perceptions increase when people are allowed to offer procedural inputs or when they influence decision processes that affect them. Research on the second component, interactional justice, has indicated that providing decisional justification during the decision process ('*voice*') can influence the consequences associated with decisional outcomes. Hence, based on the author arguments, both fair procedures, such as allowing employees a voice in the decision process, and perceptions of fair treatment, such as providing employees with information justifying the outcome they receive, are thought to increase the probability that resulting outcomes will be believed to be fair by the recipient.

4. The Role of Rewards in Workplace Motivation

The term *'reward'* comes from Middle English meed, mede ('reward, meed, recompense'). In the field of human resource management, the concepts of reward, compensation and remuneration are used interchangeably. In general, rewards are a system of elements to compensate performance of subjects and incentivize their motivation within organizations (Coccia and Benati, 2018, p. 71).

As described earlier, people are guided by four basic emotional needs, or *drives*. The drives to *acquire* (obtain scarce goods, including intangibles such as social status); *bond* (form connections with individuals and groups); *comprehend* (satisfy our curiosity and master the world around us); and *defend* (protect against external threats and promote justice) (Lawrence and Nohria, 2002). To fully motivate their employees, companies must address all four drives. For each of the four emotional drives that employees need to fulfil, companies have a primary organizational lever to use. The following Table (4.1) matches each drive with its corresponding lever and lists specific actions that companies can take to make the most of the tools at its disposal (Nohria, et al. 2008, p. 4).

Table 4.1 How to fulfill the drives that motivate employees

DRIVE	PRIMARY LEVER	ACTIONS
1 Acquire	Reward System	■ Sharply differentiate good performers from average and poor performers ■ Tie rewards clearly to performance ■ Pay as well as your competitors
2 Bond	Culture	■ Foster mutual reliance and friendship among coworkers ■ Value collaboration and teamwork ■ Encourage sharing of best practices
3 Comprehend	Job Design	■ Design jobs that have distinct and important roles in the organization ■ Design jobs that are meaningful and foster a sense of contribution to the organization
4 Defend	Performance-Management and Resource-Allocation Processes	■ Increase the transparency of all processes ■ Emphasize their fairness ■ Build trust by being just and transparent in granting rewards, assignments, and other forms of recognition

Source: Nohria, N., Groysberg, B. and Lee, L., 2008. Employee motivation: A powerful new model. Harvard business review, 86(7/8), p.78.

The first is the drive to *acquire* which refers to physical goods, such as food, clothing, housing and money, as well as entertainment and what promotes social status. The drive to acquire is inbuilt in people, but it is also relative - since individuals *compare* what others have with what they have, and it is also insatiable - people will always want more (Lawrence and Nohria, 2002). Nohria et al. (2008) claim that the drive to *acquire* is satisfied by *the reward system of the organization*.

Therefore, workplace motivation is the force that convinces employees to behave and perform in a way that leads to reward (acquisition) (Dessler and Phillips, 1980). Armstrong, (2015) defines employees' rewarding as the provision of various incentives in order to reinforce the desirable working behavior in turn for their service to the organization. Empirical evidence has demonstrated that motivation and rewarding are considered as two interconnected organizational practices, as employees who are rewarded for their performance and the value they add to their organizations, tend to be more motivated and strive for success (Dar et al., 2014). Therefore, organizations should provide employees with adequate resources and various types of rewards, both financial and non-financial, to motivate them effectively.

According to Shields et al., (2015), reward management refers to all actions of rewarding employees fairly, equitably and consistently in relation to their value to their organization and by taking into account their individual needs, competencies, skills and experiences. The importance of rewards and their extensive use in the organizations, make the design and implementation of the reward system more crucial.

Moving a step further, total rewards systems are defined as systems that provide various monetary and non-monetary rewards to employees, in order to boost their performance and improve several types of attitudes (i.e. job satisfaction, work engagement, organizational commitment, job strain) towards work itself, the organization and co-employees (DelVecchio and Wagner, 2011). As organizations have been struggling to find a balance between managing talent through rewards and managing costs (Towers, 2009), providing both financial and non-financial incentives seems a key success factor for motivating employees.

4.1 Types of Rewards

The size of the rewards, the way in which the rewards follow performance, whether people expect to obtain valuable rewards and what they find fair in relation to what others receive play an important role in the appreciation of rewards. In exchange for these rewards, employees would increase efforts for the organization (van Eerde, 2015).

Stater and Stater, (2019, p. 496) define '*work rewards*,' as any aspect of the job or workplace that potentially helps to improve the experience of work. Work rewards are often divided into the categories of '*extrinsic*' and '*intrinsic*,' which are based, respectively, on the *'hygiene'* and *'motivational'* factors articulated by Herzberg et al., (1967). *Extrinsic* rewards relate to the context in which the work is performed and are considered external factors to the job. Examples include pay, benefits, avoiding punishment, status, organizational reputation, job security, relationships with peers and management, and working conditions (Iacqua et al., 1995; Kalleberg, 1977; Rainey, 1983; Wright, 2004). *Intrinsic* motivation refers to benefits of a job that flow from the task itself and allow workers to experience psychological growth and develop self-motivation. It refers to the behavior that is driven by internal rewards. These include how interesting, challenging, or important the work is; the potential for skill utilization and development; the degree of responsibility and autonomy involved; and the potential it offers for personal growth and achievement (Buelens and Van den Broeck, 2007; Kalleberg, 1977; Knapp et al., 2017; Wright, 2004).

Stater and Stater, (2019, p. 496) also defined *social rewards* as extrinsic and intrinsic rewards that are produced by interactions with others or through tasks that are intended to benefit a group. For example, compensation and promotions are extrinsic rewards that accrue primarily to the worker alone, but meaningful interactions with co-workers and supervisors and a supportive, collaborative relationship with management are extrinsic social rewards that arise from a social exchange, can create positive relationships, and affect a larger group. Similarly, the chance to utilize one's skills and learn new things are *intrinsic* rewards that focus on the joy of the work itself and mainly benefit the individual worker.

A broader distinction of rewards includes monetary and nonmonetary benefits. The former includes fixed (i.e. salary and benefits) and variable rewards (i.e. incentives contingent upon individual, group, or organization performance) (Chiang and Birtch, 2012). Examples of *monetary* rewards include base pay, cost-of-living adjustments, short-term incentives, and long-term incentives (Aguinis et al., 2013). The nonmonetary rewards also include tangible rewards provided and controlled by firms (Kanungo and Hartwick, 1987). However, in contrast, these do not benefit employees in a financial sense. Examples include recognition, alternate work arrangements, and training and development opportunities (Chiang and Birtch, 2012). Hence, nonmonetary rewards involve not only praise and recognition but also various goods and services. The difference between monetary and nonmonetary rewards is that the former involves cash, whereas the latter can be relabelled noncash rewards. Other examples of nonmonetary rewards include training and development, tuition reimbursement, coveted parking spaces, a gym membership, a new piece of furniture, going to social events or vacations with coworkers, and even an opportunity to get out of one’s least favourite project (reserved for top performers only) (Aguinis et al., 2013).

4.2 Total Reward System

A reward system consists of the policies and mechanisms by which organizations administer employee rewards, for example, by annual pay increases. A reward system should satisfy the goals associated with the strategy of an organization, while at the same time should be attractive, cost effective, and fair (van Eerde, 2015).

Monetary rewards can improve employee motivation and performance because they can satisfy a wide range of low- and high-level needs (Long and Shields, 2010). However, the use of monetary rewards does not always lead to desirable outcomes. Aguinis et al. (2013) in their study offered research-based recommendations on how to design and implement effective monetary reward systems that would maximize positive outcomes and minimize negative ones (Table 4.2).

As presented in Table 4.2 their *fifth principle* involves the use of nonmonetary rewards in addition to monetary rewards. The reason is that nonmonetary rewards serve to develop and motivate employees in ways in which monetary rewards do not (Long and Shields, 2010). Paying employees more does not necessarily improve their job-relevant knowledge. But certain nonmonetary rewards are designed to do just that. For example, valuable *training and development* opportunities, offered as rewards for good performance, help not only motivate employees but also increase their job-relevant knowledge and skills (Brown and Sitzmann, 2011).

Table 4.2 Research-based recommendations on principles and implementation guidelines for using monetary rewards effectively

Principles	Implementation Guidelines
1. Define and measure performance accurately	• Specify what employees are expected to do, as well as what they should refrain from doing. • Align employees' performance with the strategic goals of the organization. • Standardize the methods used to measure employee performance. • Measure both behaviors and results. But, the greater the control that employees have over the achievement of desired outcomes, the greater the emphasis should be on measuring results.
2. Make rewards contingent on performance	• Ensure that pay levels vary significantly based on performance levels. • Explicitly communicate that differences in pay levels are due to different levels of performance and not because of other reasons. • Take cultural norms into account. For example, consider individualism-collectivism when deciding how much emphasis to place on rewarding individual versus team performance.
3. Reward employees in a timely manner	• Distribute fake currencies or reward points that can later be traded for cash, goods, or services. • Switch from a performance appraisal system to a performance management system, which encourages timely rewards through ongoing and regular evaluations, feedback, and developmental opportunities. • Provide a specific and accurate explanation regarding why the employee received the particular reward.
4. Maintain justice in the reward system	• Only promise rewards that are available. • When increasing monetary rewards, increase employees' variable pay levels instead of their base pay. • Make all employees eligible to earn rewards from any incentive plan. • Communicate reasons for any failure to provide promised rewards, changes in the amount of payouts, or changes in the reward system.
5. Use monetary and nonmonetary rewards	• Do not limit the provision of nonmonetary rewards to noneconomic rewards. Rather, use not only praise and recognition, but also noncash awards consisting of various goods and services. • Provide nonmonetary rewards that are need-satisfying for the recipient. • Distribute nonmonetary rewards based on the other four principles of using monetary rewards effectively. • Use monetary rewards to encourage voluntary participation in nonmonetary reward programs that are more directly beneficial to employee or organizational performance.

Source: Aguinis, H., Joo, H. and Gottfredson, R.K., 2013. What monetary rewards can and cannot do: How to show employees the money. *Business Horizons*, 56(2), pp.241-249.

During the past years, the rewards profession has rebranded '*Compensation*' or '*Compensation and Benefits*' to '*Rewards*' or '*Total Rewards*.' The updated terms emphasize all types of extrinsic rewards (salaries, incentives, recognition, benefits) and intrinsic rewards (job design, careers) (Ledford, 2014).

'*Total rewards*' encompass not only compensation and benefits but also personal and professional growth opportunities and a motivating work environment. It includes not just traditional financial rewards (wages and incentives plus benefits and perks), but also non-financial and intangible rewards such as recognition, the nature of the job/quality of work, career development opportunities, good relationships with managers and colleagues, organizational justice, trust in employees, feeling of being valued and involved, opportunities for promotion, and a great work climate. Total rewards also include recognition programs and redesigned jobs, telecommuting programs, health and well-being programs, and training and career development (Dessler, 2017, p. 376). Total rewards schemes involve a mix of complimentary activities besides fixed and variable pay that reward employees, and at the same time, are tied to the overall organizational strategy, mission and goals (Taylor, 2011). Armstrong (2010) proposes that such a reward system should include financial (fixed and variable) benefits, work life, recognition of performance and job achievements, provision of professional development and training opportunities, promotions and opportunities for enhancing work experience.

According to Brown et al., (2005), although reward strategies have traditionally been based on financial rewards, many businesses are now implementing a *'total rewards'* approach driven by, *first*, the rapid cost increase in specific areas of benefits such as pensions, *second*, by the recognition that employees are as much motivated by non-financial factors (e.g. good learning opportunities and autonomous work) as by financial packages, and *third*, by an increased diversification of the workforce (i.e. individuals value particular rewards differently). The concept of '*total rewards*' (e.g. Armstrong, 2010; Armstrong and Brown, 2006, 2009; Gross and Friedman, 2004; Jiang, 2009) is defined as an approach to employee rewards which incorporates financial rewards (pay and benefits), as well as other rewarding experiences, such as the type of work, work environment, management and leadership style, and opportunities for learning and development (see Table 4.3).

Considering the importance of attraction, retention and engagement of employees, total rewards offer a value proposition which embraces people's values regarding employment relationships. At the same time total rewards is a model that is best fit and tailored to the organization's culture and work processes while it is aligned with other business/HR policies, practices, and strategies (Prouska et al., 2016).

Table 4.3 Total reward system

Individual	***Transactional***
Base pay	Pensions
Contingent pay	Holidays
Bonuses	Health care
Incentives	Other perks; Flexibility
Shares, Profit	
Relational	***Communal***
Learning and development	Leadership; Organizational values; Voice;
Training	Recognition; Achievement; Job design;
Career development	Work-life balance

Source: Armstrong, M. and Brown, D. 2006. *Strategic reward: making it happen.* Kogan Page Publishers.

A total rewards approach enhances the quality of the relationship between employees and employers, supports organizational efforts as regards attraction and retention of talented employees through creating a psychological contract, provides opportunities for building a positive working environment, satisfy individual employees’ needs, and has a profound impact on their motivation and commitment (Armstrong, 2010).

5. Review of Motivation in the Public Sector

5.1 Constraints in Motivating Public Servants

This is a challenging time to be a public servant. Budget constraints and rhetoric about the size, the function, scope and effectiveness of the public sector have generated criticism not just of government but also of the public servants who deliver the public services (Lavigna, 2014). Indeed, several national surveys indicate a widespread belief that, in general, government employees are underworked and overpaid. In turn, these public criticisms have a negative effect on their work behaviors feeling less engaged and less motivated. Consequently, the task of motivating public sector employees may be greater than that for private sector employees (Chamberlain, 2015; Langbein and Lewis, 1998).

Motivating public sector employees is a key function for public management but one that has been largely ignored by scholars (Wright, 2007). Lavigna (2014), lists eight factors that make it more challenging to motivate government employees:

- **Prevailing negative attitudes about government and government employees.** Opponents of government, including politicians and some media, portray public sector employees as overpaid and underworked. Consequently, these opinions affect negative employee morale and engagement.

- **Frequent and abrupt changes in leadership.** The direction of public agencies changes with each election, often bringing new elected or appointed managers with brief tenures, specific policy agendas, and short-term perspectives.

- **Hard-to-measure achievement.** The goals of government agencies are hard to translate into objectively measurable units since they are often long-term or vague.

- **An older workforce.** The government workforce is more educated and more white-collar than the private-sector workforce. It is also older.

- **Strong civil-service rules and employee protections.** Engagement suffers terribly when some employees are seen as getting away with not pulling their weight. The fact that public employees have stronger job protections, even in nonunion organizations, than their private-sector colleagues, makes it more difficult to deal with poor performers.

- **Constraints on the use of financial incentives.** Government agencies usually cannot provide performance incentives like large pay raises and bonuses; or perks like stock options, fitness center club memberships, and car services. Faced with limited ways to reward and recognize performance, government managers need to focus on agency mission and impact, and also provide nonfinancial recognition. This includes adopting workplace flexibility practices and providing non-financial recognition that sometimes means simply saying *'thank you'* and praising good performance.

- **Strong union influence.** Unlike in the private sector, where union membership has declined to an all-time low, union membership in the public sector remains stable.

- **Different employee motivations.** Public servants find meaning in their work by making a positive difference in the lives of the citizens they serve.

5.2 Factors that Make Public Sector Attractive

As far as the attractiveness of public sector employment is concerned, there are several institutional values and extrinsic incentives that allow for individual utility maximization. Ritz et al., (2016) argue that public organizations offer relatively high job-security and protection against dismissal, good career perspectives, relatively high salaries in low- and mid-level ranks, stable salaries overall, as well as a robust salary development scale, all of which can be attractive to certain individuals motivated by such benefits (Buelens and Van den Broeck, 2007; French and Emerson, 2014; Karl and Sutton 1998; Lewis and Frank, 2002; Perry and Hondeghem, 2008). In addition, the authors point out that pension schemes for public employees generally guarantee security and independence, as well as that public organizations often offer more favorable working hours and vacation schemes such as job-security, guaranteed salary and career-development, and further privileges (Ritz et al., 2016, p. 8; OECD, 2013).

During the financial crisis a survey was conducted in Central/Federal Governments of 35 OECD countries, called the *Strategic Human Resource Management Survey* (2016a), with the aim to identify the overall attractiveness of their civil service as employees. The results were optimistic (see Figure 5.1). Only three countries report decreases in civil service attractiveness over the last five years, while eleven countries report increases. In the context of tight resource constraints, the attractiveness of the public sector needs to be managed through active employer branding. Learning opportunities, integrity and ethics, diversity and inclusion, and work-life balance are the features that are highlighted by a majority of countries in their recruitment material. Elements that were traditionally associated with public sector employment, such as pension, appear to take a backseat, which suggests that public sector is undertaking a rebranding in many OECD countries because of resource allocation (OECD, 2016b).

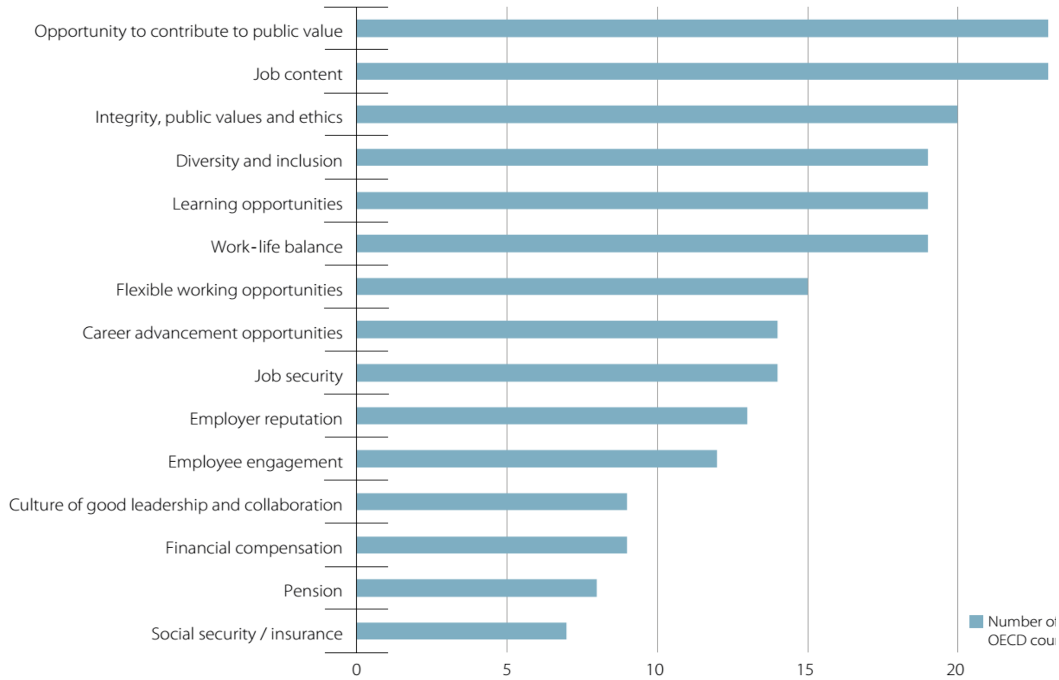

Figure 5.1 Elements highlighted in civil service recruitment material

Source: OECD 2016a, *Survey on Strategic Human Resources Management in Central/Federal Governments of OECD Countries*, OECD, Paris.

Overall, the public sector is an attractive employer in times of recession. *Job security* remains a very important reason when choosing an employer. A survey conducted for Randstad in 2019, demonstrated that employees would be prepared to sacrifice pay in return for job security. Indeed, two out of three employees are actually willing to do this. On average, people are prepared to sacrifice 6% of their salary. Young people and the unskilled are willing to sacrifice the most (9% and 8%, respectively) (Randstad, 2019).

5.3 Factors that Affect Public Organizations' Reward Systems

Several features of public organizations affect reward systems. The study of White (2016, pp. 3-4) identifies four characteristics of the public sector that affect the design and the implementation of reward systems. *First*, public accountability affects the design of reward systems since public servants are under the direct control of the government; their salaries are paid for through taxation and jobs are directed to supply public services for the benefit of citizens and society. In fact, public sector provides services that tend to be public goods: they transcend commercial and economic goals and are aimed to "social utility that benefits all and excludes none" (Beszter 2016, p. 356). *Second*, public sector tends to be labour rather than capital intensive. As a matter of fact, the reduction of personnel in public organization can generate a reduction of the quantity and quality of public services. *Third*, many public services can be a public good (being non-rivalrous and non-excludable) that generates local or national monopolies, or natural monopolies in specific sectors with high infrastructural costs, such as water and electricity. Public services have also market failures and need government regulation. *Fourth*, high level of union membership in the public services of many countries has generated centralized and bureaucratic approaches to reward (Coccia and Igor, 2018).

Wright (2007, p. 60) also argues that: "*the intrinsic rewards provided by the nature or function of the organization may be more important to public sector employees than - or compensate for the limited availability of - performance-related extrinsic rewards*". In short, the public sector has a low dependence from monetary incentives and it is basic to find a balance between extrinsic rewards (e.g., pay) and intrinsic rewards to improve job satisfaction (Crewson, 1997, p. 504; Perry et al., 2010; Rainey, 1982; Benati and Coccia, 2018).

Considering the debt crisis and the budget constraints, the combination of the limited tangible with the intangible incentives can have a synergistic effect on motivation. In turbulent business environments, it is even more crucial to find alternative ways of gaining full potential from employees. Public organizations lack the required financial resources to provide monetary rewards and employees' benefits are drastically reduced as organizations want to cut their costs.

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PART III

Review of the

Greek Public

Sector Reform

6. Features of the Greek Crisis

The economic crisis that spread across Europe in 2009 has produced a wave of public policy reforms in most European countries. A combination of factors initially made Southern Europe, Ireland and especially Greece more vulnerable to speculative attacks and thus more affected by the crisis. The EU country with the highest public debt throughout this turbulent period is Greece, reaching 176,6% of GDP in 2019, followed by Italy (134.8%) and Portugal (117.7%) (see Table 6.1 and Figure 6.1).

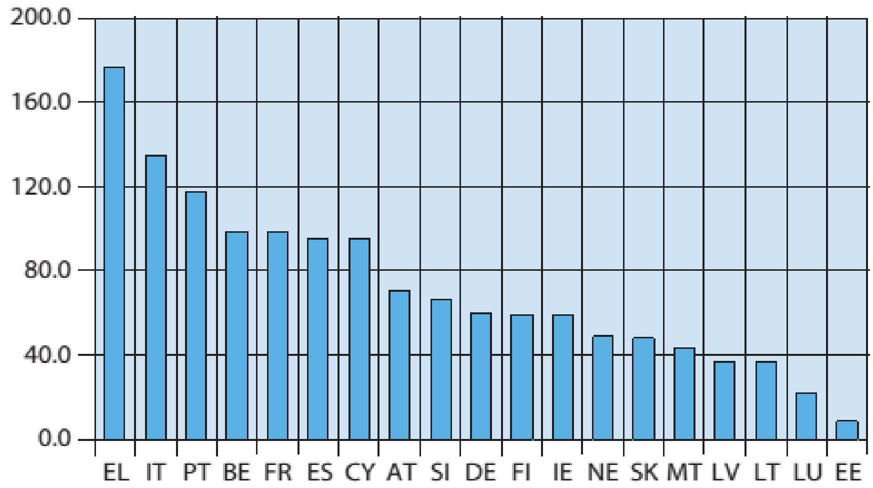

Figure 6.1 Euro area countries: General Government gross debt as percentage of GDP, 2019

Sources: Eurostat, ELSTAT (2020)

Table 6.1 Euro area countries: General Government gross debt as percentage of GDP, 2015-2019

Countries	2015	2016	2017	2018	2019
EU 27	84.7	84.0	81.6	79.6	77.8
Euro area					
Austria (AT)	84.9	82.9	78.3	74.0	70.4
Belgium (BE)	105.2	104.9	101.7	99.8	98.6
France (FR)	95.6	98.0	98.3	98.1	98.1
Germany (DE)	72.1	69.2	65.3	61.9	59.8
Greece (EL)	175.9	178.5	176.2	181.2	176.6
Estonia (EE)	10.0	10.2	9.3	8.4	8.4
Ireland (IE)	76.7	73.8	67.7	63.5	58.8
Spain (ES)	99.3	99.2	98.6	97.6	95.5
Italy (IT)	135.3	134.8	134.1	134.8	134.8
Cyprus (CY)	107.5	103.4	93.9	100.6	95.5
Latvia (LV)	37.3	40.9	39.3	37.2	36.9
Lithuania (LT)	42.6	39.7	39.1	33.8	36.3
Luxembourg (LU)	22.0	20.1	22.3	21.0	22.1
Malta (MT)	58.0	55.5	50.3	45.6	43.1
Netherlands (NE)	64.6	61.9	56.9	52.4	48.6
Portugal (PT)	131.2	131.5	126.1	122.0	117.7
Slovakia (SK)	51.9	52.0	51.3	49.4	48.0
Slovenia (SI)	82.6	78.7	74.1	70.4	66.1
Finland (FI)	63.6	63.2	61.3	59.6	59.4
Non-euro area					
Bulgaria (BG)	26.0	29.3	25.3	22.3	20.4
Denmark (DK)	39.8	37.2	35.8	33.9	33.2
Croatia (HR)	84.3	80.8	77.8	74.7	73.2
Hungary (HU)	76.2	75.5	72.9	70.2	66.3
Poland (PL)	51.3	54.3	50.6	48.8	46.0
Romania (RO)	37.8	37.3	35.1	34.7	35.2
Sweden (SE)	43.9	42.2	40.8	38.8	35.1
Czechia (CZ)	40.0	36.8	34.7	32.6	30.8

Sources: Eurostat, ELSTAT (2020)

Greece was the first country to seek financial assistance from the European Union (EU) and as a result in March 2010 the leaders of the Eurozone created a financial aid mechanism which involved the participation of the International Monetary Fund (IMF) and of the Euro countries through bilateral agreements. The European Commission and the European Central Bank (ECB) were made responsible for overviewing the implementation of the agreement and a Memorandum of economic and financial policies was signed in May 2010. The Memorandum, as well as the subsequent agreements of July 21st and October 26th, clearly required public services reforms. Public administration is still outlined as a key obstacle to recovery and further measures are proposed (Ladi, 2012; OECD, 2011).

6.1 Unemployment

Monastiriotis and Martelli, (2019) in their study support that the crisis in Greece was an enormous shock which caught unprepared not only its fiscal authorities (as well as those of the Eurozone) but also its economic policy-makers and the domestic economic actors more generally. After years of fast growth and (slowly) declining unemployment, Greece entered the height of the global financial crisis with record-low unemployment and record-high labour force participation. The fiscal derailment revealed at the end of 2009 and the sovereign debt crisis that ensued in 2010 turned quickly this optimistic picture around. A series of economic and policy shocks contributed to this sudden rise in unemployment, the biggest in peace-time modern European history. The initial tax-hikes and public sector pay-cuts, which supressed demand and economic activity, were followed by a period of political instability and deep uncertainty about the country's future inside the Eurozone, leading to sizeable capital flight, disinvestment and liquidity problems, which further dampened demand conditions in the country and catapulted unemployment. Unemployment started rising fast - and in 2011/2012 at an accelerating pace - moving from 7.8% in 2008 to 12.7% in 2010 and to 24.5% in 2012, before stabilising at just above 27% in 2013. In recent years, Greece's unemployment rate has fallen steadily. However, it remains the highest in the Eurozone by far (see Figure 6.2 and Table 6.2).

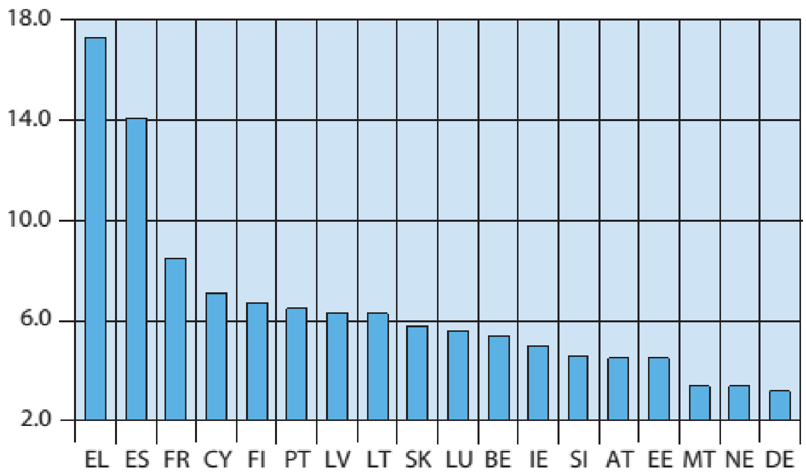

Figure 6.2 Unemployment rate (%) in euro area countries, 2019

Source: Eurostat, ELSTAT (2020)

Table 6.2 EU: Unemployment rate, 2015-2019

Countries	2015	2016	2017	2018	2019
EU 27	10.1	9.1	8.2	7.3	6.7
Euro area					
Austria (AT)	5.7	6.0	5.5	4.9	4.5
Belgium (BE)	8.5	7.8	(2)7,1	6.0	5.4
France (FR)	10.4	10.0	9.4	9.0	8.5
Germany (DE)	4.6	4.1	3.8	3.4	3.2
Greece (EL)	24.9	23.6	21.5	19.3	17.3
Estonia (EE)	6.2	6.8	5.8	5.4	4.5
Ireland (IE)	10.0	8.4	6.7	5.8	5.0
Spain (ES)	22.1	19.6	17.2	15.3	14.1
Italy (IT)	11.9	11.7	11.2	10.6	…
Cyprus (CY)	15.0	13.0	11.1	8.4	7.1
Latvia (LV)	9.9	9.6	8.7	7.4	6.3
Lithuania (LT)	9.1	7.9	7.1	6.2	6.3
Luxembourg (LU)	6.5	6.3	5.6	5.5	5.6
Malta (MT)	5.4	4.7	4.0	3.7	3.4
Netherlands (NE)	6.9	6.0	4.9	3.8	3.4
Portugal (PT)	12.6	11.2	9.0	7.0	6.5
Slovakia (SK)	11.5	9.7	8.1	6.5	5.8
Slovenia (SI)	9.0	8.0	6.6	5.1	4.6
Finland (FI)	9.4	8.8	8.6	7.4	6.7
Non-euro area					
Bulgaria (BG)	9.2	7.6	6.2	5.2	4.2
Denmark (DK)	6.3	6.0	5.8	5.1	5.0
Croatia (HR)	16.1	13.4	11.0	8.4	6.8
Hungary (HU)	6.8	5.1	4.2	3.7	3.4
Poland (PL)	7.5	6.2	4.9	3.9	3.3
Romania (RO)	6.8	5.9	4.9	4.2	3.9
Sweden (SE)	7.4	6.9	6.7	(2)6,3	6.8
Czechia (CZ)	5.1	4.0	2.9	2.2	2.0

Sources: Eurostat, ELSTAT (2020)

6.2 Poverty and Inequality

The study of Andriopoulou et al., (2017) reveals that an important feature of the Greek crisis, that distinguishes it from other deep crises, is its duration. As they claim, countries with similar or even higher declines in output, such as the US in the mid-war period, Argentina in the early 2000s or Latvia in late 2000s, started growing again after a few years (Reinhart and Rogoff, 2009). Greece only recorded a modest positive growth rate in 2014 in the last ten years. Naturally, such a deep and prolonged crisis is likely to affect both the living standards of the various population groups in absolute terms and their relative position in the income distribution.

Figure 6.3, adopted from Andriopoulou et al., (2017), presents the evolution that took place in the entire income distribution between 2007 and 2014. More specifically, it shows the distributions of equivalised disposable income per capita for both years in constant 2014 prices using kernel density functions. A massive shift of the distribution to the left is evident. According to Eurostat, the population of Greece declined by -2.4% between these years. As a result, the cumulative decline in GDP per capita during the period 2007-2014 is marginally lower than the decline in total GDP (-24.6% vs -26.4%). However, due to the fact that a very considerable proportion of the stabilization effort relied on tax increases, the decline in mean equivalised disposable income per capita was substantially larger, reaching a staggering -39.9% (Andriopoulou et al., 2017).

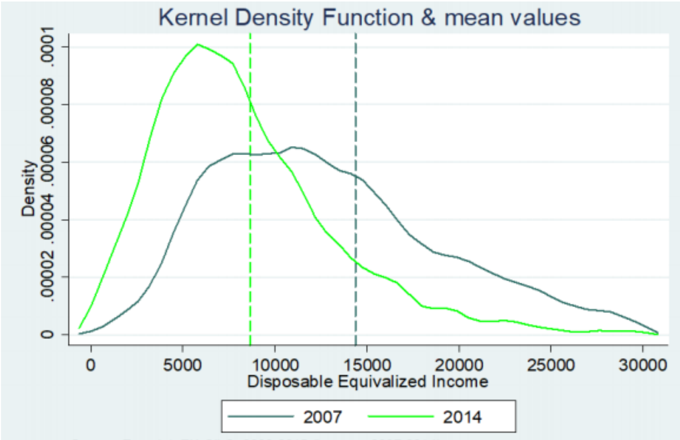

Figure 6.3 Income distribution: 2007 and 2014

Source: Andriopoulou E., Karakitsios A.,Tsakloglou P. 2017. Inequality and Poverty in Greece: Changes in Times of Crisis. GreeSE Paper No. 116. *Hellenic Observatory Papers on Greece and Southeast Europe.*

'Poverty' and, to a lesser extent, *'inequality'* were almost constantly at the forefront of the public discourse in the years of the crisis. The main claim made in this discourse was that poverty and inequality rose steeply during the crisis and that successive pension cuts led to the impoverishment of large segments of the elderly population. Inevitably, poverty has risen since the crisis to reach one third of the population hence tackling poverty and inequality must be an urgent policy priority (see Table 6.3 and Figure 6.4). A number of empirical investigations can be found in the literature examining in depth the above claims, as well as the effects of particular policies adopted in recent years (Matsaganis and Leventi, 2013, 2014a, 2014b; Artelaris and Kandylis, 2014; Koutsogeorgopoulou et al, 2014, Mitrakos, 2014; Kaplanoglou, 2015; Katsikas et al, 2015; Kaplanoglou and Rapanos, 2016).

Table 6.3 EU: People at-risk-of-poverty or social exclusion, 2015-2019

	2015	2016	2017	2018	2019
EU 27	(2)23.8	(2)23.7	(2)22.5	(2)21.6	…
Euro area					
Austria (AT)	18.3	18.0	18.1	17.5	16.9
Belgium (BE)	21.1	20.9	20.6	20.0	…
France (FR)	17.7	18.2	17.0	17.4	…
Germany (DE)	20.0	19.7	19.0	18.7	…
Greece (EL)	35.7	35.6	34.8	31.8	…
Estonia (EE)	24.2	24.4	23.4	24.4	…
Ireland (IE)	26.2	24.4	22.7	21.1	…
Spain (ES)	28.6	27.9	26.6	26.1	…
Italy (IT)	28.7	30.0	28.9	27.3	…
Cyprus (CY)	28.9	27.7	25.2	23.9	…
Latvia (LV)	30.9	28.5	28.2	28.4	27.3
Lithuania (LT)	29.3	30.1	29.6	28.3	…
Luxembourg (LU)	18.5	(1)19.8	21.5	21.9	…
Malta (MT)	23.0	20.3	19.3	19.0	20.2
Netherlands (NE)	16.4	(1)16.7	17.0	16.7	…
Portugal (PT)	26.6	25.1	23.3	21.6	…
Slovakia (SK)	18.4	18.1	16.3	16.3	…
Slovenia (SI)	19.2	18.4	17.1	16.2	…
Finland (FI)	16.8	16.6	15.7	16.5	15.6
Non-euro area					
Bulgaria (BG)	41.3	(1)40.4	38.9	32.8	32.5
Denmark (DK)	17.7	16.8	17.2	17.0	16.3
Croatia (HR)	29.1	27.9	26.4	24.8	…
Hungary (HU)	28.2	26.3	25.6	19.6	18.9
Poland (PL)	23.4	21.9	19.5	18.9	18.2
Romania (RO)	37.4	38.8	35.7	32.5	31.2
Sweden (SE)	18.6	18.3	17.7	18.0	…
Czechia (CZ)	14.0	13.3	12.2	12.2	…

Source: Eurostat

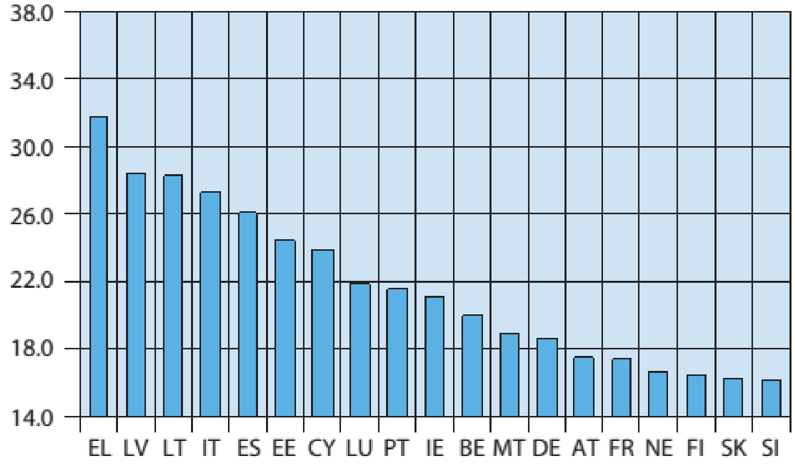

Figure 6.4 Euro area countries: People at-risk-of-poverty or social exclusion (%), 2018

Source: Eurostat

In conclusion, poverty and income inequality have worsened since the onset of the crisis. While the design of fiscal measures has mitigated the burden sharing of fiscal adjustment, as the recession has deepened unemployment has risen, earnings have declined and social tensions have increased. Getting people back to work and supporting the most vulnerable remain priorities for inclusive growth and distributing the costs of adjustment equitably (Koutsogeorgopoulou et al., 2014).

7. Greek Public Sector During Crisis

In the past nine years, the Greek administration has undergone a wide range of reforms. The outcome of administrative reforms that took place in the past years in two core state areas relating to the use of state resources and presenting similar problems: (i) budgeting and fiscal management, as analyzed in the previous chapter and (ii) human resources management, that will be examined in this section. Reforms in these areas are assessed in relation to targeted administrative deficiencies. The sovereign debt crisis exposed the deficiencies of the Greek public sector and was seen as a window of opportunity for radical transformation. An ambitious reform agenda became part of the structural reforms of the MoUs. (Spanou, 2019).

The escalating fiscal/debt crisis that hit the Greek economy in 2010 worked as a key accelerator for introducing forced adjustments at all levels of public administration. Under the heavy pressure of economic contraction and severe austerity, the public sector was placed at the forefront of the required reforms, imposing a drastic reduction of its size, scope and cost (Lampropoulou, 2017).

To address the severe crisis, the European Stability Mechanism (ESM) was set up to provide loans to Greece in order to help put the country's economy back on a sound footing and return to growth. The Greek government had to make necessary structural changes and introduce measures to improve the management of public finances as set out in the memoranda of understanding that correspond to the loan agreements. The implementation of the reform measures is linked to the corresponding facility agreements, with representatives of the Troika (the International Monetary

Fund, the European Commission and the European Central Bank) travelling to Athens every three months to examine progress of the memorandum’s implementation. If progress is satisfactory, the next tranche of the loan from the ESM is released (Lampousaki, 2016).

Structural reforms in the labour market have been explicitly required by the institutions representing Greece’s official creditors, namely the European Central Bank (ECB), European Commission (EC), International Monetary Fund (IMF) and the European Stability Mechanism (ESM), in return for three loan agreements provided to avert a default of the country on its sovereign debt. Following Greece’s inability to access international bond markets and in order to avert a default on its sovereign debts, the then Greek government agreed in May 2010 a loan to be advanced jointly by Eurozone states and the IMF. In return for this, it was agreed that the institutions representing Greece's official creditors (EC, IMF, ECB and ESM) would prepare and oversee a programme of fiscal consolidation and ‘structural reforms’. The Memorandum of Economic and Financial Policies (MEFP) contained in addition to fiscal reforms, which were the cornerstone of the programme, structural policies to strengthen labour markets and income policies (Koukiadaki and Grimshaw, 2015). Reform measures taken in the field of public employment included the management of salaries, training policies, saving measures in the field of HRM, changing working hours and working time, job security and status reforms (Demmke, 2017).

7.1 New Public Management (NPM) Reforms

7.1.1 The notion of NPM

NPM, dominated and debated the field of public administration since the early 1980s and has become an umbrella term covering a set of public sector reforms carried out across most OECD countries (Alonso et al., 2015). According to Pollitt and Bouckaert (2011), NPM refers to the theoretical notion that the public sector could be improved with the introduction of business concepts, techniques, and values, borrowed by the private sector. Fragouli and Christoforidis (2019), have stressed out that NPM's main goal is to reverse the traditional approach of public management by reducing the differences between the public and the private sector, and by shifting the emphasis from process accountability towards accountability for results (Bach and Bordogna, 2011).

NPM is best understood as a *conceptual framework* that draws on private sector notions of disaggregated operations with market-based controls to produce efficient and effective outcomes in the public sector (Marshall and Abresch, 2016). As Box (1999, p.19) proclaimed: "*The public sector faces increasing demands to run government like a business, importing private sector concepts such as entrepreneurism, privatization, treating the citizen like a 'customer', and management techniques derived from the production process*". According to Aucoin (1990, p.115), the universal administrative reform movement in public management of the 1970's and 1980's in Britain, Australia and New Zealand, has obviously been driven in large part by the requirement that governments respond to the fiscal stresses brought about by changes in the international economic system, on the one hand, and by the unrelenting demands for government services and regulations in national political systems on the other. These stresses have led to the paramountcy of policy responses aimed at budgetary restraint and at downsizing the public services of governments, as well as - various measures to privatize government operations and to deregulate private economic enterprises.

NPM's first practitioners emerged in the United Kingdom under Prime Minister Margaret Thatcher and in the municipal governments in the U.S. (e.g., Sunnyvale, California) that had suffered most heavily from economic recession and tax revolts. Next, the governments of New Zealand and Australia joined the movement. Their successes put NPM administrative reforms on the agendas of most OECD countries and other nations as well (Gruening, 2001). The logic of public expenditure cutbacks, although predating the Second World War, assumed unprecedented importance thereafter in concomitance with the growth of public service delivery. In the 1960s and 1970s, the public deficit increasingly severely undermined the states' capacity to provide public services in the face of the reduced degree of fiscal recovery. In the 1980s, the neoliberal approach to reform adopted the logic of performance budgeting and cost saving through the introduction of private management guidelines into the public sector (Pollitt and Bouckaert, 2011).

Only later did academics identify the common characteristics of these administrative reforms and organize them under the label of NPM (Dunsire, 1995, p. 21). Gruening (2001) in his research, pointed out that NPM has many components. He lists the *undisputed* characteristics that are almost always mentioned by academic observers, along with a few *debatable* attributes (Table 7.1).

Table 7.1 Characteristics of the New Public Management

Undisputed characteristics (identified by most observers)	Debatable attributes (identified by some, but not all, observers)
Budget cuts	Legal, budget, and spending constraints
Vouchers	Rationalization of jurisdictions
Accountability for performance	Policy analysis and evaluation
Performance auditing	Improved regulation
Privatization	Rationalization or streamlining of administrative structures
Customers (one-stop shops, case management)	Democratization and citizen participation
Decentralization	
Strategic planning and management	
Separation of provision and production	
Competition	
Performance measurement	
Changed management style	
Contracting out	
Freedom to manage (flexibility)	
Improved accounting	
Personnel management (incentives)	
User charges	
Separation of politics and administration	
Improved financial management	
More use of information technology	

Source: Gruening, G., 2001. Origin and theoretical basis of New Public Management. International public management journal, 4(1), pp.1-25.

7.1.2 Doctrines and Criticism

According to the pioneer work of Hood (1991, p. 5), NPM'S origins is a marriage of two different streams of ideas. The one partner was the *'new institutional economics'*. It was built on the familiar story of the post-World War II development of public choice, transactions cost theory and principal-agent theory. The *new institutional economics* movement helped to generate a set of administrative reform doctrines built on ideas of contestability, user choice, transparency and close concentration on incentive structures. The other partner in the 'marriage' was the latest of a set of successive waves of business-type '*managerialism*' in the public sector. This movement helped to generate a set of administrative reform doctrines based on the ideas of 'professional management' expertise.

As argued by Driscoll and Morris 2001 (p. 806) NPM is based on dogmatic principles including: the notion that public sector organizations are unresponsive bureaucracies; that the public sector is too large; that management is superior to administration; that management in the private sector is superior to the public sector and should thus be the model and the belief that the culture of the public sector had to be changed to an entrepreneurial one (Hoggett 1996; Hood 1991; Lawton and Rose 1991; Metcalfe and Richards 1990; Pollitt 1990).

Early scholars of NPM embrace similar views on the basic principles and characteristics of NPM. In particular, the classic formation of NPM introduced by Hood (1991, 1994) has seven directions.

1. *Hands on professional management* in the public sector: NPM calls for managers that will not passively implement political directives but ones who will be responsible for the results (Hughes, 2012).
2. *Adoption of output and result* oriented public service management: although self -explanatory, the focus should shift from inputs and processes to outputs and outcomes (Pollitt, 2003).
3. *Need for the adoption of explicit* standards and measures of performance: the rationale is that goals, targets and success indicators should be set (Hood, 1991).
4. *Private sector style of management* in the public service.

5. *Greater competition* in the public sector: through (a) privatization, (b) contracting out, (c) public-private partnerships, (d) user fees and (e) franchising.
6. *Steer instead of row*: According to Osborne and Gaebler (1995), “those who steer the boat have far more power than those who row it” (p. 437).
7. *Stress on greater discipline and parsimony in resource use*.

Accordingly, Osborne and Gaebler (1995) claimed that there are ten items in the form of guidelines on managerial structures based on the NPM approach: catalytic government; competitive government; mission-driven government; results-oriented government; customer-driven government; enterprising government; decentralised government; community-owned government; anticipatory government; market-driven government.

The introduction of NPM opened the possibility of managers to develop sophisticated HRM techniques such as performance measurement, devolution of authority and decentralization. Therefore, NPM principles allow a more flexible and responsive approach to processes of recruitment, selection, retention, training and development of public sector employees (Brown, 2004). The central features and practices of NPM, regarding public sector HRM include the following (Pollitt and Bouckaert, 2011):

- A greater emphasis on performance.
- A preference for lean, flat and small organizational forms over large forms.

- Performance-related pay.
- Outsourcing, contracting out.

Nevertheless, as noted by Box (1999; 2015), while public administration practitioners and academicians are faced with demands from politicians and citizens that government should be cost efficient, as small as possible in relation to its tasks, competitive, entrepreneurial, and dedicated to "pleasing the customer", however, there remains a sense that something is wrong. Specifically, the author (1999, p.19) noted: "*For people who are concerned about the quality of public service and attention to issues of social injustice, fairness in governmental action, environmental protection, and so on, something about running government like a business does not feel right. It seems to degrade the commitment to public service, reducing it to technical-instrumental market functions not unlike the manufacture and marketing of a consumer product*".

Hence, despite the considerable success of market-like reforms in increasing the efficiency of specific governmental bureaucracies, there is also considerable criticism on NPM in the academic literature (Box, 1999; 2015). Based on the analysis of Atreya and Armstrong, (2002, p. 5), the main arguments generated issues such as the philosophical base and body of knowledge (Alford, 1997; Box, 1999, Common, 1998; Maor, 1999; Minogue, 2000; Lynn, 1998); globalization or internationalization of NPM (Aucoin, 1990; Cheung, 1997; Common, 1998; Hughes, 1998; Hood, 1995); and the actual performance results achieved from the application of NPM principles (Considine, 1997; Lindquist, 1997). These criticisms on NPM is based on the following ground: the dominance of business norms; ignoring the differences between the citizen and the customer; ignoring the differences between the public and private sector; the adoption of the same reform program from different countries; and ethical concerns (Colak, 2019).

7.1.3 New Public Management during Crisis. The case of Greece

In almost all OECD countries, the financial crisis in the late 2000s, brought new efficiency pressures for reform as a result of increasing budgetary constraints and expenditure limits (Jordan and Battaglio, 2014). In the EU, the economic crisis and its challenges, along with the austerity policies which most governments in Europe have adopted, seemed to offer the NPM a return opportunity (Lippi and Tsekos, 2019). The pressures for fiscal consolidation and administrative modernization from the EU and the other international organisms (OECD, IMF, World Bank) have also increased, due to the growing integration of national administration into global networks (Di Mascio and Natalini, 2015).

Nevertheless, scholars agree that the NPM model exhibits specific cultural and political features which do not suit certain countries such as France, Germany, or the Mediterranean states. Countries with strong ‘Napoleonic-state’ traditions have only adopted NPM solutions on a limited, selective basis. In Germany and Italy, certain NPM-type reforms were implemented at the subnational level, whereas the Nation-State has never implemented NPM on a large scale. In the Mediterranean countries in particular, certain aspects of NPM have been introduced, but they have not represented the main instrument of reform (Lippi and Tsekos, 2019, p. 5).

Furthermore, it is notable that some of the most poorly performing administrative systems have often been among the slowest to reform. For instance, Greece, Italy, and the European Union itself were remarkably slow to reform in the "New Public Management" era (Hood and Peters, 2004). As Ongaro (2009) pointed out, each of the EU countries adopted a different mix of initiatives and, above all, their implementation was shaped by the specific institutional and cultural context that has determined different results. As a consequence, Greece, Portugal, Italy and Spain failed to connect spending reductions to broader administrative reform programmes. According to Sotiropoulos (2004), the efforts to modernize public administration in the Southern four countries (Portugal, Italy, Greece, Spain) were aborted, generating a South European model, characterized by a set of distinguishing traits: *political control of top state positions and lack of administrative elites; clientelist patterns of personnel recruitment; formalism and legalism rooted in the Napoleonic tradition complemented by informal shadow governance structures; uneven distribution of resources, institutional fragmentation and insufficient mechanisms for policy coordination*. Hence, in all of the aforementioned four EU countries the crisis has been managed with straight cutback management while NPM-reforms have been sidelined. In addition, the failure of previous administrative modernization efforts has discouraged South European policy-makers to frame the economic crisis as an opportunity for the implementation of new waves of NPM inspired reforms (Di Mascio and Natalini, 2015).

Focusing on Greece, despite the fact that the Greek public administration has undergone a series of transformations, interestingly almost none of these reform efforts seem to have incorporated a particular administrative pattern (Lampropoulou and Oikonomou, 2018). As portrayed by the strict conditionality requirements that the EU and the IMF negotiated with Greece for financial assistance, the public administration has been considered just as a source of public expenditure to be squeezed rather than a provider of public services in need of modernization (Di Mascio and Natalini, 2015). Consequently, scholars support that NPM-inspired reforms aimed at modernizing government hardly ever seem to have had significant effects on Greece. In fact, Spanou (2008) claims that NPM has had no influence on the Greek public services, while Featherstone (2015) argues that the 'model' urged by the Troika and the Taskforce was not easily identifiable with Anglo-Saxon NPM alone; continental advisers could recognize elements of Neo Weberian State also. As a result, the failure of administrative modernization has contributed to entrench in the leading class at both the European and domestic level the impression that there is a contradiction between the NPM doctrines and the historical roots of South European bureaucracies (Di Mascio and Natalini, 2015).

7.1.4 Human Resource Management reforms in the Greek public sector

The financial crisis presented a unique opportunity for the Greek Administration to move forward reforms regarding strategic HRM; however, reforms were mainly focused towards quantitative targets regarding costs. Data show that in the case of

Greece, HR management is not seen as a strategic factor in the reform process. In fact, Greece has focused on cost-cutting and downsizing with limited concern for the improvement of administrative performance and not on responsible restructuring (Demmke, 2017; Fragouli and Christoforidis, 2019). The sovereign debt crisis has forced Greece to completely alter its public administration reform agenda regarding HRM, towards reducing public expenditures (Fragouli and Christoforidis, 2019) and hence, the Greek Administration is considered far from using strategic HRM and workforce planning practices.

In the past, numerous attempts have been made by the Greek Administration towards reforming HRM; however they were sporadic, uncoordinated and without monitoring. Since 2010 Greece was obligated, due to the first memorandum, to proceed to reforms linked to measurable quantitative goals and strict timetable. The urgent need for financial rationalization resulted to reforms aiming at cost reduction and not at modernization of HRM (Spanou, 2019). The policies implemented relate to a degree to the theoretical patterns. The Memoranda2 signed between the Greek government and the 'Troika'3 to a degree incorporated some of the new institutional economics and the NPM principles, such as the rationale for economic efficiency, better performance and goal-oriented administration. However, the potential theoretical linkages were translated into policies mostly in terms of minimizing expenses and cutting costs and to a lesser extent in a strategic context (Lampropoulou and Oikonomou, 2018).

Kim and Hong (2006, as cited in Waxin and Bateman, 2009) suggested that an HRM reform model should take into account, apart from political and cultural factors, the economic development stages. They argued that HRM reforms should start on the basis of current needs; HRM should be developed and adjusted gradually to meet the requirements of the day rather than adopting a blueprint model drawn from a notion of international best practice. This point of view may explain the wide variation of reforms among countries. Therefore, countries such as Greece are facing HRM challenges during the crisis period that other countries have already dealt (Fragouli and Christoforidis, 2019).

7.2 Measures and Laws Considering the Greek Public Sector Taken under the First, Second and Third Memoranda

The size of the public sector and its efficiency has long been a subject of political debate in Greece. Until recently, the public sector was relatively protected, but public opinion has been critical of its size and efficiency. During the period of economic crisis, as a condition of the memoranda signed with the International Monetary Fund (IMF), European Union (EU) and European Central Bank (ECB), the Greek government enacted a series of measures to reduce the number of public servants and the level of public spending as a proportion of GDP (Georgiadou, 2016).

The First and Second Memoranda

In May 2010 the first Greek economic adjustment program was signed for 2010–2013 period. The first program did not bring the expected results and a new national reform program, agreed to in March 2012, covered the period from 2012–2014.

Some of the policies implemented under the first and second memoranda aimed to reduce the cost of the public sector. They included:

- reductions of basic salaries and allowances, and the abolition of the 13th and 14th month of salary;
- a freeze on wage rises;
- a limit on the hiring of permanent staff and staff on fixed-term and project contracts;
- increased working hours without increased pay;
- introduction of the labour reserve scheme, paying 60% of basic salary to those assigned to the *'reserve'* with the aim of reducing the cost of overstaffing;
- introduction of *'temporary lay-offs'* paying 60% of basic salary.

According to data published by the Hellenic Statistical Authority (ELSTAT), salaries in the private sector fell by 28.16% between 2010 and the first quarter of 2015. Simultaneously, successive and considerable reductions have been imposed both on public sector payments and on public pensions. The most important legislative interventions to reduce the public sector wage bill and operational expenditure in recent years, as reported by Lampousaki, (2016), are as follows:

- **Law 3833/2010:**
  - reduced public sector salaries (in various forms);

- suspended public sector recruitment and appointments for 2010 (with the exception of education, health and security);
- established the principle of a 1:5 ratio of recruitment to departures in the public sector (with the exception of education, health and security);
- introduced a 30% reduction in recruitment for indefinite-term, fixed-term and project contracts in the public sector for 2010.

- **Law 3899/2010:**
  - extended zero increase in wages throughout the public sector for 2011 (and beyond) and reduced salaries;
  - removed all exceptions to the 1:5 ratio of recruitment to departures in the public sector;
  - introduced an additional 15% reduction on recruitment for fixed-term and project contracts in the public sector for the year 2011 (as compared to 2010).

- **Law 3979/2011:**
  - increased the working week in the public sector from 37.5 hours to 40 hours.

- **Law 3986/2011:**
  - introduced the labour reserve system in the public sector, paying 60% of basic salary to those assigned to the *'reserve'* with the aim of reducing the cost of overstaffing;

- introduced voluntary redundancies for those in the labour reserve system;
- established a 1:10 ratio of public sector recruitment to departures for 2011;
- extended the removal of all exceptions to the 1:5 ratio of public sector recruitment to departures to 2015.

- **Law 4052/2012:**
  - suspended local government recruitment until 2016.

- **Law 4172/2013:**
  - applied staff mobility throughout the public sector.

The Third Memorandum

As the European Council of the European Union (2019) points out, the third economic adjustment programme for Greece started on 19 August 2015 and ran until 20 August 2018. Modernization of the state and public administration was one of the key priorities of the program. A particularly important goal was to increase the efficiency of the public sector in delivering essential public goods and services.

The program included measures to enhance the efficiency of the judicial system and to strengthen the fight against corruption. It also requires enhancement of the institutional and operational independence of national institutions such as revenue administration and the statistics authority (ELSTAT) (European Council of the

European Union, 2019). The measures laid down in the third memorandum concern (Lampousaki, 2016):

- better recruitment processes for managers, with human resource planning for timely assessment and fulfilment of hiring needs;
- a fiscally-neutral reform of the wage grid;
- a modern performance assessment system;
- strengthening of policy units in key sectors;
- a substantial upgrade of the role of local government at both tiers, with a view to improving local autonomy and rationalising the administrative structures of local authorities;
- rationalization of state-owned and locally-owned enterprises;
- modernization of recruitment procedures;
- improved mobility in the public sector to promote better use of resources.;

The implementation laws for the third memorandum on public administration reforms include:

- **Law 4354/2015:**
  - introduced the new pay system of wage progression with qualifications and performance.
- **Law 4369/2016:**
  - introduced modern staffing policies in order to restore shaken confidence in public institutions.

7.3 Effects of the Greek Crisis on the Public Sector Human Resource Management

Greece was obligated due to memoranda to reform public sector's management in a short period. This gains more importance considering the large budget deficits that need to be dealt fast and efficiently by reducing expenses. The limited implementation period and the large volume of the needed reforms are issues of detrimental importance that result to reactions and polarizations within the administrative and the political system as well as to external stakeholders (Ministry of Administrative Reform and e-Governance, 2011).

Human Resource Management (HRM) plays a crucial role in the public administration. However, due to the budget cuts the available resources are limited while the offered services have to be improved and contribute to economic development. Thus, the need for public sector's HRM to be reformed is both crucial and urgent in order for the public administration to operate effectively and within the limited budgets. Austerity measures pose major challenges for HRM not only in terms of recruitment, compensation, training and service provision, but also in relation to job security and workforce morale (Burke et al., 2013). There are three main reasons for focusing on HRM in public sector (Burke et al., 2013), namely: the lack of attention given to the public sector context in the HRM literature, the importance of public sector services and the role of human resources in delivering these services. (Frangouli and Christoforidis, 2019, p. 2).

The budgetary crisis forced countries with higher consolidation and higher budgetary pressures requirements, such as Greece, to implement more HR reforms including the management of recruitment, salaries, training policies, changing working hours and working time, job security and status reforms (Demmke, 2017).

7.3.1 Changes in Public Sector Employment and Recruitment, 2009-2015

The data from the Human Resources Register of the Ministry of the Interior and Administrative Reconstruction show that there was an 18% reduction in the number of permanent public servants between 31 December 2009 (692,907) and 31 December 2015 (566,913). The loss of 125,994 employees is broken down per year in Table 7.2, with the ratio of recruitment: departures for 2013-2015 shown in Table 7.2 (Georgiadou, 2016).

Table 7.2 Change in regular workforce in the public sector, 2009-2015

2009	2010	2011	2012	2013	2014	2015
692,907	667,374	646,657	629,114	599,207	576,856	566,913

Note: Figures reflect the situation on 31 December in each year
Source: Georgiadou, P., 2016. Greece: Reducing the number of public servants-latest developments.

Table 7.3 Departures and recruitment in the public sector, 2012–2015

Year	2012	2013	2014	2015	Total (2012–2015)
Recruitment	29,982	32,072	28,469	15,925	106,448
Departures		2,170	5,349	4,437	11,956
Difference		29,902	23,120	11,488	64,510
Ratio of recruitment: departures		1:14.8	1:5.3	1:3.6	

Source: Georgiadou, P., 2016. Greece: Reducing the number of public servants–latest developments.

7.3.2. Changes in Spending on Public Sector Wages, 2009-2015

Regarding the spending patterns of the Greek public sector during 2009 and 2015, according to data from the State General Accounting Office, the following key findings emerge (Georgiadou, 2016):

- Overall government wage expenditure (including imputed social contributions) decreased by 31% from €31,013 billion in 2009 to €21,447 billion in 2015.

- As a percentage of GDP, overall wage expenditure decreased from 13.1% in 2009 to 12.2% in 2015. GDP fell by 26% in this period which is why the fall in expenditure is far greater than the fall as a proportion of GDP.

- Imputed social contributions increased by 8% from €5,194 billion in 2009 to €5,615 billion in 2015.

- As a percentage of GDP, imputed social contributions increased from 2.2% in 2009 to 3.2% in 2015.

- The net expenditure on wages (excluding imputed social contributions) decreased by 39% from €25,819 billion in 2009 to €15,832 billion in 2015.
- As a percentage of GDP, net expenditure fell from 10.9% in 2009 to 9% in 2015. This rate is less than the European average, which is 9.2% of GDP.

7.3.3 Wage Inequality

Giannitsis and Zografakis' (2015) report examines the impact of the crisis and crisis policies on incomes, inequality and poverty in Greece. The authors found that a number of public organizations have been officially exempted from the general salary cuts, while others, in various ways, but with the tacit consent of the government, have simply not applied the law on wage reductions, resulting in an inequality that is masked by the aggregate figures examined, but nevertheless exists. Moreover, for a number of civil servants (in particular in the Ministries of Finance, Justice, Culture and public organizations) salaries have been reduced according to the new provisions, but subsequently the government allocated specific personal allowances of EUR 500-1,000 or proceeded to internal promotions, which kept their salaries much higher than those of their colleagues in other government agencies.

They also claim that a different approach was followed in the case of specific groups of the clientele of the parties in power, such as the military, law enforcement and the judiciary. Although at first these were also subject to the general reductions, this was subsequently reversed by court rulings in 2014, and the previous system was reinstated.

All these cases imply that under pressure from influential groups the relative position of specific occupational groups, instead of following the general trend, was in fact improved, giving rise to injustice and inequality.

7.3.4 Rewards

Prouska et al., (2016) explored employees' rewards in the turbulent economies of the South-Eastern European region, i.e. Greece, Romania, Bulgaria, Albania, Kosovo and Former Yugoslav Republic of Macedonia (FYROM). They found that creating a better working environment by building an organizational culture of supporting personal and professional development, by involving employees in key business activities and by providing incentives for work-life balance is a very important aspect of rewarding, even when financial incentives are not available. Furthermore, the authors pointed out that earlier studies have also supported the idea that the crisis affects financial rewards and businesses are focusing more on offering alternative rewards, such as company awards, additional leave, themed days and personal support through mentoring and engagement (Blyth, 2008). Fajarado's (2009) research suggests that businesses responded to the crisis with freezing recruitment, downsizing business functions, redesigning benefits, reducing merit pay, reducing or eliminating cash bonuses, or forcing employees to work overtime hours without offering overtime pay (Rowley and Tashiro, 2009).

7.3.5 Training and Development

According to Metsma, (2014, p. 59) "*Training has many roles in central public administrations. Firstly, it is related to the implementation of tasks and focuses on developing skills and competencies in order to fulfil objectives of the organization. Secondly, it is part of the motivation system and functions as an instrument to retain high-quality and high performing workforce. And thirdly, training is an instrument to raise civil servants' awareness of their role and responsibility and introduce shared values among civil service staff.*"

For most organizations, the 2008 global economic crisis brought forward many human resource development (HRD)-associated concerns (Mitsakis, 2017). An OECD survey conducted in 2016, shows that there are three approaches in organizing training plans for the civil servants: training plans produced systematically for all civil service organizations; individual learning plans for each civil servant and a civil service training strategy or action plan to coordinate and align training across organizations. Only two countries, Greece and Luxembourg, produce civil service wide strategies for training, while the rest use another tool or a combination of those three tools (Figure 7.1).

Figure 7.1 Organizing training plans for the civil servants

Source: OECD 2016, *Survey on Strategic Human Resources Management in Central/Federal Governments of OECD Countrie*s, OECD, Paris.

In Greece, the National Centre of Public Administration and Local Government (EKDDA) is the national strategic agent for the development of the Human Resources of the Public Administration and Local Government. It is a Legal Entity governed by public law and supervised by the Minister of Interior. It is one of the main bodies-beneficiaries of the Operational Program "Reform of the Public Sector", 2014-2020 National Strategic Reference Framework.

OECD dataset (2014) on managing budgetary constraints, shows that central public administration has undergone many reforms in almost all OECD countries and with regard to almost all HR policies (Figure 7.2 and 7.3). Most OECD governments seek to adjust their HR systems by controlling compensation costs through pay cuts, pay freezes, pension reforms and downsizing policies, cutting training budgets and more rigorous performance assessment processes. In Figure 7.2 it is evident that countries with high budgetary pressures, are guided by that "tough cost control path" and by a focus on cost-minimization, whereas countries with less constraint are opting either for a restructuring approach or for a "soft" approach (Demmke, 2017). Unsurprisingly, budgetary pressures force countries like Greece and Portugal to implement more reform measures with a focus on cost-control (Figure 7.2).

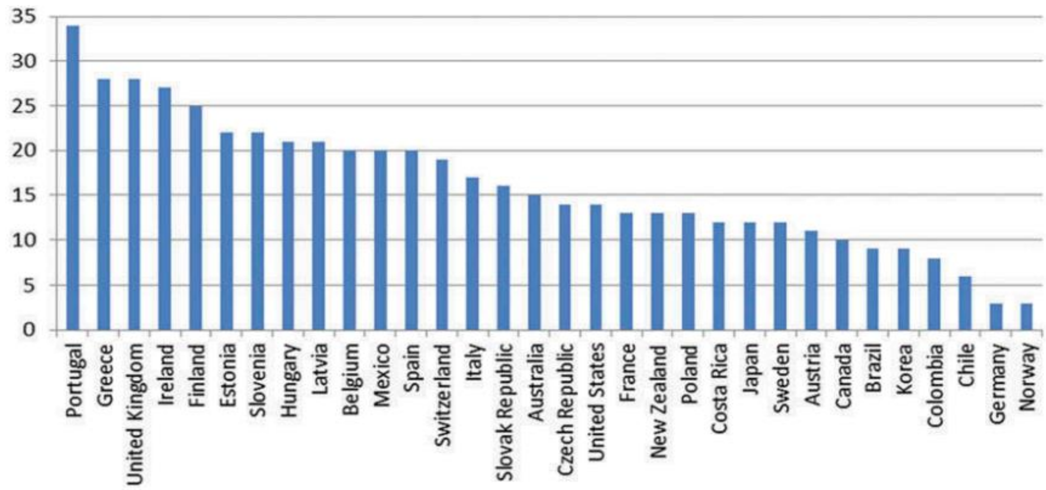

Figure 7.2 Total number of HR reforms per country (2008–2013)

Sources: OECD, 2014 Survey on Managing Budgeting Constraints: Implications for HRM and Employment in Central Public Administration (all questions); (Demmke, 2017)

Focusing on the types and number of reforms (Figure 7.3), it is evident that the main reforms include employment ones with a focus on various downsizing instruments such as recruitment freezes, dismissals, encouraging voluntary departures, privatization, or decentralization of employment. More importantly, as pointed out by Demmke, 2017, despite the positive effects of training in the performance of organizations, the OECD survey confirms that training budgets seem to be among the first items to be cut when fiscal stress hits. This has further implications for training programs and training methods as shrinking training budgets force organizations to prioritize training topics and seek more cost-effective ways of delivering training. Interestingly, Greece has not implemented major training reforms and the reason for this trend regardless of the financial pressure is that most training budgets are coming from the European Social Funds (Demmke, 2017).

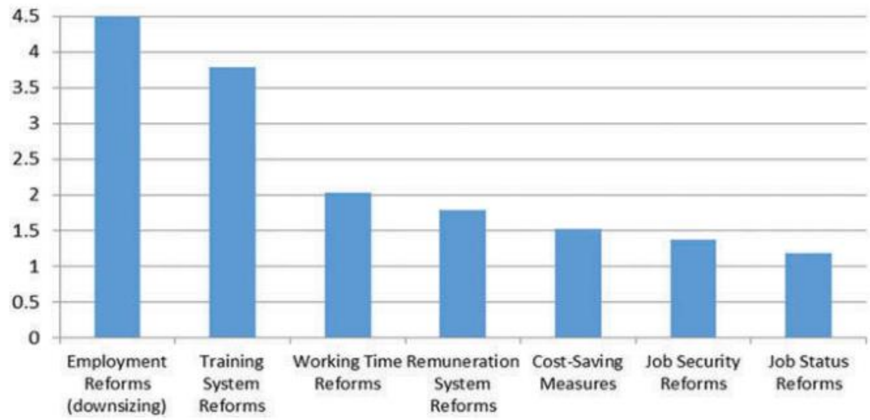

Figure 7.3 Average number of HR reforms by bundle per country (2008-2013)

Sources: OECD, 2014 Survey on Managing Budgeting Constraints: Implications for HRM and Employment in Central Public Administration (all questions); (Demmke, 2017)

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PART IV

Extrinsic

Motivation

8. Enhancing Employees' Satisfaction with Pay in a Period of Financial Constraints. The Role of Organizational Justice.

8.1 Introduction

Even though scholars have extensively examined employees' attitudes, behaviors and individual performance in different settings, little research has explored these notions in a period of uncertainty and limited financial resources (Bell and Blanchflower, 2011; Gennard, 2009; Markovitis et al., 2014). Nowadays, within the context of the global financial turmoil, managers of both the public and the private sector have to address the critical challenge of fostering employees' well-being in order to enhance motivation and job performance.

As a result of the unfavorable economic conditions, global real wage growth has fallen from 1.6% in 2012 to 0.9% in 2015 (ILO, 2016). Across EU countries there are, however, remarkable differences in the real wage growth. According to the European Commission Data (Eurostat, 2015), compensation per employee grew in the euro area at 1.4% in 2014, a record low, while the compensation per employee dropped in the following EU Members i.e., Greece, Cyprus, Portugal and Slovenia.

In Greece, which has been severely impacted by the debt crisis, it is timely to examine employees' performance under the ongoing Memorandum austerity measures imposed since May of 2010. Workers in Greece, in both the public and private sector, have felt the effects of pay cuts and losses in income and purchasing power. Nevertheless, cost-saving measures were higher in the public sector than in the private sector. For decades, Greek public sector employees have been earning significantly higher wages than their private sector counterparts (Christopoulou and Monastiriotis, 2011). Greece’s recent fiscal crisis has initiated a reversal of this trend, with drastic public-sector pay cuts (Colley et al., 2012). Collective bargaining as a mechanism to determine public sector pay was disregarded by the government and a law passed in 2011 establishing uniform pay scales across the public sector. In addition, the new wage system put restrictions on the distribution of extra allowances and prohibited any raise based on merit or seniority. However, while a uniform pay scale exists in law, considerable variations continue to exist in the salaries paid to state and semi-state employees, as there are still some civil servants that receive extra bonuses, that are not aligned with job achievements, performance (individual/organizational) or seniority and thus raising concerns regarding the equality and fairness of the distribution of allowances (ANA, 2013).

Previous research has noted the importance of fairness in the workplace and indicated that employees’ perceptions of workplace justice are positively associated with beneficial outcomes for both employees and firms. Organizational justice is found to be an important determinant of employees’ attitudes, behaviors and performance at the workplace (Janssen et al., 2010; Ohana and Meyer, 2016; Simons and Roberson, 2003). Employees who perceive higher levels of both distributive and procedural justice are more likely to respond with higher levels of job satisfaction (Greenberg, 1990;

Lambert, 2007; McFarlin and Sweeney, 1992; Organ, 1990; Rai, 2013; Simons and Roberson 2003), organizational commitment (Ali and Saifullah, 2014; Bakhshi et al., 2009; Folger and Konovsky, 1989; Loi et al., 2006), job performance (Janssen et al., 2010; Konovsky and Cropanzano,1991; Memari et al, 2013) and lower levels of turnover intentions (Dailey and Kirk 1992, Nadiri and Tanova, 2010).

Accordingly, it is suggested that underpayment inequity and lack of justice in firms is related to higher levels of employees' stress (Adams, 1963; Greenberg and Colquitt, 2013; Judge and Colquitt, 2004; Zohar 1995) and negatively related to the level of cooperation of co-workers (Michel et al., 2010; Pfeffer and Langton 1993; Rousseau et al. 2009), the quality of work, self-image and moral outrage (Greenberg, 2010; Schroth and Pradhan, 2000).

In current economic times, there are limited financial resources and structural reforms in the labor law are imposed. However, little research has explored alternative predictors of employees' satisfaction with compensation and employees' performance in such a turbulent context. In the current study, by acknowledging the close link between workplace fairness and employees' attitudes and by utilizing the psychological contract theory (Rousseau, 1990) as a theoretical framework, we aim to investigate how employees' satisfaction with pay and individual performance, in a period of economic crisis, are affected by perceptions of organizational justice. For this reason, we draw on a sample of employees from the Greek public sector and focus on two questions. First, to what extent is employees' level of satisfaction with pay affected by perceptions of organizational justice? And, second, how valuable are employees' perceptions of organizational justice in predicting individuals' work performance?

This research attempts to advance existing theoretical and empirical knowledge in several ways. First, considering the debt crisis and the limited financial resources setting, we shift the attention from the actual pay levels as a predictor of work performance and address the importance of alternative intangible motivational predictors i.e., pay fairness in terms of 'the comparison between what people believe they deserve to be paid and what others deserve to be paid' (Jackson and Schuler, 2000). Second, we respond to the call for additional research on exploring relationships between organizational justice and the work performance in public sector settings. Given the important role of justice in organizational management, it is surprising how little scholarly effort has been invested in exploring the relationship between organizational justice and the outcomes in public sector settings (Choi, 2011). Third, we adopt the psychological contract as a theoretical framework and provide a deeper explanation of how work performance (work effort and work quality) is affected by both employees' perceptions of organizational justice (distributive and procedural) and employees' level of satisfaction with pay.

Since studies on work performance have mainly involved developed economies (Kessler et al, 2006; Koopmans L. et al, 2011), insights regarding financially-distressed countries such as Greece, the first country so severely affected by Europe's financial crisis, are both timely and relevant (Lin et al., 2013). Investigating antecedents of work performance in Greece aims to enrich the knowledge and understanding of how employees may respond to unfair work environments in the context of financial distress and, furthermore, aims to provide relevant practical implications on how managers can do more with less. Figure 8.1 presents the conceptual model of the study.

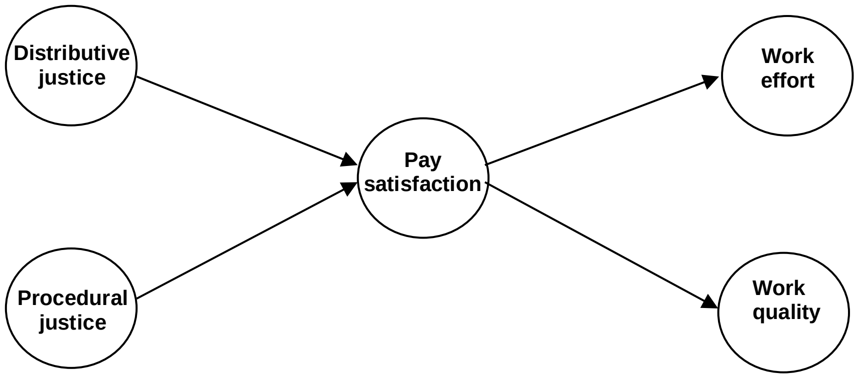

Figure 8.1 Conceptual model

8.2 Research Hypotheses

8.2.1 Organizational Justice

In recent years, the research on work-place justice has gained considerable attention. The study of fairness in psychology started with Adams's work on equity theory (Adams, 1965) emphasizing the perceived fairness of outcomes. However, given the importance researchers attribute to fairness in organizational life, it became inevitable for this research area to proliferate and develop. Organizational justice can explain a wide range of employee behaviors and highlights the importance of the ideals of justice and fairness as a requirement for organizations to function effectively (Cho and Tak, 2009; Greenberg, 1990). In particular, the term organizational justice refers to several distinct forms of perceived justice, each of which offers a different answer to the question *'What is fair?'* (Greenberg, 2009).

Researchers have identified four types of justice perceptions: distributive, procedural, interpersonal and informational. *Distributive* justice refers to the fairness of outcomes for individuals in comparison with what others receive (Farndale et al 2011; Fleischacker, 2004). *Procedural* justice refers to whether the decision – making processes ensure consistency and whether recipients of these decisions have the opportunity to influence the process (Byrne et al. 2012; Thibault and Walker, 1975). *Interpersonal* justice refers to whether one is treated with dignity and respect when decision processes and decisions themselves are implemented, while *informational* justice refers to the extent to which employees feel that they have adequate information as decisions are implemented (Greenberg, 1993; Colquitt et al. 2001; Loi et al. 2009).

Previous studies have shown that each form of justice has unique relationships with various outcomes. Whereas the most relevant forms of justice when considering the allocation of monetary rewards (e.g., pay compensation, merit pay, bonus decisions and gainsharing) are distributive and procedural, the relational forms of justice (interpersonal and informational) demonstrate higher correlations with supervisory outcomes (i.e. leader-member exchange, trust, perceived supervisory support), since they are conceptualized as being under the direct control of the supervisor, (Byrne, et al. 2012; Kwon, et al. 2008). Considering the Greek context, this argument seems even more salient. Due to the centralization of the Greek public sector and since pay decisions are made at a governmental level, public sector managers cannot interfere with pay policy decisions as they cannot control and determine the allocation of resources. Although much has been written on a conceptual level, in the organizational psychology and business management discipline, a few studies have sought to examine the relationships between multiple forms of organizational justice and employees' satisfaction with pay in the context of public organizations. Based on the above, we focus on distributive and procedural justice and we explore how employees' satisfaction with pay influences the two investigated forms of organizational justice; and whether these, in turn, affect employees' work performance.

8.2.2 The Impact of Distributive Justice on Satisfaction with Pay

Farndale et al. (2011) indicate that distributive justice refers to the perceived equity of outcomes for individuals, for example, whether the performance-appraisal process results in what the individual perceives to be a fair evaluation. According to Adams's equity theory, employees' job satisfaction is influenced by the comparison of employees' own effort and outcome (pay) with the effort and outcome of other employees. If their own ratio of effort and pay is not equal to that of others, they will feel unjustly treated. Cropanzano et al. (2007) claim that distributive justice faces the reality that not all employees are treated alike; the allocation of outcomes is differentiated in the workplace, which in turn creates worries to workers about whether they receive their just share. The distribution will be just, when the most qualified and successful employee is promoted. However, sometimes the case is far from being fair. As distributive justice refers to the fairness of the outcome (rewards allocation) (Kwon et al., 2008), this study will unveil the effects of distributive justice on employees' levels of satisfaction with pay. Pay satisfaction can be defined as the "amount of overall positive or negative affect (or feelings) that individuals have toward their pay" (Miceli and Lane, 1991; Judge et al., 2010; Williams et al., 2006).

Traditionally in Greece, a minimum wage at a national level used to be established and determined by the National General Collective Agreement (EGSSE), a collective agreement signed between Greece's most representative organizations of employees and employers. The national salary used to be comprised of the base salary and two additional allowances, namely the seniority allowance and marriage allowance. The austerity measures implemented from 2010 resulted in substantial changes in the Greek labor law and introduced a wage-setting system where the starting minimum wage was set at €586.08 (from €751.39) and prohibited any raise based on seniority (Yannakourou and Tsimpoukis, 2014). In other words, the new wage system in Greece determined uniform pay scales and is applied horizontally to both private and public-sector employees. Nevertheless, as noted, there are still some considerable variations concerning the salaries paid to civil servants. For instance, based on data released by the Greek Parliament, it is evident that some low and middle-rank public-sector employees of specific organizations, regardless of performance criteria, earn higher wages compared to their counterparts in the public and the private sector (ANA, 2013). Giannitsis and Zografakis (2015) indicated that wage changes during the Greek crisis varied widely across sectors and over time. The considerable cumulative decrease in average gross earnings in total economy entailed cuts in public sector salaries and institutional reforms towards greater labor market flexibility. However, the reductions in earnings differed strongly across individual sectors of the economy, but also within sectors (e.g., within the government sector). Hence, while a uniform pay scale may exist in law, it does not actually occur in the labor market, and there are still some employees who receive allowances that are not aligned with performance outcomes (individual/organizational), merit or seniority and thus, raising issues of unfair distribution of rewards.

Since decisions about the distribution of pay are based on unclear criteria, the wage structure of the public sector turned out to be a *'black box'*. In such conditions that hinder transparency and clarity, employees are more likely to compare themselves with peers (Greenberg et al, 2007; Taylor and Vest, 1992). Social comparisons - comparisons between the self and others - are a fundamental psychological mechanism influencing people's judgments, experiences, and behavior (Corcoran et al., 2011; Festinger, 1954). According to Festinger's social comparison theory, people evaluate their personal and social growth based not only on their own characteristics, but on what others have achieved. Based on the organizational justice and the social comparison theory, one could propose that employees' satisfaction with pay is affected not only by actual compensation factors (for instance the actual level of salary and benefits), but also by peer salaries and specifically by their perceptions of distributive justice.

Hypothesis 1: Employees' satisfaction with pay is positively affected by perceptions of distributive justice.

8.2.3 The Impact of Procedural Justice on Satisfaction with Pay

Procedural justice refers to the fairness of the procedures and processes used in decision-making (Thibaut and Walker, 1975). It has been argued that when employees find the process of HRM practices fair, then they are more likely to find the outcomes of these practices to be equitable (Folger and Konovsky, 1989). Leventhal (1976), as cited in Kwon et al. 2008, suggested six rules that people use when assessing procedural justice: consistency, bias suppression, accuracy, correctability, representativeness and ethicality.

As procedural justice examines the reactions of employees to the procedures used to determine compensation, researchers tested the effect of process components in the field of compensation and the results showed that perceptions of procedural justice explained a large portion of the variance in pay satisfaction (Dyer and Thériault, 1976; Lambert, E. et al, 2007; Till and Karen, 2011). In addition, Folger and Konovsky (1989) found a positive and strong link between satisfaction and the existence of an appeal process in the determination of pay increases, while Tremblay, et al. (2000) found a positive link between involvement in compensation procedures and pay satisfaction. Accordingly, Schreurs et al. (2013) indicated that a participative decision-making climate buffered the negative effects of low pay-level satisfaction.

Researchers have demonstrated that public organizations focus more than private ones on rules and processes (Abdel-Maksud et al., 2015) thus causing higher levels of inefficiency and bureaucracy (Bryson, 2011; Bouckaert, 2010). Not surprisingly, most of the organizational studies in public administration have focused on the effects of procedural justice on employees' work attitudes (Parker and

Kohlmeyer, 2005; Rubin, 2009; Tremblay et al, 2010). As a result, in the public sector, despite decreased efficiency, complex rules and procedures have been emphasized to ensure fairness and equity in organizational processes (Choi, 2011). In line with this notion, Hassan's (2012) study in the US public sector, showed potential negative consequences of changing procedures that may be viewed as unfair: decline in job performance, job involvement and organizational identification.

Over the past two decades, major attempts have been made in Greece to improve the processes and procedures of the performance appraisal assessment system in the public sector. The most recent reform Law (4369/2016) was put in force in January 2017 and introduced a new evaluation system. According to the law's explanatory memorandum, the main objectives are to tackle the problem of politicization of the public administration and bureaucracy, and to introduce modern staffing policies (Lampousaki, 2016). For the first time after the Memorandum Agreements, the recently passed Law (4369/2016) combined with Law 4354/2015, which was applied in January 2016, aimed at linking wage progression with seniority, qualifications and performance.

As noted previously, the compensation literature has shown that it is important to consider procedural justice in understanding individual reactions to unfair treatment because employees turn to pay-related procedural information to judge the fairness of their outcomes (Arya et al., 2017; Scarpello and Jones, 1996; Tremblay et al., 2000). Based on the above, we suggest:

Hypothesis 2: Employees' satisfaction with pay is positively affected by perceptions of procedural justice.

8.2.4 Employees' Perceptions of Organizational Justice as a Predictor of Work Performance. The Mediating Role of Pay Satisfaction.

According to the social exchange theory, negotiated exchanges between employees and employers form the basis of social relationships (Blau 1964, Mowday, Porter and Steers, 1982). It is suggested that workers exchange their inputs (physical and mental effort, skills, time, etc.) for specific incentives that the organization provides (salary, benefits, as well as intangibles such as recognition, respect, reputation and status). It represents employee's mental tally of the *'give and take'* of the employment relationship. In line with the theory, behavioral responses to justice perceptions have been described as manifestations of social exchange at the workplace (Cropanzano and Mitchell, 2005; Hassan et al., 2016).

Social exchange theory serves as the theoretical foundation of the psychological contract theory (Coyle-Shapiro and Parzefall, 2008). Rousseau (1990) describes psychological contracts as an individual's beliefs regarding reciprocal obligations and refers to written or unwritten expectations that operate between employees and employers. Coyle-Shapiro and Parzefall (2008) claim that the social exchange and the psychological contract theory share common elements. Specifically, both concepts are regarded as explanatory frames for the exchange relationships and suggest that each party holds a set of expectations/obligations that they will provide in return for what they receive. When the employer has failed to fulfil its promises or obligations, employees may experience psychological contract breach (Robinson and Rousseau 1994). Brockner and Wiesenfeld (1996, 2005) and Chen (2010) indicated that employees have expectations of what the organization should do in relation to the distribution of resources such as reward, careers and development and when these expectations are not met, they perceive this as injustice. Accordingly, Aggarwal and Bargava (2009) as well as Morrison and Robinson (1997), pointed out in their studies that in firms with low levels of organizational fairness, employees feel that their psychological contract has been breached and that the organization has failed in keeping its promises.

A sizeable body of research has focused on the effects of the psychological contract theory on employees' attitudes and behaviors. It is notable that survey studies indicated that the majority of employees believe that their contracts have been violated in some way (Robinson and Rousseau, 1994). Not surprisingly, previous research has documented that the psychological contract breach negatively influences employees' attitudes and behaviors and this in turn affects negatively organizational effectiveness (Coyle-Shapiro and Kessler, 2000; Coyle Shapiro, 2002; Restubog et al., 2010; Robinson and Rousseau, 1994; Thompson and Heron, 2005; Turnley and Feldman, 1999). Specifically, psychological contract breach has been associated with reduced job satisfaction (Robinson and Rousseau 1994; Giannikis and Nikandrou, 2013; Griffeth, et al., 2000; Sonnenberg and Paauwe, 2011; Suazo, 2009), reduced commitment (Cassar and Briner, 2011; Suazo, 2009), lower organizational citizenship behavior (Chih and Chuang, 2013; Raja, et al., 2004; Suazo 2009), increased absenteeism and turnover intentions (Matthijs et al., 2010; Robinson and Rousseau, 1994; Raja, et al., 2004; Turnley and Feldman, 2000; Suazo, 2009).

In this respect, scholars need to unveil the factors that positively influence employees' perceptions of psychological contract fulfillment. Among the factors that are found to support psychological contract fulfillment are trust (Robinson and Rousseau, 1994) and perceived organizational support (Coyle-Shapiro and Kessler, 2000; Henderson et al., 2008) whereas little research has focused on the role of organizational justice (Cassar and Buttigieg, 2015; Morrison and Robinson, 1997).

Not surprisingly, some scholars support that by measuring the state of the psychological contract of employees we can capture the extent to which employees feel that they have been fairly treated in terms of the distribution of outcomes and thus it can serve as a more broadly-based measure of distributive justice (Kickul, 2001; Johnson et al., 2009; Thompson and Heron, 2005). In a similar vein, Restubog et al. (2009), by examining the combined interactive effects of the procedural justice on the relationship between breach and employee outcomes, found that stronger negative outcomes are to be anticipated if employees have an expectation that procedural justice can prevent any form of contract breach.

Related studies have also provided evidence on the unique contribution of organizational justice on individual performance and work quality. It is supported that perceptions of low organizational justice in firms have a a negative impact on the quality of work and productivity (Heponiemi, et al., 2007; Jawahar and Stone, 2015; Mohyeldin, 2007), a negative impact on the cooperation between co-workers (Pfeffer and Langton, 1993; Wan, 2015), as well as a positive effect on employees' levels of job stress (Kivimäki, 2003; Nieuwenhuijsen et al. 2010; Zohar, 1995). Using the psychological contract theory as the overarching theoretical framework and based on the previous two hypotheses, we posit that organizational justice is positively related to work performance and that this relationship is mediated by satisfaction with pay.

Hypothesis 3: Employees' perceptions of organizational justice (i.e. distributive and procedural) are positively associated with employees' work performance (i.e. work effort and work quality) and this relationship is mediated by satisfaction with pay.

8.3 Methodology

8.3.1 Procedure and Participants

Convenience sampling was used to select the participants as it attempts to obtain a sample of convenient elements that are readily accessible to the researcher. Convenience sampling, which is frequently used in quantitative research (Etikan et al., 2016), is a type of non-probability or non-random sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study (Dörnyei, 2007; Etikan et al., 2016). Specifically, we collected data from nine different public organizations in Northern Greece that employee a total of 1.710 people. In particular, our sample frame comprised of five local authorities' organizations(municipalities), two regional unit organizations and two organizations that are part of the Ministry of Finance (internal revenue services). The questionnaires (see Appendix V) were hand-delivered by the researchers to the employees; 490 useable responses from a total of 800 distributed questionnaires (61.25% response rate) were returned to the researchers.

Prior to the completion of the questionnaires participants were informed of the purpose of the study and were reassured that all information would be kept completely anonymous and confidential. There were 249 (50.80%) male participants and 241 (49.20%) female participants. In terms of age, 5.70% were aged from 18 to 24 years old, 33.10% from 25 to 34, 16.70% from 35 to 44, 22.4 % from 45 to 54 and 22.00 % from 55 to 65 years old. Respondents reported that 49.60% had a high school certificate or technical-professional training and 50.40% had a university or higher degree. Employees with more than 6 years of tenure represented the 46.50%, while the majority (94.10%) were employees (5.90% management position). With regard to pay 72.20% indicated that they receive from €781 Euros to €1,180 per month. The statistical description of the total sample is provided in Appendix I.

We addressed the concern for non-response bias by comparing the mean differences on key variables in the model between *'early'* and *'late'* respondents. Based on Armstrong and Overton (1977), the assumption behind this test is that those returning the questionnaire after the second reminder, known as *'late'* respondents, are similar to non-respondents. The results of the t-tests indicated that there were no statistically significant differences between the two groups of respondents (Appendix

II). Hence, this comparison increases confidence in the representativeness of the sample.

8.3.2 Measurements, Reliability and Validity of Scales

All measures were translated into Greek using two bilingual peer scholars to assess their accuracy (Brislin, et al., 1973). Both scholars are PhD researchers in Business Administration with experience in international academic context. In addition, we pre-tested the questionnaire to avoid ambiguity of the instructions and that all items and scale format were clearly understood. No issues were raised about the completeness of the questionnaire, and no unclear statement or question was mentioned in the feedback. Established measures with high reliability and validity, were used to keep questions simple, specific, and concise, avoiding ambiguous items.

Distributive justice. We measured distributive justice with seven items developed by Scholl et al. (1987) and adapted by Kwon et al. (2008), since it is a widely accepted scale with high reliability and validity. Participants were asked how much the employees received from their organization as compared with the following referents:

1. Job equity: *'Others doing the same job within the same organization'*.
2. Company equity: *'Others in the same organization performing substantially different jobs'*.
3. Occupational equity: *'Others doing substantially the same job in other organizations'*.
4. Educational equity: *'Others who had attained the same educational level'*.

5. Age equity: *'Others of the same age'*.
6. System equity: *'The amount of pay that individuals expected from the system'*.
7. Self-equity: *'Internal evaluation of self-worth'*.

Responses to the items were on a seven-point scale ranging from 1 (very little) to 7 (very much). The exploratory factor analysis (EFA; extraction method: principal axis factor with varimax rotation) yielded 62% variance explained by a single factor with loadings ranging from 0.72 to 0.84. The seven items showed excellent reliability (a = 0.90). A general accepted rule is that a Cronbach's alpha value of 0.70 or greater is an acceptable value, 0.80 or greater is considered good, while 0.90 or greater is an excellent indication of internal reliability (Cortina, 1993; Taber, 2018). The Kaiser-Meyer-Olkin (KMO) value was 0.92, indicating that research data were suitable for EFA. Kaiser (1974) recommends accepting values greater than 0.5 as barely acceptable (values below this index lead to collect more data or rethink which variables to include).

Furthermore, we conducted a confirmatory factor analysis (CFA) to verify the unidimensionality of the construct. The model fits the data well: $\chi^2_{[14]} = 26.77$, $p < 0.05$, root mean square error of approximation (RMSEA) = 0.043; normal fit index (NFI) = 0.99, comparative fit index (CFI) = 1, goodness of fit index (GFI) = 0.98. Regarding RMSEA, as found in Lai and Green (2016, p. 220), (a) values less than 0.05 (Browne and Cudeck, 1992) or 0.06 (Hu and Bentler, 1999) suggest "good" fit; (b) values between 0.05 and 0.10 suggest "acceptable" fit (Browne and Cudeck, 1992; MacCallum, Browne, and Sugawara, 1996); and (c) values larger than 0.10 suggest "bad" fit (Browne and Cudeck, 1992). Values for the indices of CFI, GFI, NFI range between 0 and 1 with Bentler and Bonnet (1980) recommending values greater than 0.90 indicating a good fit (Hooper et al., 2008). Furthermore, based on the suggestion of Fornell and Larcker (1981), convergence validity was assessed by examining the significance of loadings, average variance explained (AVE) and composite reliability (CR). The results indicated that the seven standardized loadings ranged from 0.67 to 0.82 and were all significant at the 0.001 level, while the CR was 0.90 (benchmark ≥ 0.70) and the AVE value was 0.56 (benchmark ≥ 0.50), providing adequate support for convergent validity (Fornell and Larcker, 1981).

Procedural justice. We adapted the procedural justice measure developed by Kwon et al. (2008). Respondents were asked to evaluate the extent to which their firms ensure perceived procedural justice on a seven-point scale (1 = Strongly Disagree, to 7 = Strongly Agree). The measure comprises of five items, namely:

1. Objectivity: '*The standard to determine my salary is clear*'.
2. Consistency: '*The standards are consistently applied to every employee in the organization*'.
3. Bias suppression: *'External groups do not affect the process of salary determination'.*
4. Ethicality: *'The process of salary determination is ethical'.*
5. Participation: *'Employees can express their opinions in the salary determination process'.*

The EFA (extraction method: principal axis factor with varimax rotation) conducted with the five items yielded a single-factor solution (58% variance) with loadings ranging from 0.72 to 0.81. The KMO value of sampling adequacy was 0.83. The internal consistency estimate (Cronbach's alpha) for the five items was 0.82. Furthermore, results from the CFA confirmed a good fit of the single factor model: $\chi^2_{[5]} = 17.31$, $p < 0.01$, RMSEA = 0.071; NFI = 0.98, CFI = 0.99, GFI = 0.99. In addition, the statistically significant relationships between each indicator variable and the latent variable ($p < 0.001$), in conjunction with the high standardized factor loadings (from 0.62 to 0.77) suggest that each dimension contributes significantly to its corresponding construct. Furthermore, the CR was 0.85 (benchmark > 0.70) and the AVE value was 0.51 (benchmark > 0.50), providing adequate support for convergent validity.

Pay satisfaction. To assess satisfaction with pay, we used two items of the Job Diagnostic Survey (JDS) developed by Hackman and Oldman (1980). Respondents were asked to indicate how satisfied they are with the compensation in their workplace. Specifically, the items were: 1. *'The amount of pay and fringe benefits I receive'* and 2. *'The degree to which I am fairly paid for what I contribute to this company'*. Each of the items was measured on a seven-point Likert scale ranging from 'Extremely Dissatisfied' to 'Extremely Satisfied'. The exploratory factor analysis (EFA; extraction method: principal axis factor with varimax rotation) yielded 87% variance explained by a single factor with both loadings at 0.93. The KMO value of 0.56 confirms that sampling adequacy was tolerable. The Cronbach's alpha for the two items was 0.86. In addition, as the model is just-identified, no overall test of fit can be computed.

Work effort. We measured work effort with five items developed by Kuvaas and Dysvik, (2010). Participants were asked to provide their level of agreement on a seven-point scale ranging from 'Strongly Disagree' to 'Strongly Agree'. Statements for work effort were:

1. '*I try to work as hard as possible*'.
2. '*I intentionally expend a great deal of effort in carrying out my job*'.
3. '*I often expend extra effort in carrying out my job*'.
4. '*I almost always expend more than an acceptable level of effort*'.
5. '*I usually don't hesitate to put in extra effort when it is needed*'.

The EFA (extraction method: principal axis factor with varimax rotation) yielded 55% variance explained by a single factor with loadings ranging from 0.72 to 0.77. The Kaiser-Meyer-Olkin test of sampling adequacy provided satisfactory results (KMO = 0.85). The internal reliability of the five items was 0.80. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[5]} = 20.50$, $p < 0.05$, RMSEA = 0.080; NFI = 0.98, CFI = 0.99, GFI = 0.98. All standardized loadings were from 0.60 or above and are significant at $p < 0.001$. Standardized loadings ranged from 0.63 to 0.71 and were significant at $p < 0.001$. Moreover, the CR was 0.80 (benchmark ≥ 0.70) and the AVE value was 0.50 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Work quality. Work quality was measured with five items developed by Kuvaas and Dysvik, (2010). Participants were asked to provide their level of agreement on a seven-point scale ranging from ‘Strongly Disagree’ to ‘Strongly Agree’. Statements for work quality were:

1. ‘*The quality of my work is usually high’*.
2. ‘*The quality of my work is top-notch*’.
3. ‘*Others in my organization look at my work as typical high quality work’*.
4. ‘*I deliver higher quality than what can be expected from someone with the type of job I have’*.
5. ‘*I rarely complete a task before I know that the quality meets high standards’*.

The EFA (extraction method: principal axis factor with varimax rotation) yielded 61% variance explained by a single factor with loadings ranging from 0.75 to 0.81. The KMO value of 0.85 indicates sampling adequacy. The internal reliability of the five items was 0.84. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[5]} = 17.74$, $p<0.01$, RMSEA = 0.072; NFI = 0.99, CFI = 0.99, GFI = 0.99. Standardized loadings ranged from 0.67 to 0.77 and were significant at $p < 0.001$. Moreover, the CR was 0.84 and the AVE value was 0.52, providing adequate support for convergent validity (Fornell and Larcker, 1981).

Additionally, discriminant validity and common method bias was assessed. We followed the recommendation of Forner and Larcker (1981) to assess discriminant validity, by comparing the AVE with the shared variance between constructs. Discriminant validity is confirmed if the AVE for each construct is greater than its shared variance with any other construct. In this study, for each construct, it was found that the AVE was greater than the shared variance suggesting discriminant validity. In order to assess the presence of common method bias, based on the suggestion of Podsakoff et al. (2003), we loaded all indicators on a single factor. Results indicated that a single factor model is not a good fit to the data: $\chi^2_{[252]} = 3414.49$, root mean square error of approximation (RMSEA) = 0.16, normal fit index (NFI) = 0.85, comparative fit index (CFI) = 0.87, goodness of fit index (GFI) = 0.56. Moreover, the principal component analysis indicates that five components are extracted and no single factor account for most of the variance. We can therefore conclude that common method bias does not present a serious issue in this study.

Control variables. A number of demographic and work-related variables are considered to control for individual variations. Similar to prior studies: we collected information with regard to gender, age, educational level, tenure, employment position status and pay level (e.g., Brown, 2001; Kuvaas, and Dysvik, 2009; Kuvaas and Dysvik, 2010; Monsen and Boss, 2009). We included a dummy variable for gender (0 = female, 1 = male) and job position (0 = staff / worker, 1 = management). Age, education and tenure were measured as ordinal variables with six categories each and pay level with nine categories. For instance, for age, (1) represented 18 to 24-year-old and (6) represented age 65 or older. For education, (1) represented high-school level and (6) represented postgraduate level. For tenure, (1) represented less than 1 year and (6) represented more than 15 years. For pay level (1) represented €580 to €780 per month and (9) represented more than €2,181 per month.

8.4 Research Findings

8.4.1 Descriptive Statistics

Table 8.1 presents the descriptive statistics and the pairwise Spearman's correlations among the model variables. The median values for distributive justice, procedural justice, pay satisfaction, work effort and work quality were 3.86, 4.20, 3.00, 4.40 and 4.80, respectively. Furthermore, Table 8.1 indicates that distributive justice is significantly and positively correlated with pay satisfaction, affective commitment and with work effort.

Table 8.1 Descriptive statistics and pairwise correlations

	Median	1	2	3	4	5
1. Distributive justice	3.86	(.90)				
2. Procedural justice	4.20	.38[a]	(.82)			
3. Pay satisfaction	3.00	.42[a]	.41[a]	(.86)		
4. Work effort	4.40	.37[a]	.32[a]	.49[a]	(.80)	
5. Work quality	4.80	.44[a]	.44[a]	.51[a]	.48[a]	(.84)

Notes: Cronbach's reliability coefficients for the scales are in parentheses along the diagonal.
[a] $p \leq .001$

8.4.2 Antecedents and Outcomes of Employees' Satisfaction with Pay

We used structural equation modelling to test the proposed hypotheses and adopted, the well-established, three-step mediated approach proposed by Baron and Kenny (1986). According to the authors, mediation occurs when three conditions are met: (a) the predictor variable (i.e., distributive and procedural justice) should be related significantly to the mediator (i.e., pay satisfaction), (b) there has to be a significant relation between the predictor (i.e., distributive and procedural justice) and the outcome (i.e., work effort, work quality), (c) the mediating variable (i.e., pay satisfaction) should be related to the outcome (i.e., work effort, work quality) with the predictors (i.e., distributive and procedural justice) in the equation. According to Baron and Kenny (1986), the reduced strength of the predictor-outcome relationship after inclusion of the mediator suggests a mediation effect. For a total mediating relationship to exist, the effect of the predictor on the dependent variable will become non-significant when it includes all the relationships in the model. For partial mediation to exist, the effect of the predictors on the dependent variable will decrease when it includes all the relationships in the model.

Consequently, in order to test the proposed hypotheses and to test the mediation criteria we estimated three models (Figure 8.2). Model 1 suggests that both distributive and procedural justice have a direct effect on pay satisfaction ($\beta = 0.30$, $p \leq 0.001$; $\beta = 0.41$, $p \leq 0.001$, respectively), work effort ($\beta = 0.33$, $p \leq 0.001$; $\beta = 0.33$, $p \leq 0.001$) and work quality ($\beta = 0.32$, $p \leq 0.001$; $\beta = 0.46$, $p \leq 0.001$) (Table 8.2). The model fit was acceptable: $\chi^2_{[386]} = 1291.03$, $p < 0.001$; RMSEA = 0.069, NFI = 0.90, CFI = 0.92, GFI = 0.85. Therefore, the findings provide support for hypothesis 1 and hypothesis 2, as well as they satisfy the first and the second criterion for mediation. To test hypotheses 3 and the third criterion of mediation we estimated two structural models (model 2 and model 3). Model 2 suggests that the relationship between organizational justice (distributive and procedural) and work performance (work effort and work quality) is fully mediated by pay satisfaction. The model fit was acceptable: $\chi^2_{[388]}=1265.92$, RMSEA= 0.068, $p < 0.001$; NFI = 0.90, CFI = 0.92, GFI = 0.85. In Model 2 all paths were significant. In Model 3 we included a direct path from organizational justice (distributive and procedural) to work effort and work quality to suggest partial mediation. Structural model fit was again acceptable: $\chi^2_{[384]} = 1177.60$, $p < 0.001$; RMSEA = 0.065, NFI = 0.91, CFI = 0.93, GFI = 0.86. In Model 3 all paths were significant with the exception of the effects of procedural justice on work effort ($\beta = 0.10$, $p > 0.05$). Furthermore, the model comparison indicates that the partial mediation model (Model 3) has a better fit than the full mediation model (Model 2): $\Delta\chi^2$ (Δdf) = 88.32 (1), $p \leq 0.05$. Therefore, the results reported in Table 8.2 provided support for hypothesis 3. In particular, it is indicated that organizational justice is positively related to work performance and this relationship is partially mediated by pay satisfaction.

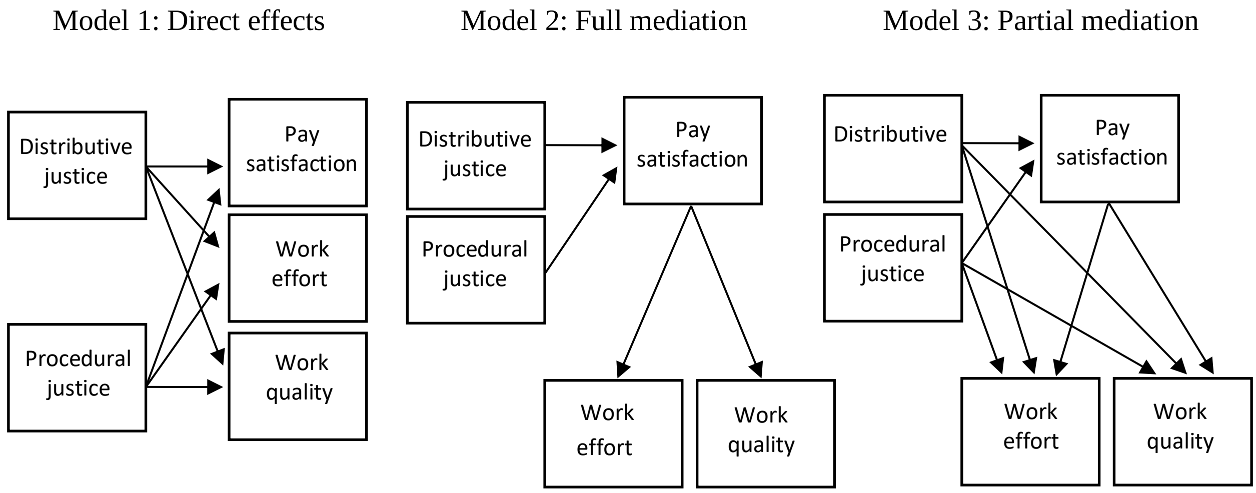

Figure 8.2 Alternative models

Table 8.2 Results for structural equation analyses

	Direct effects	Full mediation	Partial mediation
χ^2	1291.03	1265.92	1177.60
d.f.	386	388	384
RMSEA	.069	.068	.065
NFI	.90	.90	.91
CFI	.92	.92	.93
GFI	.85	.85	.86
Path	*Standardized Path Coefficients*	*Standardized Path Coefficients*	*Standardized Path Coefficients*
Distributive justice → Pay satisfaction	.30*	.35*	.30*
Distributive justice → Work effort	.33*	-	.20*
Distributive justice → Work quality	.32*	-	.21*
Procedural justice → Pay satisfaction	.41*	.39*	.36*
Procedural justice → Work effort	.33*	-	.10
Procedural justice → Work quality	.46*	-	.27*
Pay satisfaction → Work effort		.66*	.46*
Pay satisfaction → Work quality	-	.68*	.39*

Notes: Control variables (see page 126) were included in the analysis but are not shown for the purpose of simplicity.
* p ≤ .001

In accordance, the bootstrap analysis (500 bootstrap samples) provided support for hypothesis 3, as it is found that in the partial mediation model the associated paths are all significant: Distributive Justice → Pay Satisfaction ($\beta = 0.40$, $p \leq 0.001$), Distributive Justice → Work Effort ($\beta = 0.18$, $p \leq 0.001$), Distributive Justice → Work Quality ($\beta = 0.19$, $p \leq 0.001$), Procedural Justice → Pay Satisfaction ($\beta = 0.52$, $p \leq 0.001$), Procedural Justice → Work Effort ($\beta = 0.13$, $p = 0.05$), Procedural Justice → Work Quality ($\beta = 0.26$, $p \leq 0.001$), Pay Satisfaction → Work Effort ($\beta = 0.31$, $p \leq 0.001$), Pay Satisfaction → Work Quality ($\beta = 0.25$, $p \leq 0.05$).

8.5 Summary

In a period of economic crisis, the reduction of governments' revenue and the increasing pressure of sparse financial resources are factors pushing and forcing managers of public organizations to do more with less (Askounis et al., 2016). The current chapter explores how employees' performance in the public sector is affected by perceptions of fairness. Specifically, this research investigated how employees' level of work effort and work quality is affected by perceptions of distributive and procedural justice.

Using the psychological contract theory as the overarching theoretical framework, this study expands researchers' understanding of the extent to which employees feel that they have been fairly treated, regardless of actual pay levels. Based on a survey of public sector employees in Greece it was found that work performance is significantly and positively related to employees' perceptions of organizational justice. The findings also showed that pay satisfaction mediated the effects of organizational justice on work performance. This research adds credence to the notion that different types of justice (i.e., distributive and procedural) are strong predictors of not only employees' attitudes and behaviors (Janssen et al., 2010; Ohana and Meyer, 2016; Simons and Roberson, 2003), but also of employees' outcomes (i.e., work effort and work quality). Hence, our findings are in line with that of previous studies, indicating that employees who perceive higher levels of both distributive and procedural justice are more likely to respond with higher levels of job satisfaction (Greenberg, 1990; Lambert, 2007; McFarlin and Sweeney, 1992; Organ, 1990; Rai, 2013; Simons and Roberson 2003), organizational commitment (Ali and Saifullah, 2014; Bakhshi et al., 2009; Folger and Konovsky, 1989; Loi et al., 2006), lower levels of turnover intentions (Dailey and Kirk 1992, Nadiri and Tanova, 2010) and job performance (Janssen et al., 2010; Konovsky and Cropanzano,1991; Memari et al, 2013). Therefore, we posit that in contexts of economic crisis and limited financial resources, the need of non-financial incentives is intensified when organizational management cannot rely solely on monetary rewards. As organizations face challenges in providing competitive compensation, benefits and training programs, it is evident that the focus should lie on fairness and justice as the most cost-effective approach to enhance motivation and productivity of employees. The main findings of this chapter are summarized in Table 8.3.

Table 8.3 Employees' Satisfaction with Pay and Organizational Justice

Hypothesized relationship	Findings
H1. Employees' satisfaction with pay is positively affected by perceptions of distributive justice.	▪ There is a significant and positive impact of distributive justice on satisfaction with pay.
H2. Employees' satisfaction with pay is positively affected by perceptions of procedural justice.	▪ There is a significant and positive impact of procedural justice on satisfaction with pay.
H3. Employees' perceptions of organizational justice (i.e. distributive and procedural) are positively associated with employees' work performance (i.e. work effort and work quality) and this relationship is mediated by satisfaction with pay.	▪ Using the psychological contract theory as the overarching theoretical framework it is found that organizational justice is positively related to work performance (i.e. work effort and work quality) and that this relationship is mediated by satisfaction with pay.

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PART V

Intrinsic

Motivation

9. Human Resource Development Practices in the Public Sector - An Employees' Perspective. The Role of Organizational and Supervisor Support

9.1 Introduction

Over the last two decades public sector reforms have focused mainly on implementing a range of private sector managerial tools and methods (Ritz, 2009), known as New Public Management (NPM), to maximize the value of employees, among others. Since an appropriately skilled and deployed workforce is crucial for the success of public service delivery (Vermeeren, 2017), today's reformers have adopted Human Resource Management (HRM) systems, such as the knowledge incentive system that focuses on employees' training and development (Tessema, 2014).

Given that organizations are increasingly relying on employee development as a key part of how they function effectively and continuously improve (Pierce and Maurer, 2009), it is not surprising that employee development opportunities have become a topic of utmost importance for both the academics and the practitioners. Kuvaas and Dysvik (2010, p. 139) adopted an employee perspective and defined perceived investment in employee development (PIED) as '*employees' assessment of their organization's long-term and continuous commitment to helping employees learn to identify and obtain new* *skills and competencies'.* A number of studies have focused on PIED because of its positive effect on both the organization and employees (Dysvik et al., 2016).

Research on employee development, concerning private sector business and industry, have put forward the significance of interactions between organizations, managers and employees by focusing on social support and specifically on the concepts of perceived organizational support (POS) and perceived supervisor support (PSS). Eisenberger et al. (1986) defined POS as the extent to which the organization values employees' contributions and cares about their well-being, while PSS is defined as employees' views concerning the degree to which their immediate line manager values their contributions and cares about their well-being (Kottke and Sharafinski, 1988).

Based on a survey of public sector employees in Greece, the scope of this study is twofold. First, utilizing the theoretical framework of the job demands-resources model (JD-R model), we conceptualize POS and PSS as job resources and evaluate the effects of employees' supportive perceptions on their perceived developmental opportunities. Second, by integrating the JD-R model and the social exchange theory we explore the effects of POS, PSS and PIED on employees' job attitudes (i.e. organizational commitment) and work behaviors (i.e. organizational citizenship behavior, OCB).

This study extends existing theoretical and empirical knowledge in several ways. First, we adopt an employee-level perspective and respond to the call for additional research concerning factors that affect employees' attitudes and behaviors in the public sector in financially turbulent times (Ko and Smith-Walter, 2013). Second, since most of the previous research in the public sector neglected to examine the interconnections between employees' perceptions of social support and employees' outcomes, our study explores these associations and their underlying mediating mechanisms. Third, we take into account not only employees' perceptions of organizational support when exploring public employees' outcomes, but also perceptions of supervisor support pointing out that line managers, as organizational agents, play an intermediate role between public administration and employees. Figure 9.1 presents the conceptual model of the study.

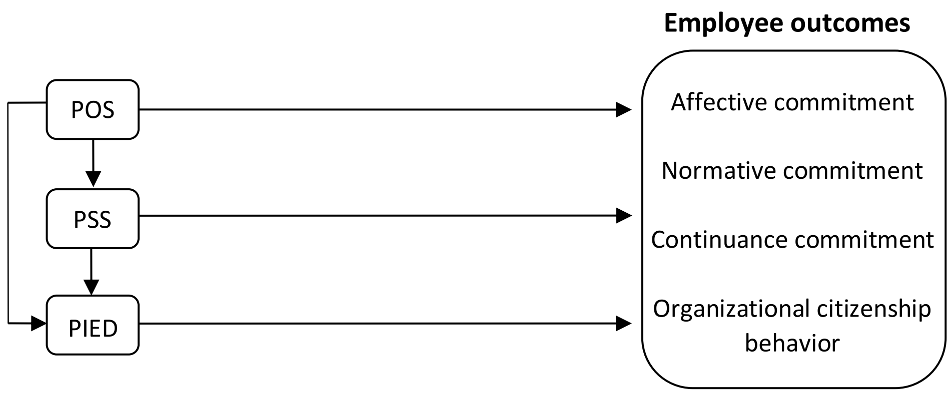

Figure 9.1 Conceptual model

9.2 Research Hypotheses

9.2.1 Employees' Perceptions of Support and PIED

9.2.1.1 Linking POS and PSS to PIED

PIED has captured the attention of researchers in the field of organizational science since it is an important indicator of HRM climate that promotes organizational performance (Dysvik et al., 2016). Early studies have pointed out the importance of exploring perceptual influences, such as supportiveness of the organization and supervisors when studying the notion of *'investment in employee development'* (Noe and Ford, 1992).

In this study, we draw on the job resources part from the JD-R model of Schaufeli and Bakker (2004) and conceptualize both POS and PSS as resources that influence employees' workplace perceptions. Specifically, the JD-R model suggests that there is an interaction between job demands and job resources i.e. job resources buffer the impact of job demands on employee outcomes. Job demands encompass the physical, psychological, social, or organizational aspects of the job that require sustained physical and/or psychological effort or skill. Job resources are the physical, psychological, social, or organizational aspects of a job that reduce job demands, are functional in achieving work goals and more importantly stimulate personal growth, learning, and development (Schaufeli and Bakker, 2004). Job resources may be located at various levels such as organizational, interpersonal relations, job level and some examples include the social support, job autonomy and performance feedback.

Since the JD-R model is a broad model that does not restrict itself to specific job resources (Schaufeli and Taris, 2014), in the current study we conceptualize both POS and PSS as resources that determine employees' positive or negative workplace experiences. This argument is in line with the early work of Eisenberger et al., (1986) which proposes that the perceptions of the quality of HRM practices are affected by the abundance of job resources. Indeed, previous research conducted in the private sector, empirically indicated a positive relationship of both employees' perceived organizational (POS) and supervisory support (PSS) with a strong HRM climate of receiving investments (PIED) and also with performance (Dysvik and Kuvaas, 2012; Kraimer et al., 2011; Kuvaas and Dysvik, 2010; Mayes et al., 2017; Pazy and Ganzach, 2009). Specifically, it is found that in order for HRM practices to have an impact on performance, employees should feel support both from the organization and the supervisor. These two forms of social support generate a strong HRM climate of receiving investments, and thereby lead to positive outcomes such as enhanced individual and business-unit performance (Dysvik and Kuvaas, 2012; Kuvaas and Dysvik, 2010).

Hence, in line with the role of job resources on determining workplace experiences, we posit that public sector employees' increased levels of social support (POS and PSS) are related to employees' positive perceptions of promotion opportunities and developmental experiences.

Hypothesis 1: POS is positively related to PIED.

Hypothesis 2: PSS is positively related to PIED.

9.2.1.2 The Mediating Role of PSS in the Relationship Between POS and PIED

The relationship between POS and PSS has been a matter of interest and dispute. Some early scholars argue that POS and PSS are similar concepts (Levinson, 1965), while others posit that employees can differentiate between these two notions of social support (Eisenberger et al., 1986; Eisenberger et al., 2002; Hutchison, 1997; Kottke and Sharafinski, 1988).

The main argument in support of the idea of concepts similarity is the proposition that supervisors are not merely part of the organization but they constitute the representatives of the organization since they are charged with the communication of the organization's values and goals. Alternatively, opponents of this view argue that despite the role of supervisors as representatives of the organization, employees develop individual relationships with their managers and hence can distinguish their relationship with the organization. Consequently, and given the unique exchange relationships that employees may hold with various organizational entities, it is possible that employees experience a high level of support with one entity (e.g. organization) while at the same time may experience low level of support with another (e.g. supervisor) (Simosi, 2012, p. 306).

Nowadays, an important characteristic of the public sector is the direct communication, through electronic channels, of the public administration with its stakeholders (Meijer et al., 2012). Accordingly in Greece, as a result of the recent public reform, state-owned organizations publicly announce their organizational values, goals, resources as well as training and development opportunities not only through the Government Gazette but also through a variety of governmental internet channels such as

Ministries' websites and the OpenGov platform (The Greek Open Government Initiative) that has been designed to serve the principles of transparency, deliberation, collaboration and accountability.

In the current study, based on this open and direct communication of the public administration, we posit that state employees are able to develop an overall perception of the organizations' support (POS) that can be distinguished from their perceptions of supervisors' support (PSS). Nevertheless, as the immediate line manager serves as the deliverer or implementer of the HR practices that bring HR policies to life (Purcell and Hutchinson, 2007), previous research has demonstrated the significant role of supervisors in the implementation of HR practices. Specifically, Kuvaas and Dysvik, (2010) argued that line managers are of vital importance in implementing developmental HR practices, either because they influence how such practices are perceived by employees or because positive experiences with both line managers and HR practices seem to be needed in order for developmental HR practices to positively influence employee performance.

To the extent that employees believe supervisors to be influenced by the organization's views and act as intermediates, perceived support by the organization (POS) should increase PSS. Indeed, based on this argument, Yoon and Thye (2000) indicated that employees' beliefs that the organization values their contribution and cares about their well-being might lead them to believe that supervisors, as agents of the organization, are favorably inclined toward them. Based on this rationale, we posit that the positive relationship between employees' perceptions of organizational support and employees' perceptions of 'investments in employee development' to be mediated by perceptions of supervisory support.

Hypothesis 3: The positive relationship between POS and PIED is mediated by PSS.

9.2.2. The Effects of POS, PSS and PIED on Employees' Attitudes and Behaviors.

Research on employee development, concerning private sector business and industry, has utilized the theoretical framework of the social exchange theory (Blau, 1964) to unveil the relationships between organizations, managers and employees. In general, the social exchange theory posits that one will try to pay back those that provided help and benefits. In this sense, organizations that provide support to their employees create a feeling of obligation on the employee's part. To discharge their obligation, employees respond in ways that benefit the organization, namely, they enhance their performance and support organizational goals (Eisenberger et al., 1986).

Since POS and PSS capture the essence of social exchange in employment relationships (Pazy and Ganzach, 2009) and as investing in employee development is one way of developing a felt responsibility or obligation among employees (Dysvik et al., 2016), in this study, we integrate the JD-R model and the social exchange theory so as to improve our understanding of how and why social support resources, create a relationship of mutual exchange that in turn influences employees' outcomes.

Specifically, we argue that by fostering a working environment where employees experience enhanced social support (both organizational and supervisory) and higher levels of PIED are developed, a social exchange relationship is elicited among organizations, supervisors and employees. As a result, employees reciprocate for the provided support and resources by developing positive job attitudes and behaviors towards the organization and, in turn, a willingness to work hard to increase the organization's effectiveness.

9.2.2.1 Exploring the Relationships between Employees' Perceptions of Support and Organizational Commitment.

Organizational commitment is considered multidimensional and a distinction should be made between affective, normative and continuance commitment since these three conceptually different components are likely to have quite different antecedents (Meyer and Allen, 1991). Affective commitment is defined as the relative strength of an individual's identification with, and involvement in, a particular organization. Employees with strong affective commitment remain in the organization because they *want* to. Normative commitment reflects a feeling of obligation to continue employment. Employees with strong normative commitment remain in the organization because they feel they *ought* to do so (Meyer and Allen, 1991). Continuance commitment refers to the perceived costs associated with leaving the organization. Past studies revealed that the most important antecedents of continuance commitment include (a) the costs associated with leaving the organization (side-bet theory including the threat of wasting the time and effort spent acquiring non-transferable skills, giving up seniority-based benefits and losing promotion opportunities, among others) and (b) the lack of alternatives (Meyer and Allen, 1984). Employees with strong continuance commitment remain because they *need* to (Meyer and Allen, 1991).

Previous research indicated that POS and *affective commitment* are conceptually and empirically linked via the norm of reciprocity. In their early work, Eisenberger et al. (1986) suggested that by fulfilling socioemotional needs, POS would increase employees' affective commitment to the organization. Later studies provided support for the notion that POS could be regarded as a job resource, as such, is a strong predictor of affective commitment. Specifically, it is found that employees who receive the support and recognition from the organization are expected to develop a desire to reciprocate by accepting the organizational goals and values, by helping the organization to achieve its goals, and by maintaining a strong desire to be "part of the family" (Kurtessis et al., 2017).

The relationship between POS and *normative commitment* has not yet received much attention despite the fact that there is a *'possibility that reciprocation is based on employee's felt obligation to care about the organization's welfare'* (Simosi, 2012). Initially, antecedents of normative commitment were based on Weiner's (1982) study on socialization experiences. According to Weiner, socialization experiences create within the employee a sense of obligation to remain in the organization. These socialization experiences may be both prior to (familial/cultural socialization) and following (organizational socialization) the entry into the organization. Indeed, the revised measures of normative commitment allow the possibility that organizational supportiveness creates a feeling of obligation to reciprocate (Meyer and Parfyonova, 2010).

With regard to *continuance commitment*, the study of Colakoglu, et al. (2010), proposed that POS reduces the feelings of entrapment that develop when employees are forced to stay with their organization because of the high costs associated with leaving. Contrary to their expectations, their empirical results revealed that POS positively affects continuance commitment. The authors suggested that employees with strong levels of continuance commitment are likely to feel that they "had to" remain with the organization because of the lack of attractive alternatives in the current unfavorable economic climate.

Hypothesis 4: POS is positively related to (a) affective commitment, (b) normative commitment and (c) continuance commitment.

Given that the supervisor acts as an agent that represents or personifies the organization (Eisenberger et al., 2002) and based on the proposition that supportive perceptions are regarded as job resources, it is implied that employees' perceptions of supervisory support also positively influence affective, normative and continuance commitment. Indeed, preceding research conducted in the private sector has demonstrated that there is a positive relationship between PSS and the three dimensions of organizational commitment (Miao et al., 2013).

Hypothesis 5: PSS is positively related to (a) affective commitment, (b) normative commitment and (c) continuance commitment.

The mediating role of PIED

Scholars of organizational commitment identified employees' work experiences as the most influential antecedents of affective and normative commitment and suggested that commitment develops as the result of positive experiences (Meyer and Parfyonova, 2010). In particular, HRM practices that satisfy employees' need to feel comfortable in the organization and competent in the work role, are expected to positively and strongly affect employees' level of affective and normative commitment (Giannikis and Nikandrou, 2013). Specifically, it is suggested that levels of commitment can be enhanced by promoting awareness of training and development opportunities and that as long as employees perceive investment in their development positively, a strong relationship with commitment arises (Zaitouni, 2016).

Based on the above, we suggest that in work contexts where both the organization and the supervisors provide substantial developmental inducements, employees are more likely to reciprocate with strong affective and normative commitment. Thus, employees who experience positive situations are not only more likely to remain in the organization because they *want to,* but also they feel that they *ought to* give something in return, i.e., to remain valuable employees in their organizations.

With regard to continuance commitment, we argue that within a supportive organizational culture where the supervisors concomitantly value employees' contributions, care about their well-being and provide developmental inducements, an increased level of continuance commitment is expected. In such a work environment, employees, through the mechanism of promotional side-bets as well as the fear of losing a supportive workplace, are more likely to report a greater *need to* remain in the organization. Additionally, the lack of alternative attractive job opportunities due to the economic slowdown enhances the proposed relationship.

Hypothesis 6: The positive relationships between POS and (a) affective commitment, (b) normative commitment and (c) continuance commitment are mediated by PIED.

Hypothesis 7: *The positive relationships* between PSS and (a) affective commitment, (b) normative commitment and (c) continuance commitment are mediated by PIED.

9.2.2.2 Exploring the Relationships between Employees' Perceptions of Support and OCB.

OCB is defined as 'individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in aggregate promotes the effective functioning of the organization' (Organ, 1988). OCB refers to employee behavior that is extra-role or unenforceable behavior. Motivating employees to go beyond their job task has recently attracted scholarly attention. In particular, in financially turbulent times where resources are limited, OCB as a discretionary and non-required employee behavior is considered valuable to the success of the organizations (Pierce and Maurer, 2009).

Previous research has indicated that various job resources in the workplace, such as social support among others, stimulate positive extra-role behavior. In their pioneer work, Eisenberger et al. (1990) indicated that POS is the most important antecedent of OCB. In line with the social exchange theory, research pinpointed the linkage between OCB and the employee-employer exchange relationship and proposed that when employees feel that the organization attaches great importance to their personal values, they reciprocate via increased OCB (Podsakoff et al., 2000). Supervisors are in regular contact and form associations with their subordinates. The quality of such a relationship has an important role in motivating employees to reciprocate in citizenship behavior (Ladebo, 2008). Recent studies have provided evidence for this argument and established the significant and positive relationship between PSS and OCB (Kim et al., 2016).

As existing research has highlighted the importance of employees' perceptions regarding organizational and supervisor support, similar patterns should be expected for the relationship between PIED and OCB. Indeed, previous scholars proposed that skill development activities provided by the organization and supported by the supervisors lead to increased OCB (Zaitouni, 2016). On the basis of the social exchange theory, it is suggested that employees who perceive those developmental activities as beneficial for them reciprocate by performing duties not required formally by their job description. Hence, the following hypotheses are examined:

Hypothesis 8: POS is positively related to OCB.

Hypothesis 9: PSS is positively related to OCB.

Hypothesis 10: The positive relationships between (a) POS and OCB and (b) PSS and OCB will be mediated by PIED.

9.3 Methodology

9.3.1 Sample

The description of the sample was presented in chapter 8 (see page 119). At this point, we briefly provide the main characteristics of the study sample. We surveyed 800 public sector employees in nine different public organizations (local government agencies and national agencies) located in Northern Greece. We received 490 useable responses (61.25% response rate). Our sample was comprised of 249 (50.80%) male and 241 (49.20%) female participants. Regarding age, 38.80% were from 18 to 34 years old. Respondents reported that 49.60% had a high school certificate or technical-professional training and 50.40% had a bachelor's degree or higher. Employees with more than 6 years of tenure represented 46.50%, while the majority were employees (94.10% employees and only 5.90% held managerial positions).

9.3.2 Measurements, Reliability and Validity of Scales

All measures were translated into Greek using two bilingual peer scholars to assess their accuracy (Brislin, et al., 1973). Both scholars are PhD researchers in Business Administration with experience in international academic context. In addition, we pre-tested the questionnaire to avoid ambiguity of the instructions and that all items and scale format were clearly understood. No issues were raised about the completeness of the questionnaire, and no unclear statement or question was mentioned in the feedback.

Established measures with high reliability and validity, were used to keep questions simple, specific, and concise, avoiding ambiguous items.

Perceived organizational support. POS was measured using four items from the 'Survey of Perceived Organiztional Support (SPOS)' (Eisenberger et al., 1986, 1990). According to the authors the use of the shorter version of SPOS is not problematic because the original scale is unidimensional and has high internal reliability. Therefore, such shortened versions of this one-dimensional scale are frequently used in the POS literature (Hayton et al., 2012). Participants were asked to provide their level of agreement on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree). Statements for POS were:

1. *'The organization is willing to help me when I need a special favor'*.
2. *'The organization shows very little concern for me (reversed)'*.
3. *'The organization values my contribution to its well being'*.
4. *'The organization strongly considers my goals and values'*.

The EFA (extraction method: principal axis factor with varimax rotation) yielded 79% variance explained by a single factor with loadings ranging from 0.87 to 0.91. The Kaiser-Meyer-Olkin test of sampling adequacy provided satisfactory results (KMO = 0.86). A minimum acceptable score for this test is 0.5 (Kaiser, 1974). The internal reliability of the five items was 0.92. Cronbach's alpha value of 0.70 or greater is an acceptable value, 0.80 or greater is considered good, while 0.90 or greater is an excellent indication of internal reliability (Cortina, 1993; Taber, 2018).

Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[2]}$ = 0.32, $p < 0.001$, RMSEA = 0.00; NFI = 1, CFI = 1, GFI = 1. Regarding RMSEA, as found in Lai and Green (2016, p. 220), (a) values less than 0.05 (Browne and Cudeck, 1992) or 0.06 (Hu and Bentler, 1999) suggest "good" fit; (b) values between 0.05 and 0.10 suggest "acceptable" fit (Browne and Cudeck, 1992; MacCallum, Browne, and Sugawara, 1996); and (c) values larger than 0.10 suggest "bad" fit (Browne and Cudeck, 1992). Values for the indices of CFI, GFI, NFI range between 0 and 1 with Bentler and Bonnet (1980) recommending values greater than 0.90 indicating a good fit (Hooper et al., 2008). The excellent fit of the one factor model is similar with previous research studies (Chen and Wu, 2020; Gupta, et al. 2016; Shen and Jiang, 2015). Furthermore, based on the suggestion of Fornell and Larcker (1981), convergence validity was assessed by examining the significance of loadings, average variance explained (AVE) and composite reliability (CR). Standardized loadings ranged from 0.81 to 0.88 and were significant at $p < 0.001$. The CR was 0.92 (benchmark ≥ 0.70) and the AVE value was 0.74 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Perceived supervisor support. PSS was measured with four items adapted from Eisenberger et al. (1986). Respondents were asked to provide their level of agreement on a seven-point scale ranging from 'Strongly Disagree' to 'Strongly Agree'. Statements for PSS were:

1. '*My work supervisor really cares about my well-being'*.
2. *'My supervisor cares about my opinions'.*
3. *'My supervisor strongly considers my goals and values'.*

4. *'My supervisor shows very little concern for me (reversed)'.*

The EFA (extraction method: principal axis factor with varimax rotation) conducted with the four items yielded a single-factor solution (66% variance) with loadings ranging from 0.73 to 0.85. The KMO value was 0.81, indicating that research data were suitable for EFA. The internal reliability of the four items was 0.83. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[2]} = 0.15$, $p < 0.001$, RMSEA = 0.00; NFI = 1, CFI = 1, GFI = 1. The excellent fit of the one factor model is similar with previous research studies (Takeuchi., et al., 2009). Furthermore, convergence validity was assessed by examining the significance of loadings, AVE and CR. The results indicated that the four standardized loadings ranged from 0.61 to 0.81 and were significant at $p < 0.001$ level, while the CR was 0.83 (benchmark ≥ 0.70) and the AVE value was 0.56 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Perceived investment in employee development. We measured PIED with a seven-item scale adapted from Lee and Bruvold (2003) and further developed by Kuvaas and Dysvik (2009). Responses were rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree). Statements for PIED were:

1. *'My organization invests heavily in employee development (for instance, by way of training, programs, and career development').*
2. '*My organization stands out as an organization that is very focused on continuous development of the skills and abilities of its employees'.*

3. *'By way of practices such as developmental performance appraisal, counselling systems, competence development programs, and leadership development programs, my organization clearly, demonstrates that it values development of the skills and abilities of its employees'.*
4. *'By investing time and money in employee development, my organization demonstrates that it actually invests in its employees'.*
5. *'I'm confident that my organization will provide for the necessary training and development to solve any new tasks I may be given in the future'.*
6. *'I definitely think that my organization invests more heavily in employee development than comparable organizations'.*
7. *'My organization is effective in meeting employees' requests for internal job transfers'.*

The EFA (extraction method: principal axis factor with varimax rotation) yielded 76% variance explained by a single factor with loadings ranging from 0.83 to 0.92. The KMO value of 0.95 indicates sampling adequacy. The internal consistency for the total scale was 0.95. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[14]} = 36.57$, $p < 0.001$, RMSEA = 0.057; NFI = 0.98, CFI = 0.99, GFI = 0.98. standardized loadings ranged from 0.79 to 0.91 and were significant at $p < 0.001$. The CR was 0.95 (benchmark ≥ 0.70) and the AVE value was 0.73 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Organizational commitment. We used the three-component model of organizational commitment developed by Meyer and Allen (1991) to measure affective, continuance and normative commitment. Specifically, we used eighteen items (six for each of the components of commitment) and each one was measured on a seven-point Likert scale ranging from 'Strongly Disagree' to 'Strongly Agree'. The statements for the three types of commitment were:

Affective commitment

1. *'I would be very happy to spend the rest of my career with this organization'.*
2. *'I really feel as if this organization's problems are my own'.*
3. *'I do not feel a strong sense of "belonging" to my organization (reversed)'.*
4. *'I do not feel "emotionally attached" to this organization (reversed)'.*
5. *'I do not feel like "part of the family" at my organization (reversed)'.*
6. *'This organization has a great deal of personal meaning for me'.*

Normative commitment

1. *'I do not feel any obligation to remain with my current employer (reversed)'.*
2. *'Even if it were to my advantage, I do not feel it would be right to leave my organization now'.*
3. *'I would feel guilty if I left my organization now'.*
4. *'This organization deserves my loyalty'.*

5. *‘I would not leave my organization right now because I have a sense of obligation to the people in it’.*
6. *‘I owe a great deal to my organization’.*

Continuance commitment

1. *‘Right now, staying with my organization is a matter of necessity as much as desire’.*
2. *‘It would be very hard for me to leave my organization right now, even if I wanted to’.*
3. *‘Too much of my life would be disrupted if I decided I wanted to leave my organization now’.*
4. *‘I feel that I have too few options to consider leaving this organization’.*
5. *‘If I had not already put so much of myself into this organization, I might consider working elsewhere’.*
6. *‘One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.*

The EFA (extraction method: principal axis factor with varimax rotation) yielded 76% variance explained by three factors. For affective commitment, loadings ranged from 0.84 to 0.87, for continuance commitment loadings ranged from 0.81 to 0.92 and for normative commitment loadings ranged from 0.83 to 0.88. The KMO value of 0.92 confirms that sampling adequacy was excellent. The coefficient alpha reliability for affective, continuance and normative commitment was 0.93, 0.94 and 0.93, respectively. Furthermore, results from the CFA provide support for the three-factor model: $\chi^2_{[132]}$ =

214.70, $p < 0.05$, RMSEA = 0.036; NFI = 0.98, CFI = 0.99, GFI = 0.95. Standardized loadings ranged from 0.76 to 0.93 and were significant at $p < 0.001$. The CR was 0.88 (benchmark ≥ 0.70) and the AVE value was 0.63 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Organizational citizenship behavior. Based on the 24 item OCB scale developed by Podsakoff et al. (1990), we adopted four statements to assess the dimension of civic virtue. Participants were asked to indicate provide their level of agreement on a seven-point scale ranging from 'Strongly Disagree' to 'Strongly Agree'on seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree). Statements included:

1. *'I attend functions that are not required, but help the company image'.*
2. *'I attend meetings that are not mandatory, but are considered important'.*
3. *'I keep abreast of changes in the organization'.*
4. *'I read and keep up with organization announcements, memos, and so on'.*

The EFA (extraction method: principal axis factor with varimax rotation) yielded 68% variance explained by a single factor with loadings ranging from 0.76 to 0.87. The KMO value was 0.81, indicating that research data were suitable for EFA. The coefficient alpha reliability for 'civic virtue' was 0.84. In addition, results from the CFA provide support for the one factor model: $\chi^2_{[2]} = 2.77$, $p < 0.05$, RMSEA = 0.002; NFI = 1, CFI = 1, GFI = 1. Standardized loadings ranged from 0.65 to 0.85 and were significant at $p < 0.001$. The CR was 0.85 (benchmark ≥ 0.70) and the AVE value was 0.58 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Additionally, discriminant validity and common method bias was assessed. Following the recommendation of Forner and Larcker (1981) to assess discriminant validity, the AVE was compared with the shared variance between constructs. Discriminant validity is confirmed if the AVE for each construct is greater than its shared variance with any other construct. In this study, for each construct, it was found that the AVE was greater than the shared variance suggesting discriminant validity. In order to assess the presence of common method bias, based on the suggestion of Podsakoff et al., (2003) all indicators were loaded on a single factor. Results indicated that a single factor model is not a good fit to the data: $\chi^2_{[629]} = 15771.29$, RMSEA = 0.22, NFI = 0.67, CFI = 0.69, GFI = 0.46. Moreover, the principal component analysis indicates that seven components are extracted and no single factor account for most of the variance. Therefore, it can be concluded that common method bias does not present a serious issue in this study.

Control variables. A number of demographic and work-related variables are considered to control for individual variations. Similarly to prior studies on employee attitudes and behaviors, we collected information with regard to gender, age, educational level, tenure, employment position status and pay level (e.g., Brown, 2001; Kuvaas, and Dysvik, 2009; Kuvaas and Dysvik, 2010; Monsen and Boss, 2009). We included a dummy variable for gender (0=female, 1=male) and job position (0=staff/worker, 1=management). Age, education and tenure were measured as ordinal variables with six categories each and pay level with nine categories, as follows: For age, (1) represented 18 to 24-year-old and (6) represented age 65 or older. For education, (1) represented high-school level and (6) represented postgraduate level. For tenure, (1) represented less than 1 year and (6) represented more than 15 years. For pay level, (1) represented €580 to €780 per month and (9) represented more than €2,181 per month.

9.4 Research Findings

Table 9.1 displays descriptive statistics and bivariate Spearman's correlations for all variables. The median values for POS, PSS, PIED, affective commitment, continuance commitment, normative commitment and OCB were 4.00, 4.50, 3.00, 4.00, 4.33, 4.00 and 4.00, respectively. It is shown that both PSS and POS are positively associated with PIED and employees' outcomes ($0.17 \leq r \leq 0.56$). In addition, PIED is positively correlated with affective ($r = 0.50$, $p < 0.001$), normative ($r = 0.24$, $p < 0.001$) and continuance commitment ($r = 0.48$, $p < 0.001$) as well as OCB ($r = 0.56$, $p < 0.001$). In addition, in order to test for multicollinearity, we computed variance inflation factor (VIF) and tolerance coefficient values. Values of VIF above 10 and tolerance values below 0.1 signify multicollinearity problems (Hair et al., 1998). In our study, since none of the VIF values are greater than 10 (all values close to 1) and none of the tolerance values are lower than 0.1 (all values close to 0.9), we concluded that there are no problems of multicollinearity.

Table 9.1 Descriptive statistics and pairwise correlations

	Median	1	2	3	4	5	6	7
1. POS	4.00	(.92)						
2. PSS	4.50	.45[a]	(.83)					
3. PIED	3.00	.49[a]	.31[a]	(.95)				
4. Affective commitment	4.00	.24[a]	.22[a]	.50[a]	(.93)			
5. Continuance commitment	4.33	.35[a]	.35[a]	.24[a]	.18[a]	(.94)		
6. Normative commitment	4.00	.27[a]	.22[a]	.48[a]	.30[a]	.17[a]	(.93)	
7. OCB	4.00	.38[a]	.28[a]	.56[a]	.35[a]	.24[a]	.39[a]	(.84)

Notes: Cronbach's reliability coefficients for the scales are in parentheses along the diagonal.
[a] $p \leq .001$

The regression equations that were developed to test for the suggested hypotheses are presented in Appendix III. Table 9.2 presents the results from the hierarchical linear models. Specifically, we tested for direct (hypothesis 1 and 2) and mediation effects (hypothesis 3) by regressing PIED on perceptions of PSS (Model 1, step 2a), POS (Model 2, step 2b) and their joint contribution (Model 3, step 2c), while controlling for a range of individual variables (step 1). Regression results indicate that both PSS (Model 1, step 2a, adjusted $R^2 = .09$, $F = 17.15$, $b = 0.29$, $p < 0.001$) and POS (Model 2, step 2b, adjusted $R^2 = 0.20$, $F = 17.31$, $b = 0.45$, $p < 0.001$) have a significant effect on PIED, providing support for hypothesis 1 and 2. A comparison between PSS and POS indicates that POS is a stronger predictor of PIED ($\Delta R^2 = 0.19$ for POS compared to $\Delta R^2 = 0.08$ for PSS). Additionally, Table 9.2 shows that there is evidence of partial mediation effects. Specifically, it is found that the joint contribution of PSS and POS (Model 3, step 2c) has a significant and positive effect on PIED. Nevertheless, POS had a decrease in beta weight from $b = 0.45$ ($p < 0.001$) to $b = 0.39$ ($p < 0.001$). These findings meet the requirements for partial mediation of Liden et al. (2000). According to the authors, the reduced strength of the predictor-outcome relationship after inclusion of the mediator suggests a mediation effect. In addition to Liden et al. (2000) approach for mediation, we performed the Sobel test (Sobel, 1982). The Sobel test evaluates the significance of the indirect path from the independent variable to the dependent. It is found that the indirect path is significant ($p < 0.05$) and that the relationship between POS and PIED is mediated by perceptions of PSS. Hence, hypothesis 3 is supported. Additionally, we ran the regression analysis including the control variables, as dummy variables and no significant difference in the value R^2 adjusted was found.

Table 9.2 Regression analysis

	Outcome PIED			
Predictors	*Model 1* *PSS as a predictor*		*Model 2* *POS as a predictor*	*Model 3* *POS as a predictor and PSS as a mediator*
Step 1 Controls				
Gender	.02	.02	.00	.01
Age	.06	.08	.05	.05
Education	.01	-.05	-.11	-.12
Tenure	-.08	-.12	-.12	-.13[a]
Job position	.01	-.02	-.03	-.03
Pay level	-.01	.06	.10	.12
Step 2a PSS as a predictor				
PSS		.29[c]		
Step 2b POS as a predictor				
POS			.45[c]	
Step 2c Predictor and mediator				
POS				.39[c]
PSS				.12[c]
F	.57	17.15[c]	17.31[c]	16.25[c]
Adjusted R^2	.01	.09	.20	.23
ΔR^2		.08	.19	.22

Notes: a= $p \leq .05$; b= $p \leq .01$; c= $p \leq .001$

Tables 9.3 and 9.4 present the regression analyses for the direct effects of POS and PSS on employee outcomes (i.e. affective, normative, continuance commitment and OCB) as well as the potential mediating effects of PIED, while controlling for individual variables (step 1). Results provide support for the proposed direct effect hypotheses 4, 5, 8 and 9. It is found that both POS (see Table 9.5, step 2a) and PSS (see Table 9.6, step 2a) have a significant and positive effect on the three facets of commitment: affective (POS: b = 0.21, adjusted R^2 = 0.08; PSS: b = 0.20, adjusted R^2 = 0.08), normative (POS: b = 0.25, adjusted R^2 = 0.07; PSS: b = 0.18, adjusted R^2 = 0.04) and continuance (POS: b = 0.36, adjusted R^2 = 0.15; PSS: b = 0.37, adjusted R^2 = 0.16), as well as on OCB (POS: b = 0.37, adjusted R^2 = 0.14; PSS: b= 0.27, adjusted R^2 = 0.08). The above values indicate that POS compared to PSS is a better predictor of affective, normative commitment and OCB. In terms of predictive value, these findings are in line with previous similar studies (i.e. Dysvik and Kuvaas, 2012; Kuvaas and Dysvik, 2010; Simosi, 2012).

To test for mediation (hypotheses 6, 7 and 10), we rerun the regressions with the mediator (PIED) included in step 2b. Table 9.3 and 9.4 show that there is evidence of mediation effects of PIED towards all employee's outcomes. Full mediation occurs when the independent variable no longer influences the dependent variable after the mediator has been controlled, while partial mediation is present when the independent variable's influence on the dependent variable is reduced after the mediator is controlled (Liden et al., 2000). Hence, Table 9.3 and 9.4 indicate a full mediation effect for affective and normative commitment (POS and PSS become insignificant) and a partial mediation for continuance commitment and OCB. Furthermore, we performed the Sobel test to confirm whether the differences in betta weights are significant. Results indicated significant mediation effects for all the relationships ($p < 0.05$). Consequently, there is support for hypotheses 6, 7 and 10.

Table 9.3 Regression analysis for direct effects of POS and mediating effects of PIED

	Outcomes							
Predictors	*Affective commitment*		*Normative commitment*		*Continuance commitment*		*OCB*	
Step 1								
Controls								
Gender	-.06	-.06	.00	.00	-.06	-.06	.00	.00
Age	-.01	-.03	-.01	-.03	-.05	-.05	.00	-.02
Education	.18^{b}	.23^{b}	.01	.06	-.05	-.04	.01	.05
Tenure	.04	.09	-.01	.04	-.10	-.10	.00	.05
Job position	.07	.09	.02	.04	.04	.05	-.02	-.01
Pay level	-.01	-.14	.02	-.03	.12	.12	-.01	-.05
Step 2a POS as a predictor								
POS	.21^{c}		.25^{c}		.36^{c}		.37^{c}	
Step 2b Predictor and mediator								
POS		.04		.04		.34^{c}		.19^{c}
PIED		.39^{c}		.47^{c}		.05		.41^{c}
F	6.48^{c}	15.90^{c}	4.95^{c}	19.78^{c}	11.99^{c}	10.64^{c}	11.36^{c}	22.86^{c}
Adjusted R^2	.08	.21	.07	.25	.15	.16	.14	.28
ΔR^2		.13		.18		.01		.14

Notes: a= $p \leq .05$; b= $p \leq .01$; c= $p \leq .001$

Table 9.4 Regression analysis for direct effects of PSS and mediating effects of PIED

	Outcomes							
Predictors	*Affective commitment*		*Normative commitment*		*Continuance commitment*		*OCB*	
Step 1 Controls								
Gender	.05	-.06	.01	.05	-.06	.01	.01	.00
Age	.01	-.02	.01	.01	-.02	.01	.03	.00
Education	.21^{c}	.23^{c}	.04	.21^{c}	.23^{c}	.04	.06	.08
Tenure	.03	.08	-.01	.03	.08	-.01	.00	.05
Job position	.08	.08	.03	.08	.08	.03	.00	.00
Pay level	-.11	-.13	-.01	-.11	-.13	-.01	-.05	-.07
Step 2a PSS as a predictor								
PSS	.20^{c}		18^{c}		.37^{c}		.27^{c}	
Step 2b Predictor and mediator								
PSS		.09		.06		.34^{c}		.13^{c}
PIED		.39^{c}		.40^{c}		.10^{c}		.46^{c}
F	6.02^{c}	16.48^{c}	2.64^{c}	19.80^{c}	12.89^{c}	12.04^{c}	5.56^{c}	21.42^{c}
Adjusted R^2	.08	.22	.04	.25	.16	.17	.08	.26
ΔR^2		.14		.19		.01		.18

Notes: a= $p \leq .05$; b= $p \leq .01$; c= $p \leq .001$

Lastly, we used structural equation modelling (SEM) to estimate all relations to a single model simultaneously and synchronously. The path coefficients are depicted in Figure 9.2. The model fit was acceptable: $\chi^2_{[821]} = 2175.00$, RMSEA = 0.058, NFI = 0.94, CFI = 0.96, GFI= 0.83. Overall, the SEM results are in line with the previous findings. It is indicated that the positive relationship between POS and PIED is partially mediated by PSS. Furthermore, it is showed that the positive relationships between the independent variables (POS, PSS) and employee outcomes (affective commitment, normative commitment and OCB) are either fully or partially mediated by PIED. Fully mediation occurs when the direct effects become insignificant. Nevertheless, compared to the separated analyses conducted for each independent variable, the mediation effect for the outcome of continuance commitment becomes insignificant (PIED → Continuance commitment; b = 0.01; p > 0.05) when we consider all variables in the model.

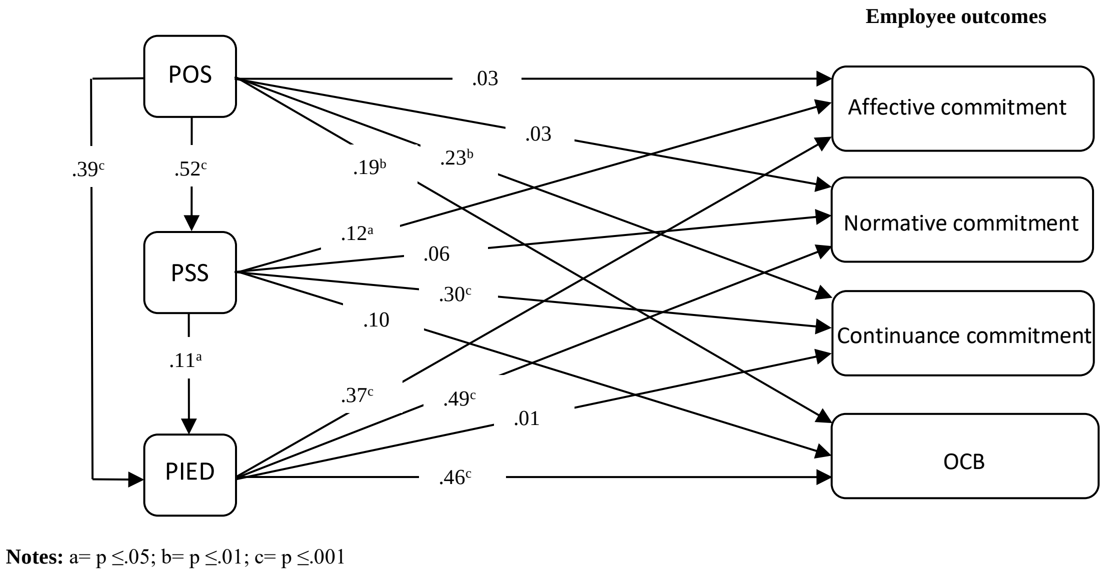

Figure 9.2 Structural model and path coefficients

9.5 Summary

Nowadays, employee training and development is a key component of individual and organizational growth. Hence, in this chapter, we explored the antecedents and outcomes of employees' perceptions of the organization's commitment to their development. Specifically, we adopt an employee-level perspective which is currently lacking in the public sector literature and respond to the call for additional research concerning factors that affect public employees' perceived investment in employee development (PIED). In this study we conceptualize POS and PSS as job resources and evaluate the effects of employees' social supportive perceptions on their perceived developmental opportunities. Specifically, it is indicated that employees' perception of organizational support (POS) is a stronger predictor of PIED, compared to PSS. These findings are in line with previous studies demonstrating that, in order for HRM practices to have an impact on performance, employees should feel support both from the organization and the supervisor (Dysvik and Kuvaas, 2012; Kraimer et al., 2011; Kuvaas and Dysvik, 2010; Mayes et al., 2017; Pazy and Ganzach, 2009). Additionally, our study confirms previous studies conclusions (Purcell, and Hutchinson, 2007, Towler, et al., 2014, Yoon and Thye,2000) concerning the role of supervisors as agents who represent or personify the organization. This intermediate role of the supervisors is further supported by the fact that PSS mediated the relationship between POS and PIED. Hence, it can be suggested that the organization is viewed by employees as the primary source of support and that line managers, working on behalf of the organization, serve as the deliverers or implementers of the HR practices that bring HR policies to life (Purcell and Hutchinson, 2007).

Furthermore, consistent with the JD-R model and the social exchange theory, we indicated that public employees within a workplace that provides substantial training and developmental incentives, are more likely to report greater levels of organizational commitment and organizational citizenship behavior (OCB). PIED was found to act as an important mediator between the relationships of POS and employees' outcomes and PSS and employees' outcomes. The main findings of this chapter are summarized in Table 9.5.

Table 9.5 Antecedents and Outcomes of PIED

Hypothesized relationship	Findings
H1: POS is positively related to PIED.	▪ POS has a significant and positive impact on PIED.
H2: PSS is positively related to PIED.	▪ PSS has a significant and positive impact on PIED.
H3: The positive relationship between POS and PIED is mediated by PSS.	▪ POS has a significant and positive impact on PIED and this relationship is partially mediated by PSS.
H4: POS is positively related to (a) affective commitment, (b) normative commitment and (c) continuance commitment.	▪ There is a significant and positive impact of POS on (a) affective commitment, (b) normative commitment and (c) continuance commitment.
H5: PSS is positively related to (a) affective commitment, (b) normative commitment and (c) continuance commitment.	▪ There is a significant and positive impact of PSS on (a) affective commitment, (b) normative commitment and (c) continuance commitment.

H6: The positive relationships between POS and (a) affective commitment, (b) normative commitment and (c) continuance commitment are mediated by PIED.	▪ There is a significant and positive impact of POS on affective commitment and normative commitment; and this relationship is fully mediated by PIED. ▪ There is a significant and positive impact of POS on continuance commitment and this relationship is partially mediated by PIED.
H7: The positive relationships between PSS and (a) affective commitment, (b) normative commitment and (c) continuance commitment are mediated by PIED.	▪ There is a significant and positive impact of PSS on affective commitment and normative commitment and this relationship is fully mediated by PIED. ▪ There is a significant and positive impact of PSS on continuance commitment and this relationship is partially mediated by PIED.
H8: POS is positively related to OCB.	▪ POS has a significant and positive impact on OCB.
H9: PSS is positively related to OCB.	▪ PSS has a significant and positive impact on OCB.
H10: The positive relationships between (a) POS and OCB and (b) PSS and OCB will be mediated by PIED.	▪ There is a significant and positive impact of POS on OCB and this relationship is partially mediated by PIED. ▪ There is a significant and positive impact of PSS on OCB and this relationship is partially mediated by PIED.

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10. Exploring Public Employees' Motivation to Learn and Develop in Turbulent Times. The Role of Perceived Support and Organizational Commitment.

10.1 Introduction

In today's dynamic and turbulent environment, public sector reformers implement a set of private sector managerial tools, the so-called New Public Management (NPM). NPM emphasizes on cost-savings, efficiency and outcomes and hence adopts successful private sector personnel management systems so as to maximize the value of human resources and to create a highly motivated and properly skilled workforce, among others (Vermeeren, 2017).

Motivational theories acknowledge the value of non-financial incentives, i.e. training, career development, coaching and other employee-related policies. In financially distressed contexts where compensation per employee drops dramatically, managers inevitably shift their attention from monetary rewards to the intrinsic aspects of work (Prouska et al., 2016). The present study focuses on one dimension of intrinsic motivation, namely employees' motivation to learn and develop (MLD). MLD refers not only to a specific desire of the trainee to learn the content of a training program, but also how much employees participate in professional development (Noe and Wilk, 1993).

Since the financial downturn in the late 2000s in almost all OECD countries, the impact of budgetary constraints, restructuring programs and the austerity measures has not been a subject of rigorous empirical scrutiny with regard to their effects on workplace behavior in public administration (Demmke, 2017). In Greece, one of the first countries to experience budget cuts, the severity of the crisis forced public sector organizations to realize the significance of their workforce's development as a means of adapting to ongoing changes more effectively (Mitsakis, 2017). Since government employees at all levels are continually asked to provide more effective and efficient services to meet new challenges (Ho et al., 2011), it is timely to examine employees' MLD in the Greek public sector which has been severely impacted by the debt crisis.

Although the Memorandum austerity measures imposed since May 2010 caused major structural reforms in the Greek public sector, it still remains the largest organization complex system, characterized as unique and problematic. Greek public servants face the challenge of managing and tolerating the augmented workload because of government downsizing. As cost-saving measures were higher in the state than in the private sector (Christopoulou and Monastiriotis, 2011), maintaining or even improving the effectiveness and efficiency of public service to meet new public demands has become a critical issue. In order to maximize employee performance, training and development programs are the major tools that organizations use to enhance organizational human capital competences (Zahra et al., 2014).

Research on employee training and development, with regard to private sector business and industry, has put forward the significance of interactions between managers and employees by utilizing the theoretical framework of the social exchange theory.

According to the social exchange theory (Blau, 1964), employers and employees develop an exchange relationship. In general, one will try to recompense those that provided help and benefits. In line with this notion, previous scholars identified the significant role of perceived supervisor support (PSS) on MLD and employees' positive outcomes in the private sector. PSS is defined as employees' views concerning the degree to which their immediate line manager values their contributions and cares about their well-being (Kottke and Sharafinski, 1988). As it has been empirically shown, when supervisors serve as enablers of employees' training and development opportunities, PSS has a positive effect on employees' MLD (Towler et al., 2014).

Surprisingly, the literature of human resource management (HRM) in the public sector has neglected to explore the importance of the aforementioned relationship between managers and employees and the explanatory power of the social exchange theory. In addition, since the reciprocity norm initiates when the organization provides a supportive and caring atmosphere for employees (Eisenberger et al., 2002), such that employees reciprocate by feeling attached and committed to the organization and by acting to achieve organizational goals, previous studies have neglected to explore the role of perceived organizational support (POS) and organizational commitment in the relationship between PSS and employees' MLD.

This study aims to fill these gaps by providing a comprehensive approach of employees' perceptions regarding supportive conditions. For this reason, the current research, posits that the relationship between PSS and MLD is subject to POS and organizational commitment. Employees are expected to respond differently to the support offered by the supervisor, depending on their perception of organizational support

(Simosi, 2012). For instance, low levels of POS may be considered by employees as an unwillingness or incapability on the part of the organization to support their efforts, despite the supportive intentions of the immediate supervisor. Hence, employees may become confused about the consequences of such an organizational orientation or view it with disdain. These circumstances may in turn create downward spiral effects that often lead to conflict and uncertainty (Gounaris et al., 2016). This study also shows that in a supportive working environment, personnel's MLD is prompted by employees' positive attitudes, i.e., affective and normative commitment. As employees perceive the provision of supervisors' support as recognition of their contribution, then this supportive stance triggers a social exchange process in which employees feel both committed and obligated to reciprocate to the organization (Bashir and Long, 2015).

This research extends existing theoretical and empirical knowledge in several ways. First, it responds to the call for additional studies concerning factors that affect employees' attitudes and behaviors in the public sector (Ko and Smith-Walter, 2013). Second, it takes into account organizational factors, i.e., the moderating role of organizational support, when exploring public employees' behaviors and thus overcomes the prevailing, but narrow, view that line managers, as organizational agents, are the sole influencers of employee behaviors. Third, since most of the previous research in the public sector neglected to examine the interconnections between PSS, MLD and commitment, this study points out the mediating role of affective and normative commitment in the relationship between PSS and MLD. Figure 10.1 presents the conceptual model of the study.

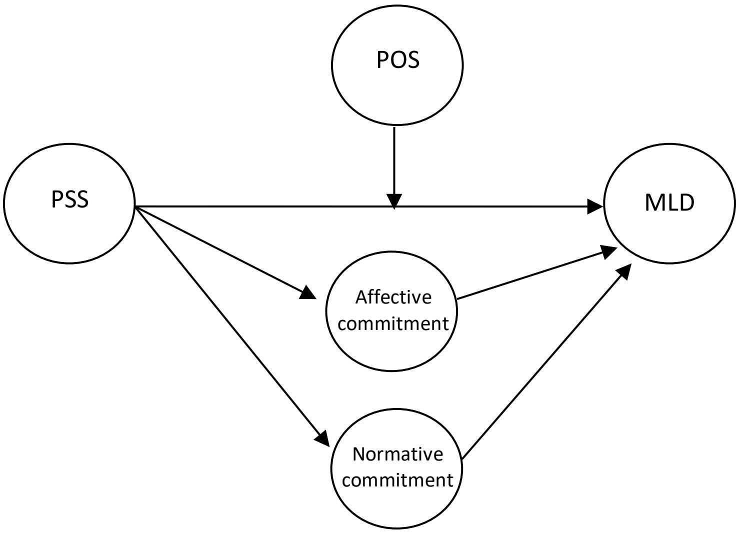

Figure 10.1 Conceptual model

10.2 Research Hypotheses

10.2.1 Perceived Supervisor Support as an Antecedent of Employees' Motivation to Learn and Develop

The concept of PSS reflects the exchanges between supervisors and employees, and it is indicated that when supervisors act as sources of support, then employees are more likely to reciprocate with positive job attitudes and work behaviors (Eisenberger et al. 2016; Giannikis and Nikandrou, 2013). Supervisors can play an influential role in defining and implementing HR policies, HR practices, and expectations that shape employee participation in training (Towler et al., 2014). Specifically, regarding training and development, the role of supervisors often involves: "*encouraging and motivating* *employees to attend training programs, helping employees before, during and after training programs in terms of time, budgetary support and resources, getting employees to be actively involved in decision-making, and guiding trainees in applying the new competencies that they have acquired in their workplace*" (Ismail et al., 2010, p. 4).

Tracey and Tews, (2005), indicated that supervisors can send clear signals regarding the role and value of training, development, and professional growth in the firm, which may, in turn, motivate employee behavior regarding development activities. Similarly, Park et al., (2018) and Salas et al., (2012) empirically showed that supervisor support positively correlates with motivation to learn, in the US context. Accordingly, Al-Eisha et al., (2009) in their survey demonstrated that public sector employees who perceived higher degrees of support from their supervisors reported higher motivation to participate in training programs.

10.2.2 The Moderating Role of POS in the Relationship between PSS and MLD

Another form of social exchange relationship that captured researchers' attention is POS. Eisenberger et al., (1986) defined POS as the extent to which the organization values employees' contributions and cares about their well-being. Previous research on POS has demonstrated that employees interpret organizational actions such as supportive HRM practices as indicative of the personified organization's commitment to them.

Early studies indicated that POS and PSS are two distinct forms of social exchange (Wayne et al., 1997). Accordingly, Simosi (2012) argued that given the unique exchange relationships employees hold with various organizational entities, it is possible someone to experience a high level of support with one entity (e.g., organization), while at the same time to experience low level of support with another entity (e.g., supervisor).

As presented in the previous section, existing literature indicated a direct and positive link between PSS and MLD. When the immediate line manager is supportive, values employees' contribution and cares about their well-being, then employees are more likely to participate in training and development programs. Nonetheless, past theoretical models have often overlooked how, why, and in which organizational contexts this relationship is established. Hence, this study claims that the strength of the relationship between PSS and MLD rests on employees' perceptions of organizational support. PSS is likely to become more influential when employees are within a supportive environment at an organizational level. Within this context, managers are not only willing to but also are able to fully apply beneficial HRM practices, such as employees' participation in work decisions and employees' participation in training and development programs. On the other hand, the supervisor's support is likely to become less influential when employees perceive that their work organization constitutes an unsupportive environment (Simosi, 2012).

Hypothesis 1: The positive relationship between PSS and MLD will be moderated by POS - the higher the POS, the more positive the relationship.

10.2.3 The Mediating Role of Organizational Commitment in the Relationship between Employees' Motivation to Learn and Develop and Supervisors' Support

Since the concept of PSS reflects the reciprocal exchanges between supervisors and subordinates due to the positive interactions built on commitment and trust (Cropanzano and Mitchell, 2005), then it is reasonable to expect positive employee attitudes such as organizational commitment to act as mediators in the relationship between supervisor support and employees' MLD. Organizational commitment is considered one of the most important notions in the field of organizational behavior and HRM (Dhar, 2015). Meyer and Allen (1991) proposed that commitment is multidimensional and that a distinction should be made between the three components of commitment: affective, continuance and normative. Affective and normative commitment have been investigated in this study, since both dimensions of commitment are developed through reciprocity norms and influenced by perceptions of mutual obligations (Meyer and Allen, 1997).

Affective Commitment

Affective commitment is defined as the relative strength of an individual's identification with, and involvement in a particular organization. Employees with strong affective commitment remain in the organization because they want to (Meyer and Allen, 1991). Pioneers of organizational commitment (Meyer and Allen, 1991) identified employees' work experiences as the most influential antecedents of affective commitment and suggested that commitment develops as the result of experiences that satisfy employees' needs and/or are compatible with their values. In particular, it is showed that HRM practices which satisfy employees' need to feel comfortable in the organization and competent in the work role, are expected to positively and strongly affect employees' level of affective commitment (Kooij and Boon, 2018).

Since the immediate line manager serves as the deliverer or implementer of the HR practices that bring HR policies to life (Purcell and Hutchinson, 2007), previous research has demonstrated the significant role of supervisors in the implementation of HR practices (Kuvaas et al., 2014). Hence, not surprisingly, and as has been discussed in Iversen and Rimol (2015), employees' level of PSS affects important organizational and individual outcomes such as performance, job satisfaction, turnover intentions and organizational commitment, while antecedents of PSS include the provision of challenging tasks, feedback and training. Specifically, focusing on organizational commitment, recent studies revealed that supervisor support has a significant positive influence on affective commitment (Nazir et al., 2016).

Yet few organizational scholars have explored the relationship between affective commitment and employees' MLD (Bashir and Long, 2015; Newman et al., 2011). For instance, Barrett and Kang (2004), examined the relationship between affective commitment and motivation to learn. Findings confirmed a positive relationship between the examined variables. Similarly, the study of Bulut and Culha, (2010) showed that there is a positive and significant relationship between affective commitment and motivation to learn and develop.

Based on the above findings, it is suggested that when the immediate supervisors act as facilitators of support (increased PSS), then employees are more likely to develop strong affective commitment. Furthermore, in such a supportive environment, committed employees are anticipated to reciprocate by willingly participating in training and development programs. Therefore, this study suggests the following:

Hypothesis 2: The positive relationship between PSS and MLD will be mediated by affective commitment.

Normative Commitment

Normative commitment is the least studied component of organizational commitment and reflects a feeling of obligation to continue employment. Employees with strong normative commitment remain in the organization because they feel they ought to do so (Meyer and Allen, 1991). Initially, antecedents of normative commitment were based on Wiener's (1982) study on socialization experiences. According to Wiener, socialization experiences create within the employee a sense of obligation to remain in the organization. These socialization experiences may be both prior to (familial/cultural socialization) and following (organizational/socialization) the entry into the organization. However, the revised measures of normative commitment allow the possibility that the receipt of benefits (e.g., job training, compensation and rewards) and the recognition of these investments to create a feeling of obligation to reciprocate (Meyer and Parfyonova, 2010).

The relationship between organizational support and normative commitment has attracted researchers' attention since there is a *'possibility that reciprocation is based on employee's felt obligation to care about the organization's welfare'* (Simosi, 2012). Bambacas (2010) showed that levels of normative commitment improved when organizations provided support for continuous learning and normative commitment was strongest for those who valued the continuous learning they received while managing their own careers. Furthermore, Kurtessis et al., (2017) found that organizational support is positively correlated with normative commitment.

Nevertheless, with regard to the relationship between PSS and normative commitment, taking into account existing literature, only the study of Nazir et al., (2016) focused on the topic and found that supervisor support had a substantial impact on employees' normative commitment.

Furthermore, there is no evidence on the relationship between normative commitment and motivation to learn. Previous literature neglected to explore whether employees with high normative commitment are also highly motivated to participate in training and development programs. In this study it is argued that employees, who believe that they ought to continue employment, are also anticipated to have a sense of moral obligation to reciprocate by participating in training and development activities. By doing so, not only do they intend to improve their performance and service delivery (Ho et al., 2011) so as to repay supportive actions, but they also seek to feel confident in their work by acquiring new skills, knowledge and abilities (Nazir et al., 2016).

Building on the preceding discussion, it is suggested that when the immediate supervisors act as facilitators of support (increased PSS), then employees are more likely to reciprocate with normative commitment and hence are more willing to participate in training and development programs. Thus, based on the rationale of reciprocity by obligation, it is argued that:

Hypothesis 3: The positive relationship between PSS and MLD will be mediated by normative commitment.

10.3 Methodology

10.3.1 Sample

The description of the sample was presented in chapter 8 (see page 119). For the convenience of the reader, we briefly provide the main characteristics of the sample population. A total of 490 useable responses (61.25% response rate) were collected from public sector employees located in Northern Greece. There were 249 (50.80%) male participants and 241 (49.20%) female participants. In terms of age, 5.70% were aged from 18 to 24 years old, 33.10% from 25 to 34, 16.70% from 35 to 44, 22.40% from 45 to 54 and 22.00% from 55 to 65 years old. Respondents reported that 49.60% had a high school certificate or technical-professional training and 50.40% had a bachelor's degree or higher. Employees with more than 6 years of tenure represented the 46.50%. With regard to monthly salary, 72.20% indicated that they receive from €781 Euros to €1,180 per month.

10.3.2 Measurements, Reliability and Validity of Scales

All measures were translated into Greek using two bilingual peer scholars to assess their accuracy (Brislin, et al., 1973). Both scholars are PhD researchers in Business Administration with experience in international academic context. In addition, we pre-tested the questionnaire to avoid ambiguity of the instructions and that all items and scale format were clearly understood. No issues were raised about the completeness of the questionnaire, and no unclear statement or question was mentioned in the feedback. Established measures with high reliability and validity, were used to keep questions simple, specific, and concise, avoiding ambiguous items.

Perceived organizational support. POS was measured using four items from the 'Survey of Perceived Organizational Support (SPOS)' (Eisenberger et al., 1986, 1990). According to Rhoades and Eisenberger (2002, p. 699) the use of the shorter version of SPOS is not problematic because the original scale is unidimensional and has high internal reliability. Therefore, such shortened versions of this one-dimensional scale are frequently used in the POS literature (Caesens and Stinglhamber, 2014; Hayton et al., 2012; Hofmann, and Morgeson, 1999; Kuvaas, and Dysvik, 2010; Loi, et al., 2014; Moideenkutty, et al. 2001). Participants were asked to provide their level of agreement on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree). Statements for POS were:

1. *'The organization is willing to help me when I need a special favor'.*
2. *'The organization shows very little concern for me (reversed)'.*
3. *'The organization values my contribution to its well being'.*

4. *'The organization strongly considers my goals and values'.*

The EFA (extraction method: principal axis factor with varimax rotation) yielded 79% variance explained by a single factor with loadings ranging from 0.87 to 0.91. The Kaiser-Meyer-Olkin test of sampling adequacy provided satisfactory results (KMO = 0.86). A minimum acceptable score for this test is 0.5 (Kaiser, 1974). The internal reliability of the five items was 0.92. A general accepted rule is that a Cronbach's alpha value of 0.70 or greater is an acceptable value, 0.80 or greater is considered good, while 0.90 or greater is an excellent indication of internal reliability (Cortina, 1993; Taber, 2018). Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[2]} = 0.32$, $p < 0.001$, RMSEA = 0.00; NFI = 1, CFI = 1, GFI = 1. Regarding RMSEA, as found in Lai and Green (2016, p. 220) (a) values less than 0.05 (Browne and Cudeck, 1992) or 0.06 (Hu and Bentler, 1999) suggest "good" fit; (b) values between 0.05 and 0.10 suggest "acceptable" fit (Browne and Cudeck, 1992; MacCallum, Browne, and Sugawara, 1996); and (c) values larger than 0.10 suggest "bad" fit (Browne and Cudeck, 1992). Values for the indices of CFI, GFI, NFI range between 0 and 1 with Bentler and Bonnet (1980) recommending values greater than 0.90 indicating a good fit (Hooper et al., 2008). The excellent fit of the one factor model is similar with previous research studies (Chen and Wu, 2020; Gupta, et al. 2016; Shen and Jiang, 2015). Furthermore, based on the suggestion of Fornell and Larcker (1981), convergence validity was assessed by examining the significance of loadings, average variance explained (AVE) and composite reliability (CR). Standardized loadings ranged from 0.81 to 0.88 and were significant at p

< 0.001. The CR was 0.92 (benchmark ≥ 0.70) and the AVE value was 0.74 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Perceived supervisor support. PSS was measured with four items adapted from Eisenberger et al. (1986). Respondents were asked to provide their level of agreement on a seven-point scale ranging from 'Strongly Disagree' to 'Strongly Agree'. Statements for PSS were:

1. '*My work supervisor really cares about my well-being'.*
2. *'My supervisor cares about my opinions'.*
3. *'My supervisor strongly considers my goals and values'.*
4. *'My supervisor shows very little concern for me (reversed)'.*

The EFA (extraction method: principal axis factor with varimax rotation) conducted with the four items yielded a single-factor solution (66% variance) with loadings ranging from 0.73 to 0.85. The KMO value was 0.81, indicating that research data were suitable for EFA. The internal reliability of the four items was 0.83. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[2]} = 0.15$, $p < 0.001$, RMSEA = 0.00; NFI = 1, CFI = 1, GFI = 1. The excellent fit of the one factor model is similar with previous research studies (Takeuchi, et al., 2009). Furthermore, convergence validity was assessed by examining the significance of loadings, AVE and CR. The results indicated that the four standardized loadings ranged from 0.61 to 0.81 and were significant at $p < 0.001$ level, while the CR was 0.83 (benchmark ≥ 0.70) and the

AVE value was 0.56 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Affective commitment. Affective commitment was measured using the six-item scale developed by Meyer and Allen (1997). Each item was measured on a seven-point Likert scale ranging from 'Strongly Disagree' to 'Strongly Agree'. The statements for affective commitment were:

1. *'I would be very happy to spend the rest of my career with this organization'.*
2. *'I really feel as if this organization's problems are my own'.*
3. *'I do not feel a strong sense of "belonging" to my organization (reversed)'.*
4. *'I do not feel "emotionally attached" to this organization (reversed)'.*
5. *'I do not feel like "part of the family" at my organization (reversed)'.*
6. *'This organization has a great deal of personal meaning for me'.*

The EFA (extraction method: principal axis factor with varimax rotation) conducted for the six items yielded a single-factor solution (75% variance) with loadings ranging from 0.70 to 0.77. The KMO value of sampling adequacy was 0.92. The internal reliability of the six items was 0.93. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[9]} = 20.77$, $p < 0.05$, RMSEA = 0.052 ; NFI = 0.99, CFI = 1, GFI = 0.99. Furthermore, convergence validity was assessed by examining the significance of loadings, AVE and CR. The results indicated that the six standardized loadings ranged from 0.80 to 0.85 and were significant at $p < 0.001$ level, while the CR was 0.93 (benchmark ≥ 0.70) and the AVE value was 0.70 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Normative commitment. To assess normative commitment, the six-item scale developed by Meyer and Allen (1997) was used. Each item was measured on a seven-point Likert scale ranging from 'Strongly Disagree' to 'Strongly Agree'. The statements for normative commitment were:

1. *'I do not feel any obligation to remain with my current employer (reversed)'.*
2. *'Even if it were to my advantage, I do not feel it would be right to leave my organization now'.*
3. *'I would feel guilty if I left my organization now'.*
4. *'This organization deserves my loyalty'.*
5. *'I would not leave my organization right now because I have a sense of obligation to the people in it'.*
6. *'I owe a great deal to my organization'.*

The internal reliability of the five items was 0.93. The EFA (extraction method: principal axis factor with varimax rotation conducted with the four items yielded a single-factor solution (76% variance) with loadings ranging from 0.85 to 0.89. The Kaiser-Meyer-Olkin test of sampling adequacy provided satisfactory results (KMO = 0.93). The internal reliability of the six items was 0.94. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[9]} = 28.70$, $p < 0.001$, RMSEA = 0.067; NFI = 0.99, CFI = 0.99, GFI = 0.98. Furthermore, convergence validity was assessed by examining the significance of loadings, AVE and CR. The results indicated that the six standardized loadings ranged from 0.82 to 0.87 and were significant at $p < 0.001$ level, while the CR was 0.94 (benchmark ≥ 0.70) and the AVE value was 0.71 (benchmark ≥ 0.50), providing adequate support for convergent validity.

Motivation to learn and develop. MLD was measured with seven items adopted from Noe and Wilk (1993). Participants were asked to provide their level of agreement on a seven-point scale ranging from 'Strongly Disagree' to 'Strongly Agree'. Statements for MLD were:

1. *'I try to learn as much as can from T&D programmes'.*
2. *'I believe that I tend to learn more from T&D programme than others'.*
3. *'I am usually motivated to learn skills emphasized in T&D programmes'.*
4. *'I would like to improve my skills'.*
5. *'I am willing to exert effort in T&D programmes to improve skills'.*
6. *'Taking T&D courses is not a high priority for me'.*
7. *'I am willing to invest effort to improve job skills & competencies'.*

The EFA (extraction method: principal axis factor with varimax rotation) conducted with the seven items yielded a single-factor solution (68% variance) with loadings ranging from 0.81 to 0.85. The KMO value of 0.93 confirms that sampling adequacy was excellent. The internal reliability was 0.92. Furthermore, results from the CFA provide support for the one factor model: $\chi^2_{[9]} = 36.99$, $p < 0.001$, RMSEA = 0.080;

NFI = 0.99, CFI = 0.99, GFI = 0.98. All standardized loadings are 0.71 or above and are significant at $p < 0.001$.

Additionally, discriminant validity and common method bias was assessed. Following the recommendation of Forner and Larcker (1981) to assess discriminant validity, the AVE was compared with the shared variance between constructs. Discriminant validity is confirmed if the AVE for each construct is greater than its shared variance with any other construct. In this study, for each construct, it was found that the AVE was greater than the shared variance suggesting discriminant validity. In order to assess the presence of common method bias, based on the suggestion of Podsakoff P. M., MacKenzie, Lee, and Podsakoff, (2003), all indicators were loaded on a single factor. Results indicated that a single factor model is not a good fit to the data: $\chi^2_{[495]} = 11520.40$, RMSEA = 0.21, NFI = 0.67, CFI = 0.69, GFI = 0.41. Moreover, the principal component analysis indicates that four components are extracted and no single factor account for most of the variance. Therefore, it can be concluded that common method bias does not present a serious issue in this study.

Control variables. A number of demographic and work-related variables are considered to control for individual variations. Similar to prior studies information with regard to gender, age, educational level, tenure and pay level was collected (e.g., Brown, 2001; Kuvaas, and Dysvik, 2009; Kuvaas and Dysvik, 2010; Monsen and Boss, 2009). A dummy variable for gender (0 = female, 1 = male) was included. Age, education and tenure were measured as ordinal variables with six categories each and pay level with nine categories. For instance, for age, (1) represented 18 to 24-year-old and (6) represented age 65 or older. For education, (1) represented high-school level and (6) represented postgraduate level. For tenure, (1) represented less than 1 year and (6) represented more than 15 years. For pay level (1) represented €580 to €780 per month and (9) represented more than €2,181 per month.

10.4 Research Findings

Table 10.1 presents the descriptive statistics and the pairwise Spearman's correlations among the model variables. The median values for POS, PSS, affective commitment, normative commitment and MLD were 4.00, 4.50, 4.00, 4.00 and 5.43, respectively. Furthermore, Table 10.1 indicates that MLD is significantly and positively correlated with PSS, POS, affective and normative commitment. In order to test for multicollinearity, variance inflation factor (VIF) and tolerance coefficient values were computed. Values of VIF above 10 and tolerance values below 0.1 signify multicollinearity problems (Hair et al., 1998). In the study, since none of the VIF values are greater than 10 (all values close to 1) and none of the tolerance values are lower than 0.1 (all values close to 0.9), it can be concluded that there are no problems of multicollinearity.

Table 10.1 Descriptive statistics and pairwise correlations

	Median	1	2	3	4	5
1. POS	4.00	(.92)				
2. PSS	4.50	.45[a]	(.83)			
3. Affective commitment	4.00	.24[a]	.22[a]	(.92)		
4. Normative commitment	4.00	.27[a]	.22[a]	.30[a]	(.93)	
5. MLD	5.43	.53[a]	.41[a]	.20[a]	.22[a]	(.92)

Notes: Cronbach's *r*eliability coefficients for the scales are in parentheses along the diagonal.
[a] $p \leq .001$

Table 10.2 presents the results from the hierarchical linear models. Specifically, direct and moderation effects were tested (hypothesis 1) by regressing MLD on perceptions of PSS (step 2), POS (Step 3) and their interaction (PSSxPOS, Step 4), while controlling for a range of individual variables (Step 1). The regression equation that were developed to test hypothesis 1 is presented in Appendix IV. Regression results indicate that PSS (Step 2) and POS (Step 3) have a significant effect on MLD. Additionally, the interaction term between PSS and POS (PSSxPOS, Step 4) has a significant and positive effect on MLD suggesting that the relationship between MLD and PSS is moderated by POS. In other words, PSS is more likely to have a positive influence on MLD when employees' perceptions of organizational support are higher, providing support for hypothesis 1. To facilitate interpretation of the moderating effects for the significant interaction terms, the interaction plots are provided in Figure 10.2. The graph presents the moderating effects of POS on the relationships between MLD and PSS. It is shown that while PSS has a positive relationship on MLD, it increases more rapidly when perceptions of organizational support are higher.

Table 10.2 Regression results

	MLD			
Variable	Step 1	Step 2	Step 3	Step 4
Gender	-.05	-.05	-.06	-.06
Age	-.05	-.03	-.05	-.05
Education	.17[a]	.09	.01	.01
Tenure	-.01	-.06	-.08	-.08
Job position	.22[a]	.19[a]	.17[c]	.17[c]
Pay level	-.04	.05	.11	.12
PSS		.41[c]	.24[c]	.21[c]
POS			.40[c]	.39[c]
PSSxPOS				.22[c]
F	6.63 [c]	21.77[c]	34.76[c]	35.61[c]
Adjusted R^2	.08	.24	.37	.39
ΔR^2		.16	.13	.02

Notes: a= p ≤. 05; b = p ≤ .01; c = p ≤ .001

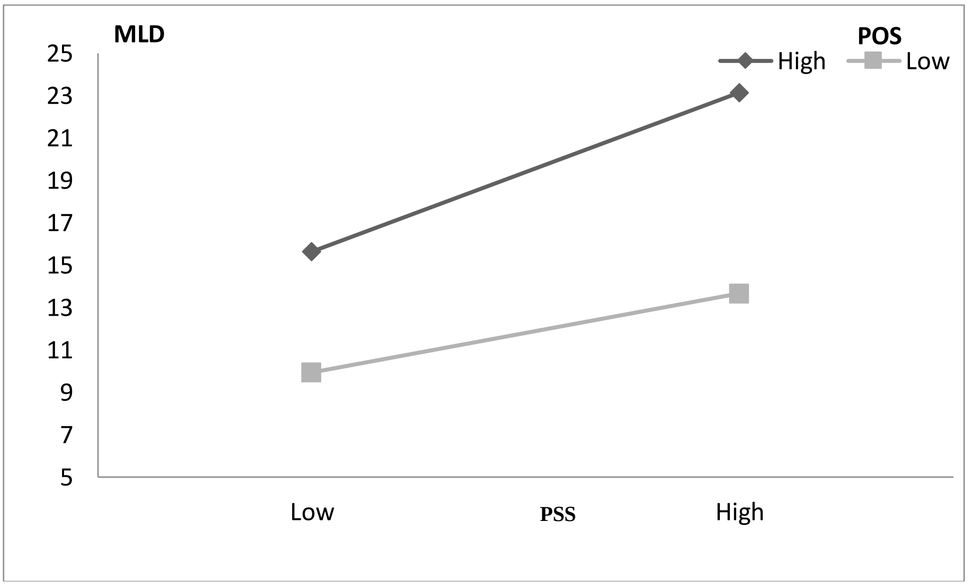

Figure 10.2 Significant interaction terms

Structural equation modelling was used to test the proposed hypotheses and the three-step mediated approach proposed by Baron and Kenny (1986) was adopted. According to the authors, mediation occurs when three conditions are met: (a) the predictor variable (i.e., PSS) should be related significantly to the mediator (i.e., affective and normative commitment), (b) there has to be a significant relation between the predictor (i.e., PSS) and the outcome (i.e., MLD), (c) the mediating variable (i.e., affective and normative commitment) should be related to the outcome (i.e., MLD) with the predictor (i.e., PSS) in the equation. According to Baron and Kenny (1986), the reduced strength of the predictor-outcome relationship after inclusion of the mediator suggests a mediation effect. For a total mediating relationship to exist, the effect of the predictor on the dependent variable will become non-significant when it includes all the relationships in the model. For partial mediation to exist, the effect of the predictors on the dependent variable will decrease when it includes all the relationships in the model.

Consequently, in order to test hypotheses 2 and 3 five models were estimated. Model 1 suggests that PSS has a direct effect on affective commitment ($\beta = 0.27$, $p \leq 0.05$), normative commitment ($\beta = 0.24$, $p \leq 0.05$) and MLD ($\beta =0.49$, $p \leq 0.05$) (Table 10.2). The model fit was good: $\chi^2_{[311]} = 927.11$, $p < 0.05$; root mean square error of approximation (RMSEA) = 0.064, normal fit index (NFI) = 0.92, comparative fit index (CFI) = 0.94, goodness of fit index (GFI) = 0.88. Therefore, the findings satisfy the first and the second criterion for mediation. To test the third criterion of mediation, four structural models were estimated (model 2, model 3, model 4 and model 5). Model 2 and model 4 suggest that the relationship between PSS and MLD is fully mediated by affective and normative commitment, respectively. In model 2 and model 4, all paths were significant. In model 3 and model 5, a direct path from PSS to MLD was included so as to suggest partial mediation. In model 3 and model 5, all paths were significant. The fit indices reported in Table 10.3 and the model comparisons indicate that for both affective ($\Delta\chi^2$ (Δdf) = 72.65 (1), $p \leq 0.05$) and normative commitment ($\Delta\chi^2$ (Δdf) = 75.84 (1), $p \leq 0.05$) the partial mediation models (model 3 and model 5) have a better fit than the full mediation models (model 2 and model 4). Therefore, the results reported in Table 10.3 provided support for hypotheses 2 and 3. In particular, it is indicated that PSS is positively related to MLD and this relationship is partially mediated by affective and normative commitment.

Table 10.3 Results for structural equation analyses

	Affective Commitment			Normative Commitment	
	Model 1 Direct effects	Model 2 Full mediation	Model 3 Partial mediation	Model 4 Full mediation	Model 5 Partial mediation
χ^2	927.11	781.44	708.79	791.41	715.57
d.f.	311	182	181	182	181
RMSEA	0.064	0.082	0.077	0.083	0.078
NFI	0.92	0.89	0.90	0.89	0.90
CFI	0.94	0.91	0.92	0.91	0.92
GFI	0.88	0.87	0.88	0.87	0.88
Path	*Standardized Path Coefficients*	*Standardized Path Coefficients*	*Standardized Path Coefficients*	*Standardized Path Coefficients*	*Standardized Path Coefficients*
PSS → Affective commitment	0.27[a]	0.25[a]	0.25[a]	-	-
PSS → Normative commitment	0.24[a]	-	-	0.23[a]	0.22[a]
PSS → MLD	0.49[a]	-	0.45[a]	-	0.46[a]
Affective commitment → MLD		0.23[a]	0.12[a]	-	-
Normative commitment → MLD		-	-	0.21[a]	0.10[a]

Notes: Control variables (see page 224) were included in the analysis but are not shown for the purpose of simplicity.
[a] $p \leq 0.05$

10.5 Summary

Given the importance of training and development in the workplace, this chapter seeks to understand the mechanisms that drive employees' motivation to learn and develop. Hence, the purpose of this chapter is threefold: First, to explore PSS as an antecedent of employees' MLD. Second, to evaluate the moderating role of POS in the aforementioned relationship. Third, to explore the mediating role of organizational commitment on the relationship between employees' MLD and supervisor support.

The results indicate that the positive effects of supervisor support on employees' motivation to participate in development activities are likely to become less influential when employees concomitantly perceive that their work organization constitutes an unsupportive environment. Moreover, consistent with the social exchange theory and since reciprocal exchanges between supervisors and subordinates are built on commitment, it is found that affective and normative commitment mediate the positive relationship between employees' perceptions of supportive policies and motivation to learn and develop.

Findings validate previous research conducted in the private sector (Salas et al., 2012) and demonstrate that the strong positive relationship between PSS and MLD is also applicable to the public sector. Nevertheless, prior studies, conducted both in the private and the public sector, have neglected to explore the factors that mediate/moderate this relationship (Fazio et. al., 2017). For this reason, this research further considered organizational-level factors, i.e., POS. This is in line with recent calls to overcome the prevailing and rather narrow conceptualization that managers are the sole influencers of employees' outcomes. It is found that the strength of the relationship between PSS and MLD rests on employees' perceptions of organizational support. In other words, supervisor support is likely to become less influential when employees perceive that their work organization constitutes an unsupportive environment as a result of prescribed and limited budgets as developed by the organization.

Next, this study explored the mechanisms that mediate the positive relationship between supervisors' support and employees' MLD. Since the concept of PSS reflects the exchanges between supervisors and subordinates due to the positive interactions built on commitment and trust, this research explored the mediating role of organizational commitment. It is found that employees who either want to (affective commitment) or ought to (normative commitment) continue employment, are also anticipated to willingly participate in training and development activities. As employees perceive the provision of supervisors' support as recognition of their contribution, then this supportive stance triggers a social exchange process in which employees feel both committed and obligated to reciprocate to the organization. The main findings of this chapter are summarized in Table 10.4.

Table 10.4 Antecedents of MLD

Hypothesized relationship	Findings
H1: The positive relationship between PSS and MLD will be moderated by POS - the higher the POS, the more positive the relationship.	▪ While PSS has a positive relationship on MLD, it increases more rapidly when perceptions of organizational support are higher.
H2: The positive relationship between PSS and MLD will be mediated by affective commitment.	▪ There is a significant and positive impact of PSS on MLD and this relationship is partially mediated by affective commitment.
H3: The positive relationship between PSS and MLD will be mediated by normative commitment.	▪ There is a significant and positive impact of PSS on MLD and this relationship is partially mediated by normative commitment.

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PART VI

Policy Implications and Conclusions

11. Policy Implications and Conclusions

In Greece, the necessity of reforming the public administration during the deep economic crisis was more than obvious. Human Resource Management was called to play an important role in this transformation. Austerity measures posed major challenges for HRM, not only in terms of recruitment, but also in terms of compensation, service provision (Burke et al., 2013) and motivation.

As described in Demmke (2017), countries suffering from tough budgetary constraints, should professionalize HR policies, create innovative workplaces, reform, and modernize work systems. This can only be achieved together with the employees and not— in a top-down manner—. If organizations want committed, satisfied, and engaged employees they must accept that employee motivation is the outcome of managerial activity to build perceptions of fairness and organizational justice.

11.1 Strengthening Employees' Extrinsic Motivation through Organizational Justice in the Greek Public Sector

Considering the debt crisis and the limited financial resources setting, we acknowledge the need to shift the attention from the actual pay levels, as a predictor of work motivation and performance, to the importance of alternative non-monetary motivational predictors, i.e., pay fairness in terms of "the comparison between what people believe they deserve to be paid and what others deserve to be paid" (Jackson and Schuler, 2000). For this reason, we explored how employees' performance in the public sector is affected by perceptions of organizational justice in terms of resource allocation (e.g., benefits and compensation). Hence, using the psychological contract theory as the overarching theoretical framework, this study expands researchers' understanding of the extent to which employees feel that they have been fairly treated, regardless of actual pay levels.

Based on a survey of public sector employees in Greece it was found that work performance is significantly and positively related to employees' perceptions of organizational justice. The findings also showed that pay satisfaction mediated the effects of organizational justice on work performance. This thesis adds credence to the notion that different types of justice (i.e., distributive and procedural) are strong predictors not only of employees' attitudes and behaviors, but also of employees' outcomes (i.e., work effort and work quality).

Therefore, the results of this thesis posit that in contexts of economic crisis and limited financial resources, the need for non-financial incentives is intensified when organizational management cannot rely solely on monetary rewards. As organizations face challenges in providing competitive compensation, benefits and training programs, it is evident that the focus should lie on the concepts of fairness and justice as well as the most cost-effective approach to enhance motivation and productivity of employees.

The above findings suggest several practical implications for public organizations. Since it is well established that positive attitudes and behaviors lead to enhanced job performance (Susanty et al., 2013), the linking of human resources management and justice appears to be of utmost importance. It is argued that the human resource management departments in public administration, in collaboration with managers, should ensure that all HR practices and policies are in line with the values of fairness and justice. Managers are expected to view the establishment of fair business norms and justice systems favorably as the most viable, economical and effective approach of not only enhancing employees' attitudes (satisfaction), but also employees' outcomes (work effort and work quality) and organizations' performance (Morris and Jones, 1993). One way to achieve this would be for managers to ensure that all resource allocation decisions are to be taken in an objective, visible and impartial manner (Jin et al., 2016). This is of particular importance, as Weaver (2004) suggests that fair managers can play an important role in making the organization fair because "fair treatment can generate similarly ethical behavior in those receiving."

In addition, public administration should foster a direct open communication culture between management and employees. Creating an environment in which employees feel free to voice their concerns about decisions would facilitate trust towards managerial actions and develop a feeling of common interest and justice for all members (subordinates and supervisors) (Lee, 2001). Accordingly, the participation of employees in the decision-making process would allow public organizations to move away from the traditional hierarchical structure to participative management. In such organizational environments, managers are more likely to exhibit a consultative or participative leadership style rather than a dictatorial or authoritarian one, thus having a positive effect on employees' perceptions of trust and organizational justice (Ismail et al., 2010).

Furthermore, public organizations should make sure that they take into consideration the different contribution levels of employees when distributing rewards. When HR managers and public sector line managers treat every employee equally, then this could be unfair if they participated and contributed at different levels. Therefore, fair allocation of resources (distributive justice) through the establishment of performance based schemes (procedural justice) should be designed and implemented. Effective performance based schemes, such as merit pay and pay-for-performance systems, have been widely used in the private sector as an important component of the employee pay mix (Maltarich et al., 2017). Such schemes are designed to motivate employees by providing incentives to those who achieve, improve, or exceed their performance.

Nevertheless, performance- based schemes are unlikely to be effective unless they are supported by a formal appraisal system that documents and evaluates employees' performance (Spano and Monfardini, 2017). Appraisal and performance review systems would allow employees who are more qualified or those who contributed more than others to receive a greater share of rewards and would ensure both distributive and procedural justice in organizations (Sanderson, 2001). An alternative plan to ensure justice in public organizations is to base individual pay on the specific difficulties of the job or the level of responsibilities (Barber and Simmering, 2002). In such pay plans, payments are made to employees who are taking on additional responsibilities over and above those set out in their job description and at a higher level.

Leaders and administration need to examine organizational justice from the employees' point of view and not to merely rely on their own observations and assessments. This can be done through meetings, surveys, management by wandering around, a suggestion/complaint box and an open-door policy. Management strategies such as these are likely to help in bridging the perceived gap between supervisors and their subordinates (Rai, 2013; Samad, 2006; Suliman, 2007; Xu et al., 2016).

Employers may also find it fruitful to select and cultivate more ethical leaders, who are able to initiate employees' trust and subsequently enhance fair perceptions toward the organization. Employers should train managers about the importance of maintaining ethical standards and behaviors. Leaders are encouraged to proactively provide ethical guidance and demonstrate genuine concern for their subordinates.

11.2 Enhancing Employees' Intrinsic Motivation through Social Support in the Greek Public Sector

The second fundamental purpose of this thesis was to explore intrinsic motivation in the Greek public sector. In financially distressed contexts where compensation per employee drops dramatically, managers should shift their attention from monetary rewards to the intrinsic aspects of work. For this reason, in the second part of the thesis two research objectives were addressed.

The first one refers to the exploration of employees' perceptions of the organization's commitment to their development (PIED). In a period of limited financial resources many organizations may diminish the importance of employee training and development resulting in poor employee productivity and organizational performance growth. To alleviate such risks, we explore the antecedents and outcomes of employees' perceptions of the organization's commitment to their development.

The second research objective related to intrinsic motivation focuses on the predictors of employees' orientation for engaging in learning and developmental activities (MLD). As public administration utilizes employee training and development policies to provide more efficient and cost-effective public services (Thaler et al., 2017), this study seeks to understand the mechanisms that drive employees' MLD and hence to respond to the call for additional research concerning the effects of training and development on public sector employees' behavior in a context of budgetary constraints (Ko and Smith-Walter, 2013). In the next section, the main findings and practical implications for each study concerning intrinsic motivation are presented and discussed.

11.2.1 Understanding Employees' Perspectives on Human Resource Development Practices.

In the present thesis, based on a survey of civil servants in Greece, we conceptualize POS and PSS as job resources and evaluate the effects of employees' social supportive perceptions on their perceived developmental opportunities. Specifically, it is indicated that employees' perception of organizational support (POS) is a stronger predictor of PIED, compared to PSS. This finding provides support for the role of supervisors as agents who represent or personify the organization. This intermediate role of the supervisors is further supported by the fact that PSS mediated the relationship between POS and PIED. Hence, it can be suggested that the organization is viewed by employees as the primary source of support and that line managers, working on behalf of the organization, serve as the deliverers or implementers of the HR practices that bring HR policies to life (Purcell and Hutchinson, 2007).

Furthermore, by integrating the JD-R model and the social exchange theory, which still remains incomplete and deficient in public management literature (Paille et al., 2013), we explored the effects of POS, PSS and PIED on employees' attitudes and behaviors. Our study points out the mediating role of PIED in the aforementioned relationships. Findings suggest that by fostering a working environment, where employees experience enhanced social support (both organizational and supervisory) and higher levels of PIED are developed, a felt obligation to reciprocate is elicited. As a result, employees in return for the provided support and resources, reciprocate with citizenship behavior and with a strong desire to remain in the organization not only because they '*need*' to (continuance commitment), due to the of the lack of alternatives, but also because they ‘*want*’ to (affective commitment) and because they feel they ‘*ought*’ to do so (normative commitment).

The present study provides important practical implications in contexts of budget austerity where monetary rewards cannot constitute a feasible motivator, due to pay freezes or even wage cuts. Since our findings demonstrate that the two forms of social support (POS and PSS) can enhance employees' perceptions of receiving developmental investments, it can be suggested that in Greece and other countries with ongoing crises, such as in the South-East Europe, non-monetary incentives can be an effective alternative to high-cost financial rewards. When public organizations are forced to do more with less and HR budgets are increasingly restricted, it is vital for public administration to focus on non-financial rewards and specifically on the dynamics of social support (POS, PSS) and the generation of a strong HRM climate of receiving developmental opportunities.

Nevertheless, findings suggest that public employees' developmental perceptions are primarily affected at an organizational level and that employees expect from their supervisor to play an intermediary role in the above relationship. Since managers constitute the representatives of the organizations, their words and actions should be congruent with the organizational policies relating to personal development. An unwillingness or incapability on the part of their immediate supervisor to support employees' efforts, despite the supportive intentions of the organization, may in turn create downward spiral effects that may lead to conflict and uncertainty.

Lastly, this study suggests that public organizations can motivate employees to remain committed to the organization as well as encourage them to engage in OCB behavior by delivering HR developmental opportunities. Employee development programmes will not only enhance employees' perceptions of organizational investments and benefit firms in terms of better trained and qualified personnel, but will also provide a strong indication of both the organization's and supervisor's support. Taking into account that POS and PSS capture the essence of social exchange in employment relationships, a felt obligation among employees to reciprocate with positive attitudinal (organizational commitment) and behavioral (OCB) outcomes is created. Furthermore, since the literature supports that the positive job attitudes and behaviors lead to enhanced job performance and lower turnover and absenteeism rates, public sector organizations are expected to view investments in employee development favourably as an approach to improve both employees' and organizations' outcomes.

11.2.2 Motivating Employees to Participate in Learning and Development Activities.

NPM in the public administration seeks to react to current challenges, such as calls for more efficient and cost-effective public services, through employee training and development policies (Thaler et al., 2017). This thesis responds to the call for additional research concerning the effects of training and development on public sector employees' behavior in a context of budgetary constraints (Ko and Smith-Walter, 2013). To this end, based on a sample of employees in the Greek public sector which has been strongly affected by the austerity measures, the purpose of this study is threefold: First, to explore PSS as an antecedent of employees' MLD. Second, to evaluate the moderating role of POS in the aforementioned relationship. Third, to explore the mediating role of organizational commitment in the relationship between employees' MLD and supervisor support.

Findings validate previous research conducted in the private sector (Salas et al, 2012) and demonstrate that the strong positive relationship between PSS and MLD is also applicable to the public sector. Nevertheless, prior studies, conducted both in the private and the public sector, have neglected to explore the factors that mediate/moderate this relationship (Fazio et. al., 2017). For this reason, this research further considered organizational-level factors, i.e., POS. This is in line with recent calls to overcome the prevailing and rather narrow conceptualization that managers are the sole influencers of employees' outcomes. It is found that the strength of the relationship between PSS and MLD rests on employees' perceptions of organizational support. In other words, supervisor support is likely to become less influential when employees perceive that their work organization constitutes an unsupportive environment as a result of prescribed and limited budgets as developed by the organization.

Next, this study explored the mechanisms that mediate the positive relationship between supervisors' support and employees' MLD. Since the concept of PSS reflects the exchanges between supervisors and subordinates due to the positive interactions built on commitment and trust, this research explored the mediating role of organizational commitment. It is found that employees who either want to (affective commitment) or ought to (normative commitment) continue employment, are also expected to willingly participate in training and development activities. Since employees perceive the provision of supervisors' support as recognition of their contribution, then this supportive stance triggers a social exchange process in which employees feel committed to the organization and obligated to reciprocate.

Apart from the above theoretical contributions, the current study also provides important practical implications. Managers, as the first guarantors of the NPM procedures, play a vital role in the successful implementation of HR development practices. As line managers have the power within their organizations to approve or deny training and development (McDowall, 2010), organizations should be more selective when promoting or recruiting to line manager positions and look for candidates with genuine interest in people rather than solely technical expertise (Kuvaas and Dysvik, 2010).

Nevertheless, and more importantly, findings suggest that public employees' development opportunities should be supported by both supervisors and the organization. Managers' words and promises, relating to training and development practices, should be congruent with the organizational policies and actions (Op de Beeck, Wynen and Hondeghem, 2017). Hence, the organization's strategic employee development plan should be effectively communicated and implemented by line managers. The decentralization of personnel management systems would also provide greater discretion to supervisors and could be used to create an organizational environment which promotes managerial flexibility in public organizations (Park et al., 2018).

Accordingly, financially distressed public organizations should avoid cutting the training budgets as such an action would not only seem shortsighted, but would also signal to employees the lack of organizational support which, in turn, would hinder managers' supportive actions.

Additionally, this study argues that in times of financial turbulence and limited monetary motivators, non-financial rewards are vital. Nevertheless, in order to enhance employees' motivation to learn and develop, public administration should acknowledge the important role of employees' organizational commitment. Enhancing employees' commitment through supportive actions (both organizational and managerial), such as recognition, communication and fairness, triggers a social exchange mechanism. In such a supportive environment, despite the financially unfavourable conditions and limited monetary incentives, committed employees are anticipated to reciprocate by willingly participating in training and development programs.

Summarizing, the findings suggest that when HR budgets are increasingly restricted, non-monetary motivators can be a feasible alternative to high-cost financial rewards. Modern public administration faces repeated ups and downs in a rapidly changing and globalized world, as governments and citizens continually seek better performance albeit within a culture that demands public cost reductions (Beeri, 2012). In Greece, the public cost-saving measures undertaken led only to short-term fiscal improvements, while their structural effect was weak and hardly addressed the inner problems of public administration (Lampropoulou and Oikonomou, 2018). This thesis supports that in contexts with limited financial resources, public administration should realize the development of the workforce as a one-way solution to financial challenges and as a mean of ensuring the success of public service delivery.

The policy implications mentioned above, which aim at the increase of extrinsic and intrinsic motivation of current employees, concomitantly have a positive effect on the development of a strong employer branding. In the context of tight resource constraints, creating a coherent employer brand for public organizations would increase attractiveness and ensure the niche of hiring the best talents. Providing employee perks such as learning opportunities, job content and career advancement opportunities, as well as establishing a strong sense of organizational justice, coupled with the well-established benefit of job security would ensure that the public sector stands out as an attractive workplace. Hiring the best candidates would allow public administration to overcome any future challenges, and to achieve organizational excellence by building an employee pool of skills, knowledge, and abilities that are relevant to organizational goals.

12. Limitations and Future Research

This final chapter describes not only the limitations of the thesis but also the measures that were applied to treat these concerns. Nevertheless, each limitation represents opportunity for future analysis and development to deepen the understanding and value of employees' motivation during turbulent times.

Since this research study was based on a sample population consisting of public servants located in Northern Greece, the first limitation is that the geographical coverage of the sample is restricted; thus, our results might not generalize to other samples. A convenient sample of public organizations in Northern Greece was chosen; hence, in future studies researchers will need to use larger, nation-wide samples. In addition, the sample is comprised only of public sector employees. With the aim of gaining a more thorough understanding of employees' perceptions regarding predictors of extrinsic and intrinsic motivation in Greece during the debt crisis, future research is needed to explore private-sector counterparts' perceptions as well.

Another limitation is that data was obtained through the use of self-reports which could raise concerns of common method variance. Although post-hoc tests were performed to assess the impact of common method bias it was found that its effect was negligible; future studies could complement the quantitative employee-centered approach of this study by collecting additional qualitative data (i.e., narrative descriptions) not only from employees, but also from top managers and HR professionals of the public sector. An exploratory study using face-to-face interviews with supervisors and HR executives would also capture the challenges and difficulties associated with motivating employees in public administration.

Moreover, the design of this thesis is cross-sectional. The cross-sectional analysis of the data cannot directly assess causality. Also, all constructs were measured with self-report questionnaires from the same source, namely employees (Gkorezis et al., 2013). In general, there are two kind of studies, the cross-sectional and the longitudinal studies (Payne and Payne, 2004). In cross-sectional studies, both the independent and dependent variables are measured only in one case, while longitudinal studies measure both dependent and independent variables on two occasions at a minimum. Despite the fact that longitudinal studies are preferred, their main disadvantages refer to time and budget limitations when conducting them. However, the cross-sectional design remains the most popular one for many topics studied in organizational research and other fields that rely on survey methods (Spector, 2019). Taking all of the above into consideration, future studies may assess both the independent and the dependent variables at a later stage in order to evaluate whether the relationships we identified are robust and valid over time. Despite its limitations and the likely pushback from reviewers,

The analysis of this thesis was conducted using data from the Greek public sector that recently fostered a specific set of HRM techniques, imposed by the austerity measures. Countries with the highest budget pressures, such as Greece and Portugal, have implemented the most cost-reduction employment measures (OECD, 2015). Since HR practices might be sensitive to cultural or legal particularities, the generalizability of the present research might be limited to the Greek context and to other countries with similar economic and cultural conditions (i.e. Portugal). Indeed, practices which seem to be appropriate in one culture may be less appropriate in another (Boxall and Macky, 2009). However, since the present thesis was based on theories of advanced economies (USA/UK), this research exemplifies theoretically based relationships in a non-USA/UK context.

Finally, our research study took place in the pre-COVID-19 era in Greece, the first European Union country to be so severely affected by Europe's financial crisis. Undoubtedly, the pandemic constitutes an unprecedented challenge with severe economic consequences for all countries (European Council 2020); although the structural economic dynamics of the two types of crisis (i.e., debt crisis and pandemic crisis) are not similar, future research studies during- and post- COVID-19 could use the findings of the current thesis as a foundation to explore employee motivation during challenging and turbulent times.

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Appendix I: Statistical Description of the Total Sample

Table I.1 Frequency and percentage table of "Gender"

Coding		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	Female (0)	241	49.2	49.2	49.2	1
	Male (1)	249	50.8	50.8	100.0	
	Total	490	100.0	100.0		

Table I.2 Frequency and percentage table of "Age"

Coding		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	18-24 years old (1)	28	5.7	5.7	5.7	3
	25-34 (2)	162	33.1	33.1	38.8	
	34-44 (3)	82	16.7	16.7	55.5	
	45-54 (4)	110	22.4	22.4	78.0	
	55-64 and over (5)	108	22.0	22.0	100.0	
	Total	490	100.0	100.0		

Table I.3 Frequency and percentage table of "Education"

Coding		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	Primary (1)	13	2.7	2.7	2.7	3
	Lyceum (2)	125	25.5	25.5	28.2	
	Vocational Training (3)	105	21.4	21.4	49.6	
	Technological Education (4)	110	22.4	22.4	72.0	
	Higher Education (5)	98	20.0	20.0	92.0	
	MSc or higher (6)	39	8.0	8.0	100.0	
	Total	490	100.0	100.0		

Table I.4 Frequency and percentage table of "Tenure"

Coding		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	2 years or less (1)	45	9.2	9.2	9.2	3
	2-4 (2)	115	23.5	23.5	32.7	
	4-6 (3)	102	20.8	20.8	53.5	
	6-9 (4)	101	20.6	20.6	74.1	
	9+ (5)	127	25.9	25.9	100.0	
	Total	490	100.0	100.0		

Table I.5 F Frequency and percentage table of "Job position"

Coding		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	Staff (1)	461	94.1	94.1	94.1	0
	Supervisor (0)	29	5.9	5.9	100.0	
	Total	490	100.0	100.0		

Table I.6 Frequency and percentage table of "Pay level"

Coding		Frequency	Percent	Valid Percent	Cumulative Percent	Median
Valid	580-780 euros (1)	12	2.4	2.4	2.4	3
	781-980 (2)	183	37.3	37.3	39.8	
	981-1180 (3)	171	34.9	34.9	74.7	
	1181-1380 (4)	106	21.6	21.6	96.3	
	1381-1580 (5)	9	1.8	1.8	98.2	
	1581-1780 (6)	6	1.2	1.2	99.4	
	1781-1980+ (7)	3	.6	.6	100.0	
	Total	490	100.0	100.0		

Appendix II: Comparison of 'Early' and 'Late' Respondents

Table II.1 Group Statistics

		Early / late respondents	N	Mean	Std. Deviation	Std. Error Mean
Enhancing Employees' Satisfaction with Pay in a Period of Financial Constraints. The Role of Organizational Justice	Distributive justice	Early	449	3.9847	1.61064	.07601
		Late	41	3.6864	1.58861	.24810
	Procedural justice	Early	449	4.1586	1.49850	.07072
		Late	41	4.1024	1.46705	.22912
	Satisfaction with pay	Early	449	3.0991	1.81440	.08563
		Late	41	3.0366	1.58268	.24717
	Work effort	Early	449	4.3653	1.38919	.06556
		Late	41	4.3024	1.50540	.23510
	Work quality	Early	449	4.4339	1.41507	.06678
		Late	41	4.4878	1.50203	.23458
Human Resource Development Practices in the Public Sector - An Employees' Perspective. The Role of Organizational and Supervisor Support	POS	Early	449	4.1386	1.67000	.07881
		Late	41	4.2927	1.73917	.27161
	PSS	Early	449	4.4081	1.34879	.06365
		Late	41	4.7073	1.31328	.20510
	PIED	Early	449	3.5892	1.72914	.08160
		Late	41	3.7596	1.95052	.30462
	Affective commitment	Early	449	4.1411	1.77061	.08356
		Late	41	4.5976	1.88524	.29443
	Normative commitment	Early	449	4.1748	1.45059	.06846
		Late	41	4.3537	1.49313	.23319
	Continuance commitment	Early	449	4.3719	1.74172	.08220
		Late	41	4.4593	1.79265	.27996
	OCB	Early	449	3.9994	1.45194	.06852
		Late	41	4.3780	1.40214	.21898
Exploring Public Employees' Motivation to Learn and Develop in Turbulent Times. The Role of Perceived Support and Organizational Commitment.	MLD	Early	449	4.6787	2.15705	.10180
		Late	41	5.0070	2.11336	.33005

Table II.2 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Distributive justice	Equal variances assumed	.003	.957	1.137	488	.256	.29832	.26248	-.21741	.81405
	Equal variances not assumed			1.150	47.824	.256	.29832	.25948	-.22346	.82009
Procedural justice	Equal variances assumed	.122	.727	.230	488	.818	.05614	.24406	-.42341	.53568
	Equal variances not assumed			.234	47.946	.816	.05614	.23978	-.42599	.53826
Satisfaction with pay	Equal variances assumed	3.532	.061	.213	488	.831	.06252	.29310	-.51337	.63842
	Equal variances not assumed			.239	50.112	.812	.06252	.26158	-.46286	.58790
Work effort	Equal variances assumed	1.065	.303	.275	488	.783	.06282	.22826	-.38567	.51131
	Equal variances not assumed			.257	46.438	.798	.06282	.24407	-.42835	.55399
Work quality	Equal variances assumed	.011	.917	-.232	488	.816	-.05395	.23206	-.50992	.40201

	Equal variances not assumed			-.221	46.719	.826	-.05395	.24390	-.54469	.43679
POS	Equal variances assumed	.001	.981	-.563	488	.573	-.15404	.27340	-.69123	.38315
	Equal variances not assumed			-.545	46.989	.589	-.15404	.28282	-.72300	.41491
PSS	Equal variances assumed	.068	.794	-1.363	488	.174	-.29919	.21958	-.73064	.13226
	Equal variances not assumed			-1.393	48.037	.170	-.29919	.21475	-.73096	.13259
PIED	Equal variances assumed	1.095	.296	-.597	488	.551	-.17034	.28524	-.73078	.39011
	Equal variances not assumed			-.540	45.926	.592	-.17034	.31536	-.80515	.46448
Affective commitment	Equal variances assumed	1.096	.296	-1.572	488	.117	-.45651	.29045	-1.02720	.11418
	Equal variances not assumed			-1.492	46.676	.143	-.45651	.30605	-1.07232	.15931
Normative commitment	Equal variances assumed	.393	.531	-.754	488	.451	-.17883	.23724	-.64496	.28731
	Equal variances not assumed			-.736	47.161	.465	-.17883	.24303	-.66769	.31004
Continuance commitment	Equal variances assumed	.061	.805	-.307	488	.759	-.08741	.28485	-.64709	.47227
	Equal variances not assumed			-.300	47.162	.766	-.08741	.29178	-.67435	.49952
OCB	Equal variances assumed	.084	.773	-1.603	488	.110	-.37861	.23623	-.84275	.08554
	Equal variances not assumed			-1.650	48.175	.105	-.37861	.22945	-.83990	.08269

MLD	Equal variances assumed	.217	.642	-.934	488	.351	-.32832	.35134	-1.01865	.36201
	Equal variances not assumed			-.951	47.934	.347	-.32832	.34539	-1.02280	.36617

Appendix III: Conceptual Models of PIED

The equations adopted to test hypotheses 1, 2 and 3 of Chapter 9 regarding the effects of PSS and POS on PIED are presented in Table III.1; and the analysis of the dependent and independent variables in Table III.2. Specifically, we developed models for direct effects (hypothesis 1 and 2, Chapter 9) and mediation effects (hypothesis 3, Chapter 9) by regressing PIED on perceptions of PSS (Model 1), POS (Model 2) and their joint contribution (Model 3), while controlling for a range of individual variables.

Table III.1 Conceptual models for the dependent variable of PIED

Model 1: PSS as Predictor	$PIED_i = a + b_1 C_1 + b_2 C_2 + b_3 C_3 + b_4 C_4 + b_5 C_5 + b_6 C_6 + b_7 PSS$
Model 2: POS as Predictor	$PIED_i = a + b_1 C_1 + b_2 C_2 + b_3 C_3 + b_4 C_4 + b_5 C_5 + b_6 C_6 + b_7 POS$
Model 3: POS as a predictor and PSS as a mediator	$PIED_i = a + b_1 C_1 + b_2 C_2 + b_3 C_3 + b_4 C_4 + b_5 C_5 + b_6 C_6 + b_7 PSS + b_8 POS$

Table III.2 Dependent and independent variables

Dependent Variable

- $PIED_i$ represents the perceived investment in employee development.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*

Independent Variables

Control variables

- C_1 is gender.
  (female = 0 ; male = 1),
- C_2 is age.
  (18-24 =1; 25-34=2; 35-44=3; 45-54=4; 55-64=5; 65 and over = 6),
- C_3 is level of education.
  (Basic education = 1; Lyceum = 2; Vocational training (IEK) = 3; Technological degree =4; University degree = 5; MSc or higher = 6)
- C_4 is the length of tenure.
  (0 to 2 years= 1; 2 to 4 years= 2; 4 to 6 years= 3; 6 to 9 years=4; more than 9 years =5),
- C_5 is job position.
  (staff = 0 ; supervisor = 1),
- C_6 is pay level.

1: 580€-780€	*5: 1381€-1580€*
2: 781€-980€	*6: 1581€-1780€*
3: 981€-1180€	*7: 1781€-1980€*
4: 1181€-1380€	*8: 1981€-2180€*
	9: 2181€ or higher

Predictors

- PSS is perceived supervisor support.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*
- POS is perceived organizational support.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*

Further, Tables III.3, and III.4 present the equations adopted to analyze the direct effects of POS and PSS on employee outcomes (i.e. affective, normative, continuance commitment and OCB) as well as the potential mediating effects of PIED, while controlling for individual variables (step 1).

Table III.3 Conceptual models for the effects of POS, PSS and PIED on employees' outcomes

POS and PIED as Predictors	$AC_i = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ POS_+\ b_8\ PIED$
	$NC_i = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ POS_+\ b_8\ PIED$
	$CC_i = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ POS_+\ b_8\ PIED$
	$OCBi = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ POS_+\ b_8\ PIED$
PSS and PIED as Predictors	$AC_i = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ PSS_+\ b_8\ PIED$
	$NC_i = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ PSS_+\ b_8\ PIED$
	$CC_i = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ PSS_+\ b_8\ PIED$
	$OCBi = a + b_1\ C_1 + b_2\ C_2 + b_3\ C_3 + b_4\ C_4 + b_5\ C_5 + b_6\ C_6 + b_7\ PSS_+\ b_8\ PIED$

Table III.4 Dependent and independent variables

Dependent Variable

- AC_i represents affective commitment.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*
- NC_i represents normative commitment.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*
- CC_i represents affective commitment.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*
- OCB_i represents the organizational citizenship behavior.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*

Independent Variables

Control variables

- C_1 is gender.
  (female = 0 ; male = 1),
- C_2 is age.
  (18-24 =1; 25-34=2; 35-44=3; 45-54=4; 55-64=5; 65 and over = 6),
- C_3 is level of education.
  (Basic education = 1; Lyceum = 2; Vocational training (IEK) = 3; Technological degree =4; University degree = 5; MSc or higher = 6)
- C_4 is the length of tenure.
  (0 to 2 years= 1; 2 to 4 years= 2; 4 to 6 years= 3; 6 to 9 years=4; more than 9 years =5),
- C_5 is job position.
  (staff = 0 ; supervisor = 1),
- C_6 is pay level.

1: 580€-780€	*5: 1381€-1580€*
2: 781€-980€	*6: 1581€-1780€*
3: 981€-1180€	*7: 1781€-1980€*
4: 1181€-1380€	*8: 1981€-2180€*
	9: 2181€ or higher

Predictors

- PSS is perceived supervisor support.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*
- POS is perceived organizational support.

- *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*

- $PIED_i$ represents the perceived investment in employee development.
    - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*

Appendix IV: Conceptual Model of MLD

The equations adopted to test hypothesis 1 of Chapter 10 regarding the moderating role of POS in the relationship between PSS and MLD are presented in TableIV.1 and the analysis of the dependent and independent variables in Table IV.2. Specifically, direct and moderation effects were tested (hypothesis 1) by regressing MLD on perceptions of PSS (step 2), POS (Step 3) and their interaction (PSSxPOS, Step 4), while controlling for a range of individual variables (Step 1).

Table IV.1 Conceptual model for the dependent variable of MLD

$$MLD_i = a + b_1\,C_1 + b_2\,C_2 + b_3\,C_3 + b_4\,C_4 + b_5\,C_5 + b_6\,C_6 + b_7\,PSS_7 + b_8\,POS_8 + b_9\,(PSSxPOS)$$

Table IV.2 Dependent and independent variables

Dependent Variable

- MLD_i represents employees' motivation to learn and develop.
  - *Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)*

Independent Variables

Control variables

- C_1 is gender.
- *(female = 0 ; male = 1),*
- C_2 is age.
  (18-24 =1; 25-34=2; 35-44=3; 45-54=4; 55-64=5; 65 and over = 6),
- C_3 is level of education.

- *(Basic education = 1; Lyceum = 2; Vocational training (IEK) = 3; Technological degree =4; University degree = 5; MSc or higher = 6)*
- C_4 is the length of tenure.
  (0 to 2 years= 1; 2 to 4 years= 2; 4 to 6 years= 3; 6 to 9 years=4; more than 9 years =5),
- C_5 is job position.
  (staff = 0 ; supervisor = 1),
- C_6 is pay level.

1: 580€-780€	*5: 1381€-1580€*
2: 781€-980€	*6: 1581€-1780€*
3: 981€-1180€	*7: 1781€-1980€*
4: 1181€-1380€	*8: 1981€-2180€*
	9: 2181€ or higher

Predictors

- PSS is perceived supervisor support.

- Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)

- POS is perceived organizational support.

- Rated on a seven-point scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree)

Appendix V: Questionnaire (in Greek)

1. Το φύλο σας είναι: ☐ Άνδρας ☐ Γυναίκα

2. Η ηλικία σας είναι:

☐ 18 – 24 ☐ 45 – 54
☐ 25 – 34 ☐ 55 – 64
☐ 35 – 44 ☐ 65 και άνω

3. Είστε απόφοιτος/η:

☐ Βασικής Εκπαίδευσης ☐ Τ.Ε.Ι.
☐ Λυκείου ☐ Α.Ε.Ι.
☐ Ι.Ε.Κ. ☐ Μεταπτυχιακού +

4. Αναφέρετε πόσα χρόνια εργάζεστε σε αυτόν τον οργανισμό

☐ 0-2 χρόνια ☐ 6-9 χρόνια
☐ 2-4 χρόνια ☐ 9+ χρόνια
☐ 4-6 χρόνια

5. Όσον αφορά τη θέση της εργασία σας:

☐ Κατέχω θέση ευθύνης (Προϊστάμενος/η, Διευθυντής/τρια κτλ)
☐ Είμαι υπάλληλος

6. Ποιο είναι το επίπεδο των αμοιβών που λαμβάνετε στην εργασία σας;

- ☐ 580€-780€
- ☐ 781€-980€
- ☐ 981€-1180€
- ☐ 1181€-1380€
- ☐ 1381€-1580€
- ☐ 1581€-1780€
- ☐ 1781€-1980€
- ☐ 1981€-2180€
- ☐ 2181€ ή υψηλότερα

7. Πόσο ικανοποιημένος /η είσαι με τις παρακάτω όψεις της εργασίας σου;

(1=Απόλυτα Δυσαρεστημένος/η, 2=Ελαφρώς Δυσαρεστημένος/η, 3=Δυσαρεστημένος/η, 4=Ούτε Δυσαρεστημένος/η Ούτε Ικανοποιημένος/η, 5=Ελαφρώς Ικανοποιημένος/η, 6=Ικανοποιημένος/η, 7=Απόλυτα Ικανοποιημένος/η)

Απόλυτα Δυσαρεστημένος/η → Απόλυτα Ικανοποιημένος/η

1. Με τις αμοιβές και τα επιδόματα που λαμβάνεις	1	2	3	4	5	6	7
2. Με το βαθμό στον οποίο δίκαια αμείβεσαι σε σχέση με το τι προσφέρεις σε αυτήν την υπηρεσία/επιχείρηση	1	2	3	4	5	6	7

8. Πώς αμείβεσθε σε σχέση με …

(1=Πολύ λίγο, 2=Λίγο, 3=Κάπως λιγότερο, 4= Ούτε λιγότερο/ούτε περισσότερο, 5=Κάπως περισσότερο, 6=Περισσότερο, 7=Πολύ περισσότερο)

1=Πολύ λίγο → 7=Πολύ περισσότερο

1. Άλλους που ασκούν την ίδια εργασία μέσα στην ίδια υπηρεσία/επιχείρηση	1	2	3	4	5	6	7
2. Άλλους που ασκούν διαφορετική εργασία στην ίδια υπηρεσία/επιχείρηση	1	2	3	4	5	6	7
3. Άλλους που ασκούν την ίδια εργασία σε διαφορετικές υπηρεσίες/επιχειρήσεις	1	2	3	4	5	6	7
4. Άλλους που έχουν το ίδιο εκπαιδευτικό επίπεδο με εσάς	1	2	3	4	5	6	7
5. Άλλους που έχουν την ίδια ηλικία με εσάς	1	2	3	4	5	6	7
6. Το μισθό που θα περιμένατε να λάβετε	1	2	3	4	5	6	7
7. Αυτό που θεωρείτε ότι αξίζετε	1	2	3	4	5	6	7

9. Χαρακτηριστικά του φορέα/επιχείρησης στον οποίο εργάζεστε είναι:

(1=Διαφωνώ Απόλυτα, 2=Διαφωνώ, 3=Διαφωνώ σε μικρό βαθμό, 4=Ουδέτερος/η, 5=Συμφωνώ σε μικρό βαθμό, 6=Συμφωνώ, 7=Συμφωνώ Απόλυτα)

Διαφωνώ Απόλυτα ⇨ Συμφωνώ Απόλυτα

1. Αντικειμενικότητα –« Τα κριτήρια που καθορίζουν το μισθό μου είναι ξεκάθαρα»	1	2	3	4	5	6	7
2. Συνέπεια-«Τα μισθολογικά κριτήρια εφαρμόζονται συνεπώς σε κάθε εργαζόμενο μέσα στην υπηρεσία/επιχείρηση»	1	2	3	4	5	6	7
3. Καταστολή προκαταλήψεων-«Εξωτερικοί παράγοντες δεν επηρεάζουν τη διαδικασία καθορισμού του μισθού»	1	2	3	4	5	6	7
4. Ηθική-«Η διαδικασία καθορισμού του μισθού είναι ηθική	1	2	3	4	5	6	7
5. Συμμετοχή –«Οι εργαζόμενοι μπορούν να εκφράσουν τις απόψεις τους σχετικά με τον καθορισμό του μισθού τους»	1	2	3	4	5	6	7

10. Σε ποιο βαθμό διαφωνείτε ή συμφωνείτε με τις παρακάτω προτάσεις;
(1=Διαφωνώ Απόλυτα, 2=Διαφωνώ, 3=Διαφωνώ σε μικρό βαθμό, 4=Ουδέτερος/η, 5=Συμφωνώ σε μικρό βαθμό, 6=Συμφωνώ, 7=Συμφωνώ Απόλυτα)

Διαφωνώ Απόλυτα ⇨ Συμφωνώ Απόλυτα

1.	Ευχαρίστως θα συνέχιζα το υπόλοιπο της καριέρας μου σε αυτήν την υπηρεσία/επιχείρηση	1	2	3	4	5	6	7
2.	Αυτή τη χρονική στιγμή, θα μου ήταν πολύ δύσκολο να αποχωρίσω από την συγκεκριμένη υπηρεσία/επιχείρηση, ακόμα και εάν το επιθυμούσα	1	2	3	4	5	6	7
3.	Θα ερχόντουσαν τα «πάνω-κάτω» στη ζωή μου, εάν αποφάσιζα αυτή τη στιγμή να αποχωρίσω από την υπηρεσία/επιχείρηση	1	2	3	4	5	6	7
4.	Αυτή τη χρονική στιγμή, η παραμονή μου στην υπηρεσία/επιχείρηση είναι τόσο ανάγκη για εμένα όσο και προσωπική επιθυμία	1	2	3	4	5	6	7
5.	Αισθάνομαι ότι υπάρχουν λιγοστές εναλλακτικές επαγγελματικές επιλογές εάν αποφάσιζα να αποχωρίσω από την υπηρεσία/επιχείρηση	1	2	3	4	5	6	7

6. Εάν δεν είχα επενδύσει τόσα πολλά σε αυτήν την υπηρεσία/επιχείρηση μπορεί και να αποφάσιζα να εργαστώ σε κάποια άλλη	1	2	3	4	5	6	7
7. Μία από τις λίγες αρνητικές επιπτώσεις από την αποχώρηση μου από την υπηρεσία/επιχείρηση θα ήταν οι ελάχιστες εναλλακτικές επιλογές (ελάχιστες δουλειές).	1	2	3	4	5	6	7
8. Ειλικρινά αισθάνομαι τα προβλήματα αυτής της υπηρεσία/επιχείρησης ως δικά μου	1	2	3	4	5	6	7
9. Δεν αισθάνομαι ότι «είμαι μέρος» της επιχείρησης	1	2	3	4	5	6	7
10. Δεν αισθάνομαι ότι είμαι συναισθηματικά δεμένος/η με την υπηρεσία/επιχείρηση	1	2	3	4	5	6	7
11. Δεν αισθάνομαι ότι είμαι «μέλος της οικογένειας» της υπηρεσίας/επιχείρησης	1	2	3	4	5	6	7
12. Αυτή η υπηρεσία/επιχείρηση προσωπικά, σημαίνει πολλά για εμένα	1	2	3	4	5	6	7
13. Δεν αισθάνομαι καμία υποχρέωση να παραμείνω στον τωρινό μου εργοδότη	1	2	3	4	5	6	7
14. Ακόμα και εάν ήταν προς όφελος μου, δεν αισθάνομαι σωστό να αποχωρίσω από την υπηρεσία/επιχείρηση	1	2	3	4	5	6	7
15. Θα αισθανόμουν ενοχές εάν αποφάσιζα να αποχωρίσω από την υπηρεσία/επιχείρηση τώρα	1	2	3	4	5	6	7
16. Αυτή η υπηρεσία/επιχείρηση αξίζει την αφοσίωση μου	1	2	3	4	5	6	7
17. Δεν θα αποχωρίσω από την υπηρεσία/επιχείρηση άμεσα διότι αισθάνομαι ότι είμαι υποχρεωμένος/η στους ανθρώπους της	1	2	3	4	5	6	7
18. Χρωστάω πολλά στην υπηρεσία/επιχείρηση που εργάζομαι	1	2	3	4	5	6	7
19. Η υπηρεσία/επιχείρηση που εργάζομαι επενδύει σημαντικά στην ανάπτυξη του προσωπικού (εκπαιδευτικά προγράμματα, ευκαιρίες καριέρας κτλ)	1	2	3	4	5	6	7
20. Η υπηρεσία/επιχείρηση που εργάζομαι είναι γνωστή για την έμφαση που δίνει στη συνεχιζόμενη ανάπτυξη των ικανοτήτων και δεξιοτήτων των εργαζομένων της	1	2	3	4	5	6	7
21. Εφαρμόζοντας προγράμματα συμβουλευτικής, ανάπτυξης ηγετικών ικανοτήτων και ανάπτυξης δεξιοτήτων, ο εργοδότης μου αποδεικνύει ότι η συνεχιζόμενη ανάπτυξη των ικανοτήτων και δεξιοτήτων των εργαζομένων είναι σημαντική	1	2	3	4	5	6	7
22. Επενδύοντας χρόνο και χρήμα στην ανάπτυξη του προσωπικού, ο φορέας που εργάζομαι αποδεικνύει ότι επενδύει στους ανθρώπους του	1	2	3	4	5	6	7
23. Είμαι πεπεισμένος ότι ο φορέας που εργάζομαι θα μου παρέχει την απαραίτητη εκπαίδευση στο μέλλον, για να αναλάβω οποιαδήποτε νέα καθήκοντα	1	2	3	4	5	6	7
24. Πιστεύω ότι ο φορέας που εργάζομαι, επενδύει περισσότερο στην ανάπτυξη (εκπαίδευση) του προσωπικού σε σχέση με άλλους οργανισμούς	1	2	3	4	5	6	7

25. Ο οργανισμός που εργάζομαι είναι αποτελεσματικός στη διαδικασία εσωτερικών μετακινήσεων με βάση τις προτιμήσεις των εργαζομένων	1	2	3	4	5	6	7
26. Παρευρίσκομαι σε συναντήσεις που δεν είναι υποχρεωτικές αλλά θεωρούνται σημαντικές	1	2	3	4	5	6	7
27. Παρευρίσκομαι σε διεργασίες που δεν είναι απαραίτητες, αλλά ενισχύουν την εικόνα της υπηρεσίας/επιχείρησης	1	2	3	4	5	6	7
28. Παραμένω ενημερωμένος/η για τις αλλαγές της υπηρεσίας/επιχείρησης	1	2	3	4	5	6	7
29. Διαβάζω και παρακολουθώ τις ανακοινώσεις, νέα, memos της υπηρεσίας/επιχείρησης	1	2	3	4	5	6	7

11. Σε ποιο βαθμό διαφωνείτε ή συμφωνείτε με τις παρακάτω προτάσεις;
(1=Διαφωνώ Απόλυτα, 2=Διαφωνώ, 3=Διαφωνώ σε μικρό βαθμό, 4=Ουδέτερος/η, 5=Συμφωνώ σε μικρό βαθμό, 6=Συμφωνώ, 7=Συμφωνώ Απόλυτα)

Διαφωνώ Απόλυτα ⇨ Συμφωνώ Απόλυτα

1. Επιδιώκω να μαθαίνω όσα περισσότερα μπορώ στα σεμινάρια εκπαίδευσης	1	2	3	4	5	6	7
2. Στα σεμινάρια εκπαίδευσης, σε σύγκριση με άλλους, πιστεύω ότι μαθαίνω περισσότερα	1	2	3	4	5	6	7
3. Επιδιώκω να αναπτύσσω τις ικανότητες που παρουσιάζονται στα σεμινάρια εκπαίδευσης.	1	2	3	4	5	6	7
4. Επιθυμώ να βελτιώσω τις ικανότητές μου	1	2	3	4	5	6	7
5. Επιθυμώ να καταβάλλω προσπάθεια ώστε να αναπτύξω τις ικανότητες που παρουσιάζονται στα σεμινάρια εκπαίδευσης.	1	2	3	4	5	6	7
6. Η συμμετοχή μου σε σεμινάρια εκπαίδευσης δεν αποτελεί προτεραιότητα για εμένα	1	2	3	4	5	6	7
7. Είμαι διαθέσιμος να προσπαθήσω να αναπτύξω τις εργασιακές μου ικανότητες και δεξιότητες	1	2	3	4	5	6	7

12. Σε ποιο βαθμό διαφωνείτε ή συμφωνείτε με τις παρακάτω προτάσεις;
(1=Διαφωνώ Απόλυτα, 2=Διαφωνώ, 3=Διαφωνώ σε μικρό βαθμό, 4=Ουδέτερος/η, 5=Συμφωνώ σε μικρό βαθμό, 6=Συμφωνώ, 7=Συμφωνώ Απόλυτα)

Διαφωνώ Απόλυτα → Συμφωνώ Απόλυτα

1. Προσπαθώ να εργάζομαι όσο πιο σκληρά γίνεται	1	2	3	4	5	6	7
2. Συνειδητά καταβάλω μεγάλη προσπάθεια στην εκτέλεση της εργασία μου	1	2	3	4	5	6	7
3. Συχνά καταβάλω έξτρα προσπάθεια στην εκτέλεση της εργασίας μου	1	2	3	4	5	6	7
4. Σχεδόν πάντοτε καταβάλω περισσότερη προσπάθεια απ’ ότι απαιτείται	1	2	3	4	5	6	7
5. Συνήθως δε διστάζω να καταβάλω έξτρα προσπάθεια στην εργασία μου, όταν είναι απαραίτητο	1	2	3	4	5	6	7
6. Η ποιότητα της εργασίας μου είναι συνήθως υψηλή	1	2	3	4	5	6	7
7. Η ποιότητα της εργασίας μου είναι άριστη	1	2	3	4	5	6	7
8. Προσφέρω υψηλότερου επιπέδου εργασία απ’ ότι θα ανέμενε κάποιος για τη θέση που κατέχω	1	2	3	4	5	6	7
9. Σπάνια ολοκληρώνω μία εργασία εάν δεν είμαι σίγουρος/η ότι είναι υψηλής ποιότητας	1	2	3	4	5	6	7
10. Οι συνάδελφοι μου χαρακτηρίζουν την εργασία μου ως υψηλού επιπέδου	1	2	3	4	5	6	7
11. Ο προϊστάμενος μου ενδιαφέρεται για τις απόψεις μου	1	2	3	4	5	6	7
12. Ο προϊστάμενος μου ενδιαφέρεται για την ευημερία μου	1	2	3	4	5	6	7
13. Ο προϊστάμενος μου λαμβάνει υπόψη του τους στόχους μου	1	2	3	4	5	6	7
14. Ο προϊστάμενος μου δεν ενδιαφέρεται για εμένα	1	2	3	4	5	6	7
15. Η υπηρεσία/επιχείρηση που εργάζομαι είναι διαθέσιμη να με βοηθήσει όταν χρειαστώ μία χάρη	1	2	3	4	5	6	7
16. Η υπηρεσία/επιχείρηση που εργάζομαι δείχνει λίγο ενδιαφέρον για εμένα	1	2	3	4	5	6	7
17. Η υπηρεσία/επιχείρηση που εργάζομαι αναγνωρίζει ότι συμβάλω και εγώ στην ανάπτυξη της	1	2	3	4	5	6	7
18. Η υπηρεσία/επιχείρηση που εργάζομαι λαμβάνει υπόψη της τους προσωπικούς μου στόχους	1	2	3	4	5	6	7