

Can a Higher Wage Attract Better Quality Applicants Without Deteriorating Public Service Motivation? Evidence from the Bangladesh Civil Service

Abstract

Civil service performance is critical for economic development. In many countries, poor performance is due to the low salary, which does not attract highly qualified applicants. In 2015, to improve public service delivery, the pay scales for civil servants in Bangladesh were doubled on average. Since a higher salary can attract those who have lower public service motivation (PSM), the change may result in worse performance in public service delivery. Using the data of examination applicants for the Bangladesh civil service (BCS) who took the examination from 2012 to 2015, this study examines the effect of the pay scale reform, not only on the applicants' qualities, but also on their personality traits and motivational profiles. Using OLS and Difference in Difference (DID) estimation Model, we do not find evidence in average applicant pools that the reform attracted applicants with higher educational and market quality and lower PSM. However, the BCS officers hired after the reform do not deteriorate PSM and have higher market and educational skills than the officers hired before the reform. Our results suggest that at least in BCS the salary increase can be an effective way for recruiting higher quality officers.

Keywords: Public service motivation, Civil service, Monetary incentive, Bangladesh