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Increasing The Efficiency And Effectiveness Of Government Organizations With The Contracts Of Salary Payment On The Basis Of Consequence And Outcome

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Abstract: ***Nowadays, efficiency and effectiveness in government organizations are particularly most important. Whereas the performance of human resources is the most important factor in increasing and decreasing the efficiency and effectiveness of government agencies, government agencies and corporations are using tools to manage their workforce to increase their efficiency and effectiveness. But because of the features and complexities of government agencies, these tools do not produce the desired results and sometimes produce the opposite results. One of the most important reasons for the ineffectiveness of staff performance management practices is the type of contract between individuals and government agencies, which is mainly based on pay on the amount of effort regardless of the outcome. In this paper, given the opportunity provided by a government department to employee human resources based on pay results, The efficiency and effectiveness of the organization were compared with respect to two models of human resource use, salary payment on the basis of effort and consequence and outcome. And the tangible results of changing the approach of the government agency from the use of manpower based on copyright contracts to the outcome contracts. And the tangible results of changing the consider of the government agency from the use of manpower based on effort contracts to outcome contracts.***

Keywords: human resources performance, effort contract, outcome contract, efficiency and effectiveness of organizations.

I. INTRODUCTION

Nowadays, public organizations and corporations face two major challenges in terms of low performance and a significant reduction in government budgets. The performance of government organizations in obtaining acceptable results has been criticized by major management scholars as one of the most important factors being the low efficiency and effectiveness of government agencies that have forced governments to take action. Effectiveness of the organization is the evaluation of the effectiveness of the actions taken to achieve the predetermined goals and the relationship of effectiveness and efficiency is inevitable and cannot be achieved without efficiency.

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Efficiency can be defined as the least amount of time or energy consumed for most work done. This article discusses how to increase the efficiency and effectiveness of government organizations.

II. LITRATURE REVIEW

Comprehensive research and resources on Payment contract based on the amount of effort (effort contract) and Payment contract based on the result (outcome contract) are generally not available, and some regulations and laws such as labor law, insurance law and related laws are mentioned. In this research, the researcher has used the most basic organizational data and in some gaps has used relevant resources such as websites, books and journals. Gholamreza Nazari (2009)[1], Performance measurement in government agencies.Razieh Naderi (November 2018)[2], Flexibility in employment contracts. System Capital (March 2019)[3], How to Calculate Salary. Kargosha (May 2018)[4] Fixed-price contracts.

I. OBJECTIVE OF STUDY

Efficiency and effectiveness of human resources is one of the most important elements of attention in government organizations. The purpose of this article is to vision of Increasing the efficiency and effectiveness of government organizations with the focuse on contracts of salary payment on the basis of effort, consequence and outcome.

II. PROPOSED METHODOLOGY

The design of this research which has been formed in article is based on both descriptive and Analytical research designs. The most information is collected for this research based on primary data. The primary data are collected from 15 governmental organizations as samples. Therefore, some relevant and needed information is collected from secondary recourses such as text books, national and international articles, journals and annual reports.

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III. HUMAN RESOURCES PERFORMANCE IN GOVERNMENT ORGANIZATIONS

Paying attention to the performance of human resources in government organizations, where human costs (including salaries and advantages, training, development, and so on) comprise a high percentage of their costs and human capital directly affecting their performance, has led government agencies and corporations to Take a look at new approaches to government management to equip themselves with the necessary models and tools; Tools and systems such as performance management and consequently performance measurement. But the public sector has certain features and complexities that may affect management, system, and performance measurement tools.

The experience of being a researcher in the process of evaluating the performance of employees and units of a government agency illustrates points that can be useful to government managers. T The logic of government agencies is far from the logic of profit. In this experience, the employee performance appraisal system was designed to capture the rationale for individual and group profits (organizational units). That is, part of the salaries of the employees and the remuneration of their salaries were paid each year based on the rating and performance report of their organizational unit.

A. Performance evaluation criteria

Because within each unit of the organization, according to the head of the unit, employees also had different ratings and perceptions, there was some kind of intra-unit competition among employees. In addition, inter-unit competition intensified and in some cases tensions also arose. After a while most staff understood the logic of the evaluation system. Some employees who had previously not been able to adjust their annual performance reports, thus employing the most sophisticated methods to exaggerate their performance reports, were separating their reviewed files to increase the number of cases, increasing the volume of files.

In contrast, few employees did their job in the former way and were not involved in the process. After performing the second stage of performance appraisal and annual remuneration and observing the significant difference paid to employees, they engaged in performance appraisal and use of the method. They were involved in the performance appraisal process and using the above methods to exaggerate performance. Although the competition provided some ground for enhancing employee performance, the exaggeration in performance reporting had a significant impact on the final performance of the organization. Organizational managers made improvements based on feedback from the first year of implementation of the performance appraisal system, but after two years, the performance appraisal system finally stopped, and payments were made on a former basis. This experience illustrates the different logic governing public and private organizations. The tendency to serve the community in government agencies and to profit in private organizations dominated and creates two distinct organizational spaces, and it is important to understand the differences and characteristics of employees and the organizational environment of these two areas in order to evaluate employee performance. In a private organization, by sharing the benefit of the organization to employees, their commitment to the success of the organization can be increased.

The most important factor in the ineffectiveness of systems such as performance management in enhancing the efficiency and effectiveness of government agencies is the contractual relationship between these centers' staffing with the organization, which is to receive wages based on the amount of effort regardless of the outcome.

B. Efficiency and effectiveness of the government agencies:

This paper compares the efficiency and effectiveness of a public company with two approaches to payroll based on effort and reporting of hours spent, and payroll based on the results obtained. For this purpose, it is necessary to provide a brief definition and explanation of the contracts based on the amount of effort (effort contracts) and the contracts based on the outcome (outcome contracts).

1. Payment contract based on the amount of effort (effort contract):

As any commodity has a price, labor is also one of the factors of production and services which has a price. In other words, in the labor market, people sell their labor force, and the employer provides the labor they need, And it is in this market that work finds its price. In this process of wage determination, the wage manpower receives based on the working hours or working days of the employer, regardless of the amount of labor product and output, and this is the most common method of paying wages.

2. Payment contract based on the result (outcome contract)

These contracts include activities that must be performed at a specified time and at a cost and with predetermined results. All the activities are not always carried out within a government organization. There are many cases where a government organization delegates management and implementation of its activities to individuals outside the organization. These activities are outsourced, in the form of contracts executed by one or more freelancers.

This type of contract shall be concluded in full definition of the type and amount of work performed at the price and time of execution to achieve the foreseeable results with the Individual or, if concluded with his company, it is in fact the executor of a small company project that has a large part on paper and whose legal identity, power and solidity is not much beyond the credibility of the individual. Problems with government organizations in reducing government funding and inadequate human resources, recruitment and increasing the duties and scope of activities in a state-owned company have led to a surplus of human resources, tasks, and activities as result-oriented projects, and Measure the type and volume of work And based on the time and final price of the work was calculated and outsourced in the form of outcome wage contract.

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At the end of the year, the performance and effectiveness of the state-owned company were evaluated in terms of the results obtained in the predefined time and cost efficiencies in two performance-based on Payment contract based on the amount of effort and Payment contract based on the result.

IV. RESULTANALYSIS:

In this part the researcher brought out the result of the investigation by using the primary data for both Payment contracts based on the result (outcome contract) and Payment contract based on the amount of effort (effort contract) through 15 organizations as samples.

Table 1: Payment contract based on the result (outcome contract)

NO:	Expected duration time of the project (Month)	Duration time of the completion project (Month)	Ratio of predicted time to duration of completion project	Expected costs of the project (USD)	Costs of the completed project (USD)	Ratio of predicted expenditure to costs of completion project	Efficiency rating
1	9	9	1	15000	15000	1	1
2	12	13	0.923076923	20000	19000	1.05263158	0.97165992
3	10	10	1	18000	18000	1	1
4	12	12	1	18000	18000	1	1
5	12	10	1.2	15000	15000	1	1.2
6	9	8	1.125	10000	10000	1	1.125
7	11	10	1.1	15000	15000	1	1.1
8	12	12	1	18000	18000	1	1
9	12	14	0.857142857	19000	17100	1.11111111	0.95238095
10	10	11	0.909090909	15000	14250	1.05263158	0.9569378
11	11	11	1	17000	17000	1	1
12	11	10	1.1	16000	16000	1	1.1
13	11	10	1.1	17000	17000	1	1.1
14	12	12	1	18000	18000	1	1
15	10	10	1	15000	15000	1	1
Total:	164	162	1.012345679	246000	242350	1.01506086	1.02759248

Table 2: Payment contract based on the amount of effort (effort contract)

NO:	Expected duration time of the project (Month)	Duration time of the completion project (Month)	Ratio of predicted time to duration of completion project	Expected costs of the project (USD)	Costs of the completed project (USD)	Ratio of predicted expenditure to costs of completion project	Efficiency rating
1	12	16	0.75	18000	24000	0.75	0.5625
2	12	14	0.857142857	14400	16800	0.85714286	0.73469388
3	10	10	1	18000	18000	1	1
4	11	13	0.846153846	19800	23400	0.84615385	0.71597633
5	10	15	0.666666667	14000	21000	0.66666667	0.44444444
6	9	17	0.529411765	13500	25500	0.52941176	0.28027682
7	12	13	0.923076923	21600	23400	0.92307692	0.85207101
8	10	10	1	14500	14500	1	1
9	12	11	1.090909091	19200	13200	1.45454545	1.58677686
10	10	13	0.769230769	17000	22100	0.76923077	0.59171598
11	11	15	0.733333333	19800	27000	0.73333333	0.53777778
12	9	10	0.9	14400	16000	0.9	0.81
13	10	11	0.909090909	17000	18700	0.90909091	0.82644628
14	12	18	0.666666667	16800	25200	0.66666667	0.44444444
15	8	15	0.533333333	12800	24000	0.53333333	0.28444444
Total:	158	201	0.786069652	250800	312800	0.80179028	0.63026301

According to the results obtained in two models of contract with individuals, it is clear that the performance of the Payment contract based on the result is higher than 1 and the positive. And that means that the company has been able to achieve its goals in a timely and cost-effective way at a higher than 1 efficiency rate. But in the contractual model of pay based on the firm's attempt to achieve its goals in a timely and cost-effective manner, the efficiency of the company is lower than one as the time and cost of the projects go up.

V. CONCLUSION

Overall, designing a pay system based on the results (not the amount of effort) in government organizations directly relates to the effectiveness and efficiency of an organization, thereby enhancing the effectiveness and efficiency of an organization's efforts to achieve greater benefits. Therefore, in government organizations, outcome contract will increase the efficiency and effectiveness of the organization, and these types of contracts are more important for organizations.

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