A Framework to Assess Employee Perceptions of HRM Practices in the Greek Local Authorities

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Abstract: Organizations in the public sector are under increasing pressure to enhance their efficiency in order to deliver better services to citizens. At the same time, the resources available to public organizations have reduced during the past years due to the recent great recession, forcing them to find ways to make the most of their limited resources. Considering that people are recognized as the most significant organizational resource, it is not surprising that organizations in the private and public sector employ Human Resources Management (HRM) practices in order to become more effective. Despite the importance of human resources and the fact that public – sector organizations have particular characteristics that make implementing HR practices difficult, little attention has been devoted to the specific field of HRM in the public sector. Public organizations still lack of effective human resources management practices and effective tools to systematically monitor and improve the implemented practices. This paper provides insight on effective HRM practices in the public sector and proposes a framework for assessing the effectiveness of organizations in implementing such practices. Considering that employees are the ones who are most affected by HR policies, the framework is based on their perspectives in order to analyze organizational performance and prioritize HR practices. The model is tailored to the particular characteristics of Local Authorities in Greece but it can easily be extended to other public organizations and enables the identification of critical dimensions and the prioritization of HR action plans.

Keywords: Human Resources Management, Employee Satisfaction, Public Sector, Local Authorities, Multicriteria Analysis, MUSA Method, Greece

1. Introduction

Management literature asserts that people are the most important organizational resource and the key to achieving higher performance (e.g. [1-4]). Therefore, organizations in the private and the public sector adopt Human Resources Management (HRM) practices in order to become more effective and enhance their competitiveness. According to [5], Human Resources Management can be defined as the process of recruiting and selecting employees, providing appropriate guidance, providing appropriate training and skills development, evaluating employee performance, providing appropriate compensation and benefits, motivating employees, maintaining appropriate relationship with labor and trade unions, maintaining the safety, well-being and health of employees, in compliance with the labor laws of the State or the country. HRM Departments play a substantial role in promoting and implementing such practices in an organization’s workforce. They support line managers, recruit, select, train and develop their employees and they manage their workforce in order to ensure that organizational goals are met and aligned with the ones of their employees [6].

Despite the importance of human resources, scant attention has been paid to the specific field of Human Resource Management and academic research in relation to the public sector [7]. Public organizations still lack of effective human resources management practices while the adoption of HRM practices differs substantially among different countries [8]. Furthermore, research about the effectiveness of HRM practices in local public organizations is scarce despite the fact that the importance of Local Authorities in a country’s governance has been reported by many academics and practitioners (e.g. [9-12]). Most studies refer to developed countries and try to identify good HRM practices that can be adopted from the private sector and be adapted to their special needs [13-14]. Little can be found about developing
countries, such as Greece and specifically about their ability to implement such practices.

Considering that the implementation of HR practices mainly affects employees, it is not surprising that research on how employees perceive such practices has received increasing attention in recent years [15]. Scholars in the field of human resource management widely agree that employees' perceptions of HR practices play a key role in influencing the effectiveness of these practices (e.g. [16-17]). According to [18], 40% of studies in the last four years have included employee perceptions of HR practices when examining the relationship between HRM and performance. This has led to a variety of conceptual models exploring staff perceptions of HR practices [19]. These studies have shown that it is employees' perceptions of HR practices that influence employee behavior, not the implemented HR practices assessed by managers. [15]. Moreover, the content of HR, as perceived by its employees, may not be the same as the content of HR, as perceived by its managers [19]. Empirical studies confirm that HR perceptions vary across organizational hierarchy, proving that examining employee perspectives on HR practices is highly relevant. However, despite the importance of HRM Departments in implementing such practices, there is no common framework for assessing the ability of HRM Departments to effectively implement such practices from the employees' perspective, especially in the public sector.

This paper comes to fill the gaps in the literature mentioned above by providing insight into effective HRM practices in the public sector. Its main objective is to propose a framework for evaluating the effectiveness of HRM Departments in implementing such practices based on the perceptions of employees by presenting the case of Local Authorities in Greece.

The paper is organized in 5 sections. Section 2 provides a literature review of HRM best practices in both the private and public sectors with a particular emphasis on prior research examining efforts to improve employee productivity in the Greek public sector. Section 3 describes the research methodology as well as the proposed methodological frame for assessing employee perceptions of HRM practices and prioritizing action plans. Finally, section 4 summarizes the concluding remarks and the limitations of the study while section 5 provides directions for further research.

2. Literature Review

2.1. HRM Best Practices

HRM practices can be classified based on whether the goal is to regulate or increase employee loyalty to the organization [20-21]. While the first category is designed to increase organizational efficiency and at the same time reduce employment cost, high commitment HRM approaches aim to affect employees' commitment to their organization in order to promote employee performance while increasing mutual influence, respect and responsibility [22]. They aim to increase organizational productivity and efficiency by implementing working circumstances that improve employees' ability to identify with the organization's goals and values, as well as motivating employees to engage in discretionary behaviors that support the organization's objectives [23]. Several studies suggest that organizations that have adopted this type of HRM system often obtain better results regarding the performance of their employees and in general of their global performance (e.g. [24-27]).

Although there is no clear list of such high – performance HRM practices, a number of researchers have examined the benefits of implementing HRM practices on specific organizational outcomes and have indicated the most important ones to be.

Reference [28] have proved that there is significant relationship between the HR practices of training and development, of performance appraising and of compensating and employee retention. Reference [23] in their research in the Swiss public sector found that public servants are better motivated from intrinsic work motivators such as job enrichment, participation, individual appraisal and professional development. In their study in a public university, [29] concluded that the HR practices of recruitment, training, performance appraisal, career planning, employee participation, job definition and compensation have a significant relationship with the university performance. Reference [30] studied the effect of HRM practices on employee satisfaction in Ethiopian public banks. The results of this study suggested that HRM practices, mainly recruitment and selection, training and development, performance appraisal and compensation package are positively related to employee job satisfaction. Similarly, [31] in their study proved that a significant positive association exists between human resource planning, training and development, employee compensation and employee satisfaction. According to [32], the HR practices which are considered to be pivotal in creating positive attitude include recruitment and selection, training and development, performance appraisal, recognition and reward, employee welfare and superior support. Reference [33] stated that the most important HRM practices include the organizational activities concerned with recruiting and selecting, designing work for, training and developing, appraising and rewarding, directing, motivating and controlling workers. In his comparison among public organizations of 10 small countries, [34] identified four key HRM activities: selection, appraisal, training and compensation. Reference [35] proved their hypotheses that there is a positive relationship between HR practices such as compensation, internal career opportunity, participation, performance training and development, and high commitment, in the banking industry of Bangladesh. Reference [36] found that employees’ perceptions of HRM practices such as training and development, reward management, and performance management, are significant predictors of employee commitment while a negative direct relationship exists between employees’ perceptions about the use of HRM practices and turnover intentions. Trying to
identify the level of effectiveness in HRM and its impact on employees' satisfaction in the banking sector of Jordan, [37] defined HR planning (workforce planning), staffing (recruitment and selection), training and development, compensation and performance appraisal as the most commonly HR practices in the literature. Reference [7] studied the impact of human resources management practices on organizational excellence in Sudanese public organizations. They found out that training, incentives and benefits, planning and career development and performance evaluation are the most important HRM practices to achieve high performance. Exploring the impact of HRM practices on employee performance, [38] suggested that HR best practices include training and development, reward, job analysis, recruitment and selection, employee relationship, employee empowerment and social support. Reference [13] provides an extensive list of studies that have included each one of the above HRM practices as the most important HRM tasks.

HR departments can play an important role in encouraging and implementing such practices among employees. The HRM Department's responsibilities can be divided into two categories: operational and strategic [6]. At the operational level, daily activities such as helping line managers, recruitment, selection, training and development, providing as a channel for employee problems, personnel record keeping, and managing/negotiating collective bargaining agreements are all prioritized. At the strategic level, there is a greater emphasis on managing people and aligning HRM goals with corporate goals in order to ensure that organizational goals are realized. This could entail ensuring that the workforce has the appropriate skills, or ensuring that there is diversity and opportunity for career advancement. In addition, the HRM department is responsible for adhering to and enforcing employment laws and regulations.

2.2. HRM in the Public Sector

With the introduction of New Public Management (NPM) in the late 1980s, which focused on transferring private sector management techniques to the public sector, the emphasis in the public sector shifted from administration to management, as part of a larger strategy to enhance efficiency, effectiveness and service quality [39]. Changes in the public sector were made in response to the perceived need to reduce government spending, create more efficient services, and limit the scope and range of public goods and services provided by government [40]. HRM was a significant component of this push to change government administration [41]. Governments' attempts to improve the efficiency and effectiveness of public organizations in order to comply with what is known as "good governance" led to a focus on strategic management. However, characteristics unique to the public sector, such as relatively higher levels of goal ambiguity, the presence of stricter regulations compared to private sector organizations, and the specific work motivation of public sector workers, are likely to result in lower effects of HRM practices on individual performance [42-43]. Activities in the public sector are largely governed by laws, regulations, and procedures; decisions are influenced by political and informal procedures; and objectives are frequently multiple, imprecise, and politicized, making measurement particularly difficult [44]; the hiring procedure is based on appointment rather than election, especially for top managers, and the organizational structure is frequently centralized [45]. Moreover, public managers' restricted capacity to hire and fire employees limits their ability to implement some HRM strategies like (non)financial incentives, promotion possibilities, and employee exit management [42, 46]. In other words, managers in the public sector have less authority over their subordinates than their counterparts in the private sector [4]. Similarly, due to increased levels of formalization, public managers face challenges in implementing HRM practices that empower employees, i.e., give them the freedom and flexibility to act independently [47]. In a similar way, public managers' capacity to punish low performers and reward high performers is constrained, negatively impacting organizational performance levels [42]. Furthermore, compared to the private sector, public sector organizational goals are perceived to be less tangible, harder to assess, more diverse, and frequently contradicting [48]. As previous research indicates, if training objectives are to be effective, they should be aligned with organizational goals [49]. As a result, designing effective training programs in public institutions is more difficult. In a similar spirit, developing appropriate incentive programs in the public sector is more complex [50]. Since rewards are often linked to the achievement of specific goals, higher goal ambiguity within public organizations complicates the reward process [24].

2.3. HRM in the Greek Public Sector

Greece has been badly impacted by the "Great Recession," the greatest global financial crisis in decades, while also dealing with the biggest debt crisis. Greece's Memorandum austerity measures, which have been in place since May 2010 and continue to this day, have had a significant detrimental influence on labor concerns. Thousands of individuals have lost their employment, both in the public and private sectors, and their salaries have been drastically reduced [51]. Greece has been compelled to restructure its public administration and enhance the state's functioning due to a drop in government revenue and rising pressure on the government to reduce the national debt. As a result, after the financial support granted by EU member states and the IMF; the European Commission began a technical assistance package for Greece in 2013 focused on public sector reforms. Despite the attempts to enhance the operation of government agencies, there is still more to be done. Greece's public sector remains sluggish and overburdened, with inefficiency, bureaucracy, and corruption among its most prominent traits. One of the main issues confronting the Greek government is the low productivity of its human resources. With unexpected salary cutbacks, stagnant grade advancements, and general job dissatisfaction in today's "memorandum era," public organizations must discover innovative strategies to inspire their staff and boost productivity [52]. Despite the Greek public sector's poor
productivity, the government does not have a defined strategy of instigation. The working components of public employees' professional lives exhibit no significant productivity incentive. It is a truth that job efficiency has nothing to do with grading, pay, or any other type of incentive. As a result, there is no necessity to raise labor intensity, because the quality of the work process is dependent on the employees' self-awareness [52]. Furthermore, the Greek public sector has unique characteristics that make successful HRM strategies challenging to adopt. For example, unlike other OECD countries, the Greek public service has a career-based recruiting system rather than a position-based one, and top and middle management promotions are based on years of experience, performance assessments, and credentials [53]. The number of years in similar jobs is used to compute remuneration, which is based on a base wage for each hierarchical level. Among OECD countries, Greece's public sector uses performance evaluations the least in HR decisions [53]. Despite the fact that performance evaluations are required for nearly all employees and are critical for career progress, there is still skepticism about how these concepts are applied in practice [53]. It is clear that the Greek public sector faces challenges in adopting and implementing HRM practices and policies, resulting in one of the lowest rates of adoption and implementation among OECD countries (see Figure 1).

Numerous academics have recommended various HRM strategies to enhance the productivity of employees and, as a result, of public organizations, taking into consideration the unique peculiarities of the Greek public sector. Managers believe that the promise of promotion following employee evaluation is the best technique to inspire organization leaders, followed by responsibility, job stability, and financial incentive, according to [54]. On the contrary, excellent pay, job stability, safe and pleasant working environment, and responsibility are the most popular methods for motivating employees. In his study of 454 Greek public workers, [55] found that in Greece's extended public sector, public managers try to inspire their staff and enhance productivity by stressing extrinsic rewards, especially fair pay and greater job security. Despite this, he discovered that intrinsic motivation seemed to be linked to improved organizational outcomes. The impact of leadership on employee motivation, happiness, and performance was highlighted by [56]. According to their survey, which was conducted in September 2008 at the Municipality of Athens, team building, positive discipline, commitment to vision, change agent, trust, and justice are the factors that leaders must provide to their employees in order to inspire and motivate them in a bureaucratic (working) environment. Reference [57] performed a research among mental health professionals and found that views of meaningful work, respect, and excellent interpersonal interactions are the primary issues linked to employee motivation. In order for workers to apply their knowledge and talents, [58] recommended that the job be enriched with diverse jobs and tasks (job enrichment), because the more engaging the content of a job is, the more engaged an employee is. According to [59], education, feedback, involvement in decision-making, giving purpose to one's job, goal-setting, interpersonal relationships, incentives, and recognition are all more significant motivators than money. Interesting work, equal and fair treatment, good working relationships with supervisors and colleagues, objective assessment, and a good salary are the most important

![Figure 1. Utilization of strategic HRM practices in central government Source: 2010 OECD Survey on Strategic Human Resource Management in Central/Federal Governments (found in [8]).](image-url)
motivating factors for Local Authority employees, according to a survey conducted by [51] in the prefecture of Grevena in Greece. Reference [52] presented five appropriate incentive policies that might lead to increased productivity among employees. These are:

a. Implementation of a contemporary, meritocratic, and efficient assessment system that benefits the best workers by providing them with a hierarchy and compensation incentives (Performance Related Pay - no raise, but a reallocation of operational expenditures).

b. Redesigning work roles to allow for a more accurate assessment of active and inactive personnel.

c. Employee participation in the decision-making process.

d. Using common incentives for teamwork, with an emphasis on the development of future leaders.

e. Using communication channels to promote a new culture in the work of government workers.

In a survey of 318 Greek public servants, [60] discovered that the most important employee motivations in the public sector are increased salaries, opportunities for hierarchical advancement in the organization, and the development of personal skills, but they also suggested that these factors can vary by age, gender, and other factors. Finally, [61] stated that the Greek Local Authorities have challenges in adopting and implementing HRM techniques, and that these organizations do not share a consistent approach to HRM implementation. Therefore, he suggested that it is crucial to investigate the extent to which these practices are implemented in these organizations by conducting employee surveys analyzing their perceptions on a regular basis.

2.4. Methods Implemented to Assess HRM Practices

Within the research on staff perceptions of HR practices, there is a wide variety in the types of perceptions that are explored. In particular, the conceptualization of what actually constitutes employees' perceptions of HR practices and how they are measured varies widely from one study to the next [18, 62]. For example, some studies examine the perceived availability of HR practices and describe the offered HR practices that employees perceive in their work environment (e.g. [63]). Other studies examine employees' satisfaction with the HR practices (e.g. [64]), the supportiveness of HR practices [65], or the effectiveness of HR practices [66].

Therefore, [18] suggest that employee perceptions of HR practices should be divided into two types: descriptive and evaluative perceptions of HR practices. Descriptive perceptions are employee reports of the actual HR practices in place or the extent to which they are exposed to the HR practices. Evaluative measures refer to the positive or negative assessment of HR practices to which employees are exposed [18-19]. Reference [15] provides an extensive literature on different approaches to conceptualizing and measuring perceptions of HR practices. A variety of methods have been used to analyze the data concerning employee perceptions and HRM practices, including multiple regression analysis (e.g., [67-68]), hierarchical linear modeling (e.g., [69-70]), structural equation modelling (e.g., [71-72]), etc.

Multicriteria approaches have also been widely advocated in the literature as a way to assess how well HR practices are implemented. Most of the papers describing the applications of multiple-criteria decision aiding in HRM are related to the selection of the most appropriate candidate for a job – a list of the applied papers in HRM can be found in [73]. Recent research in this area includes hybrid multicriteria decision-making (MCDM) approaches to HR performance evaluation that take into account interactions among criteria [74], linguistic extensions of fuzzy measures for personnel selection [75] and intuitionistic fuzzy MCDM that are useful in modeling uncertain information in decision making applications such as HRM [76-79].

In reviewing the literature, however, there is no comprehensive research on multiple-criteria HRM assessment in organizations in relation to their industry [33], let alone in the public sector.

3. Research Methodology

3.1. Analysis of Greek Local Authorities

To identify best practices in the public sector and the roles and responsibilities of HRM departments, a comprehensive literature review and a detailed evaluation of HRM studies in public organizations were conducted. Much of this study concentrated on the adoption of HRM practices in Greek public organizations in order to identify and assess the unique characteristics of Greek public governance, as well as public organizations' ability to adopt certain HRM methods in Greece. As the main objective of this study is to propose a framework for evaluating employee satisfaction as a result of the HRM Departments of Greek Local Authorities’ ability to apply specific HRM practices, a thorough examination and analysis of the duties and position of the HRM Departments in the organization charts of the Greek Local Authorities was carried out.

Local Authorities in Greece are divided into three sub-national division levels. At the highest level there are 7 Decentralized Administrations, each of which includes two or three Regions. They have broad decision-making authority over state affairs in the regions they represent. At the intermediate level there are 13 Regions and finally, at the lowest level are 325 Municipalities [80]. The organization charts and job description of these organizations are based on specific standards developed for different organization categories (e.g. mountainous, island municipalities, large, small regions, etc.). They can, however, develop their own organizational chart based on their own demands and features. All organizational charts and job descriptions of these 345 organizations were obtained from the internet, and the key HRM practices used by HRM or related Departments were identified and studied. Despite their similarities, there are significant differences in terms of HRM's operating function as well as the HRM Department's location in the Greek Local Authorities’ organization charts, particularly in the case of Regions and Municipalities.

Specifically, while all the Decentralized Administrations in
the Greek Local Authorities have identical HRM job
descriptions, HRM practices are not centrally implemented by
a single Department and the description of HRM duties is
rather limited. HRM duties are shared between the Personnel
and the Training Departments. The Personnel Department, in
particular, is in charge of all staff service status concerns, as
well as any changes in their job, disciplinary supervision of
the aforementioned employees, timely production and
submission of employee assessment reports, and recruiting
strategy, among other things. The Training Department, on the
other hand, is in charge of analyzing and assessing the staff's
training needs, as well as developing and implementing any
type of training programs.

Many differences appear among the structure of the HRM
function in the Greek Regions. Specifically, only two of the 13
Greek Regions have particular competent Directorates
responsible for implementing HRM practices throughout the
organization. The Personnel Department, under the
Administration Directorate, and the Payroll Department,
under the Financial Management Directorate, are responsible
for HRM in the remainder of the Regions.

The major responsibilities of the Greek Regions in terms of
HRM concern employee status and salary issues of personnel,
assisting the organization in achieving its goals by providing
relevant personnel, keeping track of staff productivity,
gathering and analyzing data on available human resources,
determining workforce requirements, assessing and evaluating
employee performance, putting in place a management
structure based on objectives, recruiting, hiring, and assigning
supervisors, maintaining staff discipline, identifying training
needs, organizing and implementing educational programs.

Similarly, the organization and allocation of HRM tasks
within Greek Municipality Departments varies significantly.
Specifically, out of the 325 Greek Municipalities only for 14 of
them the responsibility for the implementation of HRM
practices throughout the organization has been assigned to
specific competent Directorates with various names, however
(e.g. Directorate of Human Resources Management,
Directorate of Personnel, Directorate of Human Resources and
Logistics, Directorate of Human Resources and Administration
Management, etc.). 177 municipalities have established
Departments, primarily under the Directorate of Administration
and Finance, for the central implementation of specific HRM
practices, whereas for the remaining 134 municipalities, HRM
practice implementation is a parallel task to other tasks for
various departments within the organization.

While there are differences in the duties of the HRM
function that appear in the job description for the different
Municipalities and these are exercised by different Departments
for each Municipality, they mainly include the analysis of the
workforce needs, the utilization of staff qualifications, the
evaluation of employees performance, the adoption of assistance
measures (e.g. kindergartens, staff transfer), the planning and implementation of educational
programs, the improvement of human relations with the
implementation of essential initiatives (e.g. events, travel),
the development and implementation of educational programs,
the adhering to personnel laws and regulations, the
maintenance of personnel records, the establishment and
enforcement of health and safety norms, the disciplinary
control, the research, planning, and implementation of human
resource development programs and initiatives.

3.2. The Proposed Methodological Frame

For the study of employee satisfaction data resulting from the
adoption of certain HR practices, the MUSA method is
recommended. The MUSA method is primarily used in
customer satisfaction measurement and since its introduction, it
has been implemented in many different cases in the banking
sector [81-82] in the shipping sector [83], in the education
sector [84], in logistics [85], for assessing the quality of web
providers [86], for estimating the preferences of e-customers
[87], etc. Moreover, it has been applied to assess employee job
satisfaction and to link customer satisfaction with employee
appraisal and business performance [88-89].

The MUSA method is a multi-criteria preference
disaggregation approach which takes into account the
qualitative form of individuals’ judgments in order to provide
a series of quantitative measures representing individual
satisfaction [90-92]. The main objective of the MUSA method
is to aggregate the judgments of individuals into a collective
value function, assuming that their global satisfaction depends
on a set of $n$ criteria or variables representing characteristic
dimensions of the service (e.g. applied practices form the
HRM Department). The necessary information can be
collected through a simple questionnaire in which the
employees evaluate the implemented practices, i.e. they are
asked to express their judgments, namely their global
satisfaction and their satisfaction in relation to the set of
discrete criteria, representing the applied HR practices. These
employees’ judgments can be derived with the help of a
pre-defined ordinal satisfaction scale.

The MUSA method assesses global and partial satisfaction
functions $Y^*$ and $X_i^*$ respectively, given employees’ ordinal
judgments $Y$ and $X_i$ (for the $i$th criterion). It should be noted
that the method is based on the theory of ordinal regression
analysis under constraints and uses linear programming
techniques [93-95].

As it is already mentioned, the method attempts to estimate
an additive utility model, represented by the following ordinal
regression analysis equation:

$$
\hat{Y}^* = \sum_{i=1}^{n} b_i X_i^* - \sigma^+ + \sigma^- \tag{1}
$$

where $\hat{Y}^*$ is the estimation of the global value function $Y^*$, $n$
is the number of criteria, $b_i$ is a positive weight of the $i$th
criterion, $\sigma^+$ and $\sigma^-$ are the overestimation and the
underestimation errors, respectively, and the value functions
$Y^*$ and $X_i^*$ are normalized in the interval $[0, 100]$. 

[$\star$]
Global and partial explanatory analysis constitute the main results of the method. Global explanatory analysis focuses on employees’ global satisfaction and the primary dimensions that drive global satisfaction, while partial explanatory analysis lays emphasis on each criterion separately and estimates its relevant parameters.

In detail, the results of satisfaction analysis provided by the method consist of:

1. **Value functions**: they show the real value (in a normalized interval 0-100) that employees give for each level of the global or partial ordinal satisfaction scale. According to the principles of multi-criteria analysis, global and partial value functions (they are also mentioned as additive and marginal value or utility functions) have specific properties, namely that they are monotonic, non-digressive and discrete (piecewise linear). The shape of these functions indicates if employees are demanding or not.

2. **Criteria weights**: they are value trade-offs among the criteria and they represent the relative importance of the assessed satisfaction dimensions representing the implemented HR practices. The importance of the individual satisfaction dimensions according to the employee judgements also depends on the number of criteria assessed.

3. **Average satisfaction indices**: they are the mean value of the global and partial value functions and they represent in a range of 0-100% the level of employees’ satisfaction from the implemented HR practices.

4. **Average demanding indices**: they show the demanding level of employees globally and for each criterion. The calculation of these indices is based on the set of estimated added value curves and they are normalized in the interval [-1, 1], where “1” and “-1” represent demanding and non-demanding employees, respectively. These indices are used in the analysis of employee behavior and may be considered as indicators of the extent of the organization’s improvement efforts. If the demanding index is high, it means that more effort is needed to increase the satisfaction level of employees.

5. **Average improvement indices**: they show, in a normalized interval [0, 1], the effort required to improve employee satisfaction for a given criterion. The improvement margin for a specific criterion is calculated according to the importance of that criterion, representing an implemented HR practice, for employees, and its contribution to dissatisfaction.

A more detailed presentation and further discussion of the method may also be found in [92].

### 3.3. Employee Satisfaction Dimensions

One of the most essential steps of the suggested methodology is the evaluation of a consistent set of criteria reflecting employee satisfaction dimensions. According to [96-97], these satisfaction dimensions should follow the properties of a consistent family of criteria, namely (1) monotonicity, (2) exhaustiveness, and (3) non-redundancy. Reference [98] also suggested that the set of criteria and the value hierarchy formulated should be operational, decomposable and minimal.

The primary satisfaction criteria regarding the ability of HRM Departments to adopt certain HR practices, according to the special features of Greek public authorities and the HR best practices as analyzed in the literature are:

1. **Recruitment, selection and placement**: Recruitment is defined as the process by which organizations identify, attract, and select potential applicants for current and future jobs [29, 99]. It is the process by which people are encouraged to apply for actual or anticipated vacancies in the organization [100]. Recruitment and selection are essentially concerned with finding, assessing, and engaging either external candidates from outside organizations, or promoting current employees, in which case it is called internal recruitment [101]. Successful recruitment requires proper employment planning and forecasting. The key goal of HR planning is to ensure that an organization has the right number of people with the right skills, experience and competencies in the right jobs at the right time to achieve organizational objectives [31, 101-102]. The satisfaction sub-criteria for the recruitment, selection and placement criterion include:
   a. Identifying appropriate candidates;
   b. Attracting potential or current employees;
   c. Selecting appropriate candidates according to the organization’s specific needs;
   d. Informing candidates about job requirements;
   e. Identifying and analyzing current and potential needs of the organization;
   f. Distributing available staff in the right jobs;
   g. Providing clear job outlines.

2. **Training and development**: Training and development is defined as the systematic acquisition and development of the knowledge, skills, and attitudes required by employees to adequately perform an assigned job or task to boost performance in the job environment [28]. It gives new and old employees the skills, abilities and knowledge they need to effectively and efficiently do their jobs [31]. Training process starts with analyzing training need according to the organization’s goals [101] and proceeds with the design of appropriate training programs [31]. The process ends with the evaluation of the effectiveness of the programs by the employees [31, 37]. The satisfaction sub-criteria for the training and development criterion include:
   a. Identifying training needs on a regular basis;
   b. Designing and providing appropriate training programs according to the needs of the organization and employees;
   c. Informing employees about potential training programs;
   d. Evaluating training programs;
   e. Helping employees to improve their knowledges and develop their skills;
   f. Utilizing knowledge and skills developed in training programs at work.
3) **Performance appraisal:** Performance appraisal is the process of inspecting and evaluating an individual's performance in his or her duty to facilitate the decision of the individual's career development [28]. It can be defined as the process of determining and communicating to an employee how well he or she is performing on the job and ideally establishing a plan for improvement [103]. It evaluates the individual's overall contribution to the organization by assessing his or her internal characteristics, work performance, and ability to attain a higher position in the organization [104]. It comprises an objective evaluation of an employee's performance combined with an outline of measures to be taken for improvement and counter-signed by both employee and manager [105]. Performance appraisal requires that there is in place a credible, objective and fair evaluation process [19, 106] and that the process is implemented on a regular basis [26, 28, 107] to provide feedback to employees for their improvement [28, 108]. The satisfaction sub-criteria for the performance criterion include:

- a. The existence of a credible, objective and fair evaluation process;
- b. The regular evaluation of employees’ performance;
- c. Employee feedback on their performance and how to improve it;
- d. The extent to which performance appraisal is used to promote employees in higher positions or receive other incentives.

4) **Compensating and rewarding:** Compensating and rewarding is one of the strategies used by HR Departments to attract and retain suitable employees and enable them to improve their performance through motivation. The focus is on improving employee performance and behavior [109] and refers to all payments and rewards given to employees in response to their efforts and as a result of their employment and contribution to the success of the company [110]. Compensation plays an important role in attracting and retaining talent and is offered not only in the form of money but also in kind. Employee benefits such as pension, life and health insurance and retirement plans, as well as allowances that include company cars or subsidized transportation are a major element of compensation in many large organizations [28]. The satisfaction sub-criteria for the compensating and rewarding criterion include:

- a. The provided salary;
- b. The provided extra allowances such as pension life, health insurance, etc.;
- c. The existence of a fair rewarding framework;
- d. The connection of rewards with the performance of employees.

5) **Maintenance:** Maintenance is the administration and supervision of safety, health and welfare measures in the workplace in order to maintain a competent workforce and to comply with legal standards and regulations. It is also an organizational activity to maintain and improve working conditions [111]. Working conditions can contribute to employee satisfaction if the organization provides them with a safe and healthy environment, basic benefits, facilities, and physical conditions such as good lighting, ventilation, etc. [31]. A conducive working environment means that full and appropriate equipment is always available to employees to perform their daily tasks [112]. The satisfaction sub-criteria for the maintenance criterion include:

- a. Providing a safe and healthy working environment according to standards and legislation;
- b. Preventive monitoring and control of working conditions;
- c. Providing contemporary and appropriate equipment to perform daily tasks.

### 3.4. Interpretation of Results and Prioritization of Actions

In general, the improvement of the level in a satisfaction criterion does not imply an increase in employee satisfaction in a linear way. Therefore, it is probably wiser to spend resources on attributes deemed critical by employees than in others that should unlikely lead to dissatisfaction. This allocation of resources should follow a pre-defined and consistent strategy that meets employee expectation, contributing to their experience enhancement. Given the assessed weights and the level of (dis)satisfaction provided by the MUSA method, opportunities for resource allocation can be established. The implementation of the MUSA methodology offers organizations with a series of helpful diagrams that can be used to better interpret employee judgements and prioritize action plans.

Combining weights and satisfaction indices, a series of “Perform/Importance” or else “Action” diagrams can be developed (Figure 2). Each of these diagrams is divided into quadrants according to performance (high/low), and importance (high/low), that may be used to classify actions:

- a. Leverage opportunity (high performance/high importance): These implemented HR practices can be considered as the advantages of the organization. They are the practices, which are implemented effectively by the HR Department.
- b. Action opportunity (low performance/high importance): These are the practices that organizations should pay attention. They represent critical satisfaction dimensions because employees believe they are important but poorly implemented HR practices that should definitely be improved.
- c. Transfer resources (high performance/low importance): It is better for HR Departments to use their limited resources to improve other practices.
- d. Status quo (low performance and low importance): In general, no action is required for these practices. However, the HR department should monitor possible changes in employee behavior, as performance in these dimensions is low and there is a possibility of becoming critical in the future.
Strategies should be employed only over those dimensions where dissatisfaction is high:

a. **High priority actions** – highly dissatisfied employees with implemented HR practices and high weights; and

b. **Low priority actions** – dissatisfied employees with implemented HR practices and low weights.

The action diagrams can indicate which HR practices should be improved, but they cannot define the effort required to make those improvements. To answer the above question, the average improvement and demanding indices can be combined producing a series of “improvement diagrams”. As shown in Figure 3, each of these maps is divided into quadrants according to demanding (high/low), and effectiveness (high/low), that may be used to rank improvement priorities. Priorities should only focus on high and low priority actions.

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**Figure 2. Action diagram (adapted from [92]).**

1. **Transfer resources** (high performance/low importance): HR Department’s resources may be better used elsewhere.
2. **Leverage opportunity** (high performance/high importance): They may be considered as the advantages of the organization.
3. **Status quo** (low performance/low importance): Generally, no action is required.
4. **Action opportunity** (low performance/high importance): These practices need immediate attention.

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**Figure 3. Improvement diagram (adapted from [92]).**

1. **3rd priority** (high demanding/low effectiveness): Practices that have small improvement margins and need substantial effort.
2. **2nd priority** (high demanding/high effectiveness): Practices which have a high improvement index, although employees are demanding.
3. **2nd priority** (low demanding/low effectiveness): Practices which have a low demanding index, although they have small improvement margins.
4. **1st priority** (low demanding/high effectiveness): These practices are highly effective and employees are no demanding.
The first priority should be to implement HR practices where improvement margins are large (low satisfaction levels) while employees appear to be non-demanding (low effort required to improve). On the other hand, the last priority should be given to the implementation of HR practices with a low level of dissatisfaction that need considerable efforts to be improved. Finally, the second priority quadrant includes HR practices in which employees appear simultaneously either non-demanding (low improvement effort) but satisfied (low improvement margins) or dissatisfied (large improvement margins) but highly demanding (high improvement effort). According to the above considerations, the priorities for improvement are:

a. 1st priority: this area indicates direct improvement actions since these practices are highly effective and employees appear not-demanding.

b. 2nd priority: it includes practices where both the demand and improvement indices are high or low at the same time.

c. 3rd priority: it refers to practices that have a small margin for improvement and require significant efforts.

It should be noted that these diagrams are rather dynamic, as they can only represent the current situation of employee behavior. Changes in public organizations and their legislation can strongly influence employee preferences and expectations and change the determination and prioritization of critical HR practices.

4. Conclusion

Organizations in the public sector must improve their operations and become more efficient by maximizing the use of their limited resources. Applying suitable HRM practices is the best method to achieve this. However, public-sector organizations have unique traits and restrictions that may limit the adoption of such methods. It is therefore very interesting to explore how effective the implementation of such practices in public organization is and to implement tools to systematically monitor and improve the effectiveness of these practices.

This paper offers an extensive analysis of HRM practices with the objective of highlighting best practices that may be applied in the public sector and proposing a framework for evaluating the effectiveness of public organizations in adopting such practices. The framework uses the perceptions of employees in order to assess the effectiveness of particular HRM practices employed and analyze the significance of these practices as it is identified by them. The proposed model makes possible the identification of critical dimensions and improves decision-making when prioritizing HR practices.

Varied public organizations have different traits and abilities when it comes to implementing HR practices. This paper focuses on the particular characteristics of the Greek Local Authorities in Greece. For this reason, the organization charts and the job descriptions of the 345 organizations constituting the Greek Local Authorities (Decentralized Administrations – Regions -Municipalities) were retrieved from the internet and analyzed in order to specify their particular characteristics and jurisdiction in implementing specific HR practices.

5. Recommendations

Applying the proposed methodology, public organizations may get valuable information into the efficacy of HR practices, which can assist managers of HRM Departments in prioritizing HR action plans and making better use of their limited resources. Because the model is simple to use on a regular basis, it may be useful in determining the effectiveness of executed action plans and highlighting the need for adjustments.

Although the suggested model is tailored to the particular characteristics of Local Authorities in Greece, it may easily be used by other public organizations as long as it is adjusted to their particular needs. Moreover, a limitation of this research is that the recommended model has not actually been applied in public organizations, regardless the fact that similar approaches have been successfully adopted for customer and employee satisfaction measurements. Therefore, it would be of great interest to apply the model to different organizations and investigate the extent to which HRM practices are actually implemented. Future research could include the implementation of the model to different public organizations (e.g. Ministries) or organizations in different countries and the comparison of the provided outcomes.

References


