

**EFFICIENCY WAGES, PUBLIC SERVICE MOTIVATION AND
EFFORT IN MALAYSIA : AN EMPIRICAL CASE STUDY OF
UNIVERSITI SAINS MALAYSIA**

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DECLARATION

I declare that this thesis is my own account of my research and contains as its main content work which has not previously been submitted for a degree at any tertiary education institution.

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ABSTRACT

Until now, the bulk of the studies conducted on the relationships between efficiency wages, public service motivation (PSM), and effort focused exclusively on developed and advanced countries. Very little has been written about these relationships on developing countries. Finding additional knowledge on the experiences of the developing countries would not only be helpful in improving the efficiency of public employees in developing countries, but would also help to enrich and expand this field of knowledge. Perhaps of more importance is that this study were provides some rare glimpses into the dynamics of the relationship between public sector employers and employees in achieving their prescribed outcomes from a developing world perspective. Malaysia is taken as a case study to explore and highlight some common problems shared by many developing countries in improving the efficiency of their public employees. As far as the author could judge (after an extensive review of the literature), this is the first attempt to analyse the relationships between efficiency wages, PSM, and effort on Malaysia.

The relationships between efficiency wage, PSM, and effort were analysed and tested on the Malaysian public sector using Universiti Sains Malaysia (USM) as a case study. This study found employees' effort levels in USM during the survey period were driven more so by PSM rather than by efficiency wages. This study also highlighted a few policy recommendations based on findings of this study.

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LIST OF ABBREVIATIONS

ACU	Association of Commonwealth Universities
APA	Academic Performance Audit
CCR	Cabinet Committee Report
CUEPACS	Congress of Unions of Employees in the Public and Civil Services
DJC	Departmental Joint Council
DS	Salary scheme for academics in the Malaysian public HEIs

DU	Salary scheme for academics (medical) in the Malaysian public HEIs
GDP	Gross Domestic Product
EPU	Economic Planning Unit
HEIs	Higher Education Institutions
MAMPU	The Malaysia Administrative Modernisation and Management Planning Unit
MEF	Malaysia Employers Federation
MOHE	Ministry of Higher Education
MQA	Malaysia Quality Accreditation
MRS	Malaysia Remuneration System
NEP	New Economic Policy
NJC	National Joint Council
NRS	New Remuneration System
OECD	Organisation for Economic Cooperation and Development
PSD	Public Service Department
PSM	Public Service Motivation
PSNRS	Public Service New Remuneration Scheme
PSC	Public Service Commission
APEX	The Accelerated Programme for Excellence
SETARA	Rating System for Malaysian HEIs
USM	Universiti Sains Malaysia

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