"Will the introduction of a new web based electronic performance management process, change the historical perception and attitudes of staff toward the process".

By Cecil Black

A dissertation submitted in partial fulfilment for the BA (Hons) in Human Resource Management

National College of Ireland
Mayor Street, IFSC, Dublin 1

2005

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Authorship Declaration

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I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of HRM (Hon Degree) is entirely my own work and has not been taken from the work of others save and to the extent that such work has been citied and acknowledged within the text of my work.

Signed:......*C Black*..............

Date:...*28.7.05*..................

Student Number:..*03233995*....

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Abstract

Performance management is widely regarded as an important tool for managing people at all levels of an organisation. However, despite its widespread use, it remains a fairly imprecise term and performance management processes manifest themselves in many different forms. In general terms the premise is that there is no one right way of managing performance, the approach adopted must depend on the context of the organisation, its culture, structure, technology the views of stakeholders and the type of people involved.

It is equally regarded as a natural process of management, not a system or technique to ensure same. It is also about managing within the context of a business in its internal and external environment. Best practice performance management processes are part of a holistic approach to managing for performance, which is the concern of everyone in the organisation.

This dissertation explores both the subject matter in general and focuses on one such performance management system adopted in a large American multinational organisation in Waterford. Through the use of both qualitative and quantitative analysis the author sets out to determine if the introduction of a new electronic multi sign off performance management process, both captures and promotes what is generally considered as being an effective and rewarding organisational tool for all concerned.

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Acknowledgement

To my partner Lynn and daughter Isabel.

Over the past year through endless nights of study, assignment preparation, design and drafting, and then final year end exams the one constant has been the unquestioning support and encouragement from you both.

For those long journey to Limerick and the vast amount of time spent away from you both I thank you for your understanding and patients.

For the proof reading, modification and never ending changes you will be glad to hear the final chapter has closed and the dissertation complete.

I give you all my love and heart felt thanks.

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Preface

The rational as to the selection of this subject matter is two fold. Being a practicing human resource practitioner in a large American multinational company much effort and resources are embedded into the performance management process

In order to respond proactively to the new emerging challenges, management requires up-to-date and accurate information on performance. Such performance measurement systems are still not common because there is not sufficient research focused on management implications of IT enabled performance measurement systems.

This dissertation presents an empirical case study where a fully integrated IT enabled performance measurement system is being implemented and its implications studied. The dissertation concludes, by analysing based on a qualitative review of staff members that if properly implemented, what implications it has on their attitude towards the process and the fact that it is now more visible will it change their individual perceptions concerning their performances.

Abbreviations

PM – Performance Management

HPD – Honeywell Performance Development Process

MBO – Management by Objectives

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Introduction

Performance management is communication: a manager and an employee arrive together at an understanding of what work is to be accomplished, how it will be accomplished, how work is progressing toward desired results, and finally, after effort is expended to accomplish the work, whether the performance has achieved the agreed upon plan. The process recycles when the manager and employee begin planning what work is to be accomplished for the next performance period. Performance management is an umbrella term that includes performance planning, performance review, and performance appraisal. Major work plans and appraisals are generally made annually. Performance review occurs whenever a manager and an employee confirm, adjust, or correct their understanding of work performance during routine work contacts.

Employers are often disappointed by the results of their performance management arrangements, especially where they are linked to reward or where performance reviews degenerate into a meaningless annual ritual. It has been suggested by some commentators that while performance management is potentially useful in directing attention to performance, it risks being too bureaucratic and misused. Too many appraisal schemes are narrow and individualistic in focus. The less than satisfactory performance management experiences of many Irish employers are forcing growing numbers of them to make changes to their systems. A performance management system is far more than performance-related pay or a revamped appraisal process. Implemented appropriately, it can produce positive benefits in terms of better individual performance, greater motivation of staff, improved output and increased quality. But it needs to be done properly.

Although few organisations would claim to have a sophisticated and well integrated performance management system many organisation continue to run with the yearly ritual of objective setting and year end performance appraisal with their employees.

Section 1, of the dissertation aims to explore and review current literature relating to the subject matter. The aim of which is to provide the author with a greater depth of knowledge and understand of the performance management concepts and its

implications on staff members. The dissertation objective sets out to determining the following

1. Does the current PM (HPD) system on site satisfy the general requirements of the purpose for which it is intended?

2. Does the introduction of a new web based electronic version change or alter the perceptions of the staff members.

3. Will employees treat the process any differently now that the process requires a second level manager to qualify yearly objectives and agree to year end achievements

Section 2, introduced the primary research methodology. For this particular dissertation the author adopted both a qualitative and quantitative approach which consists of self completing questionnaire for all staff members and interviews with two specific senior management members. The first interview is with a senior represented of the HR department who are the main process owners. The second interview is with a senior manager who manages the biggest department in relation to staff numbers and therefore has more exposure to the system and more diverse feedback and interaction.

Section 3, looked at the findings and analysis from the primary research and also included and incorporated the feedback from the interview process. The use of bar charts and graphs was adopted to present the information in graphical format.

Section 4, then relates the findings of the primary research to that of the literature review and determines if the process and the manner in which it is presented and understood by staff members related to and mirrored by the findings as expressed in the academic journals, books and professional magazines.

The final section consists of a summary and recommendations chapter, which will offer some suggestions and recommendations that, will be presented to the HR department. The intend of which is to provoke further discussions and hopefully

improvements into the current process and to also use the research information to change, alter, improve, acknowledge or correct the positives or negatives of the process.

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Section 1;

Literature Review

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1. Introduction

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Our present system of management crushes that all out

W. Edwards Deming

People are the lifeblood of an organization, and a company's workforce represents one of its most potent and valuable resources. Equally, the extend to which a workforce is managed effectively is a critical element in improving and sustaining organisational performance. It has been widely argued Tieran, Morley, Foley (1996) that effective workforce management is one of the pivotal characteristics of a high performance company but the challenges associated with it are also great.

1.0 Chapter Overview

The aim of this chapter is to explore the subject matter of "Perfomance Management". The literature reviewed will be inclusive of books, professional magazines and academic journals. The direction the author intends to follow, looks at the history, scope and characteristics of performance management processes. Special focus will be placed on one such method that the author's company recently adopted, which neccesitated the movement away from the traditional paper based process to a web based electronic version called the HPD or Honeywell Performance and Development System. Another first and inclusion of the new process is the added demension of a multi management acceptance sign off criteria not only on yearly objectives and goals, but also the year end reviews which link directly to payment awards and increases.

Due to the scope of the subject matter and the vast amount of published material on the topic, this dissertation may not be totally inclusive of all areas relating to performance management. Nor will this dissertation explore the various reward mechanism, that historically accompany such processes as this particular area warrents its own attention and would not be best served within the confines of this dissertation.

1.1 The Early Evolution of Performance Management - Merit Rating

In today`s economy, sources of value no longer only consist of tangible assets like financial capital and physical facilities, but increasingly of intangible assets like brand names and human capital (de Wall, 2002). Organisational interest in performance management according to Stone (1995) has increased as a result of competitive pressures, the influence of human resource management (HRM) and the individualisation of the employment relationships. This ideology of performance mangement as a means of gaining economic value is however not altogether new.

History indicates merit exams were given for selection and promotion decisions as early as the Han Dynasty, 206 BC-220 AD (Wren, 1994) Taylor (2002) IBEC (2001). Furthermore, the same authors suggest in the early third century AD, "Imperial Raters" were employed by emperors of the Wei dynasty to rate the performance of the official family members. Equally here in Ireland in 1648 (Hackett, 1928), reported that the Dublin Evening Post evaluated legislators by using a rating scale based upon personal qualities. Both (Wren, 1994) (IBEC, 2002) indicated that most likely, the early 1800s marked the beginning of a formal performance appraisals process in industry, with Robert Owen's use of "silent monitors" in the cotton mills of Scotland. This particular performance management process according to Wren, (1994) involved the maintenance of yearly assessment files, together with the hanging of a multicoloured block of wood over employee`s machines with the front colour indicating the superintendent's assessment of their previous day's conduct (e. g. white for excellent, yellow for average). Anecdotal evidence as presented by IBEC, (2002) indicated that this practice had a facilitating influence on subsequent employee behavior. However, Murphy and Cleveland (1995) subsequently reported that these early formal performance appraisal systems were not perfect, due to the fact they relied primarily upon human information processing, and trait judgment which was an imperfect process at best.

In the US, Wiese, Buckley, Price (1998) suggested the first formal monitoring systems evolved out of the work of Frederick Taylor and his followers before World War I. The same authors also implied rating for officers in the US armed services was introduced in the 1920s, and it is said to have supplanted the seniority system of promotion in the army, Wiese, Buckley, Price (1998) and initiated an era of promotion on the basis of merit. This merit rating system came to the fore in the USA and the UK in the 1950s and 1960s as suggested by IBEC (2002) when it was sometimes rechristened "performance appraisal". Criticism of merit-rating, was often made on the grounds that it was mainly concerned with the assessment of traits IBEC (2002) which refered to the extent to which individuals were conscientious, imaginative, self sufficient, co-operative or possess qualities of judgement.

2.2 Management by Objectives

Management by objectives (MBO) according to (Druker, 1995a) was first introduced to business in the early 1950s as a system called "management by objectives and self control". This particular process according to Druker (1955b) was intended to overcome the problems associated with the merit rating system by ensuring that individual and corporate objectives were integrated, and that the problems accosiated with merit rating stystem would be overcome. Alternatively (Mullins, 1999) implies, MBO is no more than a phase used to describe a style or system of management, which attempts to relate organisational goals to individual performance and development through the involvment of all levels of management.

Another view expressed by (Druker, 1955a) states that by adopting a MBO appraoch organisations will become more successful because it will focus all their efforts to all pull in the same direction, and their contributions to fit together to produce a whole, without gaps, without friction, without unneccessary duplication of effort.

This drive for universal allignment and a objectivity of a continuous improvement mentality is equally supported by (Odiorne 1965, p163) by describing MBO as;

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'A process whereby the superior and subordinate managers of an organisation jointly identify its common goals, define each individuals major areas of responsibility in terms of results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each member'.

(Odiorne 1965, p163)

This particular definition concurs with a theory outlined by Mullins (1999) that the underlying basis of a MBO system or process is primarily concerned with, setting of objectives and targets, participation by individual managers in agreeing unit objectives and criteria of performance and the continued review and appraisal of results. The cycle of MBO activities as presented in figure 1, presents the process as a continuous cycle of interrelated activities, which Mullins (1999) suggest in order to be successful it must contain the following key characteristics;
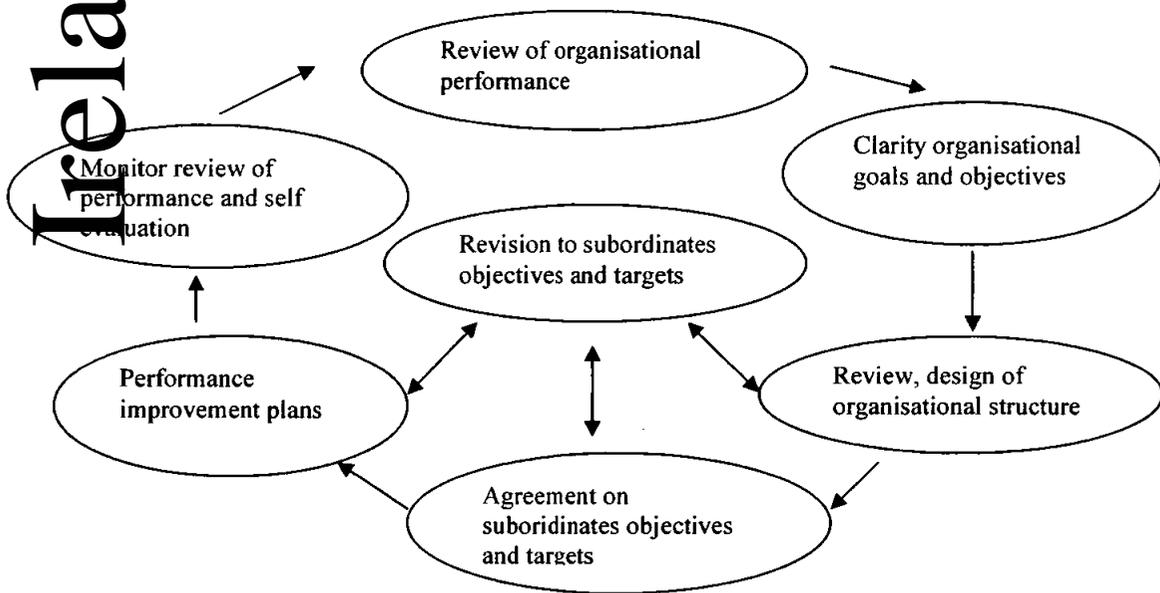
Figure 1; The Cycle of MBO activities; Source Mullins (1999) p221.

Mullins (1999) also concluded that for MBO to be successful it requires the following;

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□ The commitment and active support from top management

□ Specialist advice on implementation of the system and a tougher understanding of all staff concerned

□ Careful attention to the setting of tasks, target figures and performance standards

□ Objectives which are profitable to the organisation, clearly defined, realistic, attainable, and capable of measurement.

□ Genuine participation by staff in agreeing objectives and targets

□ The adoption of the right spirit and interest from staff

□ Avoidance of excessive paper work and forms which leads to a mechanistic approach

□ A process to maintain impetus of the system

When evaluating the MBO system in general, Mullins (1999) suggest it is an attractive system, as it provides an opportunity for staff to accept greater responsibility and to make a higher level of personal contribution.

The system however is not without its critics, Carroll & Tosi (1973) suggest MBO programs, require considerable time and effort expenditure for success, otherwise they are prone to failure. There is also an assumption expressed by Jamieson (1979) that MBO is a pressure device implemented by management for increasing demands on staff, it also assumes that no conflict exists between personal and organisational goals.

Alternatively, views expressed by Kane & Freeman (1986), set out a number of common problems and faults with MBO which included;

1. The rate setting phenomenon – setting objectives at the lowest level so to maximise the probability of attaining them

2. Comparability of perfromance standards – individual standards are set by the relative bargaining skills of individals more than the concern for equity

3. Fitting objectives and results into the boundaries of indivudual jobs regardless of team or work group sub divisions

4. Excessive emphasis on short term accomplishment to support pay rewards, promotion and retention

5. The discretion for supervisory measurement – the subjective whims of the measurers

6. Distortion of accountability – the process is more aligned to measurement criteria than perfromance criteria.

7. The bottle neck sydrome – the finalising and completion of goals and objectives at set predetermine internals creates a bottle neck for managers and supervisors.

The actual demise of MBO performance process occurred in the late 1970's, as suggested by IBEC (2002), due to the fact the process become over systematised by objectives, and that it often became a top down affair which contradicts the cycle of activities as presented in figure 1. These views were equally shared by IBEC (2002) who suggested that in the 1970's MBO became too narrow in its focus on personal management objectives and failed to deliver on a wider set of expectations.

1.3 From MBO to Performance Management

Looking at the activities as outlined in figure 1; "The cycle of MBO", Gunnigle, Heraty & Morley (1997) suggest, there are marked similarities between a performance management process and MBO since both systems set objectives, require the identification of performance measures, and involve continuous appraisals and feedback. With that being the case why then develop the current performance management process which only mirrors the previous process!.

One such explanation as outlined by Taylor (2003) is that it focuses on reducing the incidents of poor performance and improving organisational performance which he concludes are generally key priorities of any companies HRM function and a pre requisite to any long term viable organisation. These semtiment are echoed by Ulrich & Brockbank (2005) who suggest that the human resource leader of an organisation must lead their own functions and drive priorities which they suggest is inclusive of

performance management as much as hiring, training andd communication to mention three others.

This differs slightly from IBEC (2002) suggestion that performance management, arrived partly as a reaction to the negative aspects of the merit rating and management by objectives proceeses as referred to previously. Sharing this train of thought Bach & Sission (2000) believed, that performance management resulted from the increase recognition of the problems that most company MBO systems shared, and that a more fully integrated and personal development process was required. Although disagreeing with the time frame as outlined by IBEC, Armstrong (1995), suggested that the transition from MBO to performance management generally emerged in the late nineteen eighties as a result on growing recognition that a more continuous and integrated approach was needed to the managing and rewarding of performance.

Another benefit of adopting a performance management process according to Fowler (1990), was that such a system should and could apply to all staff members, and not just senior management. The same authors also implied that the process should also include greater qualitative performance indicators. This particular view was supported by Towers (1992) who references a survey conducted by "The Bureau of National Affairs" in the US in 1983 which revealed out of 244 organisations surveyed, 91 percent offered appraisal systems for front line supervisors, 88 percent for professional and office workers and 63 percent of them introduced appraisal systems for skilled manual workers.

This report clearly indicated the MBO process, which was traditionally the domain of senior management was no longer in existance to the same degree and that a more general performance appraisal system was being introduced to include greater staff numbers and members. One possible reason for the rise and greater introduction of performance management integration as argued by Amaratunga Baldry (2002), is that organisations which do not integrate ongoing performance measurements and feedback

into their management development programmes tend to experience lower than expected performance improvements and higher dissatisfcation and turnover.

Although the same authors continue by stating that measurement provides the basis for an organisation to assess how well it is progressing, but it is not an end in itself, but a tool for more effective management. This sentiment is also shared by Yeo (2003) in his writings on the tangibles and intagibles of organisational performance. Here he states perfromance and measurement should not be treated as isolated systems but rather a means of facilitation towards both individual, team and business goals and objectives.

When researching the subject matter the author found little evidence to suggest performance management processes for unionised hourly shop workers existed, which parallels McMahon and Gunnigle (1994) thinking which they also indicated was fairly remote. One such explanation for this as presented by McMahon and Gunnigle (1994) implied, that where performance-related pay features, trade unions normally view appraisal as a mechanism to cloak managerial exploitation and reduce worker solidarity - by substituting wage competition for a community of interest among workers. In practice, trade unions attempt to raise the wage levels of the collective, rather than the wages of individual members. Accordingly, initiatives such as the introduction of a points rating scheme - 'points mean money' can arouse suspicion and opposition. Given the inbuilt subjectivity of most rating schemes McMahon and Gunnigle (1994) concluded that this is not altogether surprising.

1.4   Defining Performance Management

As outlined earlier the concept of todays performance management processes is not new and Mabey, Salaman, Storey (2001), insist that managers have always devised ways, formally or otherwise to set tasks that are intended and aligned to further and promote continuous improvements. In 1991 both IBEC (2001) Mabey, Salaman, Storey (2001) indicated that performance management was regarded as a system, a sort

of mechanictic set of techniques which could be applied to any organisation. This has since been reviewed and according to (Armstrong 2002, p389) is now more generally seen as;

'an integrated set of processes concerned with the ways in which managing performance can be carried out specific to individual organisations'.

As the actual wording and purpose of the process implies, performance management is primarily concerned with identifying and achieving a desired performance standard. But what exactly is understood by the term performance management. In order to truly comprehend the concept of performance management Armstrong (1999) suggest, the meaning and understanding of performance management is important because if performance cannot be defined it cannot be neither measured nor managed.

Performance management according to Bates and Holton (1995), is a multi-demensional construct, with measurement depending on a variety of factors. The Oxford dictionary as cited by (Armstrong 1999 p430) defines performance as;

'the accomplishment, execution, carry out, working out of anything ordered or undertaken'.

The above definition is very clinical and precise and does not fit easily into an organisational perspective so an alternative view of performance management as expressed by Bearwell & Holden (2001) offers a greater understanding by suggesting performance management can provide a link between 'Whats' which he summerises as objectives, targets and performance standards, and 'Hows' which they relate to actual behaviours, competencies and processes. Following on from this assessment both Brumback (1998) and Bearwell & Holden (2001) suggest, when managing performance both inputs (behaviours) and outputs (results) must be considered and viewed as primary factual considerations.

This particular view according to (Hartle 1995) is known as the 'mixed model' of performance management. However, (Armstrong 1999, p 433) offers a rather more simplistic and organic view on performance management by simply saying its;

'about managing the organisation'.

So what precisely is performance management!. Mabey & Salaman (1995), indicate that there is, no one single universally accepted model of performance management. This view is shared by Gunnigle, Heraty & Morley (1997), who state, regardless of the terminology or system adopted, performance management systems, are concerned with the measurement of a persons performance against a predetermined work standard. Broadening the debate further (Hendry, Bradley, Perkins, 1997 p259) introduces other dermensions that can influence a organisations approach. These include, organisational culture, type of job being undertaken and relationships that exist between managers and reportees. They cummerise by defining defining performance management as;

'a systematic approach to improving individual and team performance in order to achieve organisational goals... the approach you take sould depend on your organisations...culture, its relationship with employees and the types of jobs they do'.

(Hendry, Bradley, Perkins,1997 p259)

A connection between performance management and business strategy is both dicussed and explored by Sparrow and Hiltrop (1994) when they suggest that performance management is essentially a strategic management technique, used to link business objectives and strategies to individual goals, actions, performance appraisals and rewards. Staying with this strategic alignment and continuous improvement theme, performance management accoroding to (Armstrong & Barron 2002, p169), is described it as;

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'a strategic and integrated approach to delivering sustained success ... by improving the performance of people...and by developing the capabilities of teams and individual contributors'.

(Armstrong & Barron 2002, p169)

The success however towards achieving these goals according to Armstrong & Barron (2002) is dependant on what they termed the manner in which vertical HR and functional integration and the integration of individual needs with those of the organisation are satisfied and managed were every possible.

The uncertaincy concerning these alignments and integrations and to what actually are the prime objectives of performance mangement were identified in a 2004 CIPD study which set out to determine what is happening with performance management. The summary of this reports concludes;

94% see it as an essential tool in the management of organisational culture

87% of respondents used a formal performance management process

82% agreed the focus of performance management was developmental

62% use personal development plans as part of the process

61% of line managers believe performance management is effective

59% give overall ratings on performance as part of the process

59% of staff believe it to be partly ineffective

55% disagree with making pay contingent on performance is an essential part of performance management

37% of staff believe it to be very or mostly effective

31% of companies used performance related pay as part of the process

31% of companies use computer based assessments

26% believe performance managent is bureaucratic and time consuming

14% only use 360 degree feedback

6% of compnaies use team appraisals

Source; People Management October 2004 p44.

An article written by Armstrong & Baron (2004 p44) based the the above CIPD report turned the concept of performance management unside down by suggesting;

'it would be hard to find one who would disagree that performance management is a good thing, but even harder to find a dozen who could agree on what it's for. Is it about personal development,? Is it about pay? Is it about improving organisational performance or about supporting cultural change'

These comment only reiterate and validate the varying ideologies, assumptions and theories unearthed during the literature review.

1.5   Understanding Performance Management Objectives

First and foremost when reviewing the literature, performance objectives and the setting of performance objectives according to Bearwell & Holden (2001) were also commonly known as and termed performance targets, or performance goals.

According to Armstrong & Barron (2002), the rational for setting objectives when referring to a performance management process is primarily to improve employee performance, aid employee development, satisfy stakeholder interest, and finally to enhance and improve communication and involvement.   For a definition of performance objectives, Armstrong (1994) believes more precision is required as the process can adopt multi dimensional identities. Those that can be termed and viewed as corporate level objectives and individual level objectives.   Some years later Armstrong (2000), offered more deliberation by suggesting there are predominately two types of objectives, namely work objectives and developmental objectives, and that these objectives should clearly focus on defining all expectations concerning what the organisation, functions, departments, teams and individuals are expected to achieve and to strive for.

However (Lockett 1992), when discussing the core objectives of performance management quite simply overlooked or ignores the developmental intentions to focus

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more on the work objectives by indicating the core objectives of performance management system is to provide,

(a) the continuous improvement of the business performance in the areas of customer service, product quality, and market leadership,

(b) the continuous development of organisational capability through the design of effective production systems, the development of organic structures, and the enhancement of employees performance in line with business demands.

The observation offered by lockett in the previous paragraph is not however equally shared by Taylor (2002) who identifies two distinct frames of reference as to why organisations consider performance management process, and these he suggests are associated with the different uses of the term "performance management" see table 1

Standards – orientated	Excellence – orientated
Focus on remedy of poor performance	Focus on enhancing strong performance
Measured at the individual level	Measured at the organisational level
Concerned with slippage below defined expectations	Concerned with continuous improvement of expectations
Use of disciplinary procedures, incentive based payment and formal appraisal systems	Use of coaching techniques, improving conditions, enhancing job satisfaction and raising levels of motiviation and commitment
Transactional leadership	Transformational leadership

Table 1; Two perspectives on performance management. Source; Taylor (2002 p 221)

These alternative models as depicted by Taylor (2002) suggest on one hand you have a process which sets defined standards which employees are obliged to comply with in the form of rules and regulations. But with the excellence orientated alternative model

being far more focused on continual improvement, self enhancement, which ultimately is intended to translate into greater commitment, motivation, and job satisfaction

A supportive view to Taylors above is equally expressed by Geal & Johnson (2002), who conclude some organisation still confuse the old style appraisal system like the standards orientated process as mention above with the new performance management process which is more tailored to the excellence adaptation. The latter ideology Geal & Johnson (2002) imply, is more representative of the new empowered organisations and not those that still persist with the command and control cultures

The perspective as outlined in table 1 is some what complimentary to a performance management process as outlined by Mabey & Salaman, Storey, (2001) which they describe as a collection of separate contributions. These contributions or elements form a schematic model of performance management and include a cycle of activities as outlined in figure 2;. Another important consideration according to Mabey & Salaman, Storey (2001) is the importance and relevance of the types of policies and systems – objective setting, measurements and rewards processes which must be linked to the system if it is to constitute a practising system of performance management.

Establish,
communicate and ⟶ Evaluate Performance
agree objectives
and standards

Compare performance
with objectives and
standards

Communicate
decisions and results

Decide on appropriate
action

Take corrective action,
review standards and
objectives, continue
unchange
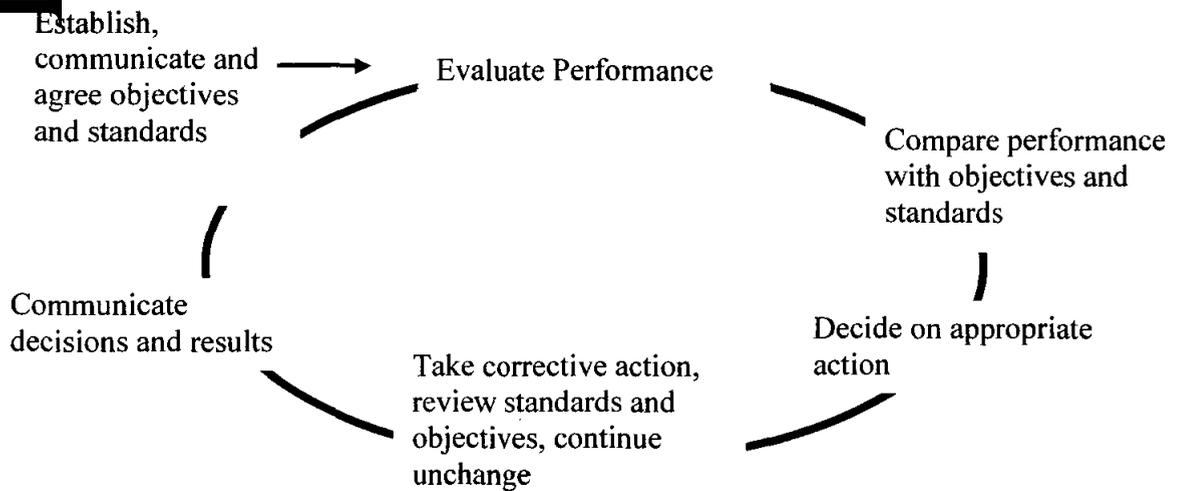
Figure 2, The Performance Management Loop. Source Gunnigle, Heraty, Morley (1997 p 146).

Equally Bearwell & Holden (2001) suggest that in order to gain employee commitment and performance the process must be secured through a mutually supportive strategy of reward, developmental and culture integration and management. This they suggest can be achieved through setting direction and planning, coaching and support and finally reviewing the process. In conclusion Taylor (2002) does argue that the these two separate perspectives are entirely compatible, if different and that they can co-exist side by side quite satisfactorily in the same workplace. This leads into the first step of the process objective setting.

1.6 Setting Performance Objectives

When looking to set performance objectives Pilbeam Corbridge (2002) suggest that objectives can be multidimensional and targeted at levels of the units, departments, teams or individuals, with the unit or department objectives being aligned closely with organisational goals, while team and individual objectives, relate to the desired contributions their specific roles are expected to achieve. The process of objective setting and performance management according to Yeo (2003), is a predominant and important aspect of an organisations management as it determines the level of learning experienced by an organisation.

However, according to Bevan & Thompson (1992) these objectives should be accompanied by a process where the benchmarking of both the setting of objectives and of performance levels must be undertaken and achieved in order to bring validity to the process. Some what surprisingly however is Fowler (1990) comments which suggests that this form of objective setting has been labelled the MBO or management by objectives of the 1990s. This particular view begs the question have we really moved away from the old previous performance management process of MBO or is it MBO in disguise.

Objectives according to Pilbeam & Corbridge (2002), are normally set by management, but in order to obtain legitimacy the same authors suggest objectives must be discussed between both parties and have the consent of those concerned prior

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to being awarded. This consentual process according to Pilbeam & Corbridge (2002) is advantageous in order to secure the best results and to enhance relationships between the parties. The same author's Pilbeam & Corbridge (2002) also suggest this should be done in a framework of equality and fairness, and used to motivate staff and to utilise their skills and competencies. These sentiments were also dicussed by Arkin (2005) would suggests in relation to developing high performance work places thr most important elements and drivers are trust between parties and fairness. Both Pilbeam & Corbridge (2002), Armstrong (2002) Taylor (2000) also conclude that objectives must be set and offered to employees concerning personal development opportunities as much as those targeted to satisfy organisational expectations. Another critical element and factor to be considered according to Mullins (1999) is that regardless of the type of organisation, there is a need for direct and clear lines of direction through the establishment of the objectives setting process.

Setting objectives according to Pilbeam Corbridge (2002) requires managers to be familiar with the skills and competencies of the employee, and also their respective departmental objectives and relate these to respective tasks and behaviours. Historically the acronym S.M.A.R.T, Taylor (2002) Bearwell & Holden (2001) Torrington, Hall , Taylor (2002) Murray (2002) is frequently used in the context of setting performance management objectives (see appendix 1). However, Taylor (2002) examines if these are now outdated due to the rapidly changing business environments, and suggest that D.U.M.B objectives (see appendix 1) maybe more appropriate due to the volitility and speed of change in modern business environment. Other difficulties associated with objective setting as expressed by Bearwell & Holden(2001) focuses on different types of role, activities and jobs for example, R&D, medicine, teachers and lecturers where setting and obtaining objectives is really not feasible nor they suggest desirable. Regarless of what method or variation is adopted Murray (2002) concludes the setting of clear and precise objectives always ensures the employee knows exactly what is to be achieved, how it is to be measured and over what time frame it is to be completed.

1.7 Performance Appraisal

Following the cycle of performance management as indicated in figure 2 the next phase of the process is measurement of performance. Literature on managing job performance, as presented by Gunnigle, Heraty, & Morley (1997) Bearwell & Holden (2001) Torrington & Hall (1991) Bratton & Gold (1999) Taylor (2002) Armstrong (1999) reveals the use of several terms in order to satisfy this requirement, these include, performance appraisal, perfromance reviews, performance assessment, performance evaluation and job appraisal and individual assessment all of which they suggest are both interchangeable and associate with the concept of performance management.

The appraisal process is the formulised part of the performance cycle and they are typically designed on a central basis usually by the human resource department and requires the line managers to appraise the performance of his/her staff on an annual basis Torrington, Hall, Taylor (2002). Regardless of the title used (Pilbeam & Corbridge, 2002) insist, performance appraisal is a critical element of the management process, and forms a sub section which relates to the formal process of assessing and measuring the employee performance against agreed objectives. The purpose of the review process is to provide an opportuninty to reflect on past performance, on the basis of making development or improvement plans Armstrong ((1999). The appraisal system is intended to measure a variety of things behaviour, personality and systems analysis and achievement and goals Torrington & Hall (1991) Torrington, Hall, Taylor (2002). Another important element of the appraisal process is it provides a tool which to discriminate Stone (1995), between those that are contributing to the organisation and and those who are not. Continuing with the same train of thought comments as presented by (Murphy and Cleveland, 1995) suggest that by using a formal system and if used properly, as it can facilitate organisational decisions such as reward allocation, promotions, demotions, layoffs recalls, and transfers. Other's view the process of performance appraisals as elaborate systems of significant rhetoric in the apparatus of bureaucratc control towards employees Bratton & Gold (1999).

In order to fully comprehend and understand the performance appraisal process, the process itself needs to be defined. One such understanding of the process as suggested by Fisher, Schoenfelt, Shaw (1990) is that performance appraisals should be used as a employees developmental tool, by reinforcing and sustaining performance, improving performance, determining career and progression goals and finally determining training needs. This understanding is equally shared by (Gunnigle, Heraty & Morley 1997 p145) who define performance appraisals as;

'a systematic appraoch to evaluating employee`s perfromance, characteristics, or potential, with a view to assisting with decisions in a wide range of areas such as, pay, promotion, employee development and motivation'.

One of the best known classification of the appraisal process was produced many years ago by McGregor (1960 p13) who group three objectives of performance appraisals, these included,

a.   Administrative – providing an orderly way of determinig promotions, transfers, and salary increases.

b.   Informative – a method to supply data to management on subordinate performance, weakness and strengths.

c.   Motivational – creating a learning experience that motivates staff to develop and improve their performance.

These groupings according to Anderson (1993) is useful in drawing attention to the variety of purposes, but also different organisational philosophies adopted by organisations toward the appraisal process and intent. One reason as suggested by (IBEC 2002) for the used and growth of performance appraisals is due to the fact, as organisations evolve toward larger organisations with professional management, a more formal performance appraisal system serves as an asset in administrative decision making. Alternatively Mullins (1999) implies, the process of management involves a continuous judgement on the behaviour and performance of staff and one way to review such performance and potential is through a performance appraisal

process. The fundamental purpose of performance appraisals according to Armstrong (2002) Taylor (2002), is increasingly being perceieved as a continuous process, involving reviews, which focus on the future more than the past, using key words like dialogue, shared understanding, agreement and mutual concent. There are concerns however, supported by research Taylor (2002) that the same appraisal process cannot carry out an effective assessment on both past and future needs in a satifactory manner.

Some view and regard the process as a conversation with a purpose Armstrong (1999), which is intended to reach firm and agreed conculsions about an individual`s development and where applicable, any areas for improvement and how such improvement should be achieved. The appraisal process used according to Fisher, Schoenfelt, Shaw (1990) should take into consideration and be inclusive of various individual measures inclusive of personal trait, behavioural elements as well as being results focused.

Some employees and line managers, may meet performance appraisal schemes with distrust, suspicion and fear Bearwell & Holden (2001). Difficulties can also arise with an appraisal process when the extremes of performance are not evident, for example, sophisticated process is required to determine when an individual performance is good or bad, the difficulties arise when the vast majority of employees fall between the two extremes and according to Weightman (1993) and this is potentially were difficulties exist with standard appraisal processes. So what is an appraisal process. The key principles in the design of a performance appraisal scheme should according to Bearwell & Holden (2001) be;

- ❑ Create motiviation to change/improve behaviour
- ❑ Provides recognition for successful performance
- ❑ Provides valid and reliable information for pay purposes
- ❑ Provides guidance on skill deficiency, competencies, and behaviours
- ❑ It needs to be simple, clear and written in accessible language

- It must be seen as providing business benefits and be relevent to day to day activities
- It must place realistic demands on employees and line managers
- Must be percieved to be fair

1.8   Conducting a Performance Appraisal

When exploring the literature and structures of an appraisal process, Torrington & Hall (1991), suggest we are constantly being appraised either, consciously or unconsciously, objectively or subjectively knowingly or unknowingly and when we do appraise something we rate its worth, its usefulness, and the degree to which it displays various qualities.

As outlined earlier there are several different methods and approaches, but Taylor (2002) Currie (1997) suggests in its most recent incarnation the most generally used method of performance appraisal involves the manager and his reportee completing a self appraisal or self assessment form prior to the interview and then during the subsequent meeting agreeing standard of performance achieved. The measurement system adopted can be either qualitative or quantitative although some issues arise due to the difficulties in defining and measuring qualitative appraisal processes Torrington, Hall, Taylor (2002) Taylor (2002). This can lead to problems and a general conclusion Taylor (2002) that too simplictic an approach to the measurement of performance is generally unwise, equally however, this should not imply that results of whatever nature are altogether irrelevant.

An examination of the literature suggests, attention should largely be placed on the following charaterisitics of the interview process Towers (1992), employee participation, interviewer support, identifying and solving problems affecting the employees job performance, emphasising performance rather than personality, goals setting, limited criticism and finally ensuring a proportion of time is allocated to

employee. This process is best outlined and mapped out in the following diagram which portrays the performance appraisal loop.

The appraisal process itself occurs usually every six months to a year Talyor (2002) and should be acknowledged by all concerned as a significant occasion which requires considerable preparation. The interview itself should last about an hour to allow for proper discussion on past performance and to identify best ways to improve the standard in the future Taylor (2002). However, ongoing reviews are also a fundermental part of the appraisal process according to Torrington, Hall, Taylor (2002) and imply they are an important activitity for employees to carry out. The reasoning for this they suggest is in order to plan their work and prioritites and to also highlight to the manager well in advance if the agreed performance delivery will not be met. These reviews according to Torrington, Hall, Taylor (2002) are aften informal in nature, although few notes may be taken of the progress made or actions agreed.

Another perspective on the review process is offered by Geal & Johnson (2002), who suggest, the review process does not have to be tailored or formal but can take the form of disucssions while walking the shop floor, while having one to one discussions, during monthly meetings, quarterly meetings, as well as annual reviews.

Other appraisal methods according to Bearwell & Holden (2001) exist, namely comparative and absolute methods, critical incident techniques, behavioural anchored rating scale (BARS), results orientated methods, self assessments, and 360- degree appraisals. Information and details concerning the above can be found in appendix 2.

Care should also be displayed however as the process is often used and intended to identify, assist and manage those with poor peformance tendancies only. This is not however the only intent of the process, Mitterer (2004) deduces the process is also about the high performers in the organisation, who also need to be nourish and cherished. The process Mitterer (2004) recommends, should adopt the following principles;

1. Identify high performers, not only for their ability but also for their willingness to expand their horizones

2. Focus equally on high and low performers, and instigate the possibility of setting up buddying or mentoring systems to help them grow and develop

3. Regonise achievement, acknowledge the high performers and praise them while being sensitive to their personalities as some may not enjoy the limelight.

4. broaden the reward mechanisms, be creative about both finanical and non financial awards, looking at developmental programmes as an alternative.

5. Provide new challenges, work to provide a trusting atmosphere thus preventing a blame environment if something goes wrong, and constantly challenge your high performers with lead projects

6. Motivate and encourage, high performers are natually motivated and self driven, but continue to pay attention to these areas, allow for ample opportunity for they to learn and grow.

7. Inspire others, don't lavish all your attention on high performers to the detriment of others. Their enthusism and commitment will rub off on others over time if managed and promoted.

Difficulties and criticism within the performance management process

Problems can occur within the performance management process even starting at its infancy "objective setting". Two main criticisms of objective setting according to Pilbeam & Corbridge (2002) indicate difficulties with the following;

❑ the actual difficulty within the objective setting process – the measurement of the tangible verus the intangible elements of the job, with the intangible playing a pivitol role in achievement without being established and therefore measured

❑ loss of flexibility - the need to constantly review objectives, to ensure they are current and valued in todays ever changing environment.

Organisations as previously suggested invest and devote huge amounts of time and recourses into the process and yet many of the results are often disappointing. As early as the 1970's, Towers (1992) suggests pessimistic views were being expressed about performance appraisals with some indicating they were backward, simplistic, and even counter productive which lead to both employers and employees approaching the process with dysfunctional roles. Huselid (1995) concluded that performance management systems can produce undesirable side effects, including demoralisation and de-motivation on the one hand, and an over bureaucratisation on the other. Another view expressed by (Farnsworth, 1974) implied the;

'history of appraisal systems is one of confrontation and conflict, of positoned relationship and frustrated hopes......disagreements about performance are sources of employee turnover, or even when an employee does not leave they are are left embittered by the experieince'.

(Farnsworth, 1974, p187)

Bearing in mind the thoughts as outlined above the general sources of disquiet and difficulties as outlined by (Beer 1981, p 202) Winstanley, Stuart Smith (1996) as to what are the problems associated with the appraisal process are centred on the following;

1.   the quality of the relationship between appraiser and aspraisee

2.   the manner and skill with which the interview is conducted

3.   the appraisal system itself, namely the objectives the organisation expects it to achieve, the methodology, the documents and procedures that make up the system

4.   transparency of decision making.

The result of the problems as outlined above according to Winstanley, Stuart & Smith (1996) generally initiate and significantly contribute to the process not succeeding in,

a. meeting their objectives

b. acting as a demotivational tool

c. leads to a perception that the process is used as a form of control which is inappropriately used to "police" performance.

The comments as outlined above were also shared by Murray (2002), who looks at ways of trying to solving the poor performing employee which he admits is one of the hardest things to do but yet in theory he suggest is one of the simplest. Murray (2002) concludes that there are four main reasons why people do not perform;

1. They don't know what they are supposed to do

2. They don't know if they are doing it right

3. They can't do it right

4. They won't do it right

Finding one or more of the above reasons Murray (2002) suggest is relatively easy but fixing it is not as straight forward, as that requires skills, care and a significant amount of moral courage from initally the manager but also the employee. Most importantly however Murray (2002) concludes, that if a performance management probem does exist it must be confronted. That does not mean the problem has to be resolves in one meeting but the intial meeting should be a diognostic one to determine the sources of performance and the corrective action should be implemented over time and with the support and mentoring of the manager.

1.10   The new appraisal approach adopted at Honeywell

As outlined in the introduction section the authors company recently introduced a new performance appraisal system with involved a seondary sign off on objejctives and appraisal performance via the employees second teir manager. This was being undertaken using an intranet electronic corporate system.

The use of a second tier manager however is not an altogether new concept, Towers (1992) when posing a question who conducts appraisals! introduces the managers manager concept. This particular approach Towers (1992) suggest is a traditional

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approach formerly used by the British Civil Service. Benefits accoding to Towers (1992), include the assumption that the managers manager is better able to take a broader impartial view of an employees performance. The more common appraoch undertaken today Towers (1992) suggest, is that the manager is the appraiser and the managers manager being the reviewer. The benefit of this is that the role of reviewer ensures consistency of standard and valid performance appraisal data.

Throughout the whole literature review process the author of the dissertation found very little evidence to suggest wide spread use of electronic performance management processes were being used. That does not suggest a lot of consultancy firms and IT software houses were not selling or promoting various products as this was more than evident during the exploration of various intranet sites. These sites inevitably referred to major benefits that such electronic web based systems offer. Some examples suggested significant cost and administrative savings, along with an overwhelming portrayal that such electronic process can offer a greater professional approach to performance management through instant information recall, greater tranparency and tailor made systems that can focus on company specific cultures, areas and performance measures.

One such process looked at a case study involving the Victoria and Albert Museum in London, Thomas (2004) which promoted the use of an internet based 360 degree review process. Although the article in question looked at the 360 degree proces in greater detail more so than performance management it did suggest the investment in such a tool hepled develop its management skills which has directly assisted them to cement their reputation as one of the worlds leading museums.

Areas of concerns were raised however by Thomas (2004) these included the actual design process adopted, the fact that the company had to significantly prepare its employees and finally agree if the process would lead and control the developmental agenda or just become part of the overall appraisal review process. These were considered major challenge and milestone in the introduction of the electronic process.

As to the design concpet of the new HPD process this was undertaken and completed by corporate head office with no interaction from local plants. The process itself was made up of goal management, peformance assessment, 2nd level reviews, performance and compensation discussions, and finally employee sign off.

The process itself is very much tied into the company MRR and STRAP process which combinates into the five year succession planning process and strategic operating plan also over the same period. This suggest the HPD process is strategically aligned to the business goals and objectives. The process is also very much intended to focus on people and they reference to employees as being the ultimate organisational differentiator. To this end the process is intended to mobilise and motivate people and in return employees will be then measured against performance based on results, which intern supports the practice of pay for performance. New to this particular process however is the renewed focus on behaviours in line with performance, and the alignment to further development opportunities which is now more obvious using the performance and development summary form (see appendix 6).

What this process also initiates is the now your peoples people concept for senior and other front line managers as this is now a fundamental process requirements otherwise how can they measure and quantify performance objectives.

Also new to this process is the performance rating chart that all employees are positioned on called the nine block rater. Ratings are identifed by the letters E, A or B.

E = Exceeds Honeywell standards

A = At Honeywell standards

B = Below Honeywell Standards

At the review process you r manager and managers manager rate your behaviours and performance. These particular measures are then entered into a rating scale or grid or nine blocker. This grid consist of a three by three table listing performance on the vertical side and behaviours on the horizintal. Those take can eninate into the three by

three box are considered high potential. Those that fall into the one by one box are considered poor performers and either need development or if deemed unsuitable managing out of the organisation.

1.11 Summary

The subject matter regardless of the type of literature explored seems to be very consistent concerning the nature, intent, scope and purpose of performance management systems.

It also became apparent that no one system of performance management exists due to the varying natures, cultures, practices and processes adopted by organisations. What is not in question however is the universal acceptance portrayed within the vast majority of the literature that the process has direct and indirect benefits to both individuals and organisations.

A question remains however regrading both the implimentation and success of the process, as it is very much dependant of the calibre, intent and ability of managers to manage the process through setting objectives, and then finally with frank, open and fair performance reviews with all concerned. This was consistently viewed as the major challenge.

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Chapter Two

Methodology

2   Introduction

The purpose of this chapter is to provide an outline of research methodology utilised. The chapter commences with the research objective. An overview of the research is then provided which indicates the sample selection and the data collection method adopted.

2.0   Research Objective

The objective of the dissertation is to then take this information and determine its relevance concerning the new electronic version of the performance management system. In doing so the author intends to;

1.   Determine, if the new system places greater emphasises on clearly identifying business and personnel objectives and goals

2.   Establish if the new electronic system improves the process itself.

3.   Investigate its design and functionality concerning its interactive nature and usability.

The research is intended to unearth information relative to the company and employee experiences following the implementation of the new intranet performance management objective and appraisal process. This is also an acknowledgement that this particular design of process is only such design and that others do currently exist. It is however the method that this research is going to focus in greater depth.

2.1   Research Design

The choice and method used regarding data collection is a vital step and element in the research process. There are varying processes in which to collect such data, which offer considerable differences in methodology and understanding. Bee (1994) identifies four of the main methods used in the collection of data. They are self completing questionnaires, interviews, observations and desk research.

This research utilised a two tier approach that consists of a self completing questionnaire and interviews. The self completing questionnaire was given to sixty

seven staff mambers on site as the performance management process is currently restricted to that selection of employees. Due to the mix of male female employees and staff hourly personnel the questionnaires were handed out to reflect and represent each group in an equal manner. The reasoning behind this is three fold.

1. All staff employees come under the current performance management process.
2. All staff employees secondary managers are required to perform the same sign off process even though they may not be currently part of the senior management structure, but never the less all went on the same training process as senior management personnel.
3. To eliminate possible bias and to get a broad cross section of representation from the three independently run business units that currently make up the companies manufacturing process.

The second approach concentrated on senior management team members and asks more expansive questions. The rational for this approach was to gain a clear understanding of some of the more subjective issues that the general mass of employees may not have answered in an un bias manner or due to their lack of knowledge in certain areas.

2.2   Quantitative Research

The benefit or goal of quantitative research is that it allows for statistical analysis of the data collected. Stevenson (1998) argues that this approach reduces the expense of conducting a research program while at the same time it offers the researcher the ability to generalise and maintain independence. Stevenson (1998) also indicates there are flaws in the system. These flaws manifest themselves in the inability to take account of the human actions and that non significant or moment in time influences can be introduced into the data collection process.

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2.3 Qualitative Research

Qualitative research on the other hand offers a different approach with the focus of the study being on the process itself and not the limited structures that may control or influence the subject matter. (Leavy, 1994) refers to this as the dynamic rather than the static phenomena. Seagers and Grover (1998) suggest that the informants are not selected as random but pre selected based on their position and experience status or because they hold specialised knowledge.

2.4 Designing the Questionnaire

The questionnaire was designed into four individual sections and took the form of a three page document (see appendix 3). The sections dealt with specific areas relating to the biographical section through to the introduction of annualised hours, employee involvement and participation and finally concluding with the change perspective and family friendly influences. A draft questionnaire was initially given to one or two of my work colleagues for proofing and to determine if the questions set were clearly understood. As a result of this process some of the questions and terminology used was changed and adopted reflecting their comments and observations.

2.5 Designing the Interview Questions

The questionnaire for the quantitiative process was drafted based on relevant question as determined from the literature review. In order to verify the questionnaire a draft copy was presented to some of my colleques to proof read and substanciate its content. Based on this exercise changes and modification were made which combinated in the final draft copy (see appendix 3) which was issued to the intended survey participants.

The author intended to design and draft an interview questionnaire based on a semi structure approach. However on reflection the author decided not to proceed with this format as it was felt a strutured interview would restrict and limit the flow and direction of the interview process.

By adopting this practice the interviewees were allowed to expand and to drift in to other areas outside the range and scope of the questiones posed. In all cases a free flowing discussion took place and the interviewee were given ample opportunities to probe and explore both similar and differing areas of interest.

2.6 Data Analysis

All the data received through both the questionnaire and interview processes were recorded (see appendix 4) and tabulated using Microsoft Excel format. A same tabulating format was used to ensure continuity of the information presentation. The use of excel was chosen over other means and methods of data presentation as it promotes clarity and provides clear visionary interpretation of the data.

2.7 Research Limitations

In the population the total number of females is relatively small totalling less that ten percent of the total staff work force. Due to these circumstances the finding portrayed may represent a more male gender bias. What effect, if any this has on the resukts obtained is open to interpretation.

Equally the questionnaire was given to all staff employees and management, but only two senior managers were interviewed. They were selected because of their special imput and use of the information obtained form the performance management process and secondly they represented the largest staff members group.

2.8 Summary

The multi disciplinary approach adopted for this research seemed to be the most appropriate as it allowed for the use of both qualitative and quantitative methods, which will provide responses representative of all employee at different levels, and positions of influence.

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Chapter 3

Research Findings

3. Introduction

This chapter presents the findings obtained from both the staff questionnaire (see appendix 3) and interviews (see appendix 5 and 6) with selected managers. The data obtained is presented under the sections as they appeared in the questionnaire.

3.0 Analysis of Data

This section described the information returned and presents it in analytical format. The findings from the interview process are also integrated into the questionnaire findings when and where appropriate to reflect the thoughts of those interviewed.

3.1 Respondents

As outlined the questionnaires were given to all sixty staff members within the company, and consisted of both male and female hourly and staff employees. A total of forty five questionnaires were returned out of sixty that were issued. Two senior management members were selected for interviews based on;

A.   They manage the process internally and use the information obtained

B.   One particular manager has the greatest number of staff members in his department which contribute to the process.

Their comments and observations have been incorporated into the following discussions to reflect their comments.

3.2 Research Findings

Under Section 1, Biographical information the author wanted to present the male verus female ratio of participant to quantify the different gender numbers. The rational for this question was to make all aware that due to the heavily weighted number of male employees the information obtained could be interpreted as being male bias and dominated. The actual survey returns was thirty seven male and seven female.

Equally with the second question in this section, years of sevice?, the author was looking for any possible correlation or trends between service years and responses to particular questions. Any significant trends however failed to materialise during the analysis of the survey returns, with results being totally varied across all the years of service.

3.3 Perception of the Performance Management Process.

Figure 3.3.1   Question 1; I believe the PM process is a valuable business tool which is intended to improve motivation and staff performance
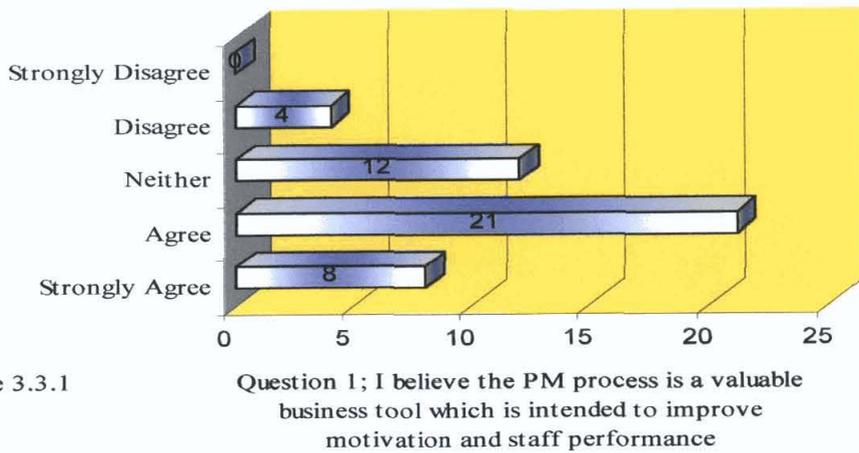
The response to question one showed a combined sixty four percent (64%) of respondents clearly agreeing or strongly agreeing with the intent of the process which is to improve both employee motivation and performance. This is in stark contrast to the nine percent (9%) of participants that disagreed with this assumption. Those that indicated no preference either way totalled twenty six percent (26%) which equates to a rather significant number of participants who have an indifferent attitude towards the process.
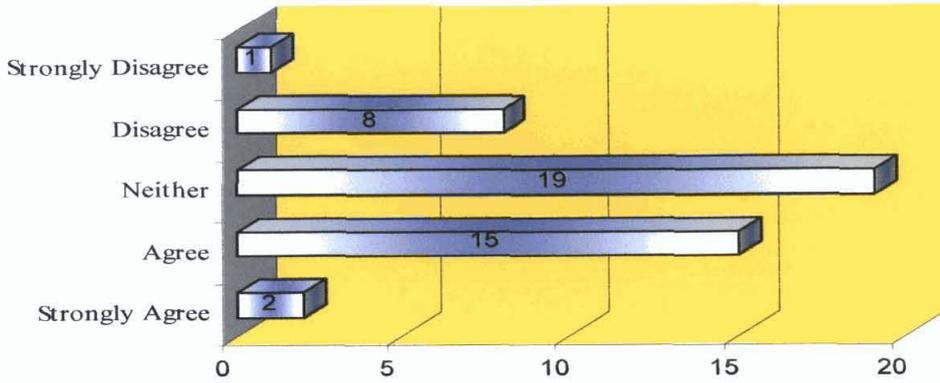
Figure 3.3.2   Question 2; I believe the PM process is a valuable tool as an indivudal participant

Question 2, sought to determine the individuals perception of the process. This too provided an equally indifferent response rate. Forty two percent (42%) of participants indicated no strong conviction as to the actual benefit of the process. While thirty three percent (33%) clearly indicated the PM process offered some benefit to them as individuals. That figure was slightly greater than the twenty percent (20%) expressing a combined disagreement towards the benefit that some individuals felt the process could offer them personally.
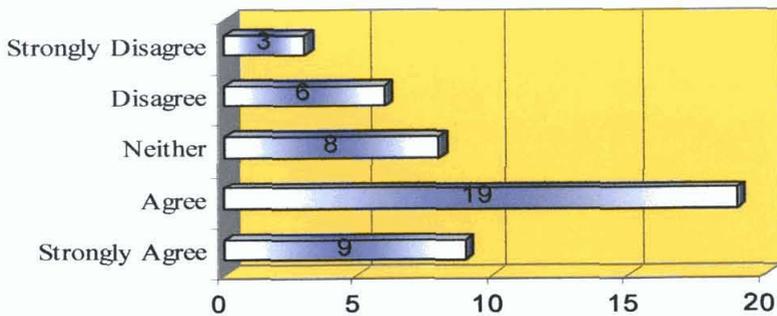
Figure 3.3.3   Question 3; My goals and objectives stem from a conversation with my manager and are in line with the goals and objectives of the the department and the organisation.

Question 3, sought to determine if the setting of their own goals and objectives derived from a consultation process between the manager and themselves and if they were in line with the department and the organisation goals and objectives. A combined sixty two percent (62%) clearly agreed. A further twenty percent (20%) indicating no they felt no correlation existed. Those that indicated no comments totalled seventeen percent (17%) which was accompanied by additional comments which accompanied the questionnaires. Those comments suggested difficulties clearly existed between their specific roles and the setting of meaningful goals and objectives. It was interesting to note those comments came from both male and female staff members that are engaged in primarily repetitive administrative tasks. The interview process with one of the senior managers also indicated that the setting of realistic and attainable objectives was sometimes difficult to achieve. They indicated our own internal structures and possible management failing as a reason more than a failing of the previous PM or the new HPD process itself.
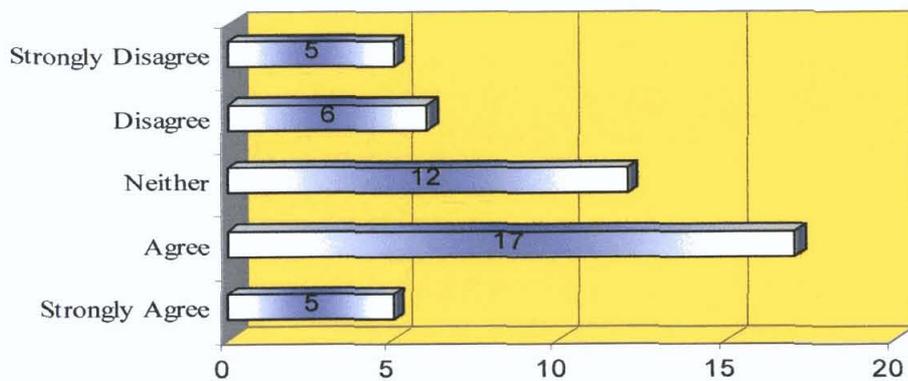
Figure 3.3.4   Question 4; The PM process is carried out in a timely manner each year and driven by the HR department

This particular question was set to determine if the process was owner driven, or driven by the human resource function on site. Forty eight percent (48%) of respondents indicated that the process was carried out in a timely fashion but equally driven by the human resource function. Twenty four percent (24%) reply with more

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negative responses disagreeing with the comment. This was slightly less than the twenty six percent (26%) that did not express an opinion one way or another. The latter responses were supported by additional comments which suggest the system is only completed due to pressure placed on managers by the HR department. This implies they agree with the question but do not believe the process is the driving force but rather the HR department.
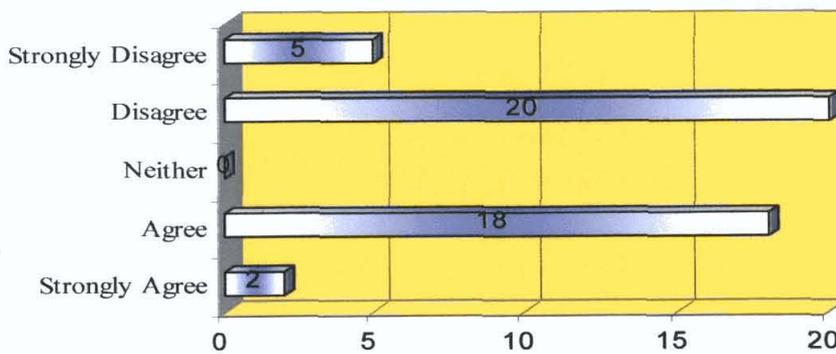
Question 5; The PM process is a live process and is
revisited throughout the year as priorities change
within the organisation.

Figure 3.3.5

This question intended to determine if staff members felt the PM was a live process that altered when and if necessary to reflect the changes in business needs and direction. Or alternatively, if the document was completed as the start of the year and only reviewed updated at review periods. The respondants replies were rather inconclusive with a combined fifty five percent (55%) indicating that the process was not a live process and only reviewed at year end. A further combined forty four percent (44%) of staff members suggested their PM process was revisited throughout the year and change in accordance to business changes and challanges.

This suggests that more than half of all staff members actively review their objectives throughout the year and modify same if required. It also indicates that the other half of staff members do not. Some additional written comments from staff indicated, that in order to do keep the document live could end up as a full time assignment due to the

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rapidly changing environment and the uncertaincy that exist regarding securing capital to complete projects and satisfy yearly goals and objectives.

Question 6; The PM process is used effectively by staff and management as a development tool and focuses more on future improvement more than past performance.
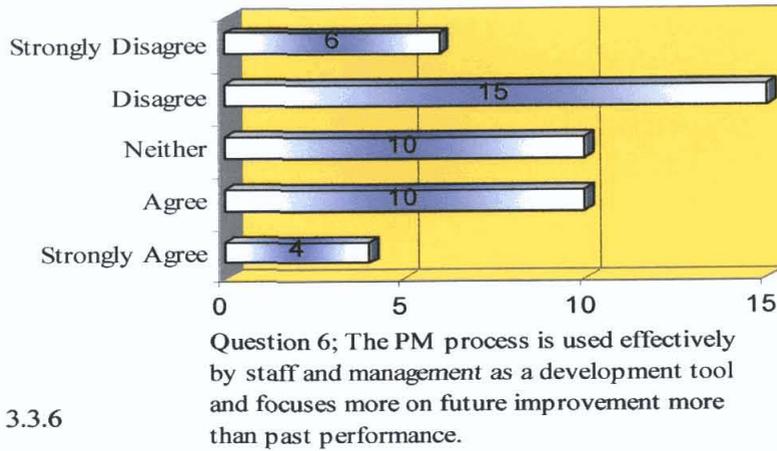
Figure 3.3.6

Question 6, posed the question, do management and staff effectively use the company's PM process as a development tool which focuses more on the future than past performance. A combined total of forty six percent (46%) disagreed with only thirty one percent (31%) jointly agreeing. A further twenty two percent (22%) expressed no opinion either way which was hard to comprehend as the question one thought would of returned either a positive or negative response. One possible explanation for the indifference lies within some of the comments that were given, for example three respondents suggested the process is not really taken seriously by management due to departmental inconsistencies in management approach. Also the percpetion from different managers as to what actually constituted acceptable performance returns and standards.

This comment was supported by the HR representative during the interview process see appendix 5 & 6 which suggested that management operate the process very inconsistently with differences in performance standards, attitudes toward appraisals and a general lack of understanding as to the true aim of the process. This unfortunately is being carried forward with the new process treating it very much like

the old system which only focused on performance and not attitudes and behaviours which the new system places a great deal of focus on.
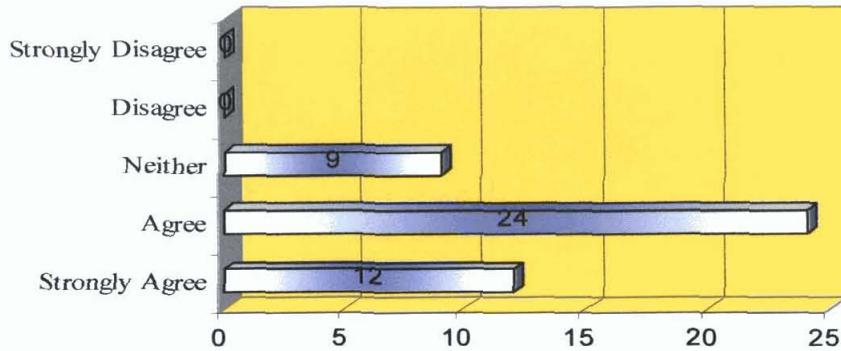
Figure 3.3.7   Question 7; The PM process is a tool used by management as a means of control and to ensure an acceptable level of performance is attained

Question 7, asked staff the question do management use the PM process as a control tool and mechanism. An emphatic eighty percent (80%) of respondants expressed a strongly agreed or agreed to the question with not a single individual disagreeing. The only indifference to the question came with twenty percent (20%) of participants not clearly indicating one way or the other.
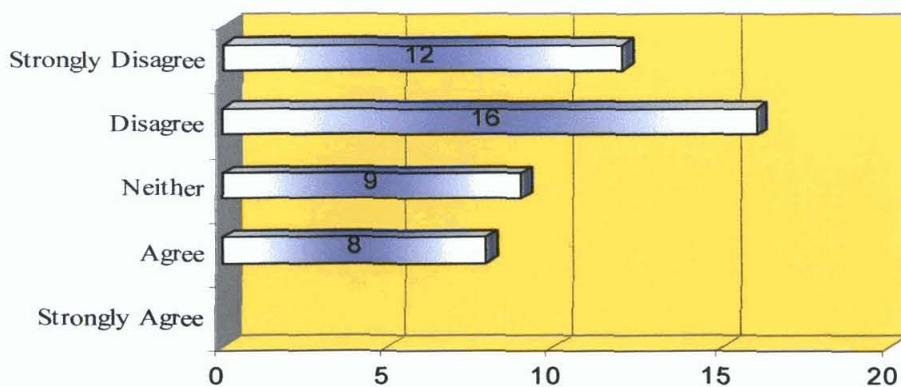
Figure 3.3.8   Question 8; I view the PM process as an oppertunnity for me to develop my career through promotion and rewards.

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Based on the previous question and the response provided came as no surprise to learn that sixty two percent (62%) of those surveyed do not believe the PM process provides an opportunity for one to develop their career through promotion or some other form of reward. This is in stark contrast to the seventeen percent (17%) who suggest the process can influence or provide opportunities from which they can progress their careers and gain promotion. Roughly the same percentage did not express an opinion one way or the other.
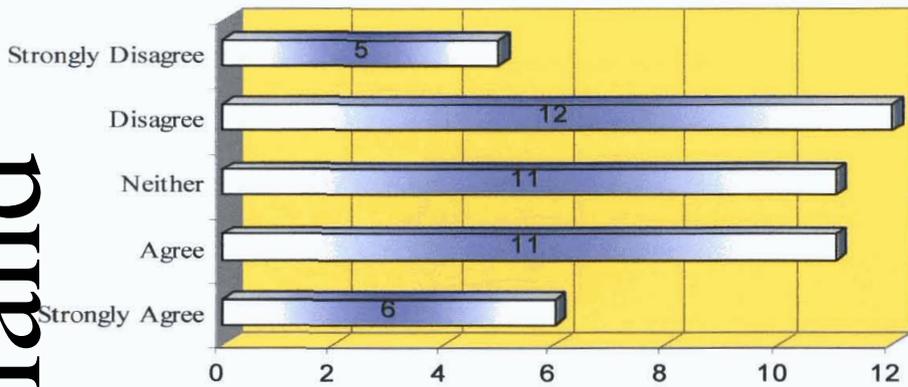
Figure 3.3.9   Question 9; The PM process focuses my attention to
                      ensure I satisfy my goals and objectives

The returns to this particular question were equal in percentage terms, with thirty seven percent (37%) equally agreeing and disagreeing. A further twenty four percent (24%) once again did not express an opinion either way. This response was some what unexpected bearing in mind the strong sentiment that prevailed concerning the previous question and the percieved lack of promotional opportunities based on the PM and new HPD process.

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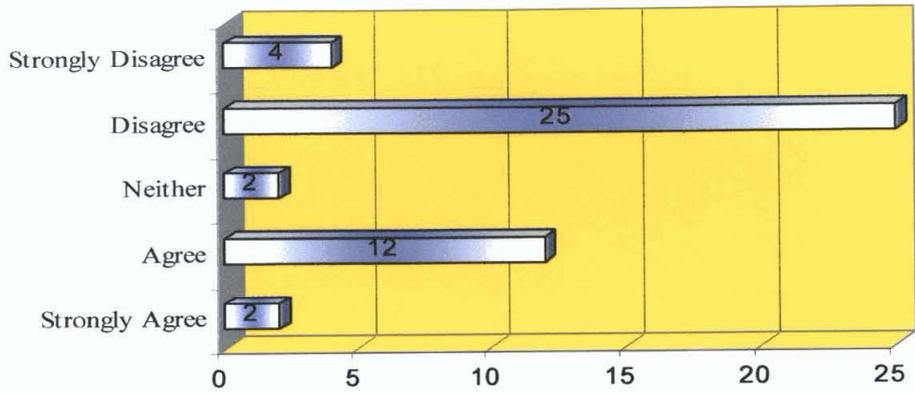
Figure 3.3.10   Question 10; I was consulted prior to my goals and
objectives being determined

Question 10, asks the participants if they were consulted prior to the setting and
agreement of objectives for the following year. Move than half or fifty five percent
(55%) indicated that they were not consulted prior to the setting of goals and
objectives. Alternatively forty percent (40%) of those questioned implied they were
consulted prior to the goals and objectives being set.   In this particular instance the
neither group was insignificant with total returns only accounting for four percent
(4%) of respondants.
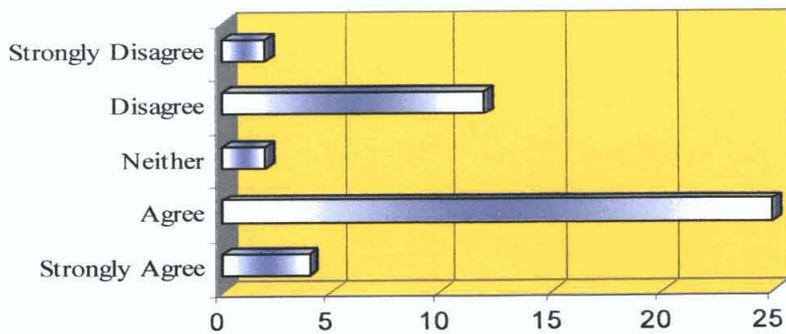
Figure 3.3.11

Question 11; The appraisal process clearly
identifies both my strengths and weaknesses and
the development section reflects actions and
training opportunities to overcome same

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This particular question drew the greatest returns from the comment section with numerous additional comments added. With sixty four percent (64%) of participants indicating they did not agree with the statement, the comments section offered some explanation as to why. The major causes for the more than negative response came due to the fact the even if development actions were identified they seldom materialised into concrete actions, training or development opportunities. Equally some alternative comments indicated that the development section was seldom discussed as the appraisal review process. This perception however was not universal with thirty one percent (31%) of respondants clearly indicating that weaknesses were matched by potential developmental opportunities. Once again the impartial respondants were insignificant with their particular returns and comments.
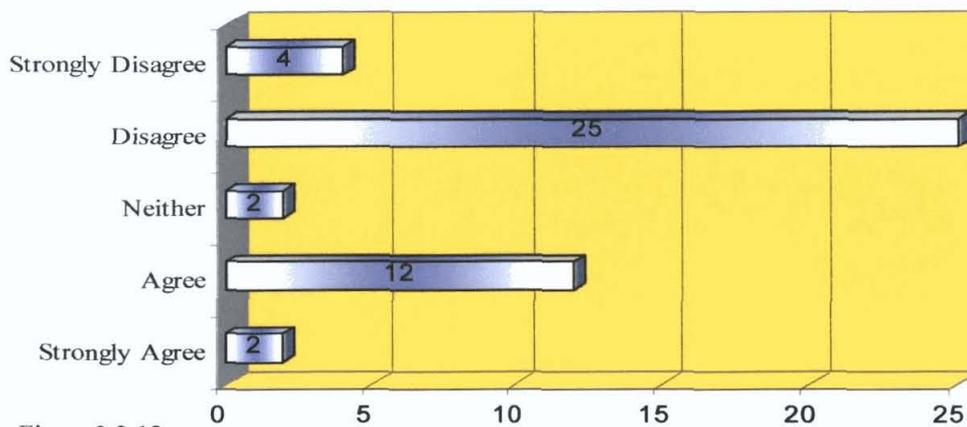
Figure 3.3.12

Question 12; My goals and objectives are fair and attainable.

Question 12, sought clarification regarding goals and objectives. The previous question in this area looked at the consultation process. This particular question set out to determine if the goals and objectives were fair and attainable. Sixty four percent (64%) of respondents clearly felt the goals and objectives they were given were not fair and attainable. The comment section of the questionnaire although not extensively used indicated the main problems manifested themselves in the area of control. The majority of negative staff returns suggested they were being held accountable for targets primarily relating to scrap targets and production figures that they had no real

control over. They determined this to be both unfair and unrealistic as the staffing controls were the domain of the line managers and not themselves as engineers and process engineers. However, thirty one percent (31%) of participants clearly felt their goals and objectives were fair and attainable with the "neither" returns once again returning a rather insignificant percentage.
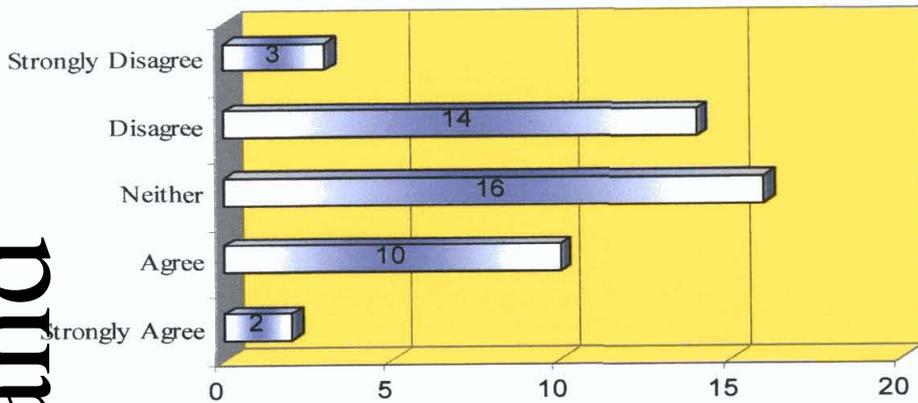
Figure 3.3.13   Question 13; I actively prepare for my review meetings in advance and have ongoing discussion throughout the year

Those that disagreed and stated they did not prepare nor have continuous appraisal throughout the year be they formal or informal totalled thirty five percent (35%). This was only marginally bettered however by the "neither indifferent" group who also returned thirty five percent (35%) which is somewhat surprising as the the actual high percentage returns to this question. Support comments however indicated staff members do not consider preparation to consisted of the day or the review meeting or at a minimum the night before and they obviously did not consister that appropriate preparation. Twenty six percent (26%) of participants however indicated they did prepare for the review process. This percentage is roughly equal to the percentage of participants that also returned a positive outlook towards fair and attainable goals and objectives. Looking at both sets of repsonses there is a correlation between those that returned posititve to both questions which suggest that those that found their goals and

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objectives attainable and fair also prepared in greater detail for their respective review processes.

The indifference to the process either preparation for review or ongoing discussions is mirrored by the interviews held by senior managers you indicated due to pressures of the businness and a lack of time made the process more of a ritual than truly meaningful process.
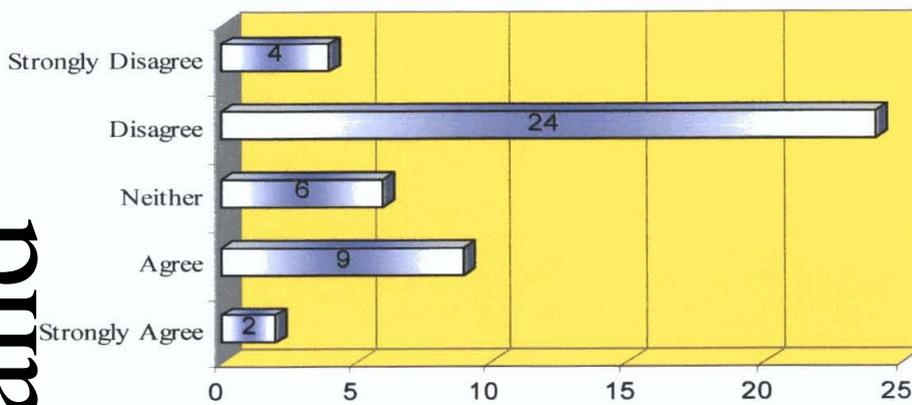
Figure 3.3.14   Question 14; The PM process is a great opportunity for me
to both receive and give feedback to my manager.

This particular question asks staff members if they felt the PM process affords them the opportunity to speak both openly and frankly to their manager concerning their performance. While at the same time accepting an equally frank discussion from their manager. The sixty two percent (62%) negative feedback would indicate that this is not the case with only twenty four percent (24%) of participants agreeing with the question posed. Those that did not express an opinion one way or another accounted for only thirteen percent (13%) of all respondants. This would clearly suggest a sense of unease with the feedback process, which was reflected in commnets that indicated management would hold it against individuals if they spoke frankly.
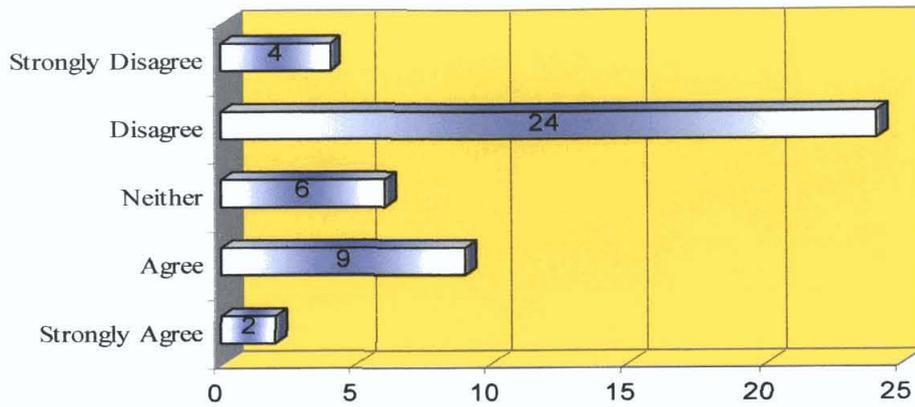
Figure 3.3.15   Question 15; Where oppertunities for development are
                    identified these are followed through by me and my manager.

The same negativity was expressed and returned for question 15, which sought to
determine if the development/training opportunities that the process intends to identify
are actioned and followed through. Sixty two percent (62%) of all respondents
returned a negative response although nearly all that percent did not react with enough
conviction to return a strongly disagree response. Nether the less only twenty four
percent (24%) felt the process not only identified development opportunities but also
provided the means for them to actively follow through and deliver the necessary
training and assistance to deliver these developmental opportunities.
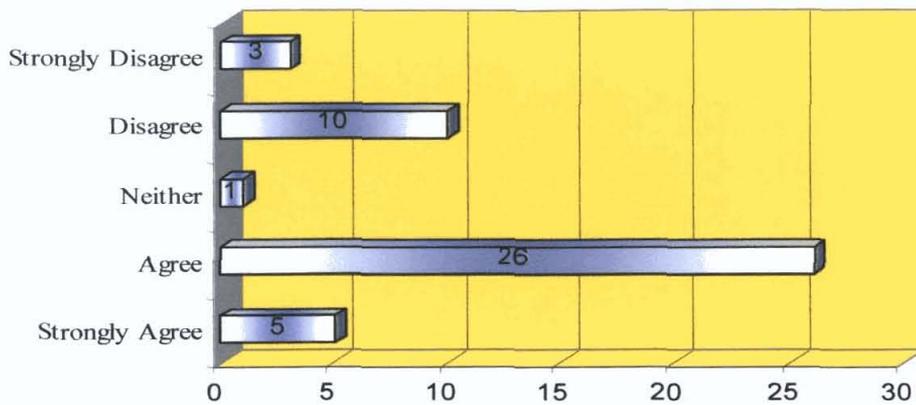
Figure 3.3.16   Question 16; The HPD process is an annual ritual undertaken
                 primarily to satisfy corporate requirements..

One of the most posititve return of all questions related to the perception held by staff
members that the PM process was primarily an annual ritual undertaken to satisfy a
corporate requirement. Sixty eight percent (68%) of respondants agreed with this
sentiment. However twenty eight percent (28%) disagreed with one participant not
indicating one way or another.
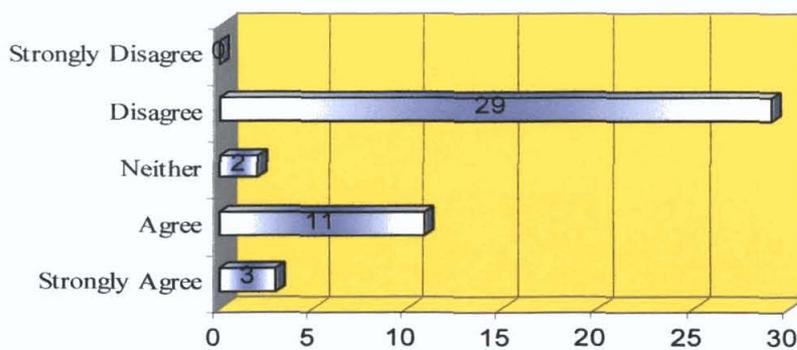
                 Question 17; The new HPD format with the
                 second tier manager sign off improved the process
Figure 3.3.17   by making it more transparent by ensuring
                 consistency and valid performance appraisal

Question 17, looked at the introduction of the new HPD process format and asked the
question did the introduction of a second tier management sign off at the objective and

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appraisal stage ensure the process became more transparent and consistent?. Sixty four percent (64%) indicated they disagreed with the proposal that the new process ensured consistency and a valid performance appraisal. A further combined thirty one percent (31%) of the participants indicated that the new system did provide the transparency, validation and consistency. Three participants made additional comments which suggested they welcomed the new second tier sign off, as they saw it as an opportunity to receive recognition for the work undertaken by others rather than their direct managers.
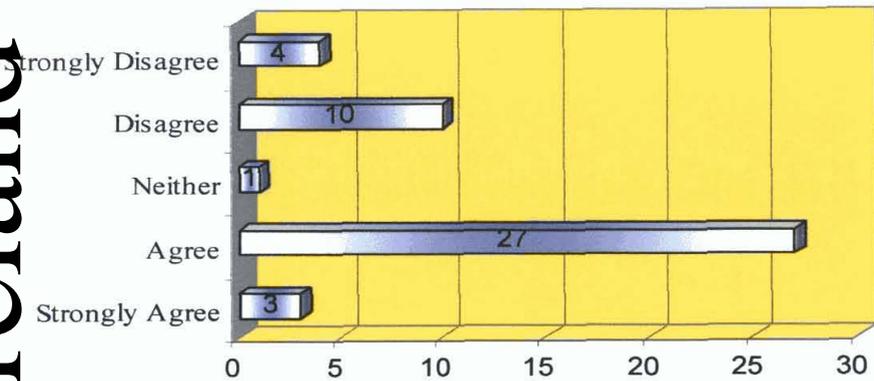
Figure 3.3.18

Question 18; The new HPD format with the second tier manager sign off has positively altered my perceptions of the PM process.

Bearing in mind the response from the previous question which was relatively indifferent. This follow up question and the responses returned was somewhat surprising. Sixty six percent (66%) of respondents indicated that the second tier sign off would positively enhance their attitudes towards the process. Yet in the previous question the respondents felt the new process did not introduce any additional transparency. Based on this there seems to be a contradiction in terms of understanding or interpretation of the question. Even with this relative positive return some thirty one percent (31%) of respondents still indicated that the HPD process would not alter their perceptions of the overall PM process.
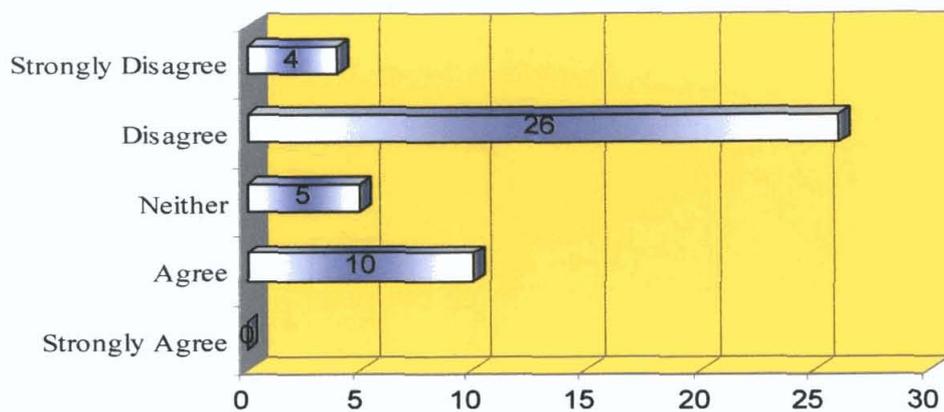
Figure 3.3.19   Question 19; The design and functionality of the process is
                       user friendly.

Question 19, sets out to determine if staff members found the new intranet HPD process user friendly. The rational for this question was due to the fact the launch and completion date of the new HPD process was to be completed in a relatively short time frame. Also most staff members would be considered computer literate so it was envisaged that the switch to a intranet designed and directed process would not of cause much concern or difficulty to staff members.

However sixty six percent (66%) of respondents disagreed with the user friendly aspect of the process. Some additional comments presented indicated the lack of support and understanding of how the process was to be completed electronically, also the fact that employees had to registar onto the intranet site to activate their password and permit data entry and formulisation also caused some considerable difficulty. These comments followed an extensive training program presented on site and which accompanied the implementation and roll out of the new process. In contrast twenty two percent (22%) of participants suggested the process was user friendly and had no difficulty what so ever.
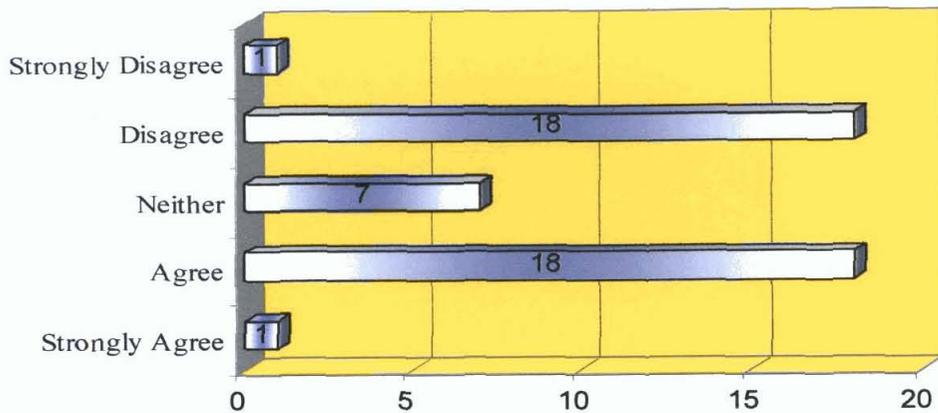
Figure 3.3.20 — Question 20; Being an electronic based process makes it more time effiecient and professional.

Both the positive and negative returns to this particular question returned equal values at forty two percent (42%). This suggests a rather indifferent view is held by the majority of staff members as to whether the process has been enhanced or not with the introduction of the new HPD process. This response was somewhat alien bearing in mind the positive response from question 18, which suggested the majority of participants indicated they had developed a positive attitude towards the new process.
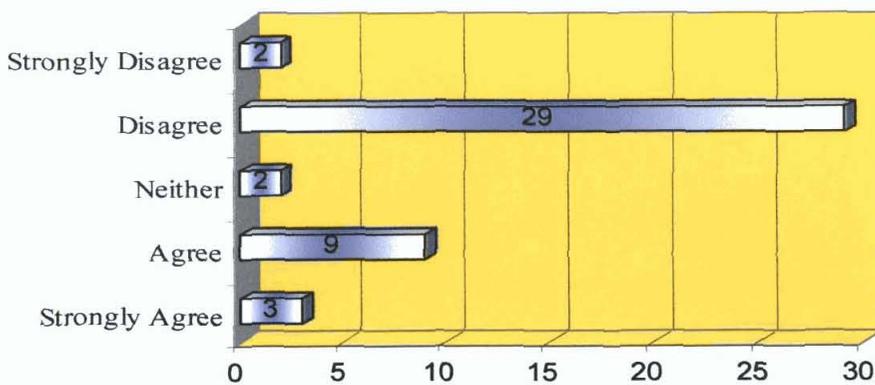
Figure 3.3.21 — Question 21; Do you think your manager gives the HPD process the time, importance and necognition it is intended to command

This question returned the highest negative percentage with a combined sixty nine percent (69%) indicating that the process was not given the due attention that it is intended to command. A further twenty seven percent (27%) of respondants however jointly agreed with the question. This particular question introduces the concept of culture and the type of culture we have in the organisation. Based on these returns it is very obvious that the process in the current culture and environment is not being percieved either by the staff or management in a very positive light.
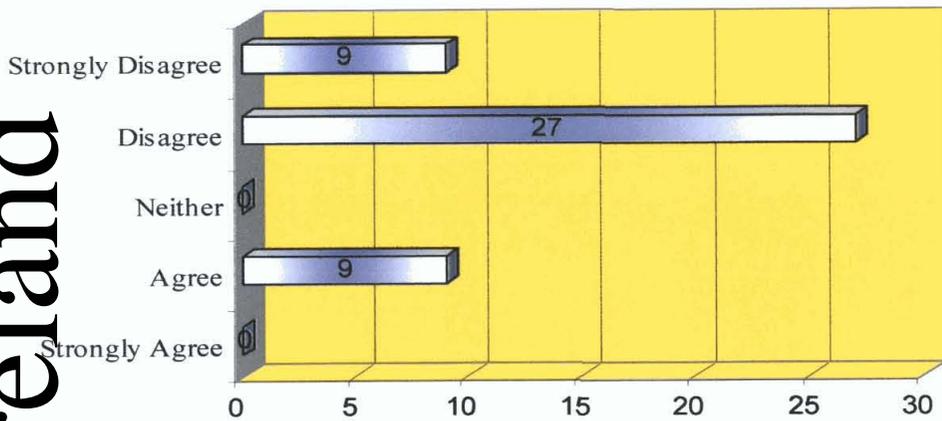
Figure 3.3.22   Question 22; The introduction of the new HPD process has raised my levels of expectation regarding the process

Finally the last question concerning the new HPD process asks do staff members believe the new system has improved their commitment and motivation to the organisation. A massive combined total of eighty percent (80%) disagreed with this sentiment, with only twenty percent (20%) in agreement.

3.6   Summary

Out of a total of sixty questionnaires issued to staff members forty five were returned. The findings based on an initial assessment suggest the new process is welcomed but only by a small majority. The overall aim of the process which was to provide greater

transparency, consistency and appraisal uniformity through goal alignment has not been achieved or the perception thus far is that the process has not delivered on those objectives. This will be some what disappointing to those that launched the process and also management who are the champions and the drivers of the process internally.

The results also clearly indicate that we have some process defenders, or those who are more intent on using the process and see it as a beneficial tool and a mechanism from which they can enhance their own careers. One major concern also evolved quite clearly and that was the disparity and difference that exists between management techniques and the setting of objejctives and acceptance of what are considered adequate performance measures.

National College of Ireland

Section Four

Discussion

4　Introduction

The purpose of the discussion chapter is to evaluate and assess the primary research findings against the findings and links of the literature review. To achieve this the findings of the primary research will be extrapolated and then interoperated against its relatedness to the literature review.

4.0　Discussion Overview

The format of the discussion section has been deigned to follow as close as possible the information as presented in the research findings to ensure information flow and continuity. Within this section information obtained during the interview process with senior management has been included to reiterate, consolidate or to disagree with comments and findings as outlined in the literature review. Some of these comments were not included in the previous chapter due to their specific nature and relevance to this particular chapter.

4.1　Discussion

Section 1 of the questionnaire, "Biographical Information", has no real input to this section as was explained in the early sections of chapter three. Section 2, "Perception of the Performance Management Process" and the subsequent section relating to consultation and participation elements plus the percpetions and introduction of the new HPD process are however pivitol and focal areas.

4.2　Section 2; Perception on Performance Management

The first two questions 3.1 and 3.2 set out to determine if staff members believe the intend of the process is to increase both motivation and commitment to the company as well as being a personal individual promotional tool. These sentiments were indicated by McGregor and Taylor respectively, the former as far back as 1960's however, with a high percentage return of sixty four percent (64%) it seems the majority of Honeywell staff clearly agreed with this statement. The above author also related

performance appraisals as an important administrative and informative tool. This once again is clearly aligned to Anderson (1993) findings which suggests, appraisals fulfill a variety of purposes both for organisations and for individuals.

Another interesting perspective was illustrated by Taylor (2002) when he made reference to the two variants of performance management as outlined in table 1. Staff members, through high percentage returns clearly saw the process as a method to ensure company standards were being achieved. Only thirty one percent (31%) of staff implied the process was a valuable tool, or afforded them the opportunities to obtain the standard of excellence as illustrated in the same table on page 13.

Question 3.3, looked at the alignment of both personal and business goals and objectives which as suggested by Bach & Sission (2002) this was one of the failing of the previous MBO style of performance management. They suggested MBO lack integration and a personal development process which was equally supported by both IBEC (2002) and Mullins (1990) who confirmed such critisism of the process.

The performance management process within Honeywell however has clearly addressed this problem with sixty two percent (62%) of respondents clearly indicating that the process aligns both business and personal goals and objectives. The internal process is also in line with Fowler's (1990) observation that the system should be expanded and more inclusive of all staff members and not just the senior management team which this internal process equally delivers upon. Criticisms were offered and documented however by some staff members which totalled some twenty percent (20%). They indicated their objectives and goals were meaningless and that they were not really relevant to their jobs.

This concurs with the sentiments of Amaratunga & Baldry (2002) Yeo (2003) and Pilbeam & Corbridge (2002) who suggested difficulties exist with both setting and measuring objectives concerning the tangibles and intangibles of performance

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management and that organisations that failed to integrate performance measures experienced high dissatisfaction and possible turnover. Although the primary research did not substanciate those comments, evidence presented during the HR interview process clearly indicated that the performance management process is not used internally as a promotional tool. This could be concieved as being a demotivational element and result in possible dissatisfaction towards the process.

Also during the interview process with one senior manager, it became evident within some sectors of his staff when he indicated that goals and objectives that he set although relevant to him and his department were not that easily attainable or achievable which resulted in some staff members having an indifferent appraoch towards the process which subsequently resulted in de motivation factors and a lack of interest for the performance management process. This suggests we as an organisation have failed to address the performance benchmarking and objective benchmarking initiative as suggested by Bevan & Thompson (1992) who imply this could possibly overcome this particular problem. In doing such an exercise as Pilbeam and Corbridge (2002) suggest, we may secure better results, equality and enhanced motivation from staff members.

Taking a different outlook Sparrow and Hiltrop (1994) suggest, the performance management process is a strategic management tool and technique, used to link business to individual goals and objectives. Does this then suggest by virtue of the fact that the organisation has a performance management process that the company is then working strategically and to some long term plan. Only time will unveil the answer to that particular question and if the performance management process delivers the expected and anticipated benefits that a strategic plan is designed to deliver.

Question 3.4, sough to determine if the process was completed each year in a timely manner as suggested by Torrington Hall & Taylor (2002) and whether the process was the domain of the HR department more than through the desire and intiative of the user

and manager. The primary survey result were somewhat inconclusive with only forty eight percent (48%) of respondents agreeing with the authors that the process was carried out in timely fashion each year. Some twenty four percent (24%) disagreed with the above authors with the remaining twenty six percent (26%) neither agreeing or disagreeing. The latter result was somewhat surprising as I thought the question would have returned a simple yes – no asnswer and this return may be down to the number of opions offered in the questionnire. However upon review of the comments made by staff, which were confirmed and cemented during the interview with the HR representative, the process is very much HR driven and supported. The comments implied without the drive and insistance from the HR department, the process in all probability would not occur within the time frame in which it is suppose too. This is contradicted somewhat by the other interview conducted with the senior manager. He clearly anticipates a discussion every year in February March time frame to discuss his performance goal and objectives, following the cascading of the plants goals and objectives from the plant manager. In general however I must conceed that the relative small positive returns would suggest the process in general is not owner driven and therefore reliant on the drive and initiative from the HR department.

Question 3.5, is a follow on question to that of 3.4 and asks the question is performance management a live process, reviewed and revisited throughout the year as priorites change within the organisation.

The rational for this question arose based on finding in the literature according to both Armstrong (2002) and Taylor (2002) who viewed the performance appraisal process as being a continuous process involving shared dialoque and understand, plus agreement on the actions in hand that are continually reviewed and discussed.
Torrington, Hall and Taylor (2002) equally suggest ongoing reviews periodically throughout the year should form a fundamental part of the process with another author indicating these reviews can can the form of one to one meetings, shop floor discussions as well as more formal annual and six monthly review meetings. The

reasoning for this they suggest is to plan work activities and to inform the manager if agreed performance goals and objective are on target or if difficulties in achiving same exist.

The primary research findings however were inconclusive concerning this particular question. Forty four percent (44%) implied they did review and revisit their goals and objectives throughout the year but more substanially fifty five percent (55%) indicated they did not. This was also one of the few questions that did not return either a positive or negative response as nobody ticked the neither agree nor disagree comment.

Additional comments provided by the respondents however offered some explanations as to why those that did not continually review their goals and objectives choose not to do so. They suggested, in order to satisfy that particular requirment, the update process could become a full time repetitive task, and very time consuming due to the every changing environment in which they operate. Secondly the uncertaincy that prevails regarding securing capital investment for projects is totally out of their control. They suggest they can only submit capital applications and then await for approval from a high source. If the capital is released then their goal is to deliver the project on time. If not the project is cancelled and they are then required to run with some other project which can relate to some other objective.

This sentiment is equally shared by the senior manager during the interview process when he equally implied that difficulties exist with deliverables and the setting of performance objectives that his staff have ultiment control over. To contradiction those comments, the HR representative implied during the interview process that managers on site have contributed alot to the indifference that unfortunately exists within staff groups relating to the performance management objectives and measures and the methods in which they are concieved and presented. This she suggested was down to their indifferent approach, coaching skills and general management skills not

only of the process but in general awarding objectives, setting performance measures and having those frank discussions. These difficulties however, seem to be universal as Beer (1981) and Winstanley, Stuart & Smith (1996) suggest that the manner and skill in which the process is conducted and executed both at interview stage and as an ongoing process can lead to severe difficulties and ultimately criticisms of the process from all quarters. These criticisms seem to be more than evident within our particular process.

Question 3.6, Introduced the concept of personal development. As identified by the vast majority of authors during the literature review one of the main components of the performance management process was performance enhancement and personal development opportunities to both encourage and support continuous improvement and improved effectiveness. Amaratunga & Baldry (2002) suggested that the rise in performance management initiatives was due partly to integrate ongoing performance approvements which if overlooked and ignored would lead to less than satisfactory performance indicators, staff demotivation, dissatisfaction and possible turnover.

With this in mind Fisher, Schoenfelt & Shaw (1990) clearly set out that the intent of and true purpose of performance appraisals process is to act as a developmental tool thus reinforcing and sustaining enhanced performance. However, the response from the questionnaire did not mirror those suggestion, with forty six percent (46%) disagreeing with the literature findings. In support of the developmental intiatives were thirty one percent (31%) with twenty two percent (22%) expressing no conviction one way or another.

Once again those that indicated no preference one way or the other supported their comment by insisting management were totally inconsistent in their apptitide toward the developmental side of the process and the indifference that existed bewteen managers was alarming. This train of thought was once again supported during the interview process with the HR representative and confirms the difficulties and critism

that were presented by Beer (1981) and Winstanley, Stuart & Smith (1996). These particular authors imply the appraisal process can lead to frustrated hopes, leaving the employees embittered by the process. Another concern raised was the transparency of the decision making process which supports the comments included in the comment section of the questionnaire.

Question 3.7, intended to build on the previous question which sought to determine if staff considered the process more as a performance control mechanism rather than a developmental process.

It became very obvious throughout the literature that the control aspect was very evident Bratton & Gold (1999) instisting the process of performance appraisals was inevitably being viewed as an elaborate system of rhetoric apparatus and bureaucratic control. Taylor (2003) equally sees the process as focusing on incidents of poor performance with an intent of improving same which he concludes is a key priority of both management and the organisational HR function. The staff returns from the primary data returns seems to replicate these sentiments with an emphatic eighty percent of respondents in total agreement that the process is solely intended as a performance control mechanism.

Indirectly if you analyse the response from the senior manager concerning the introduction of the new HPD process and the second tier manager sign off and the possible effect it may have it became very apparent that the process is viewed as much about control as it is performance enhancement and development. I know the difference between could be construde as being very acute but never the less the perception clearly exists that the process is more design to control than promote performance improvement through coaching, training or any other developmental method.

Question 3.8, the final question in this particular section relating to performance management perceptions, looked at some of the propose benefits of the process, like promotion and rewards and if staff members viewed the process as being a critical factor to support their application if any particular promotional or reward situations presented themselves.

Unfortunately, unlike Murphy & Clevleland (1995) who suggest by using a formal system and if adopted properly that it could and should be used as a mean to select promotional and reward allocation the primary survey returns conclusively disagree that the process is and can be used to substantiate this concept. More than sixty two percent (62%) totally disagreed with the proposal that the process is used or can support reward and promotional opportunites. Only seventeen percent (17%) seem to agree with an equal percentage having no opinion one way or the other.

For me personally I found the comments from the HR representative on this matter very surprising when she confirmed that the process was not really used, consulted nor viewed as being a tool from which promotional decisions are made upon. This only supports and condones the negative response and overall poor perception that currently exist for the process. It is altogether somewhat alarming to considered the process has no real benefit at local plant level in determining such matters. The only instant the interviewee noted that the performance management process was considered relating to a possible promtoional opportunity was at senior management level. Even then the opportunity was for an international position and the information sought was by corporate members who clearly intended to use the process as some measure of competency and personal strenght.

This was somewhat confusing and alarming as it suggested corporate officers intend on using this process yet we ourselves at plant local level seem oblivious to the potential performance and behaviour implication that the process is intended to highlight and promote.

4.3   Involvement and Participation

The first question in this section 3.9, asked, does the performance management process focus the attention of staff members to ensure they achieve their respective goals and objectives. Bearwell & Holden (2001) suggest the implementation of a performance management process should provide the links to ensure the employees achieve the "whats" which they refer to as the objectives, targets and performance standards. The primary research however did not support this sentiment, as an equal percentage of thirty seven percent (37%) both agreed and disagreed with the authors comments, with a further twenty four percent (24%) not expressing an opinion either way.

This raises a number of questions both of the process itself and managements roll in the direction, leadership and facilitation of the process. If the comments expressed by Gunnigle, Heraty & Morley (1997) conclude, that the process should enable ease of measurement of performance, against pre determined work performance or standards. When then do we find it so hard to set and adhere to those standards. Alternatively do we not request and seek staff members to satisfy those standards. Or is it as suggested by Hendry, Bradley & Perkins (1997) the variant of organisational culture, staff management relationships and the types of tasks the staff are required to perform make both influencing and overcoming such negativity and indifference a task in itself.

Question 3.10, is really a continuation of 3.9 in so far as it it continues with the setting goals and objectives theme but this time ask the question were staff members involved via a discussion with their manager prior to the goals and objectives being agreed or cascaded down.

The primary research of staff members via the questionnire indicated that fifty five percent (55%) of respondents were not consulted. Forty percent (40%) of those surveyed implied they were with the "neither" group returning an insignificant four percent (4%). During the interview process with one of the senior managers, he clearly implied that his goals and objectives were based on a discussion and the

cascading of goals and objectives from his manager. He intern then suggested his staff members goals and objectives were further cascaded down based on subsequent conversations with him personally. From this I can conclude that some of the positive return from staff were actually from his department, but it would be equally fair to say not all managers adopted his mentality for setting and cascading of goals and objectives with their respective staff members. Otherwise I believe the positive percentage returns would be much higher

To consolidate the above opinion the HR representative during the interview process equally suggested that indifferences exist between managers and the methodology in which they manage the process. This negative response is at odds with the literature unearthed during the review process as Pilbeam & Corbridge (2002) suggest that in order to obtain legitimacy in the process the discussion of goals and objectives must be done with the consent of the team or indivduals concerned.

Question 3 .11, Continues with the concept of setting goals and objectives to determine if repsondents believe them to be fair and attainable. Pilbeam & Colbridge (2002) insist in order to gain and secure the best results from the process it must be done in a atmosphere of fairness and equality. Again this particular element of the process seems to be lacking. Sixty four percent (64%) of respondents indicated that their particular goals were not fair nor were they attainable. Only thirty one percent (31%) of staff believed the process achieved this fair and equitable element. This unfair sentiment was also echoed during the interview with the senior manager who believed the process required goals and objectives to be attained that were outside the full control of the individuals. These concerns also manifested themselves in other areas of the primary research with staff comments suggesting lack of capital and influence being both barriers and prohibitive to achieving certain goals set during the process.

Question 3.12, When reviewing the literature Pilbeam & Corbridge (2002) emphasise the importance placed on the developmental side of the performance appraisal process.

Armstrong (1999) suggests one of the primary concerns of the performance appraisal process is to make development or improvement plans following the discussion and performance review. Taylor (2002) also suggest the appraisal process should be use to identifies the best way of improving performance and identifying training programs in which to deliver these improvements. However, the responses from the primary reseach survey clearly indicated that the staff did not agree with this leading initiaitve. Sixty four percent (64%) returned a negative reply with only thirty one percent (31%) implying that the development side of the process was reflected in the appraisal review discussion or that development oppertunities were delivered. This is not really surprising if you take into considerations the comments made by the HR representative during the interview. Here she suggested more so with the new process but with both in general the developmental side of the process was weak and not very well planned and implemented. This despite the performance and development form that accompanies the HPD process (see appendix 8). This sample clearly allows for and intends for the employee and manager to develop and identify training and learning needs. Although the sample provided is and has clearly made provisions for such training and lealrning to take place, the responses from staff indicate that this does not always occur.

Qestion 3.13, explored if staff members actively prepare for the appraisal review meeting in advance as suggested by Taylor (2002) and Currie (1997). The authors suggest performance appraisals are conducted between the manager and the employee but the assessment or appraisal form is completed by the staff member prior to the interview or discussion meeting.

The repsonses however from the primary research was inconclusive. Thirty five percent (35%) of staff suggested they do not prepare for these meetings. With twenty six percent (26%) implying they do. What was interesting was the number of staff which totalled thirty five percent (35%) who replied neither positively nor negatively. Once again the author found this uncertainty to the question somewhat amusing as the question itself one thought suggested a simple yes no answer. The comments section

did elaborate on the possible indifference by suggesting people viewed the night or day before as not constituting proper preparation. This would also concur somewhat with the findings from the literature which equally suggested that during the course of the year both formal and informal discussion should take place and that these discussions should be documented. This was not evident in the primary research returns from staff nor was it evident from the interviews with the HR and senior management personnel. From this one could conclude that the process is possibly more ritual and rethoric than a self driven and owner occupied process.

The following two questions number fourteen and fifteen continued with the appraisal process format and implementation. The latter seeking to determine if the process was open and frank as was suggested by Towers (1992) who implied the allocation of appropriate time to conduct appraisals was paramount to a constructive process. The same author also insisted that limited criticism on past performance be adhere too. Along with the ability of both aprties to speak openly plus the desire to place greater detail on performance measures rather than personality differences. In conclusion, then and only then could the process can be construde as being both professional and meaningful.

Once again the primary research from the staff via the questionnaire totally deflated this assumption with only twenty four percent (24%) in agreement with the literature and a significant sixty two percent (62%) of staff members disagreeing that the proposes provided them with the opportunity to speak openly and frankly to their manager. More interesting were the comments that followed this section that suggested that staff members were very reluctant to speak openly due to fear of creating negativity and personal bias towards them by their respective managers. This particular feedback was alarming as it suggested the old style behavioural bias relationships that were evident in years gone by is still very evident in todays environment. This is in spite of huge efforts via communications forums that have

constituted a key focal business initiaitive within the plant for the past number of years.

Also in the interview process the HR representative clearly indicated that managers although not through desire or personal intent clearly do not afford the process the time and resources it diserves. The battle she concludes for a managers time when challanged in a very competitive and fast moving environment is hard to find and deliver.

The final question in this section related to another key area of the performance management process, personal developement. Staff were asked if the personal development opperturnities identified during the review process, were they seen through and accomplished. Respondents from the survey representing some sixty two percent (62%) disagreeed with these comments. With only some twenty four percent (24%) of staff members agreeing.

Comments from the interview process offered some enlightenment as to the reasons why this was the case. The senior manager of one department suggested he himself encouraged development opportunities to be identifed and pursued actively as it both supported his staff and the ability of his department to function due to the increasing changes and demands that technology, competitors and customers are now seeking. At the same time however he suggested that his staff wanted these development opportunites delievered to them and that he felt they could and should own the process more and strive to accomplish their own development programs.

This was in stark contrast to the HR representative who implied the same level of emphasis on development was not being placed or built into the process as it was before. She concluded this assumption was based on her own perceptions from the intitial roll out of the new HPD process and not based on any tangible information or financial directive.

4.4   Staff Perceptions of the new HPD process

This particular section relates to section 4 of the questionnaire which focuses on the introduction of the new electronic performance management process introduced here on site ealier this year. As mentioned in the final section of the literature review the author found very little literature on the subject of electronic performance management systems from which to compare and contrast the findings against. The only evidence of eletronic system were primarily related to consultancy or software companies promoting and selling electronic HR systems of which performance management was one particular element.

This however was not the case with Honeywell as they are fortunate enough to have their own software division which writes, designs, services and manages its own internet site which houses and runs the HPD process (see appendix 7).

As outlined in appendix 7 which was issued and rolled out to all staff members and management members back in December and January of this year the process has some definate and clear aims and objectives. To accompany this process there is no shortage of support and complimentary documentation and material that managers can access and avial of electronically. With all this information at both staff and management disposal why then does the process and the perception of staff towards the process fail to ignite greater greater commitment and interest.

The findings from the primary research relating to this section are not at all flattering from a corporate perspective.   Staff perceptions both towards and for the actual process is not very complimentary. When asked about the multi sign off perspective and the fact that it is designed and intented to promote usability, transparency and consistency the perception returned from staff concerning the process is negative.

One possible reason for this negativity is that staff do not believe managers afforded the process the necessary time or importance that it diserved, which once again was supported by the HR representative during the interview.

They saw the process more as a ritual then a meaningful, career altering tool, and even though the HR department initiated multiply training programmes on the new system, staff felt the process was not user freindly and was indeed rather trouble some to operate and gain access too.

More alarming however was the perception and rather strong perception that even with the multi tier management sign off, the staff believe the process of performance measurement, and the setting of objectives would not be any more tranparent than the previous system. This counter acted the main theme and theme of the new process which was to introduce more consistency and valid performance appraisal process.

The only positive return from these particular sets of questions was question eighteen which ironically asked if the new format would positively alter staff perceptions of the performance management process. The response from this was over whelmingly positive with a sixty six percent (66%) return. This response however, is somewhat questionable as it does not relate nor support the returns to previous questions or the theme of negativity that accompanied the alternative questions in this section.

Based on this the author concludes the question was mis understood or staff members are hoping that the process can deliver and alter their perception?.

4.6   Summary

It is not until you ask questions or make statements do you receive and understand the levels of anxiety and true lack of appertite for a process. From the questionnaires and the interviews alike it is obvious that the process is considered more of a ritual than a

meaningful process. Staff see the lack of adequate performance appraisals, fair and equitable objectives, plus the lack of effort and commitment towards the process from all quarters, as being the catalyst and underlying theme from which the process is based and driven.

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Chapter Five

Conclusions

&

Recommendation

5 Introduction

The purpose of this chapter is two fold. The first is to offer a conclusion regarding the information received through both quantitative and qualitative research methods against that of the literature reviewed. Secondly based on the conclusions derived, to offer comments and suggestions regarding the possible improvement and to support the continued operation of the Honeywell's performance management HPD process.

5.0 Conclusions Overview

The conclusions offered in this section are based on the respondent's returns from the primary research as pitted against the findings of the literature review. Since the HPD process has been in operation for just over six months the information provided during the primary research could be reviewed as being subjective. However, the company has been operating a performance management process for a considerable number of years and the comments and responses obtained in the primary research are considered relative and based on current and past experiences and thus, therefore applicable to the scope, aims and objectives of this dissertation.

5.1 Conclusions

Following the review of the literature and pitching the findings against the current HPD company process and that of the previous process. The author's conslusion is that the process in both design and functions in a manner that meets and satisfies the general requirements, aims and objectives of an operational performance management process.

However, although the process meets the basic and general requirements the manner in which the process is driven, managed, interpretated, actioned, and controlled is questionable. It would be relatively easy for all concerned, to lay the blame for these inadequacies at the door of the management team. This particular sentiment was clearly insinuated in the information and responses obtained from the primary survey data. As the citation from Deming on the first page of this dissertation suggests.

We are all born with intrinic motivation, self esteem, dignity, an eagernes to learn. Our present system of management crushes that all out

<div align="right">W. Edwards Deming</div>

Management techniques, organisational stresses and the current culture of the organisations plays a significant role in the way the company functions, acts, communicates and performs. The returns from staff via the primary research suggest although not exclusively a negative portrayal towards most aspects of the performance management process. In many ways this negativity is richly disserved using one such example which relates to the company not using the process as a determination for any promotional oppoortunities. This to me as a HR practicioner is totally non sensical as the process is intended to measure performance and behaviours against objectives. Are these not relevant factors and implications from which to determine a persons competency and personality styles and traits?.

Another huge failing of the process seems to be the lack or diluted intent of the developmental initiatives. Although the process clearly sets out to identify weaknesses and strengths based on performance measures verus objectives, the weaknesses are then intended to be accompanied by developmental actions. These action can take the form of coaching, training and mentoring programmes. During the interview process with the HR representative, she clearly indicated that this was very poorly addressed, managed and implemented. On several occasion following the appraisal review process and the subsequent returns of the performance and developmental review forms, no connection correlation existed between weaknesses, and developmental

opportunites. This clearly violates the intent of the process, but the blame for this can and should be directed towards both employee and his/her direct manager. This conclusion emerged through the interview process with one of the senior managers when he commented, that staff mambers do not take enough poositive action to identify and resolve some of these issues themselves. He concluded that although not universal, some staff members are more content to sit back and wait for their respective managers to carry the mantle for their development. This is clearly not acceptable.

Finally a gap exist between setting and measuring agreed performance standards and measures. As the literature suggest via some form of benchmarking process we clearly need to address this to ensure all managers and staff members alike are aware of and familiar with, the specific expectations and standards. This could possibly act and react positively when it come to managers and staff members having those hard discussions that nobody like, or wants. The process as explained in the literature is not just about the identification and action towards poor performers, although the focus on this group is sometimes central to the actual purpose of the process. However, if as determined by the interview process, the managers fail to have those conversations, or fail to establish a benchmarking standard for performance, not only will the process fail but the intent, integrity and trust both of the process and the personnel engaged in the process also fail and deteriorate. This can then demotivate other staff members and further errode and discredit the process.

In conclusion the dissertation set out to determine if
1. the current (HPD) system on site satisfy the general requirements of the purpose for which it is intended?
2. Has the introduction of a new web based electronic version change or alter the perceptions of the staff members.

3.   Will employees treat the process any differently now that the process requires a second level manager to qualify yearly objectives and agree to year end achievements

In realtion to first point the process design is clearly designed and intended to satisfy the general requirements of the process as previously mentioned and outlined. The question remains however, if the process is delievering on those desired expectation. I would suggest not.

In relation to the second and third question, the introduction of the second tier manager, and the fact that the process is now electronic and more visible and transparent. It seems although they acknowledged and welcomed the advancement they imply it will not no change, impact or effect their perceptions and attitudes towards the process.

This was in stark contrast to the senior manager who was interviewed and who expressed far more concern relating to this particular development. His concerns centred on the possible effects and outcomes following exposure by the process of poor or negative performance results. This inherent fear and trepidation is clearly not evident at staff level.

Finally in conclusion, has the new HPD succeeded, the answer based on the primary research although not totally conclusive the answer must be "No"!. Staff continue to embrace the process, the process therefor is falling to deliver on its intent, and the organisation is loosing the benefits of what the literature contends to be a valuable and effective management programme and tool.

5.2 Recommendations

First and foremost the aim of these recommendation is to generate a discussion forum with some of my colleques in the HR department and then with the wider management team if deemed appropriate by the HR manager.

These recommendations are not intended to be implimented following the conclusion of this dissertation although interest has been expressed from numerous senior managers regarding these findings.

The first priority that must be addressed is the difficulties and inconsistencies that currently exist concerning the methods and manners in which performance measures and standards are agreed, interpretated and accepted. The responses throughout the primary research indicated that this was a serious problem for all concerned.

Secondly, at no stage throughout the primary research questionnaire was the nine block rating system mentioned. This is a new additional individual measure that was introduced with the HPD process. This silence suggest, either managers did not discuss or mention to employees their current position. Or alternatively, staff were informed, and it has had no impact on them personally. The latter as suggested by the HR representative during the interview process would not be at all supprising as nearly all staff members were poitioned on the nine block performance grid in a modest but safe position of AS or "At Standard". Once again this relates back to the first recommendation, better performance measures, clealr and accountable objectives, and standardisation across the process.

The third and final recommendation relates to the development section and the development process in general. Managers and employees alike need to be taken once again through a refresher training programme to explain the purpose and intent of this section. If managed and supported this I believe could have the greatest positive effect of all concerned, especially during this time when alternatives to simple monatary

rewards are being assigned and awarded and developed. Alternatively, although currently not the situation as the vast majority of pay increases are *inflation related*, and this is not an area the author would personally like to see pursued. Maybe if the total yearly percentage wage increase, unlike the one to one and a half percent that is currently assigned to the process was to be awarded solely on the performance review process then more urgency, intent, commitment and control both of and for the process would be forthcoming.

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Appendix 1

Meaning of Acronyms

S.   Specific
M.   Measurable
A.   Achieveable
R.   Realistic
T.   Timebound

D.   Defective
U.   Unrealistic
M.   Miscredited
B.   Bureaucratic

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Appendix 2

Alternative Appraisal Methods and Techniques

1. **Comparative Methods**

   Paired comparisions -where managers assess pairs of individuals

   Ranking – individuals are assessed with reference to a single measure of effectiveness or merit and placed on a hierarchy structure

   Forced distribution – again individuals are given single ratings allocated in percentage terms to categories of ranked performance levels.

2. **Absolute Method** – this method involves the assessment of individuals with reference to some standards of performance and not to other individuals

   Narrative approach – the appraiser describes in his or her own words in the form of a report or essay the work performance and behaviours of the employee during a given time period. Written feedback although time consuming can be invaluable for personal development and justification for evaluations.

   Rating Scales - This method lists a number of factors such as job related qualities or behaviours, or certain personality traits, and then the individual is rated against the extend to which he/she possess these factors. The rating scale can be either numerical or alphabetical, or graphically represented on a continuum, from 'very high' to 'very low'

3. **Critical incident techniques**

   The appraiser record incidents of the employee's positive and negative behaviours that have occurred during a given review period. This form of appraisdal is based upon specific examples, not subjective assessments.

4. **Behaviourally anchored rating scales (BARS)**

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Numerical, alphabetical and single adjectively anchors such as 'avarage' and 'above avarage' may be difficult to define, and ambiguous for assessors. Thus BARS are designed to replace or, in some cases, add to the scale anchor points, with descriptions of specific examples of actual job behaviours. The first stage is to define specific activities required for successful job performance. Specific job behaviours that correspond to high, moderate and low performance are then identified within this dimension.

5. Results orientated method

Objectives and standards are set to assess results and outcomnes arising from job performance and not job behaviour. The appraisal process then examines the extent to which these objectives have been attained.

6. Self assessment

Self assessment s are used generally to identify training and development requirements.

7. 360-degree appraisals

As the name suggest, 360-degree appraisals require a wide range of people to give feedback on an individual's performance. Combined with the traditional source of information from the direct supervisor and the individual themselves, 360- degree feedback schemes are designed to give more somplex and comprehensive picture of the individauls performance and contributions.
The first step in designing a 360- degree evaluation is to identify observable managerial and leadership beahaviours that are critical to the organisations business success and culture enforcement through the use of a comprehensive questionnaire. Once complete the results are compiled by an independent consultant or the HR manager and fed back to the manager.The manager then uses the information to identify those areas where deficiencies exist and explore possible reason for different perceptions. This aprticular type of feedback has been found to be powerful diagnositic tool by enhancing information quality, providing specific performance feedback and targeting developmental areas.

Appendix 3
Honeywell HPD Staff Questionnaire

The following is a questionnaire that is intended to provide information on the above topic which will form part of a research proposal to satisfy a college degree course.

Instructions

Please read the following statements carefully. For each statement, place a tick in the relevant box to represent your opinion. Please be as open and honest as possible.

If you have any additional information, comments please include these in the blank spaces provided
All information given will be treated in the strictest confidence.

HPD = Honeywell Performance Management
Glossary of terms ; **PM = Performance Management Process**

Section 1;	Biographical

Male
Female

Years of Service	1-5	5-10	10-15	15-20	20-25

Section 2;	Performance Management	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

1 I believe the PM process is a valuable business tool which is intended to improve motivation and staff performance

2 I believe the PM process is a valuable tool as an individual participant

3 My goals and objectives stem from a conversation with my manager and are in line with the goals and objectives of the department and the organsiation

4 The PM process is carried out in a timely manner each year and is driven by the HR department.

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Please add any additional comments for the above questions

_____

_____

_____

_____

_____

5 The PM process is a live process and my goals and objectives are revisited throughout the year to reflect changes in priorities

6 The PM process is used effectively by staff and management as a developmental tool and focuses more on future improvements more than past performances

7 The PM process is a tool used my management to a means of control and to ensure an acceptable level of performance is attained

8 I view the PM process as an opportunity for me to develop my career through promotion

Please add any additional comments for the above questions

_____

_____

_____

_____

Section 3; My Involvement and Participation	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

9 The PM process focuses my attention to ensure I satisfy my goals and objectives

10 I was consulted prior to my goals and objectives being determined and the end result was a shared understanding of expectations

11 The appraisal process clearly identifies my strengths and
    weaknesses and the developmental section reflects actions
    And training opportunities to overcome same

    ⬭   ⬭ ⬭   ⬭ ⬭

12 My goals and objective are both fair and attainable

    ⬭   ⬭ ⬭   ⬭ ⬭

Please add any additional comments for the above questions

_____

_____

_____

_____

13 I actively prepare for my review meetings in advance and
    have
    ongoing discussions throughout the year

    ⬭   ⬭ ⬭   ⬭ ⬭

14 The PM process is a great opportunity for me to both receive
    and give feedback to my manager

    ⬭   ⬭ ⬭   ⬭ ⬭

15 Where opportunities for development are identified these are
    followed through by me and my manager

    ⬭   ⬭ ⬭   ⬭ ⬭

Please add any additional comments for the above questions

_____

_____

_____

Section 4 My perception of the new HPD process	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

16 The HPD process is an annual ritual undertaken primarily to
    satisfy corporate requirements

    ⬭   ⬭ ⬭   ⬭ ⬭

17 The new HPD format with the second tier manager sign off
    has improved the process by making it more transparent by
    ensuring consistency and valid performance appraisals

    ⬭   ⬭ ⬭   ⬭ ⬭

18 The new HPD format with the second tier manager sign off
    has positively altered my perceptions of the process

    ⬭   ⬭ ⬭   ⬭ ⬭

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19 The design and functionality of the process is user friendly   ⬭ ⬭ ⬭   ⬭ ⬭

Please add any additional comments for the above questions

_____
_____
_____
_____

20 Being an electronic based version makes the process more   ⬭ ⬭ ⬭   ⬭ ⬭
    efficient and professional

21 My manager gives the HPD process the time, importance   ⬭ ⬭ ⬭   ⬭ ⬭
    and recognition it is intended to command

22 The introduction of the new HPD process has raised my   ⬭ ⬭ ⬭   ⬭ ⬭
    expectation levels for the performance management process

Please add any additional comments for the above questions

_____
_____
_____
_____
_____

Thank you for taking the time to complete this questionnaire.

Appendix 4

Qualitative Survey Returns

	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Total
Q1	8	21	12	4	0	45
Q2	2	15	19	8	1	45
Q3	9	19	8	6	3	45
Q4	5	17	12	6	5	45
Q5	2	18	0	20	5	45
Q6	4	10	10	15	6	45
Q7	12	24	9	0	0	45
Q8		8	9	16	12	45
Q9	6	11	11	12	5	45
Q10	2	12	2	25	4	45
Q11	4	25	2	12	2	45
Q12	5	20	3	12	5	45
Q13	2	10	16	14	3	45

					Strongly Disagree	
Q14	Strongly Agree	Agree	Neither	Disagree		
	2	9	6	24	4	45
Q15	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	5	9	9	12	10	45
Q16	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	5	26	1	10	3	45
Q17	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	3	11	2	29	0	45
Q18	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	3	27	1	10	4	45
Q19	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	0	10	5	26	4	45
Q20	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	1	18	7	18	1	45
Q21	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	3	9	2	29	2	45
Q22	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	
	0	9	0	27	9	45
Q23	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	

Appendix 5

Interview with HR representative to discuss the HPD Honeywell Performance Management process which for the purpose of this dissertation the interviewee will be referred to as Mary.

Interviewed on 11th July 2005

Venue; Mary`s office.

Author;
First and foremost, Mary thanks a million for giving me this opportunity to interview you. As previously discussed the interview will focus on the new HPD performance management process which was introduced earlier this year. The structure will be semi formal in for far as I have a serious of question I would like to ask you but please feel free to add to or indeed deviate from the scope of my questions to include any information that you feel will be of interest or relevant. Also as dicussed earlier the content of this interview will be documented and included as part of my primary research on the above subject matter and will be inclusive in my dissertation which will be submitted as part fulfillment of my degree course in HRM with National College of Ireland. So if you are ready I would like to proceed.

Question;
Being a member of the HR team on site and actively involved in the roll out and management of the new system, what do you believe is the main differences between the HPD and the old IPMD process.

Answer;
The main differences is also the purpose of the HPD process and that is that managers are now tasked and positioned to truly manage the process.

Question;
That suggest that they did not manage the old process.

Answer;
I don't believe that to be true, what we have now is primarily the same process, but what this gives corporate is a tool to ensure different plants do not operate the same system differently. This was totally unacceptabe for a global company and from what I can gather the main driver as to why we changed over to this new HPD process was to ensure a universally structured and adhered to process.

Question;
What advantages if any are attached to this new system

Answer;

This new system which is IT based enables corporate people to look into the system and see what is happening and how it is being used and utilised. It also promotes stadardisation across both countries and business sectors to ensure a fully integrated and transparent approach and philosophy was being applied. It also enabled them to see who was doing what and to notify individual managers who were not really proactive in rolling or managing the process with their staff.

Question;
What effect do you think this transperency will have regarding how the process is implemented and managed.

Answer;
All things being equal it should have a very positive effect both for the mangers, staff and the company. The reason I say that is because for the first time people are being rated in a nine block rating scheme and the ratings take into account both performance objectives and behaviours. Although the rating block system is not new to the company PM process it is the first time people are openly informed of where they are within the system and the first time the rating system forms part of the review process.

Question;
What effect do you think this formal rating process have on staffs perceptions of the process

Answer;
Well that will obvisously depend on where individuals are placed in the nine grid block. However since we kicked off the process this year nearly all manager placed their staff in the central grid with very few being poisitioned in the high – low performance categories. This itself has presented its own problem at corporate level and has me asking the question are managers still adopting the same rating methadology to the new system as used with the old IMPD process. My rational for that is due to the fact performance objectives are now also rated thus distinguishing between the soft objectives and those that are far more challanging and subsequently if achieved these are rewarded accordingly.

Question;
Can you elaborate on that for me please as I don't understand what you meant by problems at corporate level.

.

Answer;
Well when we initially complete the rating process with the managers prior to completing the review process the vast majority of staff where positioned in the central grid position – indicating an at standard rating for both behaviours and performance. This was submitted to corporate for review as wage percentage increases are now set against your perfromance. From my understanding we only have a percentage pool of money to be devided between all staff with the best performers obviously getting a higher percentage increase than those with a lesser performance rating and as

discussed earlier all performance objectives are now not treated as being of equal value in terms of wage increases.

Following our submission they sent it all back to us and requested we re assign people into other grid placing to accommodate the allocation of funding for wage increases. This I subsequently learnt also occurred in other plants in europe as well which to me makes a mockery of the process itself as we are now placing people in performance grid position to satisfy payment increase allocation more than the rating scale issued by their respective managers.

Question;
What effect did that have on managers and secondly on staff members

Answer;
Well as I have already stated with this particular process it is the first time staff members are openly told or informed of their rating positions, and some felt disillusioned by the process especially when some managers told their staff of what happened.

Personally I felt managers used this as an excuse as to not to have the harder discussions with some staff memebers and to explain to them that certain performance ratings were not really acceptable. It also raises the question on the methodology that certain managers adopted regarding ratings and their actual knowledge of the rating system.

Question;
Are you then implying that certain managers adopt a lesser or indifference appraoch to the process than others.

Answer;
Yes, not so much due to staff bias but because some don't want or cannot have the harder discussions relating not only to performance standards but equally unexceptional behaviours.

Question;
You mentioned earlier that new HPD process now measures both performance and behaviours, but from a developmental perspective does this process place the same emphasis on personal development as the previos system tried to achieve!.

Answer;
Good question; Yes we are still using the same developmental identification process as part of the new HPD system, but although in its infancy with only the role out this year I don't see the same urgency or enthusiasm or the developmental side of the process.

Whether that is down to the process, the staff, the managers or the current hectic state of the bussiness is hard to gauge.

If you are asking me on a personal note then "No". I don't believe the new system is as developmental orienated. But their again the process is very reliant on their managers and the individuals both identifying those devlopmental oppertunities and that does not always happen. If I was to be totally frank even with the previous system the process was not used as indended. The reason I say that is because we all know that we have problems with our front line management. Yet year after year the IPMD process (previous performance management process)and now the HPD process has not shown nor identified a problem with this particular group of individuals. This implies;
a] the managers are not having the frank and honest conversations
b] the managers are not aware of the problems with this group of individuals
c] the front line managers themselves are disallusioned by their senior management colleaques and feel they have no support and hence do not feel the need for change or development.

Question;
Is the process currently being used to identify high potentials and is it being used to determine promotional oppertunities.

Answer;
Another good question; Once again the answer is both Yes and No.
Yes in so far as high potential senior managers are tracked by this process and as part of the MRR process (management resource review). But not all senior managers are viewed as high potential so the process is not universially adopted at that level in so far as the appraoch adopted. Secondly; I'am not aware of the HPD or the old IMPD process being a deciding or critical factor as to job selection or pomotion.

Question;
Does that not be-little the process for staff and the organsiation.

Answer;
Yes – I totally agree with you but what that tells me is that the process is totally undervalued by management – the true intent of the process is not being utilised, the company at least at local level is not engaging in the process in the manner in which it is intended and finally it spells out ot me that this is more a ritual that we undertake every year more than a productive tool that should be used, managed and promoted.

Question;
That leads me to believe without the drive from the HR department the process would probably not happen each year.

Answer;
With the previous process I would agree with you but with this new HPD process its not just the HR department that is looking and controlling the process but corporate can now see who has completed the process and what information viva objectives and performance has been submitted and accepted.

Question;
Since the introduction of the HPD process do you think managers and indeed staff members attitude and perception towards the process has changed or will change in time.

Answer;
As mentioned earlier, the managers in my opinion have not taken on board the differences between the old and the new process. They are still looking at performance as the only measure and not taking into account behaviours which is now a very fundamental part of the process. Managers, when the process was rolled out where apprehensive of corporate involvement and what effect that as going to have if indeed any effect at all. So "Yes" managers were very apprehensive as they now are more under the spot light in how they agree to and rewards performance. It also opens the door externally concerning their own performances.

As for staff they too should embrace the process not because it is going to radically alter the PM process for them but because for the first time they are being shown where they fit viva the performance grid which is a major cultural change in the way the process historically presented. If nothing else that should trigger more focused discussions with their managers and to those that have aspirations for career progression they should use it as a valuable tool.

Question;
Finally, will the process motivate both staff and managers alike to develop and improve performances or will this just be another new intiaitive rolled out by corporate for corporate.

Answer;
The process is percieved as a continuous process, involving reviews throughout the year and not just year end, it is also intended to promote dialogue, shared understanding, and mutual concent between all managers and their staff. Unfortunately all those involved, well maybe not all those involved but nearly all those involved do not afford the process the time and consideration that it diserves due to time constraints, busy schedules or just an indifferent approach towards the process.

I truly believe that the process or any PM process if managed and implimented can be hugely benefitical to any organisation, unfortunately like most thing here we dont really drive the process nor do we tackle the poor performers which lessens the process for those that really try to meet and satisfy their objectives.

Appendix 6

Interview with a senior manager, who for the purpose of this dissertation will be referred to as John. John leads one of the biggest staff departments within the organisation and is therefore qualified to discuss the HPD roll out and implications for both his staff members and his own personal aspirations.

Interview.
Time; 11.05am
Date ; 7/7/2005.
Location; Johns Office.

Question 1;
First and foremost I would like to thank you John, for taking the time out from your busy schedule and agreeing to take part in this interview. As previously discussed the interview will focus on the company's performance management process, locally known as the HPD process, and will be included in my dissertation that will satisfy the requirements of the degree course from the NCI.

The interview will be semi structured in so far as I have a couple of question that I would like to ask you but please do not feel restrained by answering only the given questions.

Answer;
That's okay and the best of luck with you dissertation, which has to be submitted when?

Question 2; .
End of July! So without further ado

My first question is probably an obvious one in so far as I`am interested in finding out what you think of the HPD process and the actually concept of performance management in general.

Answer;
If I start by giving you my interpretation and overview of the process itself and how it operates on site it will assist in the rational for the way I operate the process within my department.

I`am sure you are aware being a member of the HR team that the HPD process initially kicks off with John Jones ( Plant General Manager) getting both his personal and plant goals and objectives from the european leadership team. Once John`s goals and objectives have been finalised which usually is completed in early February, John then

subsequently meets us the senior management team to cascade those goals and objectives to us respectively, were they are appropriate.

I intern then cascade my goals and objectives were appropriate to my team members. This ensures an alignment exist between the team's goals and objectives, my goals and objectives, and the plants goals and objectives. Which if I read the 2004 HPD training manual is ultimately the main aim and focus of the process.

This ensures both my team and I have a defined goal path and clear set of performance objectives. I then get measured against these and ultimately it also allows me to measures my own team's contribution against their objectives.

Question 3;
The answer you have just given is really the text book answer, but is it really that straight forward and can the objectives be cascaded down from John, to you, and finally to your team while maintaining the single focus and plant goal alignment.

Answer;
The short answer is Yes, but there are difficulties and challenges with the HPD process and the manner in which it is rolled out on site and managed.

Question 4;
What do you mean by 'difficulties and challenges'?

Answer;
For the process to work first and foremost the goals and objectives must be real, measurable, attainable, and be beneficial to both the organisation and to the individual.

Secondly having control, influence and ownership for some of both my goals and the goals of some of my team is hard to precisely fit into that bracket.

By virtue of my the department I lead, it is assumed that I automatically have the over riding responsibility, control and power to deliver given targets and maintain given standards on the plants quality performance which is simply not the situation as you well know.

Where the process fails and this for me is one of the challenges, is this myth that we on the senior management team, collectively inherited and manage the process. I don't believe we do this because quality measures although cascaded to all line managers and other department heads still firmly sits in my lap at the end of the day. This tells me that performance measures are clearly not set and standards of measurement not clearly defined as I have yet to see front lne managers being held accountable for poor quality at review stage. Now I also appreciate that I have the ultimate responsibily to influence and change behaviours, don't get me wrong, I am not advicating my

responsibility for quality. But I feel the performance measures and standards we set and accept are not clearly defined.

Question 5;
Could you give me an example to reiterate those comments?

Answer;
The best example is both internal and external PPM measurements (parts per million defect rate). By virtue of me being the quality manager I have the unenviable task of satisfying and delivering a very stringent PPM level at plant level. Me and my team may be the owners of the quality system and process but we cannot police the plants production process 24/7. In order to do this we need the support and involvement of all other departments. So for me to cascade performance measures to my staff on quality or PPM rates is important but to them its also impossible to deliver as they keep telling at our reviews.

Question 6;
Does this imply no other departments have quality objectives and goals

Answer;
Yes they do absolutely yes!. But one of the key discussion I have this year with the plant manager during my own performance review was to enforce that production and engineering must shoulder and carry some keys responsibility for their part of the quality process deliverables and to ensure certain matrixes are included in their respective review and objectives for the coming year. This in my opinion will promote a more team orientated behaviour between my team members and those of other departments who can all focus on the same goals and objectives. It will also improve the HPD process, but once again we need to define specific objectives and equally specific measures.

Question 7;
What will this achieve for you and your department in relation to the HPD process

Answer;
I believe this will improve and enhance the ways and methods that I can then set more specific performance measures to my own staff. This will make the process more meaningful, challenging and more relevant as I can task them to deliver what I believe to be attainable goals and specific goals that will benefits the department and ultimately the organisation.

Question 8;
What specific measures are you looking at this year John;

Answer;
Typically customer complaints, queries, CARs (Corrective Action Responses) to name just three, these as I have just outlined are specific to my department measures.

Question 9;
You stated that you have had your HPD with the plant manager, what effect does the second tier sign off have on you or does it?

Answer;
Hopefully a positive one! My own review with John is circulated to the european leadership team outlining my goals and objectives so theoretically I'am accountable to them as much as the local plant manager. This also makes me more conscience of my deliverables as my reputation is on the line.

Question 10;
How do you feel about that?

Answer;
Apprehensive in many ways, as my creditability and professional standing within the organisation is now on view for all to see.

Question 11;
Do you think this new process could influence your career with the company?

Answer;
Its hard to say as this is the first year of the new HPD electronic version, so with no past, historical input its hard to know what impact influence the process will have. But I would say, it definitely adds additional pressures, to continually implement a continuous improvement process. Its definitely add a little bit of spice to the equation..

Question 12;
Do you feel the process is very proactive concerning personal development.

Answer;
Personally and especially at senior manager level, unless you are identified as a high potential at which point you are then tracked viva the annual MRR (management resource review) process then personal development per se is not that evident, its more about performance viva results and now with the new process also about behaviours.

Question 13;
What about the developmental opportunities for staff members?

Answer;
Speaking for my own department ? I personally have always look at personal development for my staff.

In the current engineering, and challenging environment that we find ourselves in, plus new emerging markets and higher customer expectation and competitive threats we have no choice but to develop our staff. The customer is far more stringent now then ever before and we are fast approaching near aerospace specification and controls for our product. This necessitates a state of continuous learning and development for my people and other staff members to satisfy those requirements. So yes I believe a strong correlation exist and must continue to exist towards developmental opportunities. Otherwise I can see how we can progress and satisfy our customers.

Question 14;
Do you actively use the HPD process to identify staff member's weaknesses and strengths and use it for promotional opportunities or do you focus more on the future performance more than the past.

Answer;
I believe both identifying and recognising past performance is critical in this type of process be it good or bad, although nobody like truly likes to deal with poor performance. The tone and conversation is always easier when the performance is based on a more positive agenda. But that's part of my management brief and something that I must deal with.

But to answer your question yes I do try to continually look at development opportunities for my staff. I sometimes feel however that they fail to take ownership for the deliverables themselves within the process. I'll support staff in their education and training needs but I also like to see more enthusiasm from them and a positive mind set as it's their process more than mine and sometimes I feel they forget that.

Question 15;
Does the second tier sign off cause you to be more stringent towards the review process bearing in mind the plant manager will be assessing your assessment of your staff members and that in all probability he has undertaken some form of 360 degree feedback process from other management members and is probably anticipating some uniformity in appraisal or an explanation was to why not!.

Answer;
I don't see it that way, my staff appraisals will be undertaken in the same way as they were prior the new HPD process. The critical element here is the setting of

performance objectives and realistic measures. In doing so the argument your presenting is null and void.

Setting clear objectives and performance measures stand up to scrutiny when achieved or not achieved. Don't forget the plant manager also agrees to the objectives and goals at the start of the process so if they are delivered there is no argument or disagreement with my or it if was you, your interpretation of results achieved.

Question 16;

My last question John as I know you have a meeting in a view minutes is motivation and commitment. Does the process as currently being implemented encourage greater motivation and commitment from both you and your staff members.

Answer;
For me definitely my goals and objectives are reviewed monthly and I make a point of continually assessing my position.

For my staff I can say its more a mixed bag !!. Some of my staff members would imply during the year that they are on track or finding it difficult to meet the goals and objectives we have set. Other don't mention them until the following review process at year end or at the mid term review. So individuals being individuals, yes some are motivated by goals and objectives and more are not.

Question 17;
Promise this is the last question

You mentioned that some employees review on a continually basis their goals and objectives with you. Is this done formally or informally?.

Out side of the actual review process very informally, more in pasting conversation when reviewing certain performance matrixes or customer plant defect rates and returns which ultimately affect the performance standards not only for them but also for me as well.

Once again John, thanks a million for you're your time and consideration, I now you are running to another meeting so I wont delay you any further.

Thanks John.

Appendix 7

Honeywell HPD Performance & Development Process

The Performance & Development process provides a balanced approach to assessing performance and planning development.

As an employee:
You enter and update goals you have agreed upon with your manager, and your results against these goals. Your manager uses this information as a starting point to assess your performance. See Employee Tasks.

As a manager:
You are responsible for managing your employee's performance by providing guidance and approving goals, differentiating levels of performance based on results and behaviors, defining development opportunities, and aligning performance assessments with compensation decisions for your employees. See Manager Tasks.

Employee Tasks

Update Your Goals, Results & Career Profile

Update Goals Throughout Year	Enter Results Of Goals Throughout Year	Update Career Profile Throughout Year
Click Here	Click Here	Click Here

Manager Reviews and Approves Goals

Throughout the Year

Set Next Year's Goals

Agree To Goals For Coming Year
Click Here

Dec - Jan

Receive Performance Assessment

1 Prepare For Your Year-end Performance Assessment	2 Discuss Performance Development Summary & Compensation With Manager	3 Sign Performance & Development Summary
Click Here	Click Here	Click Here

Manager Assesses Performance

December - March

Manager Tasks (including 2nd level Manager)

2nd-Level Manager

Review Performance Development Summary & Compensation Recommendations

Click Here

Manage Employee Goals

Review & Approve Employee Goals
Click Here

Employee Enters Goals

December - January Throughout the Year

Write & Conduct Performance Assessment

1 Advise Employee To Prepare For Year-end Assessment	2 Prepare Performance & Development Summary	3 Recommend Compensation	4 Finalize Overall Performance Comments	5 Review Performance & Compensation With 2nd-Level Manager	6 Discuss Performance Development Summary & Compensation With Employee	7 Finalize Performance & Development Summary
Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here

Employee Finalizes Results | Compensation Planning Determines Merit Increase | Employee Signs Off

December - March

Appendix 7 Honeywell HPD Process

Update Goals Throughout Year

Maintaining your goals is an activity that you perform throughout the year. In particular, you should revisit your goals if:

- You change jobs within Honeywell
- You take on new responsibilities
- The goals of your business or function change

However, your goals can change whenever circumstances warrant.

1. Discuss Goals with Manager — Set aside some time with your manager(s) to discuss and develop your updated goals. Make sure your goals are aligned with the expectations of your manager(s) before submitting them for approval. Remember: Make sure your goals are SMART (Specific, Measurable, Achievable, Relevant and Timed) — the Honeywell Performance & Development System has a wizard to help you do this.

Note: Taking the time to develop your updated goals with your manager will increase the chances that your goals will be approved.

2. Submit Goals — After discussing with your manager, enter your goals in the Honeywell Performance & Development System. After updating your goals, submit *all* of your goals to your manager for approval.

Note:
If you are not using the Honeywell Performance & Development System, use the offline *Goals form to submit your goals for manager approval.* See Offline Templates For Goal Summary.

Important:
Once a goal has been approved by your manager, do **not** delete it. If you are no longer working on an approved goal, change the Completion Status to Inactive.

What Happens Next?
Your manager will review goals and accept or reject them.

You will be informed of acceptance or rejection through email and your the Honeywell Performance & Development System to-do list. If one or more goals are rejected, read the comments in the Honeywell Performance & Development System (or speak to your manager), make corrections and resubmit.

Your manager may also make minor rewording changes when accepting a goal. If so, you manager should tell you about the changes, but you should check goals after approval to make sure you understand the final wording.

Enter Results Of Goals Throughout Year

As you make progress toward your goals during the year you should enter these results in the Honeywell Performance & Development System. You can do this at any time during the year.

Depending on local practices, you may have one or more interim meetings with your manager — you can use this information as the basis for these discussions.

Hint:
Enter results as soon as possible after a major accomplishment. This lets you provide the most possible detail — you won't need to try to remember details at the end of the year before your performance assessment.

Important:
Your finalised results for your goals are a **critical** input to your Performance & Development Summary (PDS), which your manager writes.

Note:
If you are not using the Honeywell Performance & Development System, use the offline Goals form to submit your goals for manager approval. See Offline Templates For Goal Summary.

Update Career Profile Throughout Year

Throughout the year, you should make sure your Career Profile is up-to-date.

Agree To Goals For Coming Year

In late December or January, you should agree with your manager on goals for the coming year. This will let you "hit the ground running" when the new year begins.

You are responsible for consulting each of your managers — your reporting manager and any manager with whom you have a matrixed relationship — to make sure your goals align with the goals of your manager(s) and the rest of the business.

1. Prepare for Meeting — Before meeting with your manager(s) to discuss your goals, consult:

Any documents that capture goals for your business or function, and in particular, *your manager's* goals

Honeywell's Five Initiatives — when you enter your goals in the Honeywell Performance & Development System you can choose to align any goal with a specific Initiative

The relevant Strategic Action Plan (STRAP) — your manager can provide guidance about which STRAP to consult

Relevant sections of your business' or function's Annual Operating Plan (AOP)

2. Discuss Goals with Manager — Set aside some time with your manager(s) to discuss and develop your goals. Share the thoughts you have prepared in Step 1 above and make sure your goals are aligned with the expectations of your manager(s) before submitting them for approval. Make sure your goals are SMART (Specific, Measurable, Achievable, Relevant and Timed) — the Honeywell Performance & Development System has a wizard to help you do this. The Setting and Changing Aligned Goals online learning module is also available to help you write SMART goals.

Note: Taking the time to develop your goals with your manager will increase the chances that your goals will be approved.

3. Submit Goals — After discussing with your manager, enter your goals in the Honeywell Performance & Development System. After entering all of your goals, submit them to your manager for approval.

Important:
Once a goal has been approved by your manager, do **not** delete it. If you are no longer working on an approved goal, change the Completion Status to Inactive.

Note:
If you are not using the Honeywell Performance & Development System, use the offline Goals form to submit your goals for manager approval. See Offline Templates For Goal Summary.

2005 Only: 2005 Goals
The Honeywell Performance & Development System will be available for entry of your 2005 goals beginning January 3, 2005.

What Happens Next?

Your manager will review goals and accept or reject them. You will be informed of acceptance or rejection through email and the Honeywell Performance & Development System. If one or more goals are rejected, read the comments in the Honeywell Performance & Development System (or speak to your manager), make corrections and resubmit.

Your manager may also make minor wording changes when accepting a goal. Your manager may also add goals. If so, your manager should tell you about the changes, but you should check goals after approval to make sure you understand them.

Prepare For Your Year-end Performance Assessment

1 Prepare For Your Year-end Performance Assessment
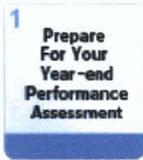
Your finalized results for your goals are a **critical** input to your Performance & Development Summary (PDS), which your manager will write.

Therefore, it is important that you **complete all updates to your results for all of your goals before your manager begins preparing your assessment**.

Important:

You **must** complete all updates to your results for all of your goals before your manager begins preparing your PDS. Once your manager begins preparing your PDS you will **not** be able to make further updates to your results.

Make sure you understand when your manager will begin writing your PDS — this is your deadline for completing your results.

In writing your Goal results, be sure to include all details that your manager will need to assess your performance.

Hint:

If you have more than eight goals, discuss with your manager which are the eight most appropriate goals to include in your performance assessment.

2004 only: Goal Transition

You need to make your current 2004 objectives available to use in the process. How you do this depends on how you currently record objectives:

If you used myP&D to enter objectives in 2004, details of your objectives have been imported as goals, but when you first access the new Honeywell Performance & Development System, you should edit your goals so that each has an appropriate Goal Name. See detailed instructions.

If you did not use myP&D to enter objectives in 2004, then you must enter 2004 goals in the new Honeywell Performance & Development System. These goals must be approved by your manager. See detailed instructions.

You must complete entry of your 2004 Goals and results before your Manager can complete your year-end Performance Assessment. The corporate-wide target for completion of this transition is December 7, 2004.

Note:

If you are not using the Honeywell Performance & Development System, use the offline Goals form to submit your goals for manager approval. See Offline Templates For Goal Summary.

What Happens Next?

Your manager will review your goal results, assess your performance, recommend compensation treatment and design development actions.

Your manager will work with Compensation Planning, your 2nd level manager and other leaders in the business to finalize your performance assessment and compensation.

After your performance assessment, compensation and development actions have been finalized, your manager will schedule a discussion with you.

Discuss Performance Development Summary & Compensation With Manager

2   Discuss Performance Development Summary & Compensation With Manager

After your performance assessment, compensation and development actions have been finalised, your manager will schedule a discussion with you to review the results.

This discussion is also an opportunity for you to provide input to your development actions — in particular, to suggest developmental activities that you think would be helpful.

You can prepare these ideas in advance and bring them to your performance and compensation discussion. It may be helpful to review the Honeywell Behaviors and the qualifications you listed in your Career Profile.

What Happens Next?

Your manager may update your Performance & Development Summary (PDS) with additional or revised development actions.

Your manager will forward the completed PDS to you for your signature. You will be informed of acceptance or rejection through email and the Honeywell Performance & Development System to-do list.

Sign Performance & Development Summary

3 Sign Performance & Development Summary

After updating your Performance & Development Summary (PDS) with development actions, your manager will forward it to your the Honeywell Performance & Development System to-do list for your signature.

Use the Honeywell Performance & Development System to electronically "sign" the PDS to acknowledge that you have read it and discussed it with your manager. This is a requirement of the process. Signing the PDS does not necessarily indicate agreement with the assessments it contains.

If you have disagreements, you should discuss them openly with your manager and resolve them if you can. When you sign the document using the Honeywell Performance & Development System, you can note any disagreements that you and your manager have not been able to resolve in the Comments field.
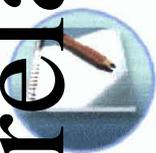
Note:

If you are not using the Honeywell Performance & Development System, signatures will be handled in accordance with local practices.

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Review & Approve Employee Goals

In late December through January, your employees will submit their goals to you for your approval. As needed, employees may also update their goals throughout the year. You should actively work with employees to discuss factors that influence their goals, including organizational, departmental or functional goals, and your goals for your team. These discussions should occur before employees submit their goals online using the Honeywell Performance & Development System.

1. Meet with the employee to review goals — To evaluate the employee's goals:

- Highlight the corporate, business unit and departmental goals that are relevant to the employee.
- Make sure their goals are aligned with yours. No matter how worthy an employee's goal, if it doesn't align with what you and they business want to achieve, it won't be productive in the long run.
- Make sure each goal is aligned with at least one of Honeywell's Five Initiatives.
- Make sure employees' goals are well conceived and written, using the SMART structure — the Honeywell Performance & Development System has a wizard to help with this.
- Make sure the goals are achievable, but not too easy — for example, don't let employees set goals that are too easy as a strategy to be able to appear to have "overachieved."

2. Approve or reject goals — After your employee submits goals online, you can decide to approve or reject each goal.

If you approve the goal, you can also make minor changes to the wording of the goal. If you do, you should make sure the employee is aware of these changes — goals that you approve will not be sent back to the employee's to-do list.

If you reject the goal, you can add comments to give the reason for the rejection and suggested revisions. After revising the goal, the employee will resubmit the goal for your approval.

Hint:
If the changes are significant, you should reject the goal and request that the employee make the changes — that way you can be certain the employee is aware of the goal's new wording.

Note:
If the employee is not using the Honeywell Performance & Development System, he or she should use the offline Goals form. See Offline Templates For Goal Summary.

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Advise Employee To Prepare For Year-end Assessment

1 Advise Employee To Prepare For Year-end Assessment
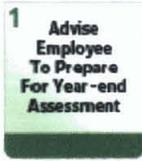
In late November and early December, you should help employees understand the Performance & Development process, and their role in it.

In particular you should:

- Make sure that each employee finalizes his or her goal results for the current year using the Honeywell Performance & Development System. Each employee should understand that you will use this as as a starting point for assessing his or her performance, and that this is a critical input to the process.
- Make sure each employee understands your timeline — when you will begin preparing the Performance & Development Summary (PDS). This is the emplyoyee's deadline — he or she must finalize entry of results before then.
- Encourage each employee to update their Career Profile.

Important:
Each employee must complete all updates to his or her results for all of goals before you begin preparing the employee's PDS using the Honeywell Performance & Development System. Once you begin preparing the PDS for an employee, that employee will not be able to make further updates to his or her results.

Note:
If the employee is not using the Honeywell Performance & Development System, he or she should use the offline Goals form. See Offline Templates For Goal Summary.

Prepare Performance & Development Summary

2 Prepare Performance & Development Summary
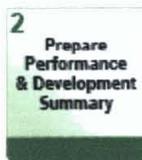
You use the Honeywell Performance & Development System to enter a Performance & Development Summary (PDS) for each employee that reports to you.

The PDS requires that you:

Assess Results — In Results Assessment, your assessment of the results achieved by the employee should be designed to differentiate levels of performance. The Honeywell Performance & Development System lets you import the goal name of up to eight goals entered by your employee in consultation with you. You should judge what the employee has

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Recommend Compensation

Compensation planning occurs in tandem with performance assessment. After you have prepared an initial Performance & Development Summary for employees and if you are their salary planning manager, you can proceed to make salary planning

3

Recommend Compensation

Compensation planning occurs in tandem with performance assessment. After you have prepared an initial Performance & Development Summary for employees and if you are their salary planning manager, you can proceed to make salary planning recommendations. The Merit and Lump Sum Merit recommendations should be aligned with 9-block placement and Results and Behaviors assessment.

9-block placements you have saved in the Honeywell Performance & Development (HPD) system will be passed to the Global Compensation Planner (GCP) tool nightly.

Hint:
To allow continuity in planning, you may enter 9-block placements in the GCP tool before they have been imported from the HPD nightly feeds.

However, remember that the HPD is the system of record for 9-block placement. Therefore changes to 9-block placements should occur in HPD. These changes will then feed and overwrite any 9-block placement made in the GCP if there are differences.

Important:
The Global Compensation Planner Tool contains personal data of employees and is subject to applicable privacy laws and Honeywell's commitments under the Safe Harbor Agreement. Please do not forward information, or otherwise share it with, unauthorized users. The Global Compensation Planner Tool should be accessed only from computers that have an access control mechanism (e.g., one must enter a username and password to log on).

More About Compensation Planning:
There is more to Compensation planning than merit and lump sum merit recommendations. Please make sure you refer to the Compensation training for Managers to ensure you are aware of all components of compensation planning.

- The Global Compensation Planner opens on **January 3, 2005**

  Salary planning managers are identified by your local HR PeopleSoft application in conjunction with your local HR Representative. If you are unable to obtain access to the Global Compensation Planner and you are a salary planning manager, please contact your local HR representative. recommendations. The Merit and Lump Sum Merit recommendations should be aligned with 9-block placement and Results and Behaviors assessment.

- 9-block placements you have saved in the Honeywell Performance & Development (HPD) system will be passed to the Global Compensation Planner (GCP) tool nightly.

accomplished based on your own observations, as well as through information the employee provides.

Assess Behaviors — In Behaviors Assessment, you should assess the employee's behavior for each of the Honeywell Behaviors. Again, your assessments should be designed to differentiate levels of performance.

Note you are also encouraged to obtain results and behavior feedback from matrix and second level managers.

Determine 9-Block Placement — In Performance Summary, determine where to place your employee on the 9-block. The 9-Block placement should be consistent with your assessment of your employee's results and behaviors. Remember, the goal is to differentiate employees' performance — when placing your employees on the 9-block, consider that the company's best performers should fall in the upper left box of the 9-block, the weakest performers in the lower right..

Complete Talent Assessment — In Talent Assessment, give a high-level view of appropriate next steps for this employee's career. This is your opportunity to help determine which employees would do well at the next level. You may want to refer to the employee's

Identify Development Actions for Behaviors — Development actions must be identified for behaviors that were rated as Below Honeywell Standard. If performance assessment suggests serious results and/or behavior issues, discuss with HR whether employee should be placed on a Performance Improvement Plan. Development actions may also be identified for behaviors that you think will benefit your employee's future development.

Note:
If you have employees that report to you that are not listed in the Honeywell Performance & Development System, you should use the offline Performance & Development Summary form instead for those employees.

Hint:
Complete assessments for all employees up to the 9-block assessment, and then do your compensation planning for your entire group using the Global Compensation Planning Tool (GCP) — see Recommend Compensation. After you complete compensation planning, return to your employee performance assessments to finalize them .

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4 Finalize Overall Performance Comments
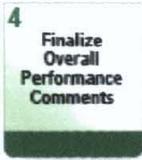
After you have completed the Compensation process for an employee, you should revisit the Performance & Development Summary (PDS) for that employee to update the Overall Performance Comments. This gives you an opportunity to align your overall performance comments with the salary treatment for that employee.

Your comments should:

Succinctly summarize your assessment of the employee's performance in terms of both results and behaviors.

Support the compensation decision for your employee.

Highlight what the employee can do to improve.

Review Performance & Compensation With 2nd Level Manager

5 Review Performance & Compensation With 2nd-Level Manager

After you have added overall performance & compensation comments to the Performance & Development Summary (PDS) of all of your employees, review the Performance & Development Summaries with your manager.

This is an opportunity for you and your manager to discuss your decisions and to make sure that your judgments align with those of your peers in your organization.

1. Discuss with Manager — It is best to have this discussion offline with your manager first before submitting your employees' Performance & Development Summaries to your manager for approval using the Honeywell Performance & Development System. It is generally easier to get agreement in a single offline meeting than through multiple online workflow iterations.

When meeting with your manager, bring:

Printouts of all Performance & Development Summaries (or hard copies of offline forms for employees who do not use the Honeywell Performance & Development System

Potential ratings for each employee

9-block report

Important:
Be sure to use a secure, private printer. This information is highly confidential. You should personally complete these forms. It should not be delegated to anyone, including your administrative assistant.

2. Sign off and submit for 2nd Level Manager Approval — After you complete the conversation with your manager, revise the Performance & Development Summaries if necessary, then sign and submit them to your manager for signature using the Honeywell Performance & Development System.

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What Happens Next?

Your manager will review your Performance & Development Summaries and sign or reject them.

You will be informed of acceptance or rejection through email and the Honeywell Performance & Development System. If one or more Performance & Development Summaries are rejected, read the comments in the Honeywell Performance & Development System (or speak to your manager), make corrections and resubmit.

Review Performance Development Summary & Compensation Recommendations

2nd-Level Manager

Review Performance Development Summary & Compensation Recommendations

As part of the performance management process, it is necessary that you review and approve the Performance & Development Summaries and 9-block Reports for all of the groups that report to you. This provides an important quality check that ensures the integrity of ratings and of compensation decisions made across the organization.

In particular, you should check for two factors:

- **Relationship of goals assessment + behaviors to 9-block placement** — an employee's placement on the 9-block should be consistent with the ratings for results and behaviors. For example, an employee who has not met his or her goals **cannot** receive an "Exceeds Honeywell Standards" rating for results in the 9-block.

 Calibration across your organization — the 9-block for your organization as a whole should show performance differentiation among employees and 9-block ratings should be applied consistently. After all managers that report to you have entered Performance & Development Summaries in the Honeywell Performance & Development System, you should run the 9-block report, and make sure that employees in your organization are properly differentiated. Learn more.

After the discussion, your managers will submit their Performance & Development Summaries to you for approval. You should use the Honeywell Performance & Development System to electronically "sign" each Performance & Development Summary sent to you.

Hint:

You should first have a discussion with the managers that report to you, either individually or as a group. It is generally easier to get agreement in a single offline meeting than through multiple online workflow iterations.

Discuss Performance Development Summary & Compensation With Employee

6 Discuss Performance Development Summary & Compensation With Employee

After you receive notification that all compensation plans have been approved, you should schedule meetings with each of your employees to discuss his or her Performance & Development Summary (PDS) and compensation.

Important:
You **must** wait until you receive this notification before meeting with your employees. Do **not** discuss performance assessments or compensation with any of your employees until you receive this notification.

1. Prepare for Discussion — Before the meeting, make sure you are prepared:

When scheduling the meeting, plan for a discussion of at least 30 minutes

Use the Honeywell Performance & Development System to print out the employee's PDS.

Be prepared to manage objections. You may want to review the definitions of the 12 Behaviors. You should refer to any notes you may have that contain examples of behaviors.

You may also want to refer to the employee's Career Profile.

Important:
Be sure to use a secure, private printer. This information is highly confidential. You should personally complete these forms. It should not be delegated to anyone, including your administrative assistant.

2. Hold Discussion — Schedule a meeting with each of your direct reports to discuss his or her Performance Development Summary (PDS) and compensation plan.

During the meeting:

Review each of the individual results and behavior assessments with the employee as well as the overall comments and compensation. Allow the employee to respond, but keep in mind that this is not a negotiation. Your responsibility as a manager is to honestly assess your employees' performance, whether or not your employees agree.

Allow the employee to contribute ideas for development actions. If you agree, you can add these to the PDS, but again keep in mind that it is still your responsibility as a manager to assess those ideas. Do not add development actions to the PDS unless you agree that they should be part of the employee's focus for the following year.

At the end of the discussion, tell the employee that you will send him or her the PDS (with any necessary revisions to development actions) for signature using the Honeywell Performance & Development System. The employee must sign the PDS, even if he or she does not agree with all of the assessments. When signing the PDS electronically, the employee can note any disagreements in the Comments field.

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Finalise Performance & Development Summary

After discussing the Performance & Development Summary (PDS) with your employee, you should use the Honeywell Performance & Development System to:

7 Finalize Performance & Development Summary

- Enter any changes to development actions based on discussion with employee.
- Send the PDS to the employee for signature.

Once the employee signs the PDS the process is complete.

Important:
If any employees have concerns about signing the PDS, remind them that this does not indicate agreement with the assessment. Discuss any concerns that the employee has, but if you cannot resolve the issue, tell the employee that he or she can indicate the nature of the disagreement in the Comments field of the PDS before signing.

Note: If you have employees for whom you are using the offline Performance & Development Summary form, he or she can attach a memo to the offline form with any comments.

Appendix 8   Honeywell   *Performance & Development Summary*

Employee Name: Jimmy Murphy   **Social Security Number:**

Results Overview	Success Attributes and Behaviors

Performance Highlights and Targets Missed(Results compared to goals)

- Safety Metrics achieved – better than plan
- Provided plant cover during HSE Managers Maternity Leave
- Ongoing positive relationship with employees and supervisors.
- Strong HSE Support systems for Engines
- Assisted in HSE oversight for C/W Relayout project
- Achieved Cost Reductions targets on PPE ~~~

Targets Missed.

- Failed to meet 5 of 11 2004 objectives: incl.
- Waste Minimization process
- Closure of Environmental Mgt. Systems
- Support of HSE Departmental goals
- No Corrective Action Tracking system formalized.
- NO Training or HSE Auditing coordinated or documented.
-

Sample Only

Success Attribute	E	A	N	NA
Business Acumen			■	
Customer Focus			■	
Strategic Insight			■	
Vision and Purpose		■		
Values and Ethics		■		
Bias for Action			■	
Commitment		■		
Teamwork	■			
Innovation			■	
Staffing				■
Developing People				■
Performance			■	
Technical			■	

EX = Exceeds Standard   AS = At AlliedSignal Standard   ND = Needs Development   NA = Not Applicable/Not Demonstrated

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Summary

Strengths
-
- Good energy level and enthusiasm
- Willingness to learn and develop in role.
- Strong Team player

Development Needs
- Environmental management skills
- Bias for action / Innovation
- Project Management & closure
- Support of formalized processes / report writing.

Development Actions and Timing
- Undertake a recognized 3rd level Environmental training   - Q3,05
- With the aid of and through business units Safety committees & audits develop and improve HS&E awareness and communication -   On going   - Q4,00

- Project Management course Q2/05
- IPC Licence – coordinate parameters – Ongoing to Q4

Potential Next Moves
Short Term - (0-2 Years) Develop Present position

Long-term (2-5 Years) Management position function at Auto / Aero sector.

Manager	Employee	Date	Second Level Review/Date	

Employee Signature indicates that a joint discussion with the manager has taken Place and does not necessarily signify employee's agreement to the manager's assessment/evaluation.

Indicates Employee has made comments regarding objective discussion, etc. and the comments are attached.