

**THE RELATIONSHIP BETWEEN PAY AND
PERFORMANCE IN THE CAMBODIAN CIVIL
SERVICE**

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Abstract

The civil service is a major influence in a country's development. Thus, government requires a good civil service, and improvements in public service performance must be a key goal for accelerating development and reducing poverty. However, in many developing countries, the capacity of civil services to carry out the necessary functions of government is often severely constrained. Civil servants do not perform their assigned tasks and they often fail to take responsibility for their actions. Management systems often function inefficiently. The result is disappointing performance and poor service quality. While there are many factors contributing to the disappointing level of civil service performance, pay has been a major concern. It is alleged that low pay is a primary cause of poor performance. But, there are few empirical investigations that support this argument. This thesis addresses this problem through a detailed empirical analysis of the relationship between pay and performance in the Cambodian civil service (CCS).

Low pay has been a constant concern in the CCS since its inception in 1979. By 2009, the average state salary was US\$75.5 per month, which was still below subsistence level income for a family. The gap between levels of state salaries and cost of living has been widening. These low income conditions of public servants have led them to pay less attention to their tasks and duties as they have diverted their time and effort to obtaining other sources of income including corruption and 'moonlighting' in other jobs. Also, they may have deliberately reduced their performance effort or felt that low pay justified poor performance. As a result, public service delivery has suffered significantly.

Many have asserted that pay has been closely linked to performance in the CCS and that pay has had a negative impact on performance. But until now there has been little or no empirical confirmation of this widely held belief. This thesis provides such confirmation. Interviews with a range of stakeholders in the Cambodian government, including central government personnel, educational administrators, and school teachers and principals revealed that pay was either the most important, or at least a highly significant factor influencing performance, and it either adversely affected job performance or led to dissatisfaction with civil service jobs. However, pay played little or no role in motivating people to seek civil service jobs nor

did it encourage good performance for those employed. Rather, interviewees pointed to such factors as job security or lifelong employment, social status and prestige, future personal growth and other opportunities, and professionalism as performance motivating factors. Pay was the most important demotivational factor discouraging civil servants from performing their jobs well. This link between pay and performance was also investigated through the application of motivation theories which, with the exception of expectancy theory, provided relatively poor fit with the Cambodian case. Performance was also investigated in terms of organisational culture and politics in the CCS and both were found to be significant influences on behaviour.

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List of abbreviations and acronyms

BLDP	The Buddhist Liberal Democratic Party
CAR	Council for Administrative Reform
CCS	Cambodian civil service
CDC	Council for the Development of Cambodia
CDRI	Cambodian Development Resource Institute
CGDK	The Coalition Government of Democratic Kampuchea
CPK	Communist Party of Kampuchea
CPP	Cambodian People's Party
DESA	Department of Economic and Social Affairs, United Nations
DK	Democratic Kampuchea
DPs	Donor Partners
EIC	Economic Institute of Cambodia
FUNCINPEC	The United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia
FUNSK	The Kampuchean United Front for National Salvation
HDI	Human Development Index
HRM	Human Resource Management
GDP	Gross Domestic Product
GNI	Gross National Income
KPRP	The Kampuchean People's Revolutionary Party
KR	Khmer Rouge
MBPI	Merit-Based Pay Initiative
MDGs	Millennium Development Goals
MEF	Ministry of Economy and Finance
MLVT	Ministry of Labour and Vocational Training
MoEYS	Ministry of Education, Youth and Sports
MoP	Ministry of Planning
NGO	Non-Governmental Organisation
NIS	National Institute of Statistics
OCM	Office of Council of Ministers

ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OEYS	Office of Education, Youth and Sports
PMG	Priority Mission Group
PRCK	People's Revolutionary Council of Kampuchea
PRK	The People's Republic of Kampuchea
RGC	Royal Government of Cambodia
SOC	State of Cambodia
SSPF	State Secretariat of Public Function
UNDP	United Nations Development Program
UNESCAP	United Nations for Economic and Social Commission for Asia and the Pacific
UNTAC	The United Nations Transitional Authority in Cambodia
USSR	The Union of Soviet Socialist Republics