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蒙古公務員生產力之影響因素分析  
Factors Affecting the Productivity of  
Civil Servants in Mongolia



莉涵

Lkhamsuren Lkhagvasuren

指導教授：戴東清 博士

Advisor: Dong-Ching Day, Ph.D.

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研究生：L. Lkhamsuren 蘇沁沁

經考試合格特此證明

口試委員：\_\_\_\_\_

\_\_\_\_\_  
張子揚  
李佩珊

指導教授：\_\_\_\_\_

系主任(所長)：\_\_\_\_\_

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With warm regards,

Graduate student

Lkhamsuren Lkhagvasuren

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## 摘要

該國的經濟和社會發展水平取決於政府的活動和政策的實施。政府的兩個主要作用是保護和創造。各國根據政府政策的製定，同時達到了不同的發展水平。正確管理這一取之不盡的資源，可以對我們的進一步目標產生巨大的積極影響。

因此，我們旨在確定哪些因素是組織對高生產率員工做出貢獻的關鍵價值。該研究調查了對勞動生產率影響最大的因素，並反映了結果，包括政府僱員。

調查發現，政府僱員對他們的業餘時間，福利，晉升和薪水的質量不滿意。對員工滿意度的最大影響是管理技能，組織氛圍和社會供給。

滿意也將提高生產力。研究表明，管理技能可能是滿意度的重要因素。因此，所有管理人員都應學習良好的團隊合作技能，著重於提供良好的管理。

在蒙古，通貨膨脹率使經濟變得不穩定和上升。勞動生產率的提高與工資的增長以及商品價格的上升之間的實際工資沒有變化。因此，有人認為，經濟政策和貨幣政策的整合將提高生產率，而政府僱員的生產率由於與工資的聯繫而可以提高。

關鍵詞：員工、生產力、滿意度

## ABSTRACT

The country's level of economic and social development of the state depends on government activities and policy implementation. The two main roles of government are the protection and creation. Depending on the creation of government policies, countries have reached different levels of development at the same time. With the right management of this inexhaustible resource, it can have a huge positive effect on our further goals and objectives.

Therefore, we aimed to determine what factors are the key values of an organization that contribute to the highly productive employee. The study investigated the factors that have the greatest impact on labor productivity and reflected the result, including government employees.

The survey found that government employees were dissatisfied with the quality of their free time and wellbeing, promotion, and salaries. The biggest impact on employee satisfaction is the management skills, the atmosphere of the organization, and social supply.

Satisfaction will also improve productivity. Studies show that management skills can be a big factor in satisfaction. Therefore, all management should learn good teamwork skills, focus on providing good management.

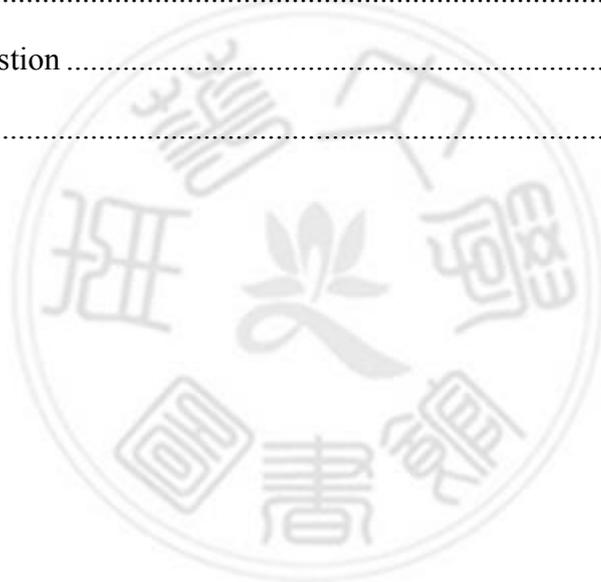
In Mongolia, inflation rate make economy become unstable and rising. There is no change in real wage between labor productivity increases and wages increases and rising commodity prices. Thus, it is argued that the integration of economic policy and monetary policy will increase productivity and government employee productivity can be increased due to their connection with salary.

**Keywords:** employee, productivity, satisfaction

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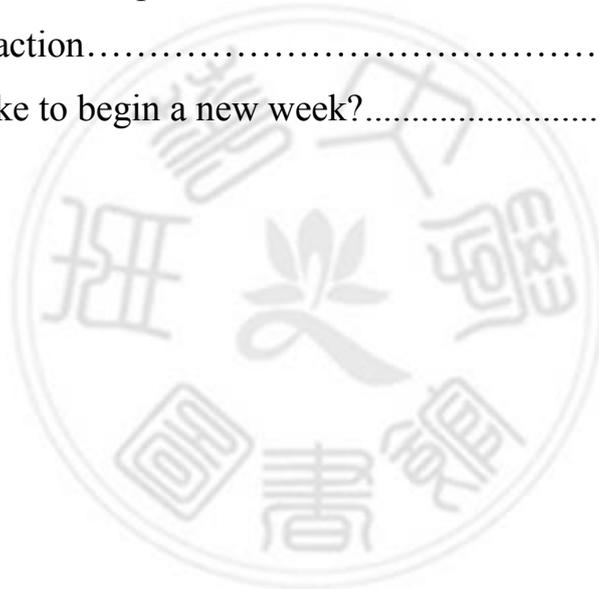


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# CHAPTER ONE: INTRODUCTION

## 1.1. Statement of Problem

Each country has different paths of development, depending on the development policy. For example, researchers from Harvard University found that politics is based on productivity in developed countries (Taiwan and Singapore) at the same time and situation. There are many studies that prove that people's level of living and national wealth are determined by "productivity" rather than natural resources and capital. The experience of a large group of companies suggests that the success of the country and the organization also depends on productivity. High productivity creates an increase in average revenue, accumulation of investment, rapid investment, decreasing prices, decreasing product costs, accelerating product sales, increasing production, improve utilization.

The results of APC & Mandal LLC's 2013-2018 study, which included 40 organizations operating in our country, show that only 40% of Mongolian employees use average productivity. Why is soliciting only 40% of what is being used and what is most influenced by it?. (Ouyntsetseg. L, Theory and methodology of Productivity Management, 2014: 8)

It helps to the two parties /organizations and employees /mutually beneficial work by giving them more emphasis on these factors. The salary of the country's population reflects the economic situation of the country and the societal well-being of many economies and societies.

In theory, labor is a peculiar product and the price is expressed as a wage. The vast majority of the income of the population is the income from the wages and, consequently, the commodity turnover and its price levels and volatility depend on the wage level.

In this study, it is important to clarify factors that influence the growth of labor productivity, whether the social status or the current salary increase is the main reason to increase labor productivity or the consumer price index, and how to work with productivity and salary according to economic theory. The purpose is to investigate the relationship. In order to investigate the impact of social status, of public servants on labor productivity, it is essential to research the social status based on the productivity of government employees in labor productivity. To be highly productive, any organization needs to maintain a robust human resource flexibility policy. One of the major parts of a company's success is its employees.

The topic was chosen to identify what factors affecting the public servant's job satisfaction with the labor productivity values and how it can improve the level of satisfaction of employees. The satisfaction and labor productivity of the worker depends on the organization's internal atmosphere.

This topic was chosen to identify the factors affecting the productivity of the public servant and the degree to which the employee satisfaction level can be improved. Workers' satisfaction and productivity are dependent on the internal environment of the organization. By studying the factors that influence the employees' satisfaction and the ability to integrate them, the company is able to improve its internal performance and enable employees to become more productive and improve their level of education. Thus, the study of productivity and its characteristics of the public body is, therefore, the basis for the study of the possibility of increasing productivity through the improvement of the social status of public servants.

Staff salaries are essential to attract skilled people, to provide a stable and well-functioning job in the public sector, but in today's society, wages have become a pillar and cannot provide the basic necessities of public servants to corruption. There is a serious problem with the deterioration of public service and the reputation of public officials. Indicators of corruption in politics and law enforcement agencies in the anti-corruption agency in the 2018 Corruption Report reveal that growth in wages, housing, and social guarantees is insufficient for factors contributing to corruption in government. Therefore, there is a need to study ways to improve the social guarantees of civil servants, as the main reason for the study of this topic.

## **1.2. Definition of Terms**

1. The corruption - The term corruption is used as a shorthand reference for a large range of illicit or illegal activities. Although there is no universal or comprehensive definition, all definitely share an emphasis upon the abuse of public power or position for personal advantage. (Davaadulam. Ts, 2010:29)

2. Process - It includes a series of actions or steps which produce a result. (Davaadulam. Ts, 2010:83)

3. Public service – It is a term usually used to mean services provided by the government to its citizens, either directly (through the public sector) or by financing the private provision of services. The term is associated with a social consensus that certain services should be available to all, regardless of income. Even where public services are neither publicly provided nor publicly financed, for social and political reasons they are usually subject to regulation. (Davaadulam. Ts, 2010:91)

4. Productivity - Productivity is computed by dividing the average output per period by the total costs incurred or resources (capital, energy, material, personnel) consumed in that period. Productivity is a critical determinant of cost efficiency. (Davaadulam. Ts, 2010:85)

5. Executive - A high-ranking official in an organisation who has major decision-making authority and responsibility for executing the affairs of an organisation. (Davaadulam. Ts, 2010:41)

6. Examination and approval performance - The degree of completion of tasks, and tasks are related to the results of the survey. Personal attitude towards work: Positive personal attitude may be positive. In other words, you are satisfied with your work. (Davaadulam. Ts, 2010:35)

7. Bribery-The act of offering someone money, goods or services in order to persuade him or her to perform an action, often illegal, in the interests of the person offering the bribe. (Davaadulam. Ts, 2010:16)

8. Power - Power is the ability to get what you want and a measure of a person's ability to control the environment around them, including the behavior of other people. The term authority is often used for power, perceived as legitimate by the social structure. (Davaadulam. Ts, 2010:81)

9. Hierarchy - A characteristic of formal bureaucratic organisations; a clear vertical 'chain of command' in which each unit is subordinate to the one above it and superior to the one below it. (Davaadulam. Ts, 2010:51)

### **1.3. Theoretical framework**

Based on the above mentioned literature review, the following theoretical model framework has been developed. For achieving this goal, the following objectives are proposed:

- ✓ Study the theoretical methodology of labor productivity
- ✓ Determine the social status of the public servants
- ✓ The study of factors affects the condition of the public servant's social status and satisfaction.
- ✓ Develop proposals and recommendations to improve the social guarantees of civil servants.

### **1.4. Methodology: Quantitative**

The survey was collected participating from civil servants of the Ulaanbaatar city and was taken to involve primary and secondary data collection.

When the information using the SPSS 22.0 software, data processing tables were developed based on the statistical analysis and the results of the study development and correction of the findings.

### **1.5. Respondent: Target groups or Questionnaire**

A total of 250 survey qualified materials were processed from 250 employees in three levels of public servants in this survey. The survey questionnaire consists of 30 questions covering a range of business entities and state organizations, the number of employees, hours of work, income, forms of remuneration, value-added, productivity, and labor issues.

Questionnaire:

1. How does the social status of civil servants affect productivity?
2. Are the wages and working conditions of civil servants affected by productivity?

## **1.6. Hypothesis**

By the following hypothesis have been investigated the factors affecting the productivity of public servants.

**H1:** Labor productivity is declining due to the poor social services of civil servants.

**H2:** Failure to update the working environment and equipment of civil servants negatively affects performance.

## **1.7. Review of Related Literature**

### **Domestic study:**

Within the framework of this topic, the theoretical definitions of the military labor and social problems as well as the social problems of the social issues are also considered in the theoretical definition of the military labor, the content and form of military work as well as in the social problems of this unique characteristic situation in a transitional situation of the relations.

In 2002, Dr. Kh. Gundsambuu, Teacher of the Academy of the State Governance, “Status of the Public Servants” while remaining demonstrated the effectiveness of the public administration law constitutes the legal basis for public servants. (Gundsambuu.Kh, 2002:25)Corruption and bribery were taken largely in Mongolia, so it was important to study the social problems of the current Mongolian civil servants, to create social order and demand in 2011, B. Narantuya (MA) from the Mongolian National University wrote that “The issue of the teachers' social guarantees studying and creating systems based on the results of "What are the working conditions with teachers of higher educational institutions for research?. How to manage them made comments about creating a system based on the specific results as well as in the administration can be effective?. With the standards of the foreign countries and these works needs for further study even though the survey has not lost discussed any of these issues. (Narantuya. B, 2011:25)

### **The Studied Situation Abroad:**

1. The scientist F. W. Taylor established a management method to ensure productivity and working time with the working methods and work standards that must be performed on a daily basis and payroll results. He described the management method as a “Scientific management method” because the working standards of the personnel had to be carried out on a daily basis (temporary training) and in dynamic research (on a scientific basis). (Gantt. L. H, 1950:24)

2. Kaner and Hansen (2001) and analysis of the integration of TAP by Hansie and Sio (2002) analyzed the non-linear relationship of wages and labor productivity and as a result, the wages and labor productivity in Turkey were not determined by the tax burden. (Melike. B, 2008:26)
  1. “The average wages and labor productivity in Romania during the period of the sustainable socialist economy and development, Dr. Emilia German, Dr. Maria-Ana Georghescu and Dr. Petru Mayor from the Tq. Mures University made a study of the relationship between wages and labor productivity from 1990 to 2006 which was proved by the Romanian socialist economy in the European Union, which suggests that the axiom does not always lead to higher productivity growth with the wage growth. This shows that social factors have a significant impact. (Melike. B, 2008:118)
  2. “Is it related to the performance?” The Malaysian Empirical Research, Dr. Goh Soo Khoon from the University of Science in 2009 analyzed the wages, labor productivity, and unemployment in Malaysia uses the macroeconomic and econometric methods. The study found a strong correlation between wages and labor, productivity, but the unemployment was unparalleled. Thus, the dependence of short-term wages and labor productivity on the theory of the marginal product turned out to be positive. (Andrew. Sh, 2008:8)
  3. “The labor productivity and the dependence of the real wages on the member countries of Canada and the Agency for the Economic Cooperation and Development” ACCR Report No. 2008-8 by Andrew Sharp, Jean-Francois Arsenio and Peter Harrison in “a direct way to influence the standards of the labor productivity in real-time”. Between 1980 and 2005, the labor productivity in Canada increased by 37 percent, but the real income of the workers did not increase. The study aims to study the cause. They identified four factors that had the same effect. (Melike. B, 2008:85)
  4. A report by the Congressional Research Center on the Productivity and Wages by Brian W. Cashell in 2004 shows that “Real wage growth increases with the productivity growth, but the wage increases have always been the result of the productivity”. (Brian. W Cashell, 2004:47)

## **1.8. Scope and Limitation**

This study can be used in the public administration which is based on undergraduate, graduate, doctoral studies and can be used also by the government agencies.

There are many external factors that influence public servants. For example, a broad range of factors, such as economic, political, social, and individual personal. One of the key elements of

external factors in the civil service is to examine the impacts of specific people, such as co-workers, employees of other organizations, staff members, friends, relatives, acquaintances, for restrictions.

The main subjects of the thesis are to select the government organization or Finance Regulation Committee and university teachers. These organizations are the most heavily in Mongolia, and the scope of activities is relatively broad.

A survey of randomly selected sample surveys will be undertaken from these ports. The dependent variable is determined as follows:

- The dependent variables of the study are the result of the training, and the main indicators are public servant's satisfaction with about training, the knowledge gained through training, changed personal behavior after training

- An independent variable is an external influence such as specific groups of people.

An independent variables were chosen in terms of their employees' ages, gender and working years, as well as their human resources policies and their implementation.

On the other hand, external influences, that observation in this regard mostly influences from co-workers, employees of the Finance Regulation Committee, staff members, friends, relatives, acquaintances, etc.

## **1.9. Research Structure**

The research study consists of 5 different sections and it was designed in the following order:

### **Chapter 1: Introduction**

The chapter includes a general understanding of the importance and the problem of the research. The content starts statement of problem, definition of term, theoretical framework, methodology, hypothesis, review of related literature, scope and limitation, significance of the study, methodology and research design.

### **Chapter 2: Theoretical Methods**

The chapter includes methodology of labor productivity, difference feature public servants productivity.

### **Chapter 3: Research Method**

This section based on previous chapter or literature reviews and introduces a theoretical framework, hypothesis, analyzing methods, questionnaire design to implement the study objectives.

### **Chapter 4: Presentation of Data**

Research finding has studied on how to affect for public servant's situation labor productivity and wage bill of Mongolia's employment.

### **Chapter 5: Conclusion**

The way to improve the social status of public servants and increase a labor productivity.

The conclusion has formulated a recommendation, proposal to improve factors that affecting public servant's social status to the labor productivity.



# CHAPTER TWO: LITERATURE REVIEW

## 2.1. Theoretical Concept and Labor Productivity

*Productivity* is an indicator of how many products and services are produced at the expense of the unit costs. (Ouyntsetseg.L, Productivity methodology and management method, 2014, p. 28) Optimum productivity and efficiency of the limited resources can be achieved through the efficient operation of the limited resources and the creation of the high-quality products and services that meet market demand and this high level of the productivity will provide a higher and more stable level of the competitiveness for the country and the enterprise. That means to increase the welfare of the society, the standard of living and incomes of the population. In other words, productivity is the result of the economic indicators or the result of a unit of costs; on the other hand, productivity is a two-way approach to the productive use of the knowledge in the society or to a wider range of the social and economic conditions.

From an economic point of view, *"The productivity is determined by the ratio of the specific volume of the production of the economic system (national economy, sector, etc.) to the ratio of the costs to it and how economically fundamental it is to there is a theoretical definition of the effectiveness of a solution"*. (Bayarmaa.G, 2009, p. 17) When productivity increases, people's living standards improve where inflation and competition increase. In order to create something that productivity increases because it reduces the amount of the resources available to it by maximizing the income or the new wealth. Then, economist P. Samuelson explained that one of the causes of outdated and underdevelopment in countries is below the productivity level.

This is supposed to reduce also the turnover. Labor productivity is one of the classical economic concepts and in 1766 the term was used by the physiocrat, F.Kyusnei. At this time, the attempts were made to formulate the essence of productivity in the economic sciences. Classical economists such as A.Smith (1766), describe the relationship of the labor and the scale of labor in the famous works describing the nature of the product as a reflection of the inputs, outputs, and interconnections of modern concepts of T.Malthus. At the thought that the population of Malthus increased, the size of the resource is also decreased. The distribution of the J.Clerk became the basis for the lower marginal productivity. (Larry. S, Human resource management, 2009:51)

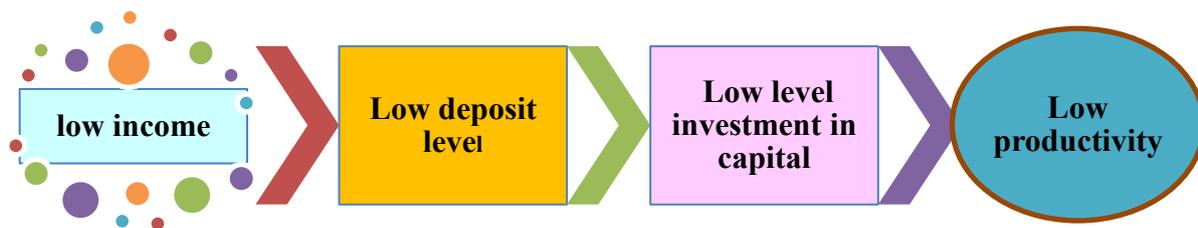


Figure 2. 1. "The Devil's Circle"

D. Ricardo developed a theory of the comparative advantage based on the difference in labor productivity in the developing countries based on the theory of labour cost. (Larry. S, Human resource Management, 2009, p. 52)

K.Marx studied in detail the capitalist system of the reproduction and deepened the theory of the value of the labor. (Larry. S, Human resource management, 2009, p. 53)

He wrote that the capital cost of the production process is the ultimate cost of human labor and that it is just a lifelong creation and that it can generate the new consumption costs. Thus, the productivity of the people's creativity in a certain time frame is defined as the productivity of productive skills. The equation is an economic indicator: (Ouyntsetseg. L, "Productivity methodology and management method", 2014, p. 30)

$$\text{Performance} = \text{Output}/\text{Ingredients}$$

From the point of view of the productivity as a socioeconomic point, the productivity is one of the key economic factors/producers and consumers that can be realized through the continuous management of the activities that allow the environment to create an enabling environment for people as well as to adapt to the continued use of the society's accumulated knowledge. A comprehensive understanding of wealth development is to achieve socioeconomic goals based on the principles of mutual benefit measurement.

Key performance features include: (Ouyntsetseg. L, Theory and methodology of Productivity Management, 2014, p. 31)

- ✓ Productivity is the ratio of the real output to real input. *D. Sumant*
- ✓ Productivity is the ratio of the output to an output which shows how efficiently the production process works. *P. Samuelson*
- ✓ Productivity is the creation of the wealth designed to create products and services that meet the needs of the users pursuing the socioeconomic and environmental goals based on the use of the knowledge. *R. Monga*
- ✓ Productivity includes the effectiveness of the results obtained during a certain period of time of the economic system, in terms of the costs /resources/, comparable ratios and the degree

to which the fundamental issues of the economy are effectively addressed as the indicators.

*L.Oyuntsetseg*

- ✓ Productivity is an indicator of what leads to the unit costs and other from the point of view.

*Center for Productivity Development*

*The theory and practice of productivity are currently defined in three main ways.*

Productivity:

1. Overall productivity
2. The productivity of the main factors
3. The productivity of certain factors (*labor productivity, capital productivity, material productivity, energy productivity, etc.*)

*Total productivity is the ratio of the total production and total costs (labor, capital, materials, energy, and others) as well as to the production and services.*

$$\text{Total productivity} = \text{Total outputs} / \text{total inputs}$$

*The productivity of the main factor determines labor productivity and capital efficiency.*

*Productivity of the main factor = output (labor costs + capital costs).*

It is assumed that this is labor, capital, basic raw materials, and energy production for each type of the specific productivity of certain factors.

1. Capital productivity is the level of the capital goods and services that are created as a result of using the unit of the capital used in the production.

$$\text{Capital productivity} = \text{returns} / \text{capital contribution}$$

2. Productivity demonstrates the benefits of the main raw materials consumed.

$$\text{Material productivity} = \text{productivity} / \text{material consumption}$$

3. Energy-efficient and efficient use is represented by energy efficiency indicators.

Energy-efficiency is represented by energy productivity indicators.

$$\text{Energy productivity} = \text{Outputs} / \text{Energy inputs}$$

## **2.2. Labor Productivity**

Speaking of labor productivity, it is necessary to explain the concept of labor. Labor is a convenient human activity such as the adaptation and production of the products to meet the needs. From an economic point of view, the labor is a conscious act of the people whose goal is to create the material and material values and achieve the results of the mutual interaction between the people and the relationship as well as between the industry and services. When labor is determined by biological science, labor is the physical and intellectual activity of a person who directs the goal

of production and service. Labor is the most important resource necessary for the implementation of any production or service. (Ouyntsetseg. L, 2014:14)

Labor productivity is the work (result) performed over a certain period of time. The output is comparable to labor costs, which are based on labor productivity of workers as well as the basis for many factors such as profit, income, workload, wages, and job creation. (Larry. S, 2009:55)

$$\text{Labour productivity} = \frac{\text{Output}}{\text{Labour input}}$$

In economic theory, the relationship between labor productivity and employee wages is associated with an increase in labor productivity as the wages increase. (Ouyntsetseg. L, 2014:8)

Labor productivity depends on what type of labor costs is expressed in the following categories:

- ✓ One labor productivity
- ✓ Labor productivity per hour
- ✓ Labor productivity per day
- ✓ Wages per unit (amount of wages per unit of wages)

### **2.3. Factors Affecting Labor Productivity**

Factors affecting labor productivity have been studied by scientists since 1976 and the scientists have described the following. R.Sutermeister (1976) developed a unified model of the factors affecting labor productivity, including a set of the 19 interrelated factors that demonstrate the effectiveness of their productivity. (Bayarmaa. G, 2009:17)

According to these estimates, about 7-8 percent of the factors affecting the productivity were technical, technological, material and most of them or 92-93 percent were associated with a person and his/her activities. Therefore, the need for special attention to human factors is emphasized.

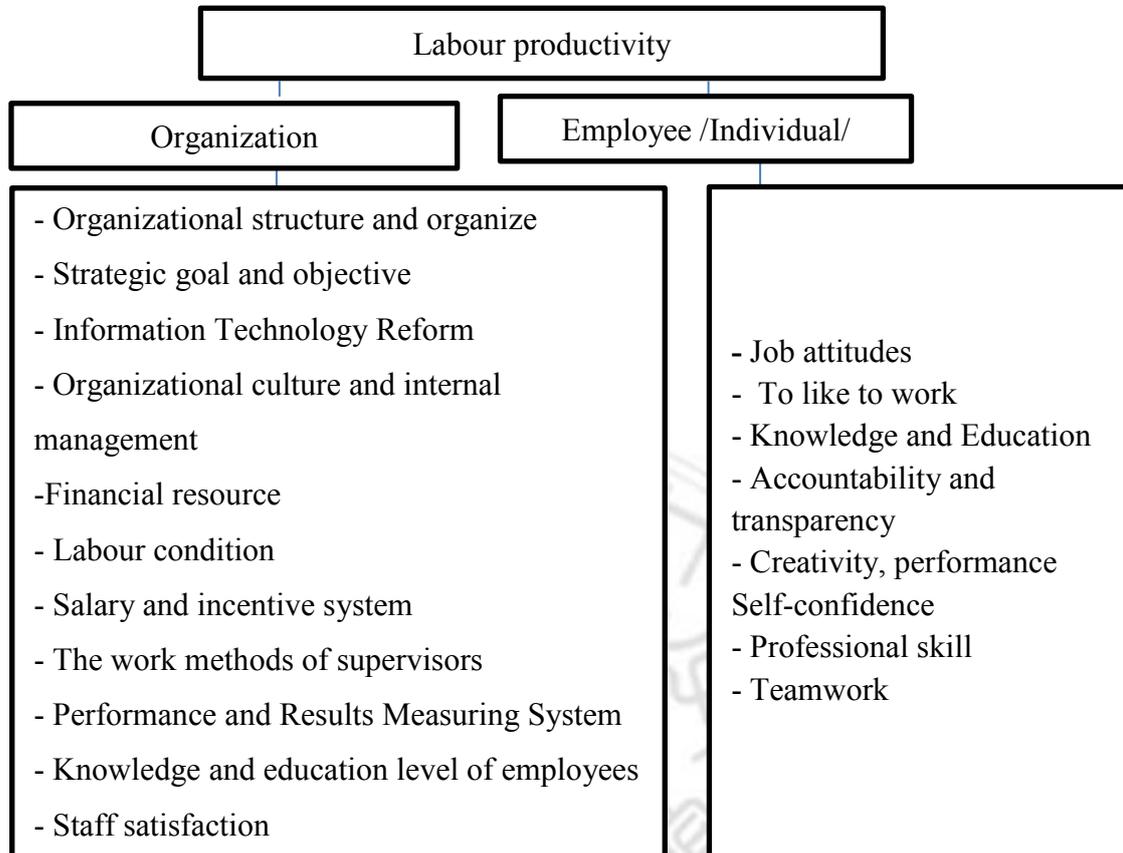
Researchers J.Hertzsoyer and V.Ruch examined factors affecting employee productivity in 1978 and developed a model for the “Zero-system model”. They coordinated 23 factors related to the organization and personality, affecting 23 labor productivity. (Larry. S, 2009:57)

The dynamics of labor productivity is constantly changing as a result of many factors. Some factors increase labor productivity while others adversely affect productivity. Factors affecting the level of the organization are usually classified as external and internal.

External factors include factors such as the socioeconomic situation, government policy, decision making, market requirements, supply and changes in the consumer demand, competitiveness and climatic conditions.

The authors argue that the internal factors include the level of the technical and technological levels of the organization, including the organization, staffing and management,

training, professional development, structural improvements and the atmosphere of the community. Describing factors in which the labor productivity is comparable as the analysts classify, the internal factors depend on the organization and personnel and summarize the most repeating factors: Figure2. 2. Scheme affecting factors for labor productivity



In the current dominant economy, economies of an organization influence the productivity of their employees in order to compete in the market and ensure long-term survival. It is very important to make the right arrangements with the established policy.

## 2.4. Performance and Characteristics of Government Bodies

The idea of the government came from the ancient Greek as Plato and Aristotle, whose protagonists were the rule of law while the Gobbs, Bodin and Section Dorf determine the functions of the state as well as Montescu and Kant's ethical powers.

A.Smith, the chief economist of classical economics that defined the role of the state in terms of the economics while the theoretical stream of the management science in Sei focused on the productivity and efficiency, but the German sociologist and lawyer M. Weber concluded that the main discipline was developed to determine the general characteristics of the modern public administration, recognizing the importance of the distribution of the power in government. Researcher Wagner noted that all government functions are related to the economy and can

accumulate capital through the fiscal monetary policy. In this sense, the term the “State production” was formulated as a result of government productivity management. Bryant and Choice defined the first comprehensive understanding of social productivity, suggesting that the government should do much more at a low cost.

In the recent years, the scientists and researchers from many countries around the world have made excellent publications, including Mark Holzer in the state employment product developer, Grieg Vuckert and Dannel V.Martin in the methodological developments, Khatri, Fisk, and Epstein were in the state labor productivity measurement, Mary, Greinberg, Gay and Gabris directed their research to increasing the productivity. (Gundsambuu.Kh, 2002:62)

### **State productivity concepts and basic concepts**

The perception of productivity in public administration has two main theoretical aspects. The first focus is on the agency level, the ratio of input-output and the focus of the agency and the second on the effectiveness of the agency in terms of the agency effectiveness. Government agencies should take into account the costs (costs), results (productivity), result (achieved level) or I/O cycles. Burks said: *"The standard of public service efficiency is to ensure that steps (input costs) from graduation (achieved a result) in accordance with the actions of the community and society continue without the straight lines or the interruptions."* (Gundsambuu.Kh, 2002: 62) (Gundsambuu.Kh, 2002, p. 62)

### **Productivity Influence and Efficiency:**

A renewed organization has the potential to increase the efficiency and effectiveness through the effective knowledge and skills and also includes the performance indicators such as the efficiency and effectiveness, the customer satisfaction, the staff turnover, the profitability and the morale of the employees with wide range of the issues, including the loyalty and job satisfaction.

Advantages—The production coefficient (equipment, labor, material) used by the enterprise, produced or transferred by the state body (as goods and services), is considered profitable.

Influence – the actual effectiveness of the organization or the effectiveness of the service. The cost of the patient and the patient care, therapeutic center at the medical center can not only reflect the cost of the treatment for each patient, but also the effectiveness of the treatment to improve the patient’s health.

The ultimate goal of the public goods and services for the citizens is the product and service that they provide for these services, not the goods and services so the effect is central to performance analysis.

The influence of the organization on the quality of the services provided. Consequently, the measure of the influence affects the customer’s attitude to the service such as availability,

convenience, hospitality, and customer service. Therefore, the distribution of the budgetary funds is a function of the non-working and the other part of the budgetary transformation will be carried out by the budget to support the projected work program “Budget projected costs and the actual unit costs of the projected work are necessary to support the projected work program and budget indicators will cover all quantities, quality, and costs. This will help ensure the level of efficiency of public services through the internal control and external control (media and public).

Although the concept of social productivity addresses many aspects of efficiency and quality, the importance of the resources and results can determine government productivity. Although the classic definition of productivity emphasizes the ratio of “output”, the productivity of the public services rather than the final product is important for the public’s impact on the problems and ways of providing taxpayers with money and can be defined with the limited resources. Productivity in the budget organizations is less encouraging and service that they provide for these services, not the goods and services so the effect are central to performance analysis. The influence of the organization on the quality of the services provided.

Consequently, the measure of the influence affects the customer’s attitude to the service such as availability, convenience, hospitality, and customer service. The problem of the labor productivity has attracted the attention of the researchers from the first days of the century and the researchers attributed the advantages, inputs, and outputs to Burke’s article in 1912 as shown in the article “*The Other Fiscal Side*” by Upson in 1923 and “quantitative data as the work is done and items purchased”. (Gundsambuu.Kh, 2002, p. 65) Therefore, the distribution of the budgetary funds is a function of the non-working and the other part of the budgetary transformation will be carried out by the budget to support the projected work program “Budget projected costs and the actual unit costs of the projected work are necessary to support the projected work program” and “budget indicators will cover all quantities, quality, and costs. This will help ensure the level of efficiency of public services through the internal control and external control (media and public). Although the concept of social productivity addresses many aspects of efficiency and quality, the importance of the resources and results can determine government productivity. Although the classic definition of productivity emphasizes the ratio of “output”, the productivity of the public services rather than the final product is important for the public’s impact on the problems and ways of providing taxpayers with money and can be defined with the limited resources.

“Public administration is defined as the fulfillment of social needs and interests expressed in the form of the public administration resources. The scope of an effective assessment can include many aspects, depending on the nature of the government, but key foundations, results, and benefits. Productivity and quality can be achieved through performance management. There are the

following difficulties in increasing productivity in the government organizations: (Gundsambuu.Kh, 2002:66)

1. Productivity in budget organizations is less encouraging.
2. Lawmakers often consider political situations more than financial reality.

Managing a business entails financial implications of its activities, but administrative authorities are more concerned with the political reactions and the consequences of their activities. Elections are more interested in favoring the short-term and politically advantageous advantages of long-term investments and the long-term investments necessary to increase productivity in order to gain more support for their constituents.

## **2.5. Terms and Conditions of Public Servants**

In his book “Civil Service Training and Knowledge, Skills”, G. Dagva wrote as the most valuable asset of the civil service of Mongolia” the philosopher M. Ciceron wrote in his book as the “Civil servants are wise are honest and tolerant and they must have the ability to speak”. (Dagva.G, 2004:39) In the book “Teachings of the Buddha” it says as “There must be knowledge of a fundamental state and no one can be honest without such knowledge”. That means “forging the interests of the country, being exclusively interested in the interests of the poor using bribes and corrupting the morals of the people, deceiving others, weakening their power, ridiculing the nobility and losing the poor”. (Vandangombo.R, 2007:17)

The “Law on Civil Service” states that “. The government pays the wages, works and guarantees the public service and fulfills its mandate in the term as the “civil servant”. In the category of the state administration and the state special services, a citizen of Mongolia is a citizen of the state who is a permanent representative as the state executive where the executive posts based on the qualifications. ”When a citizen of Mongolia first entered the state administrative office, he/she vowed to swear: "I swear to bear legal responsibility for the abolition of my veto, obeying the law and ethical code and strictly observing the laws and ethical standards of my country and people".

Civil servants must abide by the Constitution of Mongolia and other laws, obey the jurisdiction of the state, exercise the powers vested in the state and implement decisions of the senior officials as well as the ethics of the government officials and public servants.

Maintaining the government standards, organizational culture and order, respecting the reputation of the government bodies and officials as well as protecting the secrets of government, organizations and individuals in order to maintain the neutrality that without any political influence as well as in the media, it is not only inexorable to express the official position and illegal and

injustice on the government officials and related to the government policies and obligations is known as its property.

At the same time, it is required to formally obtain the /job description/ official position of the state body and ensure its implementation, the annual operating plan and performance indicators, the results of the activities and qualifications, the degree to which the level of seniority, degree of the acceptance, non-discrimination, increase in the wages, degree promotion, working conditions and guarantees of the senior management to get acquainted with oral or written instructions for the officials of his or her office, a description of his/her personal income and his/her employment as well as making additional comments in his/her personal interests, protecting his/her legitimate interests by the court and other relevant organizations and public release.

These employees have certain rights and obligations, but some have limited rights. Participation in public service in political, non-religious and religious organizations related to the non-involvement of the public servants in issues of the informal affairs, planning, organization, implementation, use the highest ranks, medals and other state awards of a foreign state without the consent of the President Mongolia, use the religion of Mongolia as indicated in the Constitution, to carry out the official instructions with the exception of the consent of the managing person of the governing body, perform official duties, travel abroad as well as the domestic and foreign business entities and individuals including for informal purposes, equipment, financial resources, information and official information and also be elected as representatives of the province, capital, sums and regions. The blocks, parties and other bodies of the state executive power regular positions at the same time, participate in the presidential and parliament and provincial elections as the residents of the district election campaign representatives in any form as well as the expenditures on the non-targeted state funds, mobilization of the state property, use of the official vehicles and citizens in accordance with the Article 4.1.5 of the Law on Gender Equality led to “direct discrimination based on the sex” on the basis of gender which led to the differences in the opposite field in the same or similar conditions or “the attempts to achieve,” in Article 4.1.6 the “gender indirect discrimination” means any standard, norm or action not related to the gender and to the extent that it differs from that of the Sexually Transmitted Forms that prohibits the discrimination.

The Labor Law states that in the workplace and production factors affecting the ability of the workforce to work or health or safety in the workplace, health and safety in the workplace and workplace as well as the law on the safety and health at work and occupational health "to care, support and maintain health, safety and hygiene, to ensure conditions of the health and safety, to accept, treat and provided that the means of the rehabilitation and hedges rations.

The hours of work per week shall not exceed 40 hours and the length of a normal working day shall not exceed 8 hours. Also the period of uninterrupted rest between two consecutive working days shall not be less than 12 hours. It is prohibited to employ an employee at the initiative of an employer, except in the following cases, unless the collective and labor agreement is agreed:

- To perform the necessary work for the defense of the country and the protection of human life and health;
- To prevent natural and public catastrophic and industrial accidents and to eliminate their immediate consequences;
- To clear damage of public water supplement, electric, warm power, transport, normal communication activity
- To perform urgent work to eliminate potential obstacles to normal business operations of a business entity or organization or its branches, unless it is feasible and in urgent need.

The employee shall be given a yearly holiday personally. The essential work may be granted money awards to employees who have not been able to have their holiday due to work.

Monetary incentives shall be governed according to a collective agreement or without a collective agreement, and the decision of the employer shall agree with the employee. An employee shall be entitled to an annual vacation. An employee who could not exercise the annual vacation due to inevitable work demand may be given a monetary award. The granting of a monetary award shall be regulated by a collective agreement or if there is no such collective agreement, by a decision of an employer based on an agreement with the employee.

The basic period for an annual holiday shall be 15 working days. The basic period for an annual holiday of an employee under 18 years of age shall be 20 working days. An employee may take his/her annual holiday in parts during the year. Disability workers who have not reached 18 years of age have the basic holiday of 20 days. On some occasions, it may be governed continues workdays work times of the week.

When an employee is not able to rest on Saturday and Sunday due to the specific nature of his/her work, he/ she shall be given two consecutive rest days on other days of the week. If a day of public holiday and weekly public days of rest occurred closely, the days of work and rest may be coordinated by a decision of the Cabinet.

If, following an evaluation of an employer's workplace by the labor standards organization or professional organization, an authorized organization has made a determination with respect to abnormal working conditions, the employer shall reduce the employee's work hours to conform such determination. Work hours may be reduced for disabled or dwarf employees, with

consideration of their opinion, depending on the nature of the work they are performing. The employee shall be registered from work, came, go out, go to lunch, to come to work. But for the head of the Office and the secretariat report about an appointment and go outside work and write in the registry book. The records of the working hour's register will be the salary document for the public servants. Work time registration will be published by the Information Technology and Internal Network Officer at the end of each month and will be presented to the Head of the Secretariat.

Determine the reason for the late for work, absent in the work, and solve according to Labor Law and regulations. The permission is given to her requests for the employee. Up to 8 hours of work a day, or an average of the benefits paid equal to the amount of the free "is home Free"-the head of the department, the employee's application on the basis of the work of the day, 2 more than the average salary of a head of department in the decision of how to have the benefits without the equal amount of benefits and will be provided. These include:

- If heavy ill and died of public servant's wife, husband, child, in-laws parents, siblings, younger sister or younger brother.
- Become marry, bear a new child in a family and adopt a child
- Be afflicted by nature and public catastrophic disasters
- Other causes of respect

An employee who is unable to go to his/her workplace because of a natural or public disaster, or another reason, shall be entitled to receive 50% of his/her basic salary for the duration of his/her absence.

An employee may be provided for 22 working days of leave and shall be deemed shirk work if at the expiration of the leave. Permission may extend. A temporary loss of workability in the first 5 days or less of an employer's employer due to ordinary sickness due to ordinary sickness is set out in the Law on Pension and Allocation from the Social Insurance Fund, up to 50 percent from 5 to 5 years 14 years 55% and 15% or more 75%. The monthly salaries for employees shall be given within the 10th to 25th of each month. An account shall be given information by the paper about monthly salaries for employees each month. In January of each year, officials will receive a schedule of the scheduled holiday and consult with the head of the department and the Head of the Secretariat shall prove order.

The public servants may take partial holiday periods and may change their schedule of shifts for their vacation. Measures of protecting the health of the public servants are implemented by the medical examination and of the expenses, specialist physicians once per year are provided for the

organization and union labor committee. Government Resolution No. 120 of 2002 has been approved cost normative and common standards.

/ First Deputy Head, State Secretary, Head of Government Agency, Deputy Governor of Aimag, and equivalent posts /

Table 2. 1 Public servants transport, room size, furniture, common standard

<b>№</b>	<b>Furniture and type of equipments</b>	<b>Quantity</b>
1.	Work mobile phone	Official work mobile phone users will use mobile phones with a value not exceeding 130 thousand MNT and the total monthly consumption of mobile phones will include in 65 thousand MNT.
2.	Garment hanger (drawers)	1
3.	Floor math	1
4.	Bookcases (wall shelves)	1
5.	Desk	1
6.	Chair	1
7.	Complete computer	1
8.	Conference desk	1
9.	Conference chairs	until 10
10.	Telephone	1
11.	Calculator	1
12.	Magazine desk (telephone shelf)	1
13.	Computer desk	1

Source: Occupational Safety, Health and Environment Training Consult and Service

Head of the Office, Head of the Office of the Secretariat / Deputy Head of the Ministry, Registrar, Government Agency, Deputy Governor of Province, Deputy Governor of Province, Head of Province Governor's Office, Head of Ulaanbaatar City Mayor's Office, and similar Office /.

Table 2. 2. The head of the Capital City Government's Official and similar officials peculiarity

<b>№</b>	<b>Furniture and type of equipment</b>	<b>Quantity</b>
1.	Garment hanger (drawers)	1
2.	Floor mat	1
3.	Conference desk	1
4.	Conference desk's chair	Until 10
5.	Desk	1
6.	Chair	1
7.	Complete computer	1
8.	Telephone	1
9.	Calculator	1
10.	Magazine's desk	1
11.	Computer's desk	1
12.	Document saving cupboard	1

Source: Occupational Safety, Health and Environmental Training Consult and Service

Table 2. 3. Senior officer / equivalent officer /

<b>№</b>	<b>Furniture, equipment</b>	<b>Quantity</b>
1.	Wardrobe, hanger	1
2.	Floor mat	1
3.	Writing desk	1
4.	Writing desk, chair	1
5.	Complete computer	1
6.	Telephone	1
7.	Calculator	1
8.	Magazine desk (telephone shelf)	1
9.	Computer desk	1
10.	Document saving cupboard	1

Source: Occupational Safety, Health and Environmental Training Consult and Service

If several employees sit in the same room, they can be used with each other for telephones and printers and garments.

Table 2. 4. Deputy official

<b>№</b>	<b>Furniture, type of equipment</b>	<b>Quantity</b>
1.	Wardrobe, hanger	1
2.	Floor mat	1
3.	Desk	1
4.	Chair	1
5.	Complete computer	1
6.	Telephone	1
7.	Calculator	1
8.	Magazine's desk	1
9.	Computer's chair	1
10.	Document saving cupboard	1

Source: Occupational Safety, Health and Environment Training Consult and Service

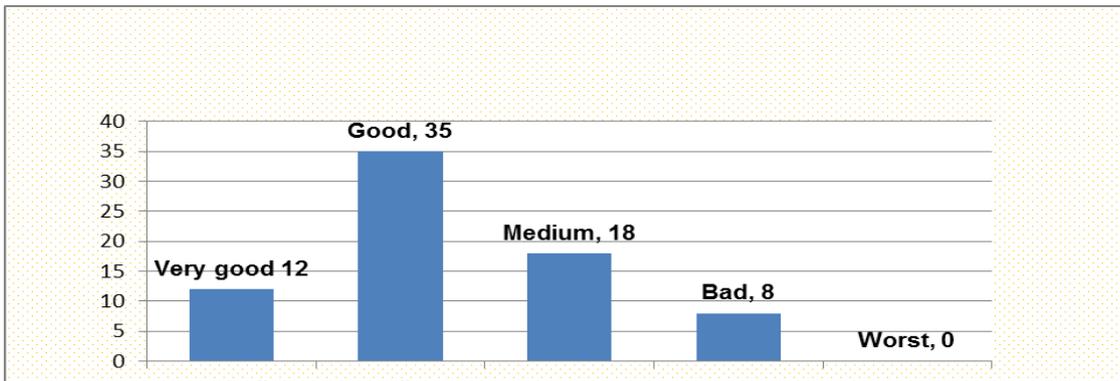
If several employees sit in a room, they can be used between their telephones and printers and garments.

Table 2. 5. Public service leader

<b>№</b>	<b>Furniture, type of equipment</b>	<b>Quantity</b>
1.	Wardrobe, hanger	1
2.	Carpet, mat	1
3.	Conference table	1
4.	Conference table's chair	Until 10
5.	Writing desk	1
6.	Writing desk's chair	1
7.	Complete computer	1
8.	Telephone	1
9.	Calculator	1
10.	Magazine desk (telephone shelf)	1
11.	Computer desk	1
12.	Document saving cupboard	1

Source: Occupational Safety, Health and Environmental Training Consult and Service

Figure2. 3. Supply of equipment



Source: Occupational Safety, Health and Environmental Training Consult and Service

The public servants answered that it was 48% “good”, 16% “very good”, 25% “medium”, 11% “bad”. Equipment supplies are good. Usually, public servants answered medium and bad in the questionnaire and this should be taken into consideration by the organization



## **CHAPTER THREE: RESEARCH METHOD**

### **3.1. Data Sources for the Study**

In the study, the link between the salary and productivity levels, the minimum level of wages to be based on the actual salary change and the minimum living standard, international theoretical and methodologies, method and investigating to legislature conventions and recommendations and the analysis of documents on issues of how to adapt, as a secondary source.

### **3.2. Resources of Research and Sample**

In order to examine how to influence social security of civil servants for productivity, the public servant's sample consisted of probability with 95 percent confidence level and 5 percent error and composed of 268 staffs from a total of 575 staff. The sample information gathered as 30 questions of 3 groups.

### **3.3. Variable Measurements of the Study**

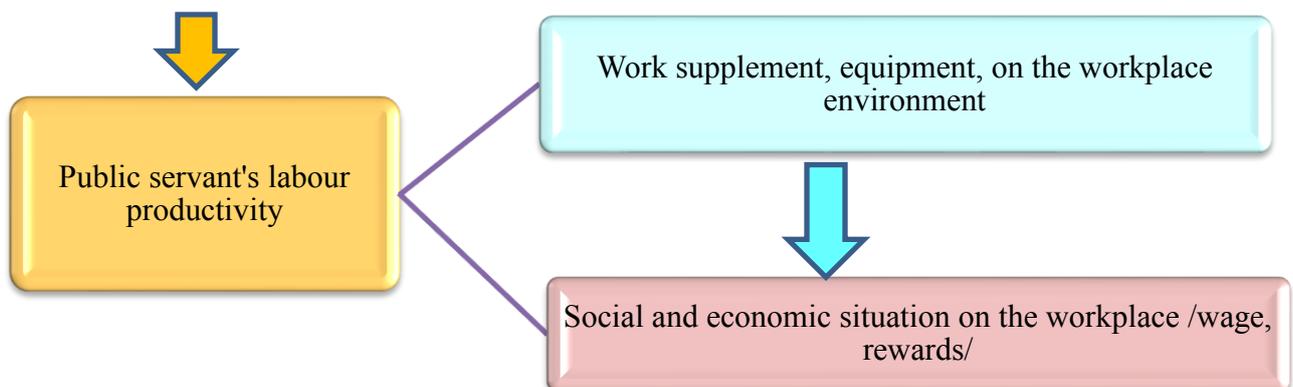
1. The dependent variable is the result of the training, and the main indicators are staff satisfaction about training, skills acquired by training, and personal behavior changes after training.
2. The independent variable was selected as age, gender and working years of the employee as well as considered the human resource policy of the organization and its implementation.

Table 3. 1. Independent variables of the study

Nº	Independent variable	Concept	Measure
1	Age	Human life, animal and plant development, growth phase, quantity and duration of post-survival years (Institute of Literature, MAS, 2015)	1. 17-25 2. 26-30 3. 31-35 4. 36-40 5. 41-50 6. 46-50 7. Up to 50
2	Officials	Obligations for Employment (Institute for Literature, MAS, 2015)	1. Supervisor 2. Specialist 3. Others
3	Educational level	The level of formal education hold by employees	1. Bachelor 2. Master 3. Special moderate
4	Worked year	Worked time in the sector	1. until 1 year 2. 2-3years 3. 4-6 years 4. 7-10 years 5. 11-15 years 6. up to 16 years

Figure 3. 1. The map of the survey variable

**Relevant Variable and Irrelevant Variable**



### **3.4. Research Data Collection Method:**

Considering the purpose and objectives of the study, a survey questionnaire was developed to match wages, labor productivity, and minimum wage surveys.

### **3.5. Data Collecting Methodology:**

Considering the purpose and objectives of the study, a survey questionnaire was developed in accordance with the result of previous studies which made as wages, labor productivity, and minimum wage level and current need of this survey. The survey questionnaire consists of 30 questions covering a range of business entities and organizations, the number of employees, working hours, income, forms of salary and wage, write-up, labor productivity, and some labor law issues and has guidance focused for targeted groups including big entities, small businesses and self-employed people.

### **3.6. Data Collection and Processing:**

The primary and secondary data collection covered civil servants of Ulaanbaatar city. Some activities such as reviewing and accepting the questionnaires, computerized data entry, monitoring, editing, processing and summarizing a main result made during the data collection stage. The study, completed statistical analysis using the SPSS 22.0 software; moreover, examined the result of study and data result tables were developed based on error correction.

## CHAPTER FOUR: DATA ANALYSIS

### 4.1. Labor Productivity, and Average Salary Ratios and Attitude in Mongolia

Our country the private sector has been structured more developers with the structure of economic which has to go to economic development for 20 years. It will be concluded that the structure of the economy has changed but it has not a sustainable structure yet and this is related to what became to develop many new sectors. In particular, mining has a dominating attitude, but it is just beginning.

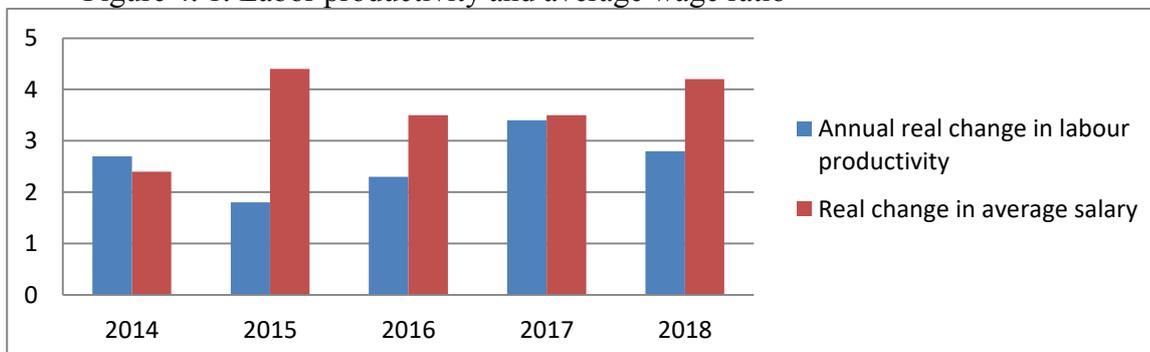
For traditional agriculture, the leading advanced high capacity of the technology is weak penetrating. The high increase in the service sector needs to emphases. As the structural reorganization of the economy changes, the nature of labor relations has changed.

The number of economically active populations has risen to 1137.9 at the beginning of 2017. With the new problems such as unemployment rate, its registration, the new system of social welfare, and sending labor force, the years of the define development trend have remained behind. But today's era is based on more knowledge, that requires an administration methodology in the estimation and study result.

Even the method of development administration is changing. By the conclusion on the socioeconomic situation had done research, it is important to more focus on the quality of development and to be carried out by the "productivity-based economic growth and social development" concept.

If labor productivity the calculated to comparative price increased by an average of 5.0% per year in 2014-2018, the average monthly wage (corrected by inflation) has been increased by 9.4%.

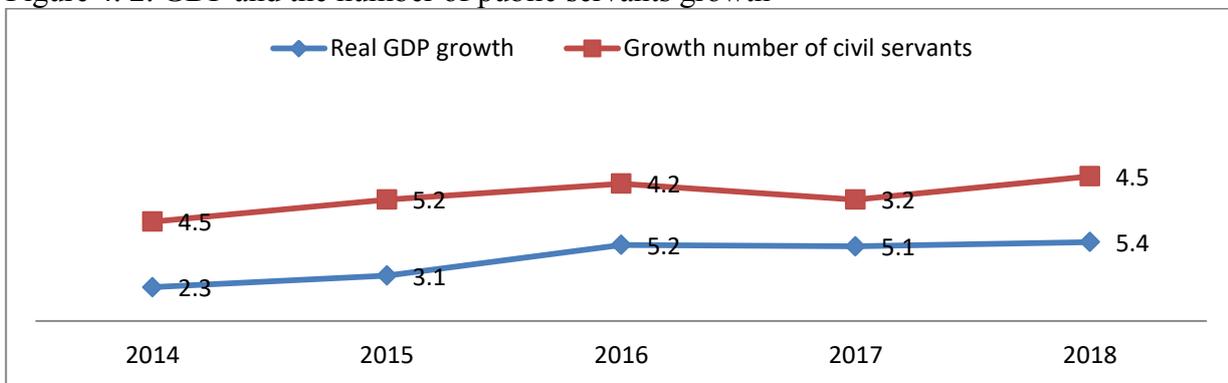
Figure 4. 1. Labor productivity and average wage ratio



Source: National Statistics Committee

It needs to determine the relationship between labor productivity and the average wages of the employees. If there is any correlation, labor productivity growth is higher than the actual average salary growth. In other words, the labor productivity growth and actual average wage growth ratio are greater than 1. The above figure shows that labor productivity of the public servants and real variation ratio of average wages have been lost in 2014-2015. In other words, actual salary growth is higher than labor productivity. The real average wage increased from 3.5 to 2 times in 2016-2017, labor productivity has been decreased by 1.7-2.5 percent. But labor productivity increased by 1.7 percent, while the real average wage decreased by 1.6 percent in 2018.

Figure 4. 2. GDP and the number of public servants growth



Source: National Statistics Committee

According to the above picture show that while labor productivity growth has not almost in 2014-2015, labor productivity in the economy was beginning to increase from 2016. In the last 18-year of average GDP increased by 6.7 percent in a year, while the number of employees has increased by 2.1 percent in a year. As the country grows and the economy grows, the nominal wage increases year by year are a good index at first sight, but the nominal wage amount does not show a living standard and shows a general level of income. So, real salaries are calculated. The nominal wage is that can to buy number of the product, service and accounted repair supply price index. Theoretically, real wage has belonged direct with nominal wages, and an inverse relationship with wide consumer goods.

### Working hour indicator:

Besides the working days of the civil servants involved in the survey that were working non-working days 6.8 thousand employees or 14.3 percent of employees are occupying. The non-workday, business entities, organization's accountability by of the company were 33.2 percent of limited liability company, 25.7 percent of the budget entities, 17.3 percent of the state-owned enterprises and 17.2 percent of the stock company, and so cooperatives with local government-

owned enterprises and non-governmental organizations total employees are occupying 6.6 percent. When looking at total employees by a form of an organization's responsibility, workday or non-working days worked, while 19.9 percent of the state-owned enterprises are the highest, but some members of the responsible partnership or 4.7 percent works on non-business days.

In addition to considering information about the work hours of the employees, besides the work hours, overtime worked exceeds 10.2 thousand employees or 21.5 percent of total employees. While considering the form of responsibilities of the overtime employees of the enterprises and organizations, 38.9 percent dominated most of the total overtime worked employees in a budget organization. Productivity is the amount of benefit or output from unit costs during manufacturing.

Labor productivity is a measure of labor productivity compared to the labor costs spent on labor productivity, which depends on the productivity of employees on the total productivity of the employees, affecting many factors, such as profitability, the scope of operation, wages and job creation.

If economic trends are pleasant, labor productivity growth is higher than wage growth, in that case, this ratio is an inverse, have a negative attitude. According to the survey that labor productivity real growth has increased about 53.2 percent in 2014-2015 while the average wage increased 28.9 percent. While labor productivity and average wage ratios had 1.00 or pleasant size in 2016-2017, they weren't normal from labor productivity and average wage growth and the ratios have been lost in 2018. In particular, labour productivity growth and real ratio of average wage were 0.88 in 2013, 0.82 in 2014, 0.82 in 2015, 0.78 in 2016, 0.42 in 2017, 0.39 in 2018.

As well, the salary and productivity survey preliminary results show that productivity growth is not taken estimate when wages growing at business entities, not only don't know well the importance of productivity to employers and employees. Therefore, it needs to accept the importance of productivity improvement, to estimate the company's profitability, to monitor management, to use resources more efficiently, to create more margins, and to establish a sustainable operational basis.

### **Sector financed by state budget: / Public administration, education, health /**

The public sector, education, and health care sectors are a peculiar sector than in other sectors. Because produced products of the public organization are serving service from a public organization, they cannot be expressed in cash directly, but the public services are measured on how to satisfaction and quality service for customers.

Although the productivity size of services provided by the private enterprise in education and health is estimated, the majority of the sectors are budget-funded organizations. The average wage of public servants in public organizations grown stable in recent years.

However, this wage growth is mutually different every year and has increased unstable by a percent or by 23.7-33.2 percent in 2015, 2016, 2017, 2018. Although between 1999 and 2014, the Government made a decision about the increase to the wage 7.5% -46.5% total 20 times, usually this was due to increase by more percent of the wages in the years by more percent of the wages, and but the government made the decision to increase the wages.

Here is showing a relation between the salaries and inflation rates of staff in our country's budgeting organizations. But wage growth of the budget employee creates a wage growth of the overall economy. It considered that the average household wages and gross income are influenced by the economic. Because in 2012-2016, 12.7 - 21% of all employees are working in budgetary organizations, and while the salaries of budgetary organization's public servants have increased by 24.0% over the same period. From this, the wage growth of public sector employees is becoming an increase wage growth in the gross economy and is dominated wages arise from productivity growth. On the other hand, it may be concluded that labor productivity is not related to wages and the country's policy is not based on productivity.

#### **The health sector**

The health sector is showing almost no difference 2 between nominal wage and nominal productivity, the real wage is higher than real productivity from 2015 to 2, 3 times higher in 2018. The wage and productivity differences in the health care sector are affecting more wages than from productivity in private enterprises with health organizations in that sector. The salary difference for staff and private health care workers from the nation's budget in the health sector is not included here.

#### **Educational sector:**

The nominal wage and nominal productivity ratio in the education sector show that the growth difference is very low, and nominal productivity and the nominal wage are normal. But shows from following pictures that a real wage and real productivity while real productivity was higher than a real wage until 2017, it is shown in real wage growth is higher than productivity at the beginning of 2018

#### **Public administration and defense sector:**

The nominal wages and productivity of public administration and defense sectors rise faster over the last few years, but in for real indicator with the inflation rate, productivity has fallen in the last years, and real wages have grown rapidly from producing.

On the other hand, the public sector does not understand what productivity is and that productively don't possible to realistically estimate. Although the nominal and real wage levels of state organizations are increasing rapidly over the last few years, the following table illustrates the

fact, it is showing to fill with purchasing ability and inflation rates, and the level of the real wage growth can not enough increase.

Table 4. 1. An estimated account of the nominal wage of state institutions by deflator

Year	Deflator	Public administration and defense sectors nominal wage	The real wage of this branch	Nominal wages in the education sector	The actual salary of the sector	Nominal salary in the health sector	The real wage of this branch
2005	0.55	56.70	103.09	59.20	107.64	43.70	79.45
2006	0.61	59.30	97.21	60.80	99.67	48.40	79.34
2007	0.65	66.50	102.31	64.50	99.23	51.50	79.23
2008	0.71	78.20	110.14	77.50	109.15	60.80	85.63
2009	0.83	94.40	113.73	88.20	106.27	79.90	96.27
2010	1.00	106.20	106.20	92.80	92.80	84.60	84.60
2011	1.22	141.30	115.82	123.60	101.31	116.50	95.49
2012	1.36	194.00	142.65	174.30	128.16	166.00	122.06
2013	1.65	327.30	198.36	289.20	175.27	295.80	179.27
2014	1.68	332.00	197.62	297.30	176.96	298.40	177.62
2015	2.02	351.10	173.81	311.60	154.26	319.10	157.97
2016	2.27	434.30	191.32	366.10	161.28	382.40	168.46
2017	2.55	692.30	271.49	606.00	237.65	620.20	243.22
2018	2.86	702.50	245.63	641.80	224.41	653.00	228.32

Source: NSO's nominal wage sector multiplied by GDP deflator.

While the economic trend is positive, labor productivity growth is higher than average wage growth, but in this case, this ratio has a negative trend. As a result of the above-mentioned sector surveys, the real productivity growth for 2005-2012 was approximately 53.2 percent while average wages increased by 28.9 percent. Labor productivity in 2013-2017, average wage ratio 1.00 or while it had the proper size, labor productivity growth reduced from average wage growth in 2018.

## **4.2. Econometric Analysis of Salary and Labor Productivity in Mongolia**

According to Chinese researcher Chi-Yuan-Ling, the study, which used Taiwanese data, examines that the following factors directly and indirectly associated with labor productivity in macro level:

1. Public servants salary
2. Actual GDP
3. Education - Percentage of qualified employees within the total number of employees
4. The living level
5. Loss of highly knowledge educated staff abroad
6. Cost of research and development
7. Cost of capital

The analysis of Taiwan's data of Chi Yuan Ling evaluates the simple regression model which linked between labor productivity and effectual variables. So, all variables affecting productivity are statistically significant excepting foreign investment.

Depending on the availability of information in Mongolia, the following variables recognized for to use this study, including the first 6 variables were chosen from above variables and extra variables such as inflation, unemployment rate, number of employees, average household income and real wage variables.

1. Labor productivity, thous.tugs / at 2005 constant prices / (Log Y)
  2. Nominal wage, thous. tug (Log X3)
  3. Unemployment rate and percentage (X4)
  4. Inflation rate, percentage (X5)
  5. GDP, million MNT / at 2018 constant prices / (Log X6)
  6. Education - The number of graduates of domestic universities (Log X7)
  7. Number of employees (Log X8)
  8. Living standards, in MNT (Log X9)
  9. Average household income (Log X10)
  10. Real salary, in MNT (Log X11)
1. To check the unit root test for the stability/inertia of the variable.

Table 4. 2. The result of the unit's root test

Variables	I (Level)		II(1-р эрэмбийн ялгавар)	
	t-stat	p-value (*)	t-stat	p-value (*)
Log Y	2.8	0.0169	-	-
D(X1)	-	-	2.803	0.0187
X2	3.005	0.012	-	-
Log X3	2.7	0.02	-	-
X4	2.4	0.04	-	-
X5	3.2	0.0077	-	-
Log X6	6.6	0.000	-	-
Log X7	-3.5	0.006	-	-
Log X8	-4.5	0.0008	-	-
Log X9	2.61	0.02	-	-
D(Log X10)	-	-	-3.01	0.013
Log X11	1,78	0.0138	-	-

(\*) -0.05 calculated with the significance level.

Source: The research

Column I of table shows steady variables and column II shows t-statistic and probability of variables which can be steady by I degree of differentiation. The X1 and Log X10 variables become steady by I degree of differentiation, while others are steady variables which not need differentiation.

2. A. To check out the Granger test for labor productivity and salary.

The test that examined the results of the test there are in simple (non-transformed) levels each of the above two parameters, it can test the test directly.

Table 4. 3. The regression equation for factors affecting labor productivity

Variables	Model-1	Model -2	Model -3
Consistant coefficients	7.658* (0.126)	7.76* (0.04)	2.281* (0.9)
D(X1)(-1)	0,0037* (0.002)		
Log X6(-1)		0.22*(0.05)	
Log X8(-1)			0.83* (0.14)
R <sup>2</sup>	0.45	0,57	0.74
Adjusted R <sup>2</sup>	0.41	0,54	0.72

(2005-2018) (Log Y=a+b\*Log X(-1))

(\*) -0.05 calculated with the significance level.

Source: The research

In total public sector organizations, 1 percent of growth in the total production of heavy production sector contribute 0.004 percent of growth in labor productivity. 1% of growth in real GDP, create 0.22% of growth in labor productivity. 1% of growth in the number of employees increases labor productivity by 0.83%. In the case of civil servants surveyed, labor productivity is linked to macroeconomic indicators.

In Mongolia, labor productivity is correlated with essential, influential variables such as number of employees, GDP, and structural changes in manufacture, while not correlated with inflation, unemployment, nominal and real wages, living standards, household income, and foreign investment.

1. B. Create simple regression models for factors affecting nominal wages.

The variables affected the nominal wages were determined to check by Granger's test and, variables affected with a lag time of one period.

Table 4. 4. The regression equation of factors affecting nominal wages  
(2005-2018 years) ( $\text{Log } X_3 = a + b * \text{Log } X(-1)$ )

	Model -1	Model -2	Model-3	Model-4	Model-5	Model-6	Model-7
Constant coefficients	47.109* (8.108)	6.109* (0.364)	4.59* (0.286)	2.93* (0.202)	41.055* (4.7)	-7.036* (0.64)	-9.506* (0.49)
Log Y(-1)	6.486* (1.026)						
X4(-1)		-0.42* (0.070)					
X5(-1)			0.02* (0.013)				
Log X6(-1)				1.92* (0.277)			
Log X8(-1)					1.67* (0.703)		
Log X9(-1)						1.12* (0.065)	
Log X10(-1)							1.178* (0.042)
R <sup>2</sup>	0,23	0,36	0,75	0,82	0,78	0,98	0,87
Adjusted R <sup>2</sup>	0,2	0,31	0,68	0,74	0,59	0,84	0,77

(\*) -0.05 calculated with the significance level.

Source: The research

The 1% increase in labor productivity creates a 6.5% is increasing in wages. While the 1% increase in the unemployment rate decreases wages by 0.42%. The 1% inflation rate is increasing wages by 0.02%. Growing 1% of real GDP is increasing wages by 1.92%.

The 1% growth in the number of employees increases wages by 1.67%. 1% of the living standard are increasing wages by 1.12%. The 1% growth in average household income is increasing salary by 1,178%. When looking at the labor productivity of a side, besides to become a quality indicator of influence of labor productivity, that determines the

productivity of employees that the workplace is comfortable, employees' wages, protection of employees' rights.

As a result of the survey, more than half of the employees who were answered as moderate and bad in evaluating the organizational level of the organization's activity affecting the productivity of the workplace improvement, the environment, the reliability and safety of equipment and tools used. When assessing the work environment of the public servants, the sufficiency of equipment and tools, human resource department operations, promptness, financial services, and promptness, the majority of the respondents assessed as moderate, low, and don't know. Asked whether the wages are suitable for the work they do, 80% of answering that do not agree. Reason is:

- When estimating of wages own discretion appreciates.
- Personal relationship affects.
- Answered questions on how to estimate to work environment asked, 55% of respondents that they are moderate or poor, 30% said they are very good.
- In this case implemented a 5C program to improve the organization and workplace culture.
- The Kaise proposal system was introduced.
- Organizes training about productivity for an organization's employees.
- It is expression of attention for the productivity that the productivity campaign is organizing among company employees is an indication of productivity.
- It shows from survey affecting factors for labor productivity, the employee's given respond situation has shown that productivity needs to be improved.
- From the employees, salaries are ahead of the productivity growth, and employees have a suggestion to improve salary performance systems.

### **4.3. Analysis of Factors Affecting Labor Productivity of Public Servants**

General information about the participants in the survey:

The conducted this survey, a total of 250 survey qualified materials were processed from a total of 250 employees in three levels of public servants.

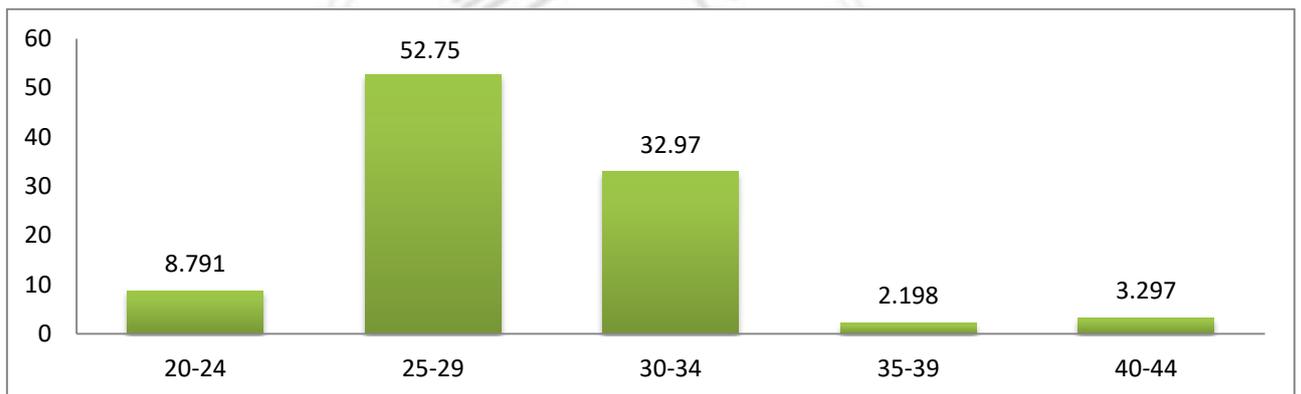
Table 4. 5. Gender of the respondents in the survey

Gender					
	Frequency		Percent	Valid Percent	Cumulative Percent
Valid	Female	170	60	60%	60
	man	180	72	72%	100.0
	Total	250	100.0	100%	

Source: The research

In the survey, a total of 250 public servants has participated whom 170 or 60% were women and 80 or 40% were male.

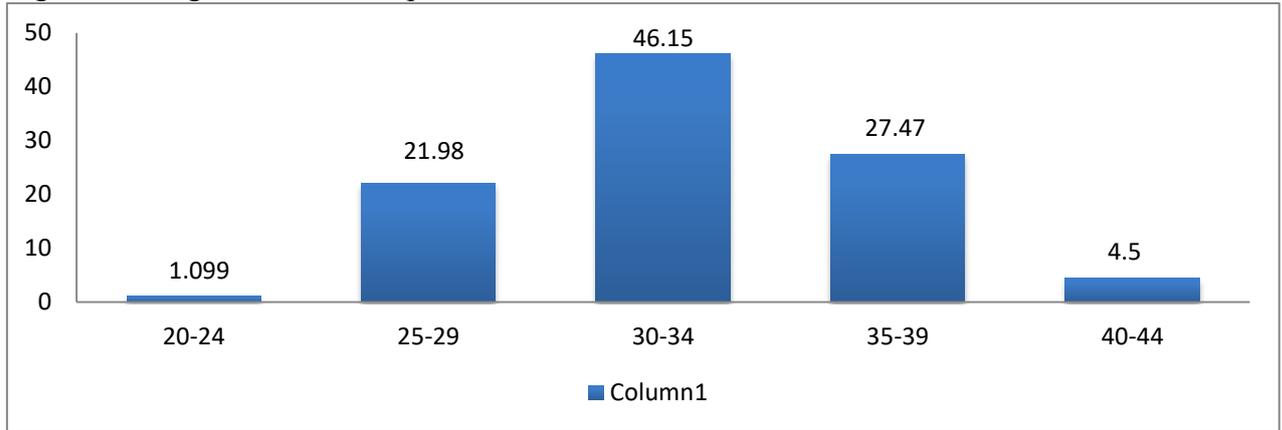
Figure 4. 3. Age of participant employees in the survey



Source: Research

In the survey, participants of age group were classified into 5 groups and 52.8% or half of the respondents were young people aged 25-29 years. This is showing that the young public servants are working in the civil service.

Figure 4. 4. Age situation of supervisors



Source: The research

The covered public servants in the survey show that 73.6% of the leader, officer are middle-aged, 30-39 years old.

Table 4. 6. Worked year of participants

Worked the year					
		Frequency	Percent	Valid Percent	Cumulative Percent
	6-12 month	40	16	16%	16
	1-3 year	64	25.6	25.6%	41.6
Valid	3-5 year	78	31.2	31.2%	72.8
	5-7 year	30	12	12%	84.8
	Up to 7	52	20.8	20.8%	100.0
	<b>Total</b>	<b>250</b>	<b>100.0</b>	<b>100.0</b>	

Source: The research

The worked years of that organization's public servant involved in the survey were analyzed by 5 indicators and 32.8% were working for more than 5 years, while 56.8% were less than 5 years old and 25.6% the percentage of employees who work for below 1 year. A show following above this survey, in general, that stable, worked the public servants are relatively a few.

Table 4. 7. Occupation of participators in survey

Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Officer of the Financial Regulatory Commission	120	48	48%	48
	Teacher	40	16	16%	64
Valid	Doctor	25	10	10%	74
	Public administration officer	50	20	20%	94
	Other	15	6	6%	100.0
	<b>Total</b>	<b>250</b>	<b>100.0</b>	<b>100.0</b>	

Source: The research

Public servants covered by the survey, 120 or 48 percent of Financial Regulatory Commission's staff, 40 or 16 percent of secondary school teachers, 25 or 10 percent of doctors, 50 or 20 percent of civil servants, 15 or 6 percent of the other employees. Public servants covered by the survey, 120 or 48 percent of Financial Regulatory Commission's staff, 40 or 16 percent of secondary school teachers, 25 or 10 percent of doctors, 50 or 20 percent of civil servants, 15 or 6 percent of the other employees. According to a result, the Financial Regulatory Commission's staff is dominating the most.

#### **4.4. Analysis of Influencing Factors and Attitude of the Public Servants Work**

Research on factors influencing the work of the respondents analyzed using a methodology to determine the human needs of the researcher, scholar Hertzberger.

Based on the result of the Hertzberg's research has determined two concepts: hygiene factors and motivation. The hygienic factor is the working environment and motivation is related to the nature of the work and if a hygienic factor doesn't have or not enough level, the person has not satisfied work environment and the job. So considered that the person's motive reduces. The following result considered that listed beginning in

1-7 order from the most important way of determining factors affecting by method Herzberg's work performance.

Respondents were considered important 74 percent for salaries, interesting work and organizational perspectives in research. But it is showing that security, polite, information, authority are not such important. In addition, for the Financial Regulatory Commission is that is showing interesting work and the reputation of the organization are the most important factors in social position.

Table 4. 8. Factors affecting the work attitude of the public servants (for all surveyed employees)

	Salary	Interesting job	Perspective	Safety	Polite, pleasant management	Information	Authority
Number of samples	250	250	250	250	250	250	250
Median	2,88	2,90	3,65	3,59	3,91	5,24	5,81
Order	1	2	3	4	5	6	7

Source: The research

Most of the respondents in the survey answered that they were to attitude for the job attitude 33.3% salary most important, 30% interested work, 10.7% the organization's perspective, 10% security, 9.3% pleasant leader, 4.7% information, 3% of authority.

Table 4. 9. Factors of the influencing work attitude

№	Factors	Number	Percent	Increase rate
1	Authority	3	2	2
2	Information	7	4,7	6,7
3	Polite, pleasant management	14	9,3	16
4	Security	15	10	26
5	Organizational perspective	16	10,7	36,7
6	Interesting work	45	30	66,7
7	Salary	50	33,3	100

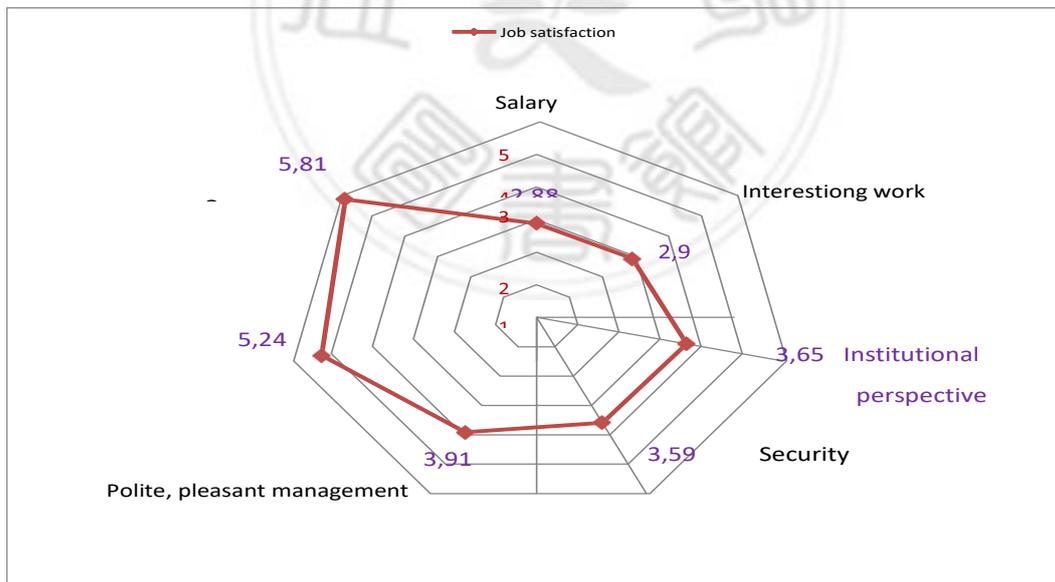
Source: The research

As for teachers, the most important indicators of job satisfaction are determining the degree of importance, as well as the importance of the indicators. These include the following:

1. Salary
2. Interesting work
3. An organizational perspective
4. Security
5. Polite, pleasant management
6. Information
7. Authority ratio.

Studies show that the most important factor influencing workplace trends is that wages are not the most important. The teachers do not necessarily compete each other the work dependent performs, and it seems that the authority is not unnecessary when lessons teach for students.

Figure 4. 5. Job satisfaction



Source: The Research

The following conclusions were made to evaluate the attitudes toward the work of the public servants involved in the survey so that to determine the types of work trends including organizational involvement, work engagement, and job satisfaction. When the survey would take the questionnaire of the job satisfaction what it has 5 choices, and 1- lowest, 2-low, 3-medium, 4-high, 5-highest has used to effectively measure. Conducted on survey employees liked their work or work satisfaction level of 4.47 percent. But it is showing so that for teachers 4.22 working organization's reputation, the competitive ability is very important. The doctors have 4.57 scores or have the highest affect take pleasure from their work.

Table 4. 10. Teacher's job satisfaction level /by sector/

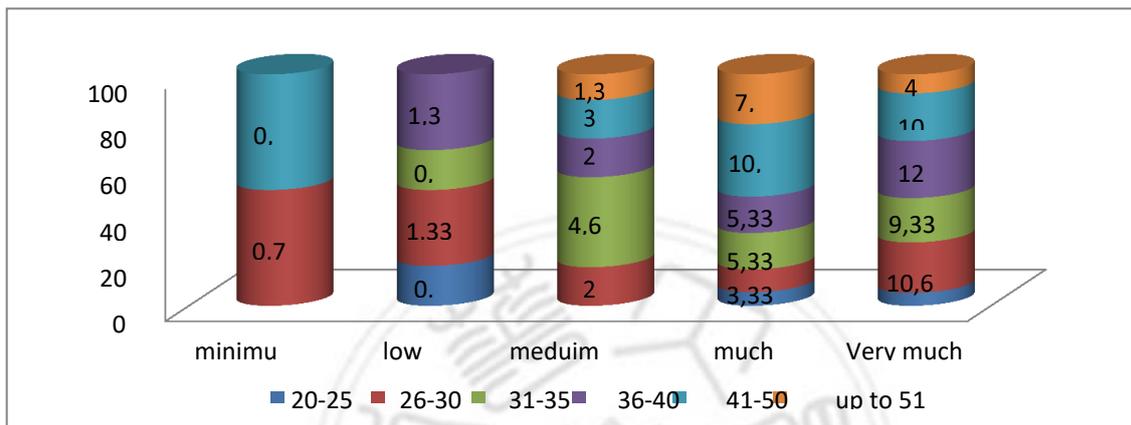
No	Questions	Officer of the Financial Regulatory	Teachers	Doctors	Others	Medium
<b>Job satisfaction</b>						
1	Do you like to start a new week?	4,47	3,84	4,26	4	<b>4,25</b>
2	Do you think that you are taking a salary to get the job effective?	3,53	2,84	2,84	3,18	<b>3,13</b>
3	How do you have the opportunity to advance command in your organization?	3,00	2,80	2,84	2,77	<b>2,87</b>
4	How can you get encouragement while do you performing your work?	4,20	3,78	4,57	4	<b>4,05</b>
5	How important are your reputation, social standing, and competitiveness that working for the organization in your opinion?	4,29	4,22	4,06	4,57	<b>4,34</b>
<b>Total medium</b>		<b>3,89</b>	<b>3,49</b>	<b>3,70</b>	<b>3,70</b>	<b>3,89</b>

Source: The research

Conducted in survey public servants of the Finance Regulatory Committee answered that work attitude is high, and teachers are 83percent high, 12 percent medium, 5 percent lower when answered to about how do they like to begin new week?

Conducted the survey of participants answered 20.6 percent or 41-50 years old that they like much to begin.

Figure 4. 6. Do you like to begin a new week?



Source: Research

When analyzing the salary for work performed by the surveyed employees, 42% responded moderate, 36% answered that they are very good and 22% are less likely. The salary for all the public servants is not suited to the results of the work. So it needs well-coordinated.

Conducted showing in survey suited about the wage is working effectively in the survey public servant are taking a salary that while public servants answered 42 percent medium, 36% higher, 22% lower. Showing by the structure of teachers answered 10 percent that for teachers aged 41- 50 years are effective that the wage is suited for job results.

Picture. Do you think that the salaries you get fit to work?

Influencing factors between age and work satisfaction of the public servants covered by the survey ( $F = 45,82 > F$  theoretical value = 2.75). Conducted in survey public servants has effect factor between public servant and job satisfaction. From this point of view, the work attitude of the public servants conducted in the survey was influenced by wages, career opportunities, organizational reputation and competitiveness.

Table 4. 11. Affecting factors of job satisfaction factors  
(Anova: one factor)

Change	SS	df	MS	F	P-value	F crit
Between groups	10,2803	4	2,57008	45,8217	3,71658E-11	2,75871
Inside groups	1,40222	25	0,05609			
Total	11,6825	29				

Source: The Research

For public servants of Finance Regulatory Committee, which their job is a very important thing for them 4.47, for teachers is 4.49 most important things that is their duty in their work, for doctors is 4.34 most important things that is mobilizing their all source of their power, for other civil service agencies employees is 4.59 that they expressed their own opinion is more opportunity for their job that is very important things of them.

Table 4. 12. Job average engagement

No	Questions	FRC	Teachers	Doctors	Others	Average
Work participation						
1	How often do you participate in your organizational public activity?	4,06	4,38	4,25	3,91	<b>4,27</b>
2	How do you have a relationship with your leaders?	3,47	3,76	3,44	3,77	<b>3,61</b>
3	Can you express your opinion freely in your work?	3,96	3,44	4,06	4,59	<b>3,80</b>
4	Are you using to work all your resources, opportunities and labour in your work?	4,27	4,27	4,34	4,59	<b>4,33</b>
5	Is your work one of the important things for your life?	4,47	4,49	4,25	4,09	<b>4,45</b>
	<b>Total</b>	<b>4,04</b>	<b>4,06</b>	<b>4,06</b>	<b>4,19</b>	<b>4,08</b>

Source: Research

With the determine conducted in survey public servants for work attitude's types or job satisfaction, work participation organizational participate:

In order to maximize the job attitudes of civil servants, it is necessary to increase the participation of organizations by way to improve the social issues and the working conditions of employees, and teacher's participation level is maximum; furthermore, they need to improve it. In order to improve job satisfaction, there needs to develop a phased program that considered teacher's salaries, incentives, and opportunities for career advancement. When studying the involvement of the civil servants involved in the organized of work in the organization, 86% said that they were involved, 14% were involved. It concluded that public servants participate in participation in public work is high.

Table 4. 13. Public servants age and affecting factor of the work participation

(Anova: one factor )

Change	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between groups	3,341587	4	0,835397	27,98836	6,56162E-09	2,75871
Inside groups	0,7462	25	0,029848			
Total	4,087787	29				

Source: Research

The structure, organization, goals and objectives are crucial for Financial Regulatory Commission's staff and with 3.78 point. While positive atmosphere in the organization is the most influential for teacher satisfaction or 4.29 point. However, the organizational structure, organization, goals and objectives is mostly influencing for doctor' workforce attitude.

Positive atmosphere in the organization and organizational structure are mostly influence for other servicer worker's and with 3.50 average point. It shown in the table below.

Table 4. 14. Organizational engagement average

No	Question	FRC	Teachers	Doctors	Others	Average
<i>Organizational engagement</i>						
1	How do you affect the atmosphere in the organization for your satisfaction when do you do your work?	3,67	4,29	3,44	3,50	3,87
2	How does your organization take care to improve employees education?	3,27	3,38	3,31	3,50	3,35
3	How does your performance relate that your organization's structure, goals, and objectives are accomplished by your organization?	3,78	3,38	3,78	3,50	3,62
4	How often do you work together with other department teachers?	3,20	3,20	3,22	3,45	3,24
5	How do your supervisors take care of the social issues of their employees?	3,20	3,20	2,84	3,18	3,06
	Total	3,42	3,35	3,32	3,42	3,42

Source: Research

When studying how to effectiveness an organization's comfortable environment when teachers do their work satisfaction, 60% have a great deal of influence, and 35% that moderate atmosphere in the organization affects moderation, and 5% less. The teachers are showing to affect relationships into organizations.

Analysis affecting factor for public servants, social status the productivity.

Table 4. 15. What is the organizational level of the organization's activity?

	Employees number	Weight
Best	20	8%
Good	38	15.2%
Medium	120	48%
Worst	50	20%
Don't know	16	6.4%
Don't answer	6	2.4%
<b>Total</b>	<b>250</b>	<b>100%</b>

Source: Research

Showing in the survey, what is the organizational level of public servants involved, and there are 20 or 8 percent best, 38 or 15.2 percent good, 120 or 48 percent moderate, 50 or 20 percent bad, 16 or 6.4 percent worse. The survey results will show that the organizational level of governmental organizations is a "moderate" level.

Table 4. 16. Workplace improvement and environment

	Employee's number	Weight
Best	35	14%
Good	58	23.2%
Medium	65	26%
Worst	80	32%
Don't know	8	3.2%
Don't answer	4	1.6%
<b>Total</b>	<b>250</b>	<b>100%</b>

Source: Research

To survey whether the workplace improvement and environment affect the productivity of the civil servants involved in the survey, 14 percent are very good, 23.2 percent are good, 26 percent are moderate, 32 percent are bad, 3.2 percent do not know, and 4 percent do not know.

According to this conclusion shows workplace improvements and the environment create negative impacts on labor productivity.

Table 4. 17. What is the level of security and safety of the equipment you are using?

	Employee's number	Weight
Best	25	10%
Good	42	16.8%
Medium	86	34.4%
Worst	61	24.4%
Don't know	22	8.8%
Don't answer	14	5.6%
Total	250	100

Source: The Research

14 participants did not respond the question about the safety level of the equipment and tools used at the civil servant' workforce and employees, mostly evaluated as "middle level" for the safety of work equipment and tools. It concludes that inadequate workplace equipment and tools for civil servants are likely to decline a labor productivity. For example, some civil servants mentioned some inadequate factors such as poor workplace heating, lack of internet technology and technology and non-standardized furniture.

Table 4. 18. Assessment of the working environment of the public servants

Questions	Best		Good		Medium		Worst		Don't know	
	Number	%	Number	%	Number	%	Number	%	Number	%
Sufficiency equipment and tools	25	10%	42	16%	86	34%	61	24%	22	8%
The operational and urgent situation of human resources	36	14%	42	16%	78	31%	54	21%	40	16%
Financial activities And urgent operations	23	9.2%	38	15.2%	74	29%	85	34%	31	12%
Total	250	100%	250	100%	250	100%	250	100%	250	100%

Source: Research

To evaluate the working environment of the surveyed staff, the sufficiency of equipment is moderate or 34 percent, public servants services and the services rendered to citizens are average, 31 percent and financial services are poor or 34 percent. According to this, the financial services of the public sector are weak.

Table 4. 19. Effecting factors of the employee's satisfaction

		Employees number	Weight
Wage	Possible	95	38%
	Not enough	155	62%
Work condition, possibility	Good	85	34%
	Worst	165	66%
Leadership trend, relationship	Like	110	44%
	Don't like	140	56%
Possible to develop in profession	high	98	39.2%
	Low	152	60.8%
Colleques relationship	Good	120	48%
	Worst	130	52%
For job	Interesting	138	55.2%
	Don't interesting	112	44.8%
Total		250	100%

Source: Research

When analyzing the factors that affect the satisfaction of the surveyed public servants, insufficient salaries were 155 or 62 percent, leader attitude and relation did not like 140 or 56 percent, the opportunity to grow in the profession is low 152 or 60.8 percent, poor relationships of the colleagues were 130 or 52 percent, interesting for work was 138 or 55.2 percent respectively. According to this conclusion, It concludes that the working conditions or negative impacts on the workplace are negatively affected.

Table 4. 20. Wage is suitable for work.

	Employees numbers	Weight
Completely accurate	62	24.8%
Don't suit well	112	44.8%
Not suitable	41	16.4%
Never suitable	35	14%
Total	250	100%

Source: Research

When analyzing whether the work performed by the officers in the survey is good, 62 or 24.8 percent is fully suitable, 112 or 44.8 percent do not unsuitable, 41 or 16.4 percent is not such well suited, 35 or 14 percent is never suitable. It concludes that the unpaid work of the employees is one of the factors that affect labor productivity. So increasing salaries of public servants in line with workplace conditions will increase to opportunity labor productivity of the employees will consist.

Table 4. 21. How do you value your job?

		Number	Weight
Criterion, standard	Clear	78	31.2%
	Unclear	172	68.8%
Evaluation	By self discretion	145	58%
	Clear standard	105	42%
Unpleasant relationship	Influence	98	39.2%
	Don't influence	152	60.8%
Total		250	100%

Source: The Research

According to the survey, when study, why the survey public servants' salaries did not conform with the doing work, 172 or 68.8 percent of the criteria for evaluating the performance of the employees are unclear, 145 or 58 percent at their discretion the evaluation, and 152 or 60.8 percent personal unpleasant relationships do not affect respectively.

This concludes that it is evaluating the criteria of the work performed unclearly which indicates that they are not aligned with the work of the public servants.

Table 4. 22. There is a need to change the job performance system

Index	Number	Weight
Certainly necessary	134	53.6%
No need to change, this still applies	50	20%
Need to modify and improve some things	66	26.4%
Total	250	100%

Source: The Research

According to the survey of whether there is a need to change the public sector's performance evaluation system, 134 or 53.6 percent of the surveyed civil servants considered necessary, while 50 or 20 percent of those surveyed did not need essentially or should continue a current system, and 66 or 26.4 percent answered that have to improve some past.

In conclusion, there has possible to increase productivity of the organization which influence for employee's labor productivity by way to develop the performance evaluation system linked with work performance and work condition. In determining the types of employment trends of the employees involved in the survey or job satisfaction, work participation and organization participation:

Due to the slow growth of labor productivity, which not linked to wages and the role and position of productivity is weak in my country, therefore offers the following suggestions to improve productivity.

- ✓ Broadly advertise need to improve productivity and to implement a national program on this subject in order to improve the country's economy and the quality of life of the people.
- ✓ Economic policy and monetary policy should unify.

In our country, the inflation rate, which indicates an economic stability is volatile and sustained. Although workers' salaries raised by the growth of productivity, on the other hand, the rise in commodity prices makes no actual change in real wages. Therefore, the government's economic policy and monetary policy should be integrated and should consider the growth of labor productivity and coordinate with salary.

Productivity indicators of the economic activity are calculated ratio of output and input. For sectors which produce actual good and deliver a service, need to calculate productive normative based on science and reflect the characteristics of each sector because productivity attitude is different. Economy and society's many factors affect for the productivity, such as new technology for production and service, working hours, employee education, experience, age and gender.

- There have many ways which internationally recognized to promote productivity, such as 5C, Kaizen system, employee productivity campaign etc. The business entities, and organizations should consider factors to improve productivity.
- According to the methodology of calculating labor productivity at the international level, should calculate specific factors, including labor person-hour, person-day, and time utilization.
- Highly productive and value-added industries in the economy is the manufacturing sector. There should develop a policy for industrial processing in Mongolia, thereby can increase total labor productivity.

The diversity of labor productivity and wage growth across sectors is varied depending on the scope and the peculiarity of the sector, the extent of labor participation, the capacity of the labor force, the capabilities of the capital or the technique and equipment.

According to the growth index, nominal wage growth and real GDP growth are podcasting running than real productivity growth. While the labor productivity grows slightly a year, nominal wages rapidly rise. It indicates that there has low correlation between labor productivity and nominal wages. Large gap of nominal and real wage shows that although nominal wages have been increasing over the past few years, household livelihoods not significantly change depending on the good's price growth and inflation rates. For public organizations which funded by the state budget, the products produced by such government organizations are public services which can not possible to express by

cash amount. But the services they provide are measured by customer satisfaction and service quality.

Therefore, what is labor productivity is a correlative concept. The salary increased along with economic growth, are still preserved despite the economic slowdown. In other words, wages are not flexible. However, productivity growth changes depending on economic growth. Thus, looking at the image of wage growth, although the wages are increasing year by year, inflation and purchasing power of consumer goods are decreasing in this case. This real wage growth does not increase the productivity of the sector, but does not overtake the purchasing power and inflation rates for some years.

On the other hand, we can say that there were established the tradition which good's price method less increase associated with the growth of public servant's salary (currently, the price control system is weak.); Moreover, the following this action, private sector entities increases worker's salary because they don't release own worker for a government organization. In addition, the large gap of the average wage of employees who work in the private sector and government organizations is likely to affect labor productivity.

The reason for real wages outwork than labor productivity growth across the country and economic sectors is that wage growth in public sector employees is linked to inflation, which creates a wage growth not based on economic productivity.

The ways to improve the social status of civil servants and increase productivity:

1. To provide equipment, working conditions, technical facilities and materials for civil servants:
  - To increase the availability of public servants' access to workplaces and rooms, complying with the standards requirements,
  - To provide civil servants by computer and technical equipment, increase its capacity and possible to access to the internet and information.
  - To adopt a satisfaction survey about organizational culture, organizational structure and openness activities and organize necessary actions based on the result of the survey.
  - Organize various competitions aimed to raise public awareness and knowledge among civil servants
  - To provide condition to support by scholarship for foreign and domestic qualifications and master's courses, based on the results of civil servants

- Government organizations should organize workplace training without leaving employees their workplace
- To increase salary levels and ranks within the category of job position based on performance of result-based agreement, and pay salary based on the result.
- The findings of the study suggest that need to improve the way in which to award for highly productive civil servants who have successfully implemented innovative idea for increase province's economy and society.



# CHAPTER FIVE: CONCLUSION

## 5.1 Research Findings

The foundation of the success of any organization is its employees, which are part of the organization. One of the important aspects of an organization's work is to recognize the factors that affect the satisfaction and productivity of its government employees.

Government officials are the direct executors of public policy, and a diligent and dedicated employee are the main force in pursuing the mission of the organization. Thus, the social status of a civil servant is considered to be of practical importance in examining the relationship between satisfaction and productivity and the factors that influence them. Prior to conducting the research, the social status of civil servants was explored by the relationship between job satisfaction and productivity, and the factors that influenced them were identified. The conducted this survey, a total of 250 survey qualified materials were processed from employees in three levels of public servants.

The result of the research shows that there is a high correlation between job satisfaction and productivity of civil servants. Although salary and working environment have a positive effect on productivity, salaries have more influence than the job environment. On the other hand, Incentives are a small effect, then salary and working environment. There is a little correlation between satisfaction with management and productivity. However, research has shown that dependence is most strongly influenced by the atmosphere in the community. Studies show that the greater the satisfaction with management, the higher the productivity of employees.

According to the survey, more than half of employees said that they were moderate or bad when evaluating the level of organization of government agencies that affect employees' productivity, the improvement of the workplace, the environment, the level of reliability and safety of the equipment and tools used. The staff was evaluated on the basis of their work environment, the availability of equipment and tools, the promptness, timeliness, and operation of the financial services, and the majority of respondents rated them as medium or bad.

When asked if their wages correspond to the work they do, some of respondents answered that they do not. Reason is:

- Valuation of labor is at your discretion,

- Affects personal relationships
- Implemented 5C program to improve the organization and workplace culture
- Introduced Kaizan voting system
- Provides productivity training for company employees
- The degree to which productivity campaigns are organized among company employees indicates that they are focused on productivity.
- A study of factors that affect labor productivity, the response of employees to the need to improve productivity
- Productivity is ahead of employee salaries, and employees are expected to improve their pay performance system.

In the case of new employees, orientation training may be delegated to the staff rather than the sole manager and organizer. So that the new employee, in turn, has a positive attitude toward other employees and is more likely to ask what he or she cannot or does not know.

During the survey and during the focus interview, there was a neglect of the employees. While it is important for you to fulfill your role, you need to limit the noise and actions that will interfere with others. Direct management needs to take care of this every day, and employees focus on every single employee. For example, in the event that there is a problem with the staff of the employee, the department and the staff at work should be able to assist the staff at home, and provide management with the necessary emotional and material support. There is a high labor productivity helps the organization achieve its goals. Among the factors affecting the productivity of employees, the internal environment of the organization is strongly influenced by the questionnaire survey. Within the scope of this work, the following are considered within the organization's internal environment. These include:

1. Wages
2. Working environment
3. Employee relationships
4. Social welfare
5. Incentive policy
6. Training
7. Implementation of management commands

8. The potential for growth
9. Performance evaluation system
10. Technical equipment

We have suggested three ways to improve the productivity of employees, even if these factors have a significant impact on productivity. The three factors were selected based on the index, which compares the current situation of the organization with the desired level of the employees' index, and the most divergent, and each factor was extracted to reveal exactly what went wrong. Apart from the fact that employees are dissatisfied with their salaries, their relationship with the organization is also a key factor in their productivity.

Labor productivity is a dynamic indicator that is constantly changing under the influence of many factors. Some factors increase productivity while others negatively affect productivity.

## **5.2 Further Study Suggestion**

Because the social status of public sector employees is highly correlated with the results of a study examining the relationship between work satisfaction and productivity, if someone wants to do further study, the suggestions include:

1. Work with management approaches in accordance with the individual characteristics of the employee and the goals of the organization and focus on raising the atmosphere of the community and achieving a common goal.
2. Management's satisfaction with management has a significant impact on employee productivity, and focus on improving information and collaboration between staff and management. Listening to your employees will have a positive effect on the productivity that results from supporting them.
3. Take a closer look at salaries, bonuses, work environment, and years of employment to determine their individual characteristics.
4. Conduct a detailed survey, given that work satisfaction research is plenty and that productivity research is scarce.
5. Conduct workshops and seminars for public service departments and officers on the relationship between satisfaction and productivity factors.

6. Practice introducing the results of comparing factors that affect satisfaction and productivity, considering the attitude of employees to work at a time when the issue of human resource is urgent.
- 7/. Establish a research and methodological base for the study of work productivity and satisfaction and work with professional organizations in this area.
- 8/. Organization of various activities to improve the atmosphere of the community, which have a significant impact on improving employee satisfaction.
- 9/. Identify the relationship between personal and social-psychological factors that influence the satisfaction and productivity of public servants.



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