

**An Exploration of the Attitudes of Staff in the Clerical Officer to  
Assistant Principal Grades to the Performance Management and  
Development System in the Department of Finance**

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Human Resource Management**

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## Authorship Declaration

I hereby certify that this material, which I now submit for assessment of the programme of study to the award of MA in HRM, 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 cited and acknowledged within the text of my own work.

Signed: 

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Eric Gargan

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## **SECTION 1 – INTRODUCTION AND BACKGROUND**

### **1.1 Introduction**

On the 4 May 2000 General Council report 1368 formally introduced the Performance Management and Development System (PMDS) into the Irish Civil Service. A performance management system up until this point had not been formally practiced in the Civil Service despite previous attempts to do so. What was different this time around was political support for the introduction of the system, top management support and the social partnership agreements provided a means for linking increases in pay subject to progress on modernization agenda. This dissertation will explore the concept of performance management and its application in the Department of Finance with special emphasis on the opinions of staff.

### **1.2 The Department of Finance**

The Department of Finance has a central role in implementing Government policy, in particular the Programme for Government, and in advising and supporting the Minister for Finance and the Government on the economic and financial management of the State and the overall management and development of the public sector. In formulating this advice the Department is guided by its mission

*‘to promote a growing economy which will deliver  
a high level of sustainable employment,  
social progress and living standards’.*

There are currently 650 officers employed by the Department. These officers are spread across five divisions.

### 1.3 Research Aims and Objectives

This dissertation is an

**‘An exploration of the attitudes of staff in the Clerical Officer to Assistant Principal grades to the Performance Management and Development System in the Department of Finance’.**

The research aims and objectives of the dissertation are:

**Question 1:** What are the attitudes of staff in the Clerical Officer, Staff Officer, Executive Officer, Higher Executive Officer, Administrative Officer and Assistant Principal grades to the key aspect of the PMDS in the Department of Finance

**Objective 1:** (a) To identify what areas of the PMDS are viewed either positively or negatively.  
(b) To identify if the attitudes of staff to the PMDS in the Department of Finance differ depending on their grade

**Question 2:** How can the effectiveness of the PMDS be improved in the Department of Finance?

**Objective 2:** To identify areas in the PMDS that require improvement and to make recommendations on the same.

### 1.3 Research Approach

The research approach taken in this dissertation was primarily deductive reasoning; however, this was also supplemented by inductive reasoning. A review of the literature was conducted to inform and the questions that would be put to staff of the Department aimed at gathering the primary data necessary to answer the research questions. The quantitative research took the form of an on-line survey which was used in conjunction with primary qualitative data obtained via a series of in-depth interviews.

## **1.4 Structure of Dissertation**

This dissertation will take a structured approach.

Section 2 considers the literature surrounding performance management and examines in detail the concepts associated with performance management systems including their key elements and differing perspectives. I also consider the different measurement techniques used to detect superior performance. There is an examination of performance appraisal techniques and I take a look at competency-based systems. Motivational theories associated with performance management systems are considered as is the impact of successful systems on organizations.

Section 3 examines the context in which PM was introduced into the Civil Service including the Department of Finance. I outline previous attempts at improving the performance of the organization and I consider the reasons for the introduction of the Performance Management and Development System into the Civil Service. I examine policy context required for the implementation of the PMDS and takes a look at the system and compare it with other models. I review some of the current issues associated with the system.

Section 4 describes in detail the research methodologies employed to answer the research questions. Including details of tools and instruments used to analyse and present the data.

Section 5 presents the results following the application of the research methodologies and will I analyse them with reference to the research objectives.

Section 6 considers the results in conjunction with the knowledge diffusion from sections two and three. I present the conclusions and recommendations.

## **SECTION 2 – LITERATURE REVIEW**

### **2.1 Introduction**

Organisations exist for a variety of purposes. Those in the business sector have a very clear *raison d'être* – the “bottom line” of profit. Profitability as the distinguishing factor has the advantage of being clearly measurable and comparable from company to company and over time. Others have a non-profit basis, such as many voluntary and charitable organisations. A big player in this category would be the public service - allowing for the existence of a small number of commercial, for-profit bodies within this grouping. Organisations also exist for sporting, social, cultural and leisure purposes. It can be presumed with some certainty that all organisations share a common objective, which is to be successful in whatever realm they operate.

Success, of course, can mean many different things to the plethora of organisational purposes that exist, from the aforementioned generation of profit, to sporting triumph, citizen welfare, participation in the arts, helping the disadvantaged, facilitating economic growth, social inclusion and so on. As Hill and Jones (2004) point out, “the most important goal for a company is to achieve superior performance relative to its rivals in the same industry”. If it achieves this superior performance, then it has achieved competitive advantage: if this advantage is maintained over time, it has what is described as Sustainable Competitive Advantage.

### **2.2 Human Resource Management**

By the late 1980s and early 1990s organisations became increasingly aware of ‘people as their greatest asset’, and therefore a source of competitive advantage. To achieve competitive success through people involved changing the way of thinking about employment relationships. It means working with people, and seeing HR as a source of competitive advantage rather than merely a cost (Pheiffer, 1994). The focus on people as a source of competitive advantage was due to other traditional sources being seen as less effective. De Saá-Peréz and García-Falocn (2002:123) write ‘in a highly competitive economic context, characterised by such phenomena as the globalization of markets,



changing customer demands and increasing product-market competition, people and the way they are managed acquire greater importance because many other sources of competitive success are less powerful' (De Saá-Peréz and García-Falocn 2002:123).

Human Resources, was a more proactive title given to the personnel function indicating a realisation that employees were now considered "resources" of the organisation. The definition by Storey (1995) emphasises a particular set of policies now identified with 'high commitment management' or high performance work systems,

*"Human Resource Management is a distinctive approach to employment management which seeks to achieve competitive advantage through strategic deployment of a high committed and capable workforce, using an integral array of cultural, structural and personnel techniques" (Storey, 1995: 5).*

A broader definition is supplied by Boxall and Purcell

*"Human Resource Management includes anything and everything associated with the management of employment relationships in the firm. We do not associate Human Resource Management solely with a high-commitment model and better management or with any particular strategy or style of management" (Boxall and Purcell, 2000: 184).*

Human Resources, was an emphasis not only on the employees, based on Theory Y assumptions, but on more proactive developments in the operational day to day activities and clear and more accurate improvements in HR practices. As the function became more specialised, many of the service delivery functions previously carried out by personnel were devolved to line managers with personnel instead adopting the role of 'internal consultant'.

Increasingly, it is recognised that the management of employee contribution is essential to execute the business strategy. Dreher and Dougherty (2001: 3) reflect this view, 'The

most well thought out business strategy will be executed effectively only when the people are committed to achieving your organisation's goals and when they possess the right set of skills demanded in the ever-changing market place'.

In effect this implies an integrated approach to HRM policy and practice. Gratton (1999) suggests that this integration needs to take place at two levels – horizontal (the need for integration between various HR interventions) and vertical integration (the need for integration between business strategy and HR strategy). 'In practice this means that HR units need to assess the knowledge, skills and abilities to operate and institute staffing, performance management, reward, training and development policies to meet those needs'. (Holbeche, 2001:13)

Ulrich (1997) emphasises that if HR is to be effective, it does not simply involve moving from operational to strategic work. It means 'learning to master both operational and strategic processes and people' (Ulrich, 1997: 47). This makes sense because 'if the basic HR processes and administrative activities, for example performance review or disciplinary procedures, are not in good order, no strategic contribution is likely to prove of value (O'Riordan, 2004:10)

In a strategic HR approach the priorities of HR should be the same as those of the business in general rather than a separate set of objectives. It is maintained that this approach leads to employees being better-managed and as result better organisational performance. (Armstrong, 2005; Ulrich, 1997)

Translating business objectives can initially prove challenging for organisations. Areas likely to prove relevant include the attraction, development and retention of talent, the promotion of quality management and enabling high performance across the organisation. As will be discussed a performance management system is a tool that can provide the link between the business strategy and individuals and team. Transforming objectives into results while developing individuals and teams and enabling high performance.

In summary, the way in which managers implement HR policies and exercise leadership is strongly related to positive employee views in respect of a range of issues that facilitate motivation and productivity (e.g. worker-management relations, reward and recognition, coaching and guidance and quality control). An effective performance management system can facilitate the successful resolution of these issues.

### **2.3 Performance Management**

Performance will occur by virtue of the very existence of the organisation and its members. Even if nothing is done, a performance level – in this case zero – will be registered; and it is possible to gauge how this performance has or has not moved the organisation towards achieving its purpose.

Organisational performance depends on the effort and ability of the organisational members. The performance of individuals will ultimately determine the success of the organisation whether it is senior managers deciding on strategy or more junior members implementing the strategy.

Dreher and Dougherty (2001:140) define performance as:

*“[T]he extent to which an employee fulfils his or her job requirement”*

The performance of individuals is not a new concern for management; managers have always been concerned with human performance to ensure that the organisation achieves its objectives. Many schools of thought claim to understand what performance management involves and indeed many writers have written about its various aspects, but with differing views and perspectives although most would probably agree that PM is difficult to define. The diversity in perspectives is evidenced in the definitions offered to explain PM

## 2.4 What is performance management?

The term Performance Management (PM) has only appeared in the last ten years or so as Armstrong and Baron (2006) note:

*“[T]he term performance management first came to into wide use in the Human Resource field in the early 1990s. Although objective–setting, assessment and review, and performance related pay were becoming common prior to that period; it was not until the late 1980s that managers started to be concerned with the management of individual performance in a holistic way” (Armstrong and Baron, 2006:1)*

However, the earlier work of Humble (1973) has guided the development of some concepts and served as an initial insight into effective PM. He defined it as

*“A continuous process involving the establishment of performance standards, monitoring of actual performance and construction of action plans to review standards, dealing with problem areas and taking appropriate steps to improve performance” (Humble, 1973: 8)*

The strength of his research is the implicit value he ascribes to dimensions of performance management as

- openness to continuous development
- the establishment of standards that create objective benchmarks by which performance may be measured, and
- the pragmatic approach that ensures that performance targets are monitored continuously with a focus on improvement at every opportunity.

The weakness of Humbles approach is that it fails to embrace the importance of strategic planning, as a framework on which to base PM in an organisational context. Hitchcock (1992) takes a broader frame of reference when he states that

*“Performance management is the process of translating strategic goals into action, monitoring the progress and rewarding the results” (Hitchcock, 1992: 53)*

Hitchcock’s definition implies the need for strategic planning; he also introduces the idea of rewarding for results as a means of reinforcing desired outcomes. The incorporation of a strategic aspect to PM was also noted by Sparrow and Hilltrop (1994) who suggest that PM is essentially

*“A strategic management technique with strong roots in Anglo-Saxon management practice which links business objectives and strategies to individual goals, actions, performance appraisal and rewards through a defined process” (Sparrow and Hiltrop, 1994: 553)*

Sparrow and Hiltrop like Hitchcock see PM as a strategic tool that provides a link for business objectives to those of individuals and teams. However, implicit in their definition is the appraisal of both results (outputs) and the process (inputs) or how they were achieved. This coincides with the change from personnel management techniques to HRM techniques i.e. a greater focus on people as source of competitive advantage. The Delivering Better Government Document (1996) describes PM as a process based on

*“[T]he active and continuous management of work relative to a pragmatic and relevant set of performance measure or indicators, and not a routine filling of forms” (Delivering Better Government, 1996:35).*

The above definition recognises the organisational context in which PM was to be introduced, that is, a context where there is no bottom line to measure results; therefore, there is a requirement for ‘relevant’ performance indicators.

The Hay report (1997) states that

*“Performance Management is a broad term to describe the management of people's performance by managing the links between individual, team and departmental performance as a whole, encouraging self-management of performance, managing on a day-to-day basis with the aid of supporting tools (e.g. simple working documentation, competency dictionary) for managers to help them achieve organisational goals and develop individual and team performance” (The Hay report, 1997: 13).*

The Hay definition acknowledges that PM can occur on a number of levels i.e. individual, team and organisational. In addition, it incorporates the term ‘competency’ which they imply will be a useful and ‘relevant’ means of measuring performance.

Armstrong and Baron (2006) assert that there is now a common understanding of what PM constitutes, they write

*“It is now commonly agreed that performance management as a natural process of management contributes to the effective management of individuals and teams to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved” (Armstrong and Baron, 2006: 2).*

It is questionable whether there is indeed a common understanding of what PM constitutes as asserted by Armstrong and Baron, however, there does seem to be common themes in the definitions provided. In essence then the primary purpose of PM is to improve the performance of the organisation. It is a systematic and strategic process for establishing a shared understanding about what is achieved, how it is to be achieved and how progress is to be assessed. It is about directing, supporting and developing

employees to work as effectively and efficiently as possible in line with the needs of the organisation.

## **2.5 Different Perspectives of Performance Management**

The Hay definition of PM alluded to the fact it can occur at a number of levels. Williams (1998: 9) identifies three different perspectives on performance management:-

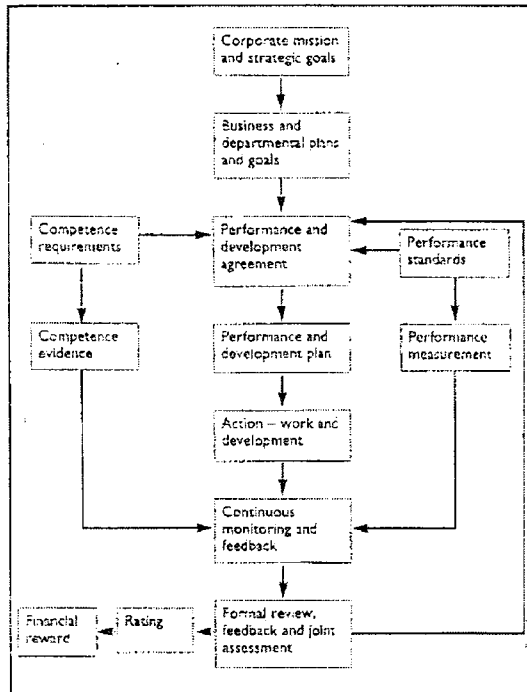
1. Performance management as a system for managing organisational performance
2. Performance management as a system for managing employee performance, and
3. Performance management as a system for integrating the management of organisational and employee performance.

## **2.6 Integrated Performance Management Systems**

As mentioned in Section 1 of this dissertation the model introduced into the Civil Service is an integrated model, therefore, it is an integrated model that will be examined. Armstrong and Baron (2002) adapt the following Performance Management Sequence from Cave and Thomas (1998):

## THE PERFORMANCE-MANAGEMENT SEQUENCE\*

\*Adapted from Cave and Thomas (1998)



An integrated model is based on the premise that all work performance is driven by a range of corporate strategies and objectives, which are broken down and translated into key functional or departmental objectives (Gunnigle, 2002). The corporate objectives provide the 'what' individuals must perform. In the Department of Finance these are referred to as divisional work programmes which are produced on an annual basis. Fletcher (1997: 36) identifies the following elements as building blocks within an integrative performance management approach:-

- the development of the organisation's mission statement & objectives
- the development of a business plan
- enhancement of communications within the organisation, so that employees are not only aware of the objectives and the business plan, but can contribute to their formulation
- clarification of individual responsibilities and accountabilities
- Definition and measurement of individual performance, with an emphasis on being measured against one's own objectives rather than being compared with others.
- Implementation of appropriate reward strategies



- Development of staff to further improve performance, and their career progression, in the future.

## **2.7 The Performance Management Cycle**

PM cycles evidenced in the literature contain a number of distinct stages. Ainsworth and Smith's (1994) model has a three-stage cycle: plan, assess and feedback. Torrington and Hall (1995) likewise have three: planning, supporting and reviewing performance. Armstrong and Baron's (2006) model has four stages: Plan-Act-Monitor-Review. The Armstrong and Baron model corresponds with William Deming's (1986) model: Plan-Do-Check-Act.

It can then be assumed there are three distinct stages, Planning, Monitoring and Reviewing. Some models referred to above such as Armstrong and Baron's and Deming's include an 'Act' stage but in general there are three. It can be assumed that once there is a plan in place then action will follow. A common theme in most of models is the idea that the manager and the employee should have a shared view of what is expected of the employee. The means by which this shared view is achieved is through participation and involvement. Monitoring performance is seen as a joint venture between the manager and the employee/job holder, occurring on an ongoing basis, and not just once a year.

### **2.7.1 Performance Planning**

At the planning stage a meeting is held between the jobholder and manager, a performance contract is developed and agreed that outlines the tasks, knowledge skills and competencies that are required to achieve the objectives. Built into the model is the requirement for continuous feedback on performance. The system further prescribes the operation of one formal review per year, when employees and managers constructively evaluate performance and identify a new performance contract. This review typically takes the form of an annual performance appraisal, which will be covered in the next section.

The critical point about a shared view of performance suggests that handing out a job description or list of objectives to the employee is not adequate, it must be agreed (Torrington et al, 2005). The generally accepted failure of Management by Objectives (MBO) is a testament to this view (Bowditch and Buono, 2005). Although key accountabilities may be fixed by the managers, they will need to be discussed. Specific objectives allow for and benefit from a greater degree of employee input as employees will have a valid view of barriers to overcome, the effort involved and feasibility (Torrington *et al.*, 2005 and Armstrong and Baron, 2006).

Expressing objectives as a 'what' statement rather than a 'how' statement gives employee the power to decide the appropriate approach once they begin to work on the issue (Torrington et al, 2005). This is the approach taken in the military. In military parlance, delegation is often referred to as "purpose/method/end-state". Purpose is the 'what'; method is the 'how'; and end-state is the 'why'. The military leader never instructs 'how' the task is to be executed. This is always left to the subordinate's initiative to work out. Lynch (2006) argues that this leads to innovation and success which in turn builds trust. That delegation of authority and responsibility is driven down the organisation. Lynch (2006) writes

*"Junior leaders are required to self-synchronise with the commander's (manager's) intent, conduct horizontal coordination of activities with peer groupings, as well as vertical "deconfliction" (military term) of activities with the next higher level in order to enable superiors co-ordinate their own operations with those counterpart formations working in the same area. This ensures co-ordination at the upper end rather than dictatorial control" (Lynch, 2006: 14)*

However, Torrington et al (2005) note difficulties with such an approach. They argue that purely 'what' objectives may lead to inappropriate ways of doing things. Consequently more "sophisticated" performance management systems are now incorporating the 'how'. This view is reaffirmed by the IDS HR Studies on PM, 2005.

*“Performance plans now tend to include measures of how an objective is to be achieved as well as what the objective should be” (IDS, 2005: 1)*

The ‘how’ approach has been put forward by Armstrong in his work of 2000, where he proposed a “What? How? What?” approach. This subsequently changed in his later work with Ms Baron in 2006. They go a step further and indeed change the sequence to

*“Performance management is largely about defining expectations....at Halifax Bank of Scotland the approach to describing the role and agreeing individuals expectations is described thus: Why?....When?....How?....What?...” (Armstrong and Baron, 2005: 25).*

The approach above would suggest tighter control of subordinates actions that not only instructs employees what to do but also when to do it which resonates ‘Taylorism’ and may as Lynch, 2006 pointed out stifle innovation. On agreeing the performance plan the next stage in the PM cycle is monitor ongoing performance.

### **2.7.2 Ongoing Monitoring of Performance**

The literature on PM is unanimously agreed that an integral part of the PM cycle is the continuous monitoring of employees while the employee is working to achieve the performance agreed (Dreher and Dougherty 2001; Armstrong, 2002; Gunnigle, 2002; Gary, 2004; Torrington et al., 2005; Armstrong and Baron, 2006). These authors argue PM should be a continuous process and not just meetings at the beginning and end of the year. The manager retains a key enabling role such as organising resources and training. As part of the monitoring process Torrington et al (2005) highlight ongoing coaching during the task as especially important. Furthermore, managers can guide employees through discussions and by giving them regular constructive feedback. To this end the IDS Report (2005) advocates that line managers need to be trained in coaching skills. The report notes that this may represent a “cultural shift” and demand new skills of line managers.

### **2.7.3 Performance Review**

Although PM is a continuous process, it is still necessary to have a formal review. Armstrong and Baron (2006) believe this should happen once or twice yearly. This provides a focal point for the consideration of key motivational, performance and development issues, it is a means for considering the future in the light of an understanding of the past and present and answers the two fundamental questions of ‘Where have we got to?’ and ‘Where are we going?’ (Dreher and Dougerty, 2001; Armstrong, 2000; Armstrong and Baron, 2006; Poon, 2006)). They provide a forum for the discussion on keys issues of personal development and performance improvement. Torrington et al., (2005) note that many organisations now invite employees to prepare an initial draft of achievements met against objectives i.e. self appraisal. This phenomenon is reaffirmed by the IDS report (2005). Performance appraisal is an integral part of the PM system, therefore, it is examined in more detail below.

## **2.8 Performance Appraisal**

Over the past fifty years, Garote (1996) notes that performance appraisal (PA) has become such a commonplace in organisational life that virtually every company has an appraisal system. The terms PM and PA are sometimes used interchangeably, however, PM is a much more holistic approach that also incorporates the manager’s traditional role of performance appraisal. Armstrong and Baron (2005:14) note the difference

*“Performance management and performance appraisal are sometimes used synonymously, but they are different, performance management is a comprehensive, continuous and flexible approach to the management of organisations, teams and individuals which involves the maximum amount of dialogue between those concerned. Whereas performance appraisal is a more limited approach which involves managers making top-down assessments wand rating performance of their subordinates at an annual appraisal meeting” (Armstrong and Baron, 2005:14).*

Gunnigle and Flood (1990) describe PA as ‘systematic approach to evaluating employee performance, characteristics and potential, with a view to assisting decisions in a wide range of areas such as pay, promotion, employee development and motivation’. This view is shared by Fletcher (2001)

*“Performance appraisal has become a general heading for a variety of activities through which organisations seek to assess employees and develop their competence, enhance their performance and distribute rewards. It some times becomes a part of a wider approach to integrating human resource strategies known as performance management” (Fletcher, 2001: 473)*

There has been much debate over the use of PA and the difficulties associated with it. Notwithstanding these problems Kavanagh (1997) asserts that employees want to know how well they are performing. According to Kavanagh the difficulties surrounding PA are not so much about its philosophy but more so with its operation i.e. how and what is measured. Armstrong and Baron (2005) assert the major development in PM over the last decade has been a concern for the means in which performance is achieved and not just the end results. This they assert has arisen because performance development and improvement is only possible on the basis of an understanding not only of ‘what’ has to be done but also ‘how’ it has been done. Therefore it is now argued that PA should provide a forum for discussion between the manager and jobholder with three clear objectives: motivation, development and improving performance.

## **2.9 Methods of Performance Appraisal**

There is considerable variety in the range of PA techniques that are used by organisations. A summary description of the most commonly used techniques is presented in table 2.1. The rating technique will be examined in more detail because it was this technique that was introduced into the Department of Finance.

**Table 2.1 Performance Appraisal Techniques**

<b>Method</b>	<b>Characteristics</b>	<b>Strengths</b>	<b>Weaknesses</b>
Rating	Appraiser specifies on a scale to what degree relevant characteristics (normally related to job-related behaviour or personality are possessed by appraisee.	Ease of comparison; range in complexity from very simple to very involved, using descriptions of behaviour or performance.	Subjective; personality or behaviour traits difficult to measure.
Ranking	Appraiser ranks workers from best to worst, based on specific characteristics or overall job performance	Simple; facilitates comparisons.	Little basis for decisions; degrees of difference not specified; subjective.
Paired comparison	Two workers compared at a time and decision made on which is superior, resulting in a final ranking order for full group.	Ease of decision making; simple.	Difficult with large numbers together with weakness attributed to ranking.
Critical incident	Appraiser or supervisor observes incidence of good and bad performance. These are used as a basis for judging and assessing or discussing performance.	Job-related; more objective.	Needs good observational skills, time-consuming. →
<b>Method</b>	<b>Characteristics</b>	<b>Strengths</b>	<b>Weaknesses</b>
Free-form	General free-written appraisal by appraiser	Flexible	Subjective; difficulty of comparison
Performance or objectives-	Appraiser evaluates degree to which specific job	Job-related; objective;	Needs measurable targets; danger of

oriented systems	targets or standards have been achieved.	participative.	collusion.
Assessment centre	Appraisees undergo a series of assessments (interviews, tests, simulations, etc.) undertaken by trained assessors.	Range of dimensions examined; objective.	Expensive; not necessarily job-specific.
Self-assessment	Appraisees evaluate themselves using a particular format or structure.	Participative; facilitates discussions; promotes self-analysis.	Danger of lenient tendency; potential source of conflict between appraiser and appraisee.

(Source: Gunnigle, 2002:179-180)

### 2.9.1 Performance Rating

Rating usually involves the appraiser rating the employee's performance and behaviour against a pre-determined scale. Rating scales are often used in conjunction with results orientated systems, which measure performance against a set of objectives. In such cases, rating scales are used to indicate the extent to which an employee was successful in achieving the objective. While rating scales are a convenient means of comparing employees and arriving at an evaluation, they tend to ignore the complex set of variables that determine work performance, and are a highly subjective method of assessment. (Gunnigle, 1990; Armstrong, 1995 and Armstrong and Baron, 2006). Furthermore, it is particularly difficult to achieve any great level of consistency (Gunnigle, 2002 and Gary, 2004) Moreover, a further problem associated with rating concerns the error of central tendency to veer towards the mid point.

One means of improving consistency might be to require the appraiser to make a forced distribution of assessments that involves plotting overall evaluation against a normal distribution curve (Gunnigle, 2002). This method is also suggested by Gary (2004) who

says such systems focus just on the appraisal process, not on the assessment of employees' potential. Dick Grote a performance management consultant and author quoted in Gary (2004) says that "perhaps 30% of Fortune 500 companies use this method to counteract the 'grade inflation' in performance ratings by ensuring that there's some differentiation". For example, a company might decide that only five percent of its workers can be assigned to a "distinguished" rating and no more than twenty percent get a "superior rating" etc.

## **2.10 What should be appraised?**

Organisations can choose to appraise to appraise outputs, inputs or a combination of both. The techniques used have been categorised into output based assessment which focuses on results or input-based assessments that take account of behaviours, skills and attitudes that influence how an objective is achieved or not as the case may be.

### **2.10.1 *Output-based assessment***

Under such schemes, specific performance objectives or goals that the employee agrees to complete are set at the start of the appraisal cycle. At the end, the employees' performance is appraised according to how many or how fully these objectives have been achieved.

According to a recent CIPD survey (see Armstrong and Baron 2005:65) sixty two percent use objective-setting as the basis for their PM systems, yet this approach is often criticised when it is applied to different job types. For example, it is often argued that the objective-based approaches are unsatisfactory for the appraisal of professional staff and many public sector workers (Fletcher, 2004) Objective setting has also come in for a great deal of criticism from the writers advocating the use 'competency frameworks' in performance management. Behavioural approaches are often more appropriate here as a means of establishing how far an individual has or has not reached a defined level of competency (Beer and Ruh, 1976 and Fletcher, 2004)

### **2.10.2 *Behavioural assessments***



With this approach the supervisor reaches a judgement about the overall performance on the basis of their evaluation of the employees' general conduct during the assessment period. Although specific outputs may come into consideration they are subordinate to a consideration of behaviour, and are used principally to provide evidence of its effective and ineffective aspects. Taylor (2005) notes the behavioural approach is often associated with a requirement for managers to consider performance against certain criteria already defined and determined elsewhere in the organisation. Typically, this will require a standard form to be completed that obliges the appraiser to score or comment on different aspects of performance. Taylor argues that while these can provide guidance for managers, they can be very inflexible, because they don't focus on specific requirements of individual jobs.

### **2.10.3 Competency-based assessment**

The interest in the concept of competency has been one of the major HR themes of recent times (Redman and Wilkinson, 2006). Taylor (2005) describes competency-based systems as a more sophisticated approach of behavioural assessment. The starting point is the identification of the particular behaviours or competencies that are most important for employees' particular jobs. Employees are appraised according to how far, in the judgement of the supervisor, they are meeting or exceeding the basic requirements of the job in question.

## **2.11 Criticisms of Performance Appraisal**

As noted above PA has been practised for a long time, there has been no shortage of research on the subject. Much of this has been devoted to issues around the use of ratings in appraisal and how to make them more subjective and accurate in reflecting performance – partly driven by the impact of equal opportunities legislation (Fletcher, 2001) According to Fletcher (1997) most UK organisations express dissatisfaction with their PA systems. This is not a recent observation, as research long since provides example of appraisal either not motivating staff or even reducing motivation and commitment.

William Deming in his book 'Out of the Crisis', 1986 argues what is wrong with PA and merit rating is that it focuses on the end product and not on the leadership of people. Deming argues that merit rating "rewards people that do well in the system" as opposed to "rewarding attempts to improve the system" (Deming, 1986: 102). Apart from stifling innovation as implied by Deming he also argues that individual performance ratings stifle teamwork, "the problem on a team is: who did what?" (ibid: 107) Furthermore, Deming asserts that it is impossible to ensure fair rating due to "system factors". System factors are factors beyond the control of the employee that have a negative impact on performance. According to Deming all of the above will have a negative impact of employee motivation. Poon (2004) in her study of the effects of PA politics on job satisfaction and turnover intention reaffirms Deming's beliefs. Poon asserts that if there is a perception on the part of the employees that PA process has been tinged with political motives on behalf of the performance appraisers', which according to Ferris *et al.*, (1996) is inherent in the very contextual fabric of organisations especially if performance is judged subjectively, the result will be the de-motivation of staff.

To combat such undesirable affects of PA Deming suggests that 'modern principles of leadership will replace the annual review. To this end he put forward eight principles. Some of which are:

- Better training and education [of staff] after selection.
- People that are on the poor side of the system will require individual help.
- Hold a long interview with every employee, not for criticism, but for help and better understanding on the part of everybody. (Deming, 1986: 117-118)

Some of the principles put forward by Deming are synonymous with PM i.e. better training, help for individuals to improve performance and one-on-one interviews between the manager and jobholder to develop and understanding and to provide constructive feedback. Deming was commenting on traditional PA based on the measurement of outputs. There since has been a greater movement and focus on the appraisal and subsequent development of inputs rather than simply focusing on outputs. This change in

perspective is evidenced in the growing momentum of the competency approach to the management of human performance which will be examined in more detail below. However, as Poon noted, the perception of employees is critical to the process, to this end it must be viewed as fair and transparent.

## **2.12 Competency-based Performance Management**

A competency-based performance management system is a formalised way of establishing the skills and behaviours that employees need to be successful in their jobs (Martone, 2003). Performance expectations are predicted on these competencies, and performance monitoring and review discussions are related to the competencies. The formal performance appraisal includes measures and assessments of actual performance against the standards of the core competencies. In addition, the competency models can be used in training and development applications; recruitment and selection, particularly succession planning, and, reward management applications. (Cooper, 2000; Shippmann *et al.*, 2000).

Philosophically, the competency movement finds its roots in the writings of F.W. Taylor (1911). His espousal of the “one best way” of fulfilling a task, thus improving efficiency and increasing production, together with his functional view of management led ultimately to the development of the competency approach (Garavan and McGuire, 2001; Salberg, 2000; Grugulis, 1997; Raelin and Cooleage, 1995).

The term “competencies” has multiple definitions that reflect the varied history of the concept. The current use of the term can be traced back to McClelland (1973) who saw competencies as components of performance associated with important life outcomes and as an alternative to the traditional trait and intelligence approaches to predicting human performance. Competencies used in this way refer to broad psychological or behavioural attributes that are related to success outcomes, be they on the job or life in general.

Building on this body of work, Boyatzis (1982) defined competency as

*"[An] underlying characteristic of a person which results in superior and/or effective performance in a job" (Boyatzis, 1982: 21)*

Another major stimulus to the development of competency models came from Prahalad and Hamel's (1990) concept of "core competencies" of a business. Core competencies for employees represent a "one-size-fits-all" approach to the competency modelling. In this approach, one set of competencies is identified for employees or class of employee. Mansfield (1996) notes the advantage of this approach is that the competency model applies to the staff of the entire organisation. There is only one framework so that the applications of the model of the model are more easily implemented. All employees assessed against the same competencies. The framework can be aligned with the organisation's mission, strategy and values. If the strategy changes so can the competencies. On the other hand the core competency model does not describe the competencies for specific jobs and thus may have limited application in wider HR functions such as evaluation and training.

The major difference between competency and traditional approaches to people management is that the former stresses inputs, including behavioural characteristics of staff, and the latter outputs and performance on the job. The competency approach focuses on the development of staff inputs which in theory lead to enhanced performance. Therefore, there is a link with the competency approach and workplace learning (Garavan and McGuire, 2001 and Murray and Donegan, 2003). Furthermore, it is claimed that another advantage with this approach is that there is a consistency in identifying and measuring people quality at all stages on the employment cycle. (Horton, 2000)

The literature on Human Resource Development (HRD) increasingly focuses on how best to select and develop effectively performing employees. Such preoccupations are in direct response to demands for higher productivity, increased flexibility and lower costs by organisations (Losey, 1999; Hogetts *et al.*, 1999; Garavan *et al.*, 1999; Garavan and McGuire, 2001). Increasingly, organisations seek through the implementation of sophisticated human resource development and workplace learning strategies, to develop

competencies to enable employees to respond quickly and flexibly to business needs. Workplace learning is concerned with improving the behaviour and capability of individuals so that the organisation can more effectively respond to its environment. (Senge, 1990 and Argyris, 1994). The need for greater flexibility resulted in a more widespread use of competency approaches as a basis for workplace learning provision (Lei and Hill, 1996; Spangenberg et al., 1999; Garavan and McGuire, 2001)

Evidence suggests there is an increased usage of competency models by organisations to drive workplace learning initiatives in the U.S.A. and more recently in the U.K. The use of the competency model as the focus of workplace learning serves the dual purpose of facilitating the identification of learning needs and ensuring that learning provision addresses business needs (Garavan and McGuire, 2001). Murray and Donegan, (2003) found that organisational learning appears to be useful when combined with competency development, and institutionalised in cultural routines.

#### ***2.12.1 Conceptual and definitional difficulties with the competency approach***

The literature reveals that there are conceptual and definitional difficulties surrounding the competency movement. Grzeda (2006) notes that such ambiguity can lead to difficulties with implementing such systems, she writes

*“The competence framework has contributed significantly to the understanding of managerial performance but problems arising from its conceptual ambiguity have not received adequate consideration and have continued to raise concerns”*  
(Grzeda, 2005: 540).

Garavan and McGuire (2001) reaffirm that confusion exists at a number of levels within the competency literature, which they say exists for two reasons: differences between countries and differences arising from pedagogical theory on how people learn. The former is largely historically determined and reflects differences in relationships between the education and labour market in different countries. Pedagogical differences on the other hand, relate to issues of how behaviouralists, cognitivists and constructivistic

theorists consider notions of competency. Levels of definitional confusions and difficulties in perspectives exist:

- Conceptualisation of competence in terms of its function,
- Differences in the context of competency and competence.

The literature reveals that competencies are defined in terms of three distinct perspectives: competencies as individual characteristics; competencies as characteristics of organisations; and the notion of competencies as a tool to structure and facilitate communication between education and the labour market. This dissertation will examine the former two perspectives.

### ***2.12.2 Competencies as characteristics of individuals***

This perspective argues that competencies are essentially related to characteristics of individuals. Within this perspective there are, however, differences in emphasis. The most important difference in emphasis here relates to whether these characteristics can be learned or whether they are innate (Garavan and McGuire, 2001). Tate (1995) differentiates competence and competency by stating that competence is job performance-related while competencies are person-related. He states that competences are derived from examining the role, while competencies are a function of the person – they describe the dimensions of personal behaviour underpinning competent performance. The dominant view is to emphasise the trainability dimension of competency and the development of work place learning activities to the development of competencies to improve performance (Fletcher, 1992 and Eraut, 1994). If an individual doesn't demonstrate competence, then s/he will need to develop his/her competencies in order to improve. As Tate (1995) writes

*“Competences show what potential can do. Competencies develop that potential”*  
(Tate, 1995: 84).

This traditional view emphasises that competencies and competence are given. They argue that characteristics such as emotion, attitude and cognition originate from innate abilities and therefore cannot be learned, they can only be developed (Klink *et al.*, 2000).

### **2.12.3 *Competencies as characteristics of organisations***

An alternative perspective is to conceptualise competencies as characteristics of organisations. This perspective takes as a starting-point the view that human competencies are one of the resources available to organisations. The origin of this notion of competencies as mentioned earlier, can be attributed to the work of Prahalad and Hamel (1990), who analysed the competitiveness of organisations and attributed it to the possession of “core competencies”.

Some commentators consider it to be an inappropriate conceptual stretch of the concept of competency to regard it as a characteristic of the organisation. One problem that immediately arises is the variation in terminology used. Selznick (1957) uses the term “distinctive”, Teece (1990) talks about “dynamic capabilities”. Prahalad and Hamel (1990) suggest “core competencies” and Kamoche (1996) suggests “human resource competencies”. These definitions range from specific descriptions to very broad ones. The empirical support for core competencies at organisational level significantly lags behind the theoretical development. The notion is solid at macro-theoretical level but stands relatively unsupported at the micro-theoretical level (Garavan and McGuire, 2001). The theory would suggest that work-based training activities aimed at improving the organisational competencies represent a vital component of organisation success and strategy and will improve organisational performance. However, there is no systemic evidence of the transformation of workplace learning activities by organisations on both sides of the Atlantic as a result of resource based perspectives (Hamel and Prahalad, 1993; Bileherman *et al.*, 1994, Preger, 1999)

### **2.12.4 *UK and US perspectives***

There are differences in the conceptualisation of competencies between the USA and the UK which further complicates matters. In its most general sense, the U.S.A. perceives competence to be related to the individual and whether they possess the skills, attitudes and knowledge to perform a specific job or role. The U.K. approach is arguably broader and the perception of competencies not only is related to the attributes of the job holder, but also refers to the range of guidelines and personal effectiveness issues required to get the job done.

Within the UK approach, competencies are viewed as standards for job functions and professions, whereas, in the US approach, the behaviour of excellent performers is considered the basis for the development of relevant tests of relevant competencies. Generally, both UK and US perspectives view competencies as being related to characteristics of individuals.

#### ***2.12.5 Philosophical differences***

Aside from the definitional and conceptual issues, there are also differing philosophical viewpoints. At a simplistic level, competency models seek to identify and develop the ideal combination of skills, knowledge attributes and experience, the possession of which enables employees to become high performers with the potential to add value to the organisation.

However, there are differing views on the use of competency models. One perspective argues that the notion of competencies can be liberating and empowering – an equalising force in the context of workplace learning. Such a perspective is based on developmental humanism (Garavan and McGuire, 2001). This philosophical position suggests that employees should be provided with a broad degree of self-control and self-regulation on the basis that such committed employees will actively work towards the aims of the organisation. Others suggest that, in reality, competency notions espouse amore utilitarian instrumentalist philosophy that challenges this line of argument. This philosophical position advocates that the “rational” management of employee will lead to the ultimate aim of increased competitive advantage. This position is characterised by



tight management control, close direction and prescription of required competencies as well as advocating the concept of “fit” between strategic objectives and competencies possessed by employees (Garavan and McGuire, 2001).

Holms (1995) would support this view. He argues that the power relations that exist within the competency approach do not reflect the developmental humanism. Instead, competency frameworks reflect Taylor’s “one best way” approach which results in people who wish to be perceived as competent trying to reshape and/or reinvent themselves and reconfigure their experience in order to match the specific demands of the competency. Furthermore, the assessor lacks autonomy because of the requirement to make judgements within a specified vocabulary. Notions of control therefore permeate competency approaches. Due to the control factor Garavan and McGuire (2001) say that the competency approach may result in short-term developmental learning, the focus being on the bottom line at the expense of ensuring employees are developed in the long-term.

#### **2.12.6 *Competency models should only be used for development purposes?***

The use of competency models for PM is generally not advised in the literature. One argument is that the level of rigour and documentation underlying most competency models would not stand up under a legal challenge (Shippmann *et al.*, 2000). A second argument is that although competency underpins superior performance, measuring performance is not the same as measuring competency (Cooper, 2000). In measuring performance against the competency model, the degree to which the employee demonstrates the competency on the job is assessed. Employees must possess the competency in order to perform the job well but simply having the competency does not necessarily translate into superior performance. Many factors affect performance not only competency (Chan, 2006).

However, the literature does support the use of competencies for the purpose of training and development. It enables the organisation to focus on the relevant behaviour and skills and it makes the most effective use of the training system (Lucia and Lepsinger, 1999).

Training efforts can be concentrated on those skills that have been deemed essential for the organisations strategic direction (Chan, 2006). In the context of workplace learning Garavan and McGuire (2001) note the potential of competency frameworks can be enhanced by a more considered analysis of the context within which they are applied. They must be embedded not only in the supporting HR systems, but also in terms of the wider organisational context, including its culture, the extent to which a competency ethos exists within the organisation, and the employees must understand how competency enhancement fits into their career development.

### **2.13 Performance Management and Employee Behaviour**

On selecting the core competencies or the desired behaviours that are believed will lead to higher performance within the organisation, the PM system is the tool that attempts to 'link employee behaviour to prompting mechanisms that appear to evoke that behaviour' (Barry, 2006). Williams (1997) notes

*"The most important new wrinkle is the extent to which these new [PM] systems, which are in place at a growing number of companies, can, in effect, "engineer" the behaviour of employees" (Williams, 1997: 3).*

The PM model is based on the systematic use of antecedents and consequences to improve the current behaviour-performance (Daniels, 1999). An antecedent prompts behaviour, which is followed by a consequence. An understanding of the way these elements interact allow managers to analyse performance problems, take corrective measures, and design work environment and management systems in which high performance will prevail and current behaviour be modified.

PM is the managerial application of Skinnerian theory and is known as Organisational Behavioural Modification (OBM) which is 'often referred to in business settings as performance management' (Bowditch and Buono, 2005: 81). It is a process focused on

acquiring and maintaining certain preferred behaviours while extinguishing those that are undesirable. They write

*“OBM attempts to make certain job-related behaviours occur more or less frequently, depending on whether they enhance or hinder organisational objectives, through the systematic manipulation of incentives, the conditions that contribute to a particular set of behaviours (antecedent conditions) and the immediate consequences of these behaviours” (Bowditch and Buono, 2005: 81).*

Bowditch and Buono (2005) write that the successful applications of OBM programs are related to the extent to which managers are able to:

1. reward people with what they value
2. explicitly link the reward to the desired behaviour
3. appropriately fit the magnitude of the reward with the magnitude of the behaviour
4. reward better performers more than average performers
5. give meaningful feedback and reward after performance (ibid, 2005: 82)

Motivational theories explain how individuals can be influenced to acclimatise new behaviours. *Need, goal setting, expected attractiveness of outcome and social comparison* are argued as the main driving force that are premised on these theories (Dixon *et al.*, 1998). These are outlined as follows:

- ***Static Content theories*** – for the “need” motivational force there is Maslow’s theory of hierarchy of needs (1970), motivational hygiene theory (Herzberg *et al.*, 1959, 1996), achievement-power-affiliation theory, as argued by McClelland (1961); and existence-relatedness-growth theory (Alderfer, 1972);
- ***Process theories*** – specificity of goals theory (Locke, 1968; Locke and Ladlam, 1990) explain the “goal-setting” motivational force; the expectancy theory by Vroom (1964) explains “the expected attractiveness of outcome”; and

- ***Environmental based theories*** – for the “social comparison” there is equity theory by Adams (1965).

The static content theories focus on what ‘energises’ human behaviour and are related to individual need to grow and develop, which as has been discussed above is a fundamental element of a contemporary PM system. The process theories are concerned with ‘channelling’ human behaviour and appear in the planning stage of a PM system. The basic premise of “Goal-setting” theory is that a person’s conscious intentions (goals) are the primary determinants of task related motivation since goals direct our thoughts and actions. Bowditch and Buono (2005) write

*“There has been voluminous amount of research on the link between goal setting and behaviour that has carried well into the early 2000s. As would be suggested by path-goal theory, specific goals appear to result in higher effort than generalised (or no) goals” (Bowditch and Buono, 2005: 78).*

Vroom’s expectancy theory relates to the reward element of the PM system, whether it is intrinsic or extrinsic. Bowditch and Buono (2005) as pointed out above suggest that the reward should match the required effort for the successful application of OBM or PM.

Social comparison theory is an environmental based theory, such theories are concerned with ‘sustaining’ or ‘maintaining’ desired behaviours. Adams “equity theory” underpins the need to reward higher performers’ more than average performers.

***H6: The PMDS does not motivate people because it is not linked to a reward strategy***

## **2.14 Performance Management that Drives Results**

The successful application of a PM system requires adapting the system to the unique set of circumstances in the organisation. (Garavan and McGuire, 2001; Armstrong, 2000, Armstrong and Baron, 2002; Gary, 2004; Torrington *et al.*, 2005; Armstrong and Baron, 2006) Loren Gary (2004) notes

*“[M]ore and more companies are demanding that their performance-management systems drive demonstrable business results. And what they are discovering is that one-size-fits-all notions of performance won’t get them where they want to go” (Gary, 2004:3)*

Colleen O’Neill and Lori Holsinger, of Mercer Human Resource Consulting in a recent white paper (cited from Gary, 2004:3) note the most powerful systems for managing employees’ efforts ‘respond to an organisations unique business and human capital context’. Gary (2004) argues that PM excellence requires perspective, metrics and passion for execution. She suggests the best managers

- Develop rigorous systems that create distinctions among three groups: the few who are making outstanding contributions, the great majority who are performing successfully and the small number who aren’t making the grade.
- Create measures to drive employee contributions.
- Foster a culture of accountability in which supervisors aren’t afraid to speak frankly when target aren’t being met, or link decisions about financial incentives to actual performance.

Moreover, the reward element must drive and sustain employee behaviour (Beer, 1981; Bowditch and Buono; 2001; Hall, 2004; Barry, 2006). The challenge for organisations is to build a reward system that manages to meet the needs of all the various individuals involved while meeting organisational requirements for effectiveness (Hall, 2004).

## **2.15 The Impact of Performance Management on Organisational Performance**

There seems to growing evidence that HR practice and PM are having a positive impact of organisational performance. Armstrong and Baron (2005:15) state:

*“A large proportion (42%) of the 451 respondents to the 2003/2004 CIPD performance management survey upon which this book is based believe that their performance*

*management processes are very or mostly effective in improving overall performance. A further 49% thought that performance management was partly effective. But only 4% considered that it was ineffective. This is a reasonably strong endorsement of the impact of performance management”.*

In addition Ashton and Sung (2002:17) in relation to HR practices state:

*“First and foremost, stringent scientific research has now established a strong link between the use of human resource practices and enhanced performance across a range of indicators, but especially in productivity and, crucially, profitability. Put plainly, investment in these practices and the skills associated with them pays off on the bottom line”.*

According to Pettinger (1994), there is a correlation between organisations that go to a lot of trouble to motivate their staff and profitable business performance. The Employee-Customer-Profit Chain at Sears helps prove Pettinger’s theory. Sears demonstrated that quality management as a driver of employee attitudes will lead to a 5 point improvement in employee attitudes which will drive a 1.3 point improvement in customer satisfaction, which in turn will drive a 0.5% improvement in revenue (Rucci *et al.*, 2000).

In an Irish context Flood and Guthrie (2005) claim that HRM practices do not directly influence corporate performance, but rather do so indirectly by influencing the motivation, behaviour and performance of individual employees. Greater use of High Performance Work Systems has both statistical and practical effects on labour productivity.

## **2.16 Conclusion**

In conclusion a PM system represents a holistic approach at improving the performance of an organisation by linking corporate objectives to the objectives of individuals, teams and divisions. In this sense it is a strategic management tool. In addition, it seeks to provide clarity for the actors within the organisation. Moreover, a PM system seeks to

motivate employees through objective setting and is supported by and linked to other HR systems including the PA and reward systems to promote desired behaviours. It is a continuous process that depends on the support of senior management and line manager buy in to promote and support the continuous development of employees.

## **SECTION 3 – A CONTEXTUAL ANALYSIS OF PERFORMANCE MANAGEMENT IN THE DEPARTMENT OF FINANCE**

### **3.1 Introduction**

Section 2 examined the literature on PM uncovering the main issues surrounding it. It discussed in some detail what PM is and highlighted some of the perceived benefits and draw backs of PM systems. This section will look at the history and background leading up to the adoption of Human Resource Management practices including the introduction of the Performance Management and Development System (PMDS) into the Department of Finance. It will outline briefly some previous attempts to introduce management practices aimed at improving performance. It will also examine the policy context in which the PMDS was introduced. The final part of the Section will compare the PMDS with other models and highlight the main issues with the system to date.

### **3.2 Previous Attempts at Improving Performance**

Performance management in the formal sense is not a new phenomenon to the Department. It was first introduced in the early 70s as a staff appraisal 'pilot' scheme for Assistant Principals and Administrative Officers, with the sole purpose of identifying training and staff development needs. This initiative was prompted by the Devlin Report.

#### **3.2.1 The Devlin Report**

The Devlin report represents the first critical examination of performance appraisal which took place forty years ago, and is documented in the Report of the Public Service Organisational Review (1966-1969), popularly known as the Devlin report after its Chairman, Liam Devlin. The Report noted 'of the dangers which can result from a rigid adherence to seniority in promotion, the most serious is a tendency towards mediocrity in the whole organisation'. The group recognised that if superior officers were not to fall back on seniority as a means for determining suitability it was necessary to have an efficient system of assessment on which they could rely for the appraisal of staff. The



Group highlighted that the only formal reporting systems on civil service staff at the time (each of which are currently still in use) were:

- The annual increment certificate, whereby, supervisors were required on whether the officer's work and conduct had been satisfactory during the previous year; in practice increments were rarely deferred.
- Probationary reports. A six-monthly report was completed in respect of each new appointee during his or her first two years of service.
- Specific reports on candidates for inter-departmental competitions.

In addition, the Report recognised that where procedures did exist were uncoordinated across the Civil Service. It was also asserted that most assessments tended to be made on subjective grounds by supervisors who had no knowledge of assessment techniques. Moreover, they had no well defined standards on which they could base their judgements. The Review Group suggested that the absence of an efficient system of assessment and appraisal of staff was perhaps due to the lack of a comprehensive system of manpower planning identified to the needs of the organisation. The Group also stressed the need for greater investment in training. However, these recommendations which formed a part of a much wider set of proposals aimed at reforming the civil service as Murray (1990: 19) notes 'did not command universal assent' largely because of 'the lack of commitment to reform by politicians and the civil service' (ibid :21)

However, progress albeit minor was achieved. As a result of the recommendations of the Group, a pilot scheme introduced systems for appraisal and development and for assessment and reporting for promotion purposes in the early seventies for the grades of Assistant Principal and Administrative Officer in the Department of Finance. Management attempted to introduce these schemes on a wider basis but were subsequently blocked in doing so by the unions. The unions stated, 'that the position in relation to these systems was unsatisfactory. Existing systems were introduced without the agreement of the Staff Side' (General Council report 639, 1974: 1)

Four other schemes subsequently evolved and are still in operation at varying levels and with varying degrees of success:-

1. the Assessment scheme for Top Level Appointments Committee (TLAC) including Deputy Secretary, Assistant Secretary and Principal Officer levels which was set up for the purpose of assessing for promotion,
2. the Performance Related Pay scheme for Assistant Secretaries which was introduced for the purpose of assessing pay,
3. the Performance Appraisal scheme for Principal Officers and Assistant Principals which was devised for the purpose of assessing future potential and suitability for promotion, and
4. the Performance Appraisal scheme for Higher Executive Officers and Executive Officers which was also devised for the purpose of assessing future potential and suitability for promotion.

The latter two schemes are supplemented by a number of ad-hoc assessment schemes used to assess staff in relation to inter-departmental promotion competitions and internal promotion opportunities within departments, including completion of the annual increment form by managers for all staff who have not yet reached the top of their incremental pay scale.

According to a report completed by Carroll (1994) there appears to be a general consensus within the service that the TLAC and performance related pay scheme for Assistant Secretaries have been successful (and these schemes are still being used); but he claims that the latter two appraisal schemes for middle management grades have not been successful, even though the schemes had the approval of management and staff interests were fully involved in devising and accepting the schemes. This is supported by the fact that in recent years only a few departments have continued to operate the schemes, even at the minimum level of carrying out an annual appraisal review.

There are many factors mooted as contributing to the lack of success of these two schemes:-

- the absence of a strategic management process in Departments;
- the lack of an integrated HRM policy embodying performance management as one element;
- the absence of direction and driving force by top management;
- staff apathy and mistrust of management and their possible motives;
- the application of the schemes to particular grades only;
- the inability to adequately reward high performers or punish underperformers, and in general,
- the poor follow through on the results of assessments.

In reality, according to Carroll (1994), the schemes never became subsumed into the whole staff management process in the civil service. Even the DBG policy document (Co-ordinating Group of Secretaries, 1996: 36) has recognised this fact where it admits that

*"traditionally, performance management has not been practised in the Irish civil service with the result that objective setting and related performance management have not driven the work of staff at all levels to sufficient extent".*

### **3.3 Political intervention into the performance of the Civil Service**

In the early 1980s the subject of performance and accountability of civil servants was raised in 'Serving the Country Better' – A white Paper on the Public Service (1985). The White Paper, for the first time, presented a clear expression of Government policy as to the way in which the Public Service would gear itself to meet the needs of the public. The paper was written against a backdrop of national economic crisis. The result being the environment in which the Civil Service operated was one of limited resources. Moreover, the demographic of the country was changing, resulting in a population that 'is now younger, better educated and more articulate than ever' (Serving the Country Better, 1985: v) which led to higher demands and expectations for an effective and efficient service from the state. These factors prompted 'a need for change in the operational and

statutory framework of the Civil Service. In particular, there was concern that the Civil Service adherence for rules of fair and equitable treatment of all its clients could lead to an undue emphasis on efficiency to the detriment of effectiveness – doing things right rather than doing the right things’ (Fleming, 1997: 42)

The paper stated there was a need for the Civil Service to be more ‘results focused’ and that the management of civil servants needed to change. The Minister for the Public Service stated,

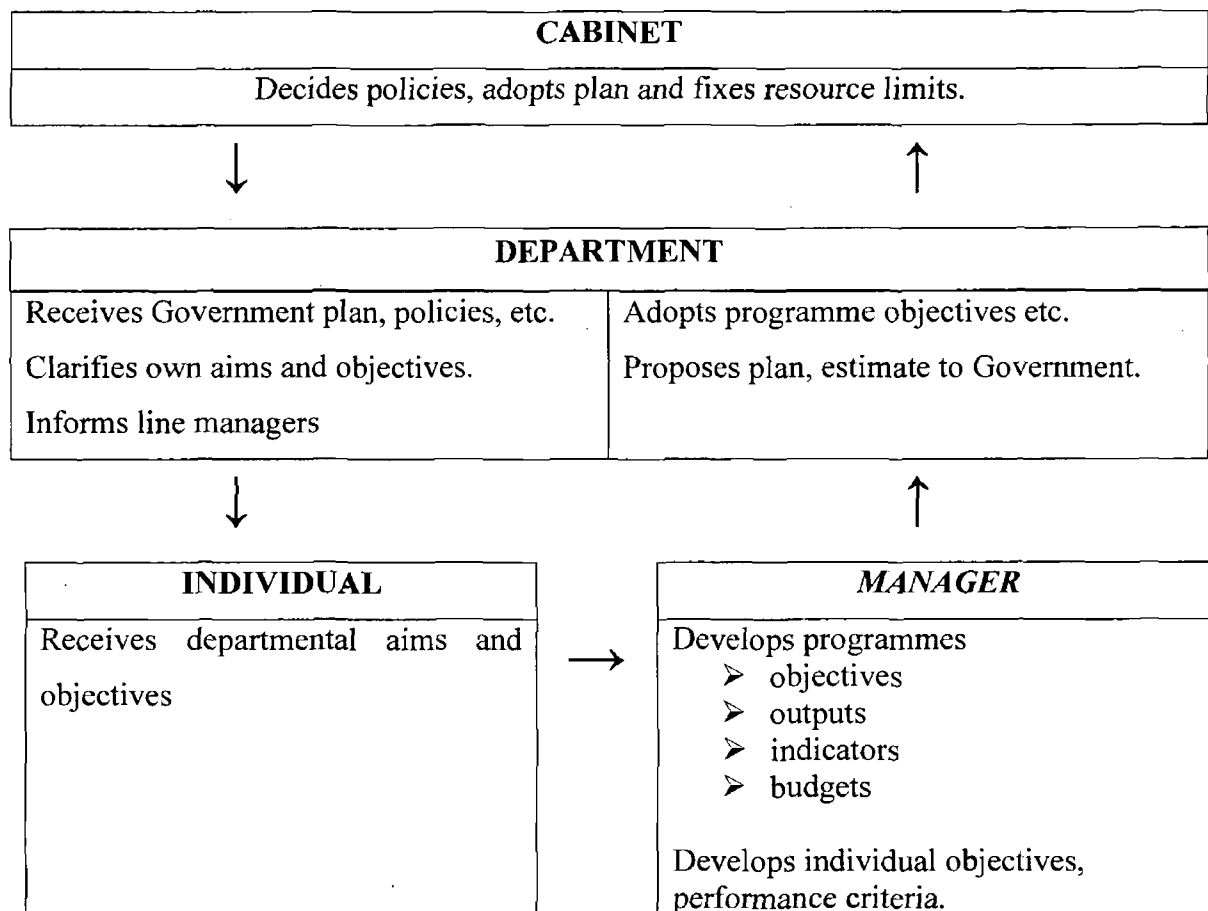
“This Whit Paper sets out to give them [civil servants] greater job satisfaction, to recognise and reward their initiative, to put in place a modern workable management system, to emphasise the importance of training and to recognise the enormous potential of new technology” (John Boland, TD, Minister for the Public Service, White Paper – Serving the Country Better, 1985)

The White Paper said that good management is the cornerstone of any programme to improve the effectiveness and efficiency of the public service. It acknowledged that some Departments had developed good management systems quite considerably. It stated, however, that the best Civil Service managers manage well in spite of, rather than because of the systems at their disposal. It went on to state that, ‘too often

- the real costs of programmes are not known to managers responsible for them,
- programme expenditures and programme outputs are not clearly presented and monitored side by side,
- it is not clear to managers who are responsible for the management of resources – whether it is the line managers or the “staff” specialists in personnel and finance units,
- not enough emphasis on results as distinct from activities,
- the system does not give individuals a feeling of personal responsibility for results’. (Serving the Country Better, 1985: 11)

For the reasons outlined above and because at the time resources were scarce, the Paper recommended a framework to ensure accountability for Civil Servants (see Fig 1)

**Fig: 1 Framework to ensure accountability of Civil Servants**



(Source: *Serving the Country Better: 19*)

The framework reflects the political mood of the time i.e. a requirement for tighter control of resources. In addition, the White paper devoted a chapter to ‘encouraging initiative’ in the Civil Service. It recognised that efficiency and effectiveness was reliant ‘on the people working in the service’. It said it was therefore crucial to recruit the best but also, train, motivate and develop those already employed. That a new system of managing for results will require:

- Greater focus on competitive promotion.
- Merit pay between five and ten percent of base pay.

- Better records of good and bad performance.
- Greater mobility of staff between Departments
- Effective appraisal schemes that would also identify training needs.
- Greater use of merit based promotion.
- The powers of dismissal are delegated from a Minister to a Secretary General of a Department.

Many of the recommendations in the White Paper were not implemented straight away but would reappear in the context of the Social Partnership agreements that were to come in the not so distant future. However, it is important to note that this paper represented a political desire for the accountability of civil servants.

### **3.4 Social Partnership**

As stated above during the 1980s Ireland was in deep economic, social and political crisis. At the end of 1986 the national debt of IR£24 billion was three times larger than it had been in 1980. The massive growth in unemployment saw expenditure in social services increase from 28.9% of GNP to 35.6% in 1985 (NESC 1986). The crisis acted as a catalyst prompting a new era of industrial relations in Ireland. In 1987, a Fine Fáil Government was elected whose economic strategy was to be broadly guided by the principles and priorities established in the NESC (1986) report. The Irish Congress of Trade Unions (ICTU) proposed to the Government that there be a national plan for growth and economic recovery, public finances and social services. Notably there was no private sector push for a return to national centralised agreements. However, employer support was brought on side and in October 1987 the first of six tripartite Social Partnership agreements between the Government, the unions and the employer organisations was ratified. This was quite a remarkable step in the heyday of free market conservatism in the UK and USA and thus marked a radical departure from the labour relations trajectories mapped out by the Thatcher and Regan administrations.

The first two social partnership agreements, *Programme for National Recovery*, 1987 and *Programme for Economic and Social Progress*, 1991, respectively, primarily focused on

wage moderation with tax reforms as the trade off. A key element of these agreements in relation to organisational performance was an agreement between the parties for industrial peace. In addition, the *Programme for Economic and Social Progress*, 1991 contained a memorandum of understanding in relation to the operation of the Public Service,

*“On the ratification of the Agreement on Pay and Conditions, discussions will commence in the various areas of the public service in accordance with agreed negotiation procedures, with a view to implementing the terms of Clause 3 of the Agreement in a way which will:*

- *enable a meaningful response to be made to staff aspirations for more fulfilling work and improved career paths;*
- *create an organisational climate conducive to better job satisfaction, motivation and commitment of staff;*
- *provide management with the flexibility necessary to apply staff and other resources in the most cost effective way so as to respond to the demands being or likely to be made on the public service” (Programme for Economic and Social Progress, 1991: 93).*

#### **3.4.1 *Programme for Competitiveness at Work, 1994***

The following agreement, the *Programme for Competitiveness at Work*, 1994 represented the first real effort to improve organisational performance through negotiation. Taylor (2005) notes in a unionised setting the most common manifestation of negotiation as a means of enhancing performance is through productivity bargaining. This is what the PCW set out to do. The agreement provided for the restructuring of all Civil Service grades. The resulting salary increases were granted in return for greater productivity and flexibility. Arising from the agreement was the introduction of higher scales for certain grades i.e. Clerical Officer, Executive Officer, Higher Executive Officer and Administrative Officer. One half of the higher scales were to be awarded on the basis of

seniority and the other half on merit. This represented a move towards merit pay for the first time.

### **3.4.2 Partnership 2000**

P2000 in particular emphasised the need to implement an effective performance management process. It stated

*“Another fundamental principle is better management of personnel through a focus on performance, flexibility in work arrangements and the use of resources, and the development and enhancement of the skills and the competencies of management and staff at all levels. The key to achieving these goals is the implementation of an effective performance management process” (P2000, 1996: 70).*

This led to extensive research and the Hay report, “The Irish Civil Service: The Design and Implementation of a New Performance Management Process”, Hay Management Consultants, 1997 on an appropriate performance management system for the civil service. Associated with this was the requirement that departments progressively increase training and development budgets to three percent of pay-roll. P2000 also led to the introduction of the partnership process across the public sector to ensure effective participation and consultation between management, unions and staff.

Since the P2000 agreement, a trend has emerged of linking public sector modernisation with successive national partnership agreements. In this way, a direct link (which was made formal under the *Programme for Prosperity and Fairness*) is made between key reform objectives and pay increases.

### **3.4.3 The Programme for Prosperity and Fairness**

*The Programme for Prosperity and Fairness* (PPF, 2000) called for the implementation of an effective performance management system and emphasised the importance of developing innovative and flexible human resource policies and strategies.



*“...the implementation of an effective performance management system in each sector and organisation. Implementing such systems, based on clarity of roles and responsibilities and on developing the knowledge, skills and competencies of individuals and teams, will be a priority” (PPF, 2000: 22).*

In order to meet these recommendations a special emphasis was put on the implementation of the Performance Management and Development System (PMDS), the development of integrated strategies addressing all aspects of HRM and the development of an action programme to facilitate devolution to line managers. The PPF also contained a reference to the need to resort to external recruitment, at levels other than the norm, in order to acquire skills and expertise which are in short supply within the sector.

### **3.4.5 *Sustaining Progress***

*Sustaining Progress* (SP, 2003) is the most ambitious social partnership agreement to date with respect to HR reform, though many of the proposed changes would not have been possible without the groundwork in previous agreements. With reference to PM it provided for an evaluation of the Performance Management and Development System (PMDS) and the ‘full implementation of year two issues by end-2004 (SP, 2003:106). This will include the full integration of performance management with other aspects of HR policy and processes, including assessment systems, and the development of effective systems of feed-back in order to assess and improve feed-back at all levels.

## **3.5 Policy Context for the Introduction of HRM and Performance Management**

### **3.5.1 *The Strategic Management Initiative***

As has been discussed there had been a number of attempts to improve performance in the Civil Service with limited success. However, the launch of the current programme for change, the Strategic Management Initiative (SMI), 1994, represented a more holistic attempt to improve the performance of the Civil Service. The SMI and the subsequent policy document *Delivering Better Government* represented a change in the approach to management of the Civil Service. This change in the approach to management correlated

with the general movement from personnel practices based on Theory X assumptions to human resource practices based on Theory Y assumptions.

The purpose of SMI is to re-examine the way departments are managing themselves, and to look at what lessons can be drawn from other sectors in order to find more effective ways of working, and to deliver an excellent service for the customer, based on a high performance organisation. Some of the main drivers initiating this process were pressures on cost to the taxpayer, demands for more and better quality customer services and accountability, increased efficiency and effectiveness, the need for better management and effective deployment of people, rapidly changing technology, the introduction of new legislation and of course the political dimension.

### ***3.5.2 Delivering Better Government, 1996***

The introduction of SMI sought to introduce structured strategic planning within the Civil Service. This was followed by the Delivering Better Government (DBG) policy document in 1996 which sets out the vision for the Irish Civil Service of the future, and the essential principles governing the required changes. DBG is directed at achieving the twin goals of better Government in terms of improved service delivery, better quality regulation and more effective management of major national issues. It advocates the delivery of better government through ongoing improvements in performance and a clearer focus on achieving objectives. The then Taoiseach, Mr John Bruton stated

*“A more results focus and performance orientated Civil Service is essential. Rigorous systems of setting objectives and managing performance need to be put in place to support this. Civil Servants must be clearly rewarded for good performance and take responsibility for poor performance within a structure that emphasises teamwork within and between Departments”. (DBG, 1996: Foreward by Taoiseach, Mr John Bruton, TD)*

### ***3.5.2 Objectives of Delivering Better Government***

Following the publication of the DBG report the SMI was converted into a series of policy documents and guidelines with specific objectives and targets to modernise the Civil Service. There are currently eight initiatives that form the core of SMI. Four are aimed at improving customer service and delivering policies:

- Quality service for customers.
- Simplification of administrative procedures and regulatory reform,
- Open and transparent service delivery.
- Effective management of cross-cutting issues.

Four initiatives are aimed at internal improvements of administration:

- Devolving authority and accountability.
- New approaches to Human Resource Management
- More effective financial management
- Improved use of IT to meet business and organisational needs.

HRM is one of the eight key areas that the SMI highlighted a need for change. The report recognised that personnel practices were outdated and needed to change in order to adapt to the changing environment. Personnel functions in the Civil Service were 'traditionally administrative in nature with insufficient attention being given to resource planning, career management, staff development, workload distribution, and especially performance management'. (DBG, 1996:34)

Performance management in the civil service was not practised, with the result that objective setting and related performance measurement did not drive the work of staff at all levels to a sufficient extent. This led generally to an inadequate recognition and reward for high performance and indeed the lack of sanction for underperformance.

It was decided that modern good practices in relation to performance management should be introduced into the Civil Service to ensure that good performance is rewarded and underperformance be managed in a constructive manner.

### ***3.5.3 The Public Service Management Act (1997)***

The Public Service Management Act (1997) is an important component of the changing environment in the Civil Service that both facilitates and demands the development of performance management processes. As was noted in DBG the creation of a results-driven Civil service was not possible within existing personnel structures. The Act sought to address this and put in place a new management structure for the Civil Service, which seeks to improve the management, effectiveness and transparency of the Civil Service, and the accountability of Civil Servants. It introduced the concepts of clarity of role, measurement of output, and delegated responsibility. The Act gave the power of dismissal of an officer to the Secretary General of a Department. Previously only a Minister could dismiss a Civil Servant. The Act also requires Departments to publish a Statement of Strategy, setting out its mission, values, key objectives and outputs to be delivered. The Statement of Strategy therefore puts in place an essential and primary building block for performance management, first of all of the organisation, and then of the individuals working in it whose own individual objectives and deliverables can now be aligned with corporate level strategies.

### **3.6 The Performance Management and Development System (PMDS)**

As provided for under the P2000 agreement Hay Management Consultants developed a model for PM in the Civil Service. This model was introduced into the Civil Service on 4 May 2000 via General Council Report 1368. The major difference between this initiative and previous attempts at introducing a PM was it had the support of the Government, top management and agreement with the unions. Moreover, the unions and management took a participative approach to its implementation via a sub-committee of General Council. The PMDS is being introduced on a phased basis and will not be fully integrated with other HR practices until 1 January 2007. The reasoning behind the phasing was to allow staff and management to become familiar with the system before it would go fully 'live'.

On its initial introduction all staff received five days formal training. Senior management were trained first so that the system could cascade down the organisational structure.

### **3.6.1 Purpose of the Hay Mode for Performance Management**

The PMDS was primarily based on the 1997 report of Hay Management Consultants. It was, however, subsequently amended by the sub-committee on PM of General Council. The Hay report defines the purpose of the process as the following:-

- *to create greater clarity about what is to be achieved and to ensure that management activity is focused on making it happen,*
- *to provide a basis for all staff to consider their performance in the context of clear objectives and performance plans, and to consider their development in the terms of the skills competencies necessary to meet these objectives (Hay report, 1997:14).*

General Council report 1368 (2000) described in more detail what the purpose of the system was, it stated

*“Performance Management can be seen as a process for establishing a shared understanding about what is to be achieved, how it is to be achieved, and an approach to managing and developing people that increases the probability of achieving success” (General Council report, 1368, 2000: 3).*

The above definition provides an insight into what type of PM model was implemented, or at the very least what type of model was hoped for. The model is akin to what Torrington *et al.*, (2005) described as a more “sophisticated” PM system because in addition to providing “what” must be achieved it also provides “how” objectives are to be achieved. As noted in Section 2, Armstrong and Baron (2006) also support the view that PM systems should provide the “how” factor.

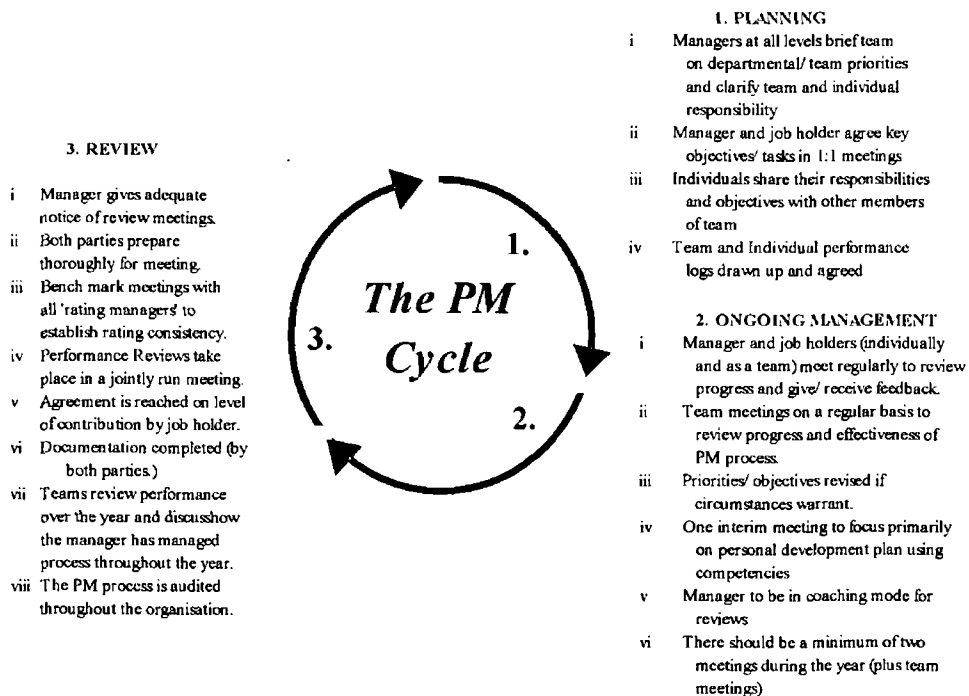
General Council report 1368 further elaborated on the purpose of PM, it states

*“It [PM] links the management of individual/team performance to the objectives of the Department, as set out in the Strategy Statement and Business Plan by focusing the jobholder/team activity around these objectives and by better monitoring progress towards achieving objectives” (General Council report 1368, 200:5).*

This quote highlights the desire for a strategic management element for the system. Moreover, it also suggests that the system will provide “why” objectives must be achieved, which, as Gunnigle (2002) writes is the basis of an integrated PM system.

### 3.10.1 The PMDS Framework

The framework consists of three stages: planning, on-going management and reviewing.



(Figure 3.1:- Source: Hay Report, 1997)

The framework corresponds with Ainsworth and Smith's model in that it too has three similar phases as does Torrington and Hall's. It differs slightly to Deming's and Armstrong and Baron's models which both have an additional 'Act' stage. Act being defined as

*"carrying out the work required to achieve objectives by reference to plans and in response to new demands" (Armstrong and Baron, 2006:13).*

### **3.10.2 The Planning stage**

This stage is typical of an integrated PM system. As Hay suggested it involves both the manager and the subordinate agreeing the objectives for the year with reference to the overall strategy statement and the work programmes of the respective divisions. This stage, as Armstrong and Baron assert is about managing the expectations of both parties while also providing clarity for the jobholder. It is about knowing in advance the standards which are expected of each individual in the performance of their work.

### **3.10.3 The On-going Management**

During this stage the Hay report highlights that managers are expected to give regular feedback to their staff on their performance with a formal interim review scheduled for each individual, again, to manage expectations ensuring that no one receives 'surprises' at the end of the year when overall performance is being reviewed. It is also to provide support through either training or other developmental activities to build on strengths and address areas needing improvement. This is all consistent with the literature on PM.

### **3.10.4 The Formal Review**

This stage involves managers carrying out reviews in a constructive manner which should be perceived to be fair and equitable by all staff, and assessing performance based on achievement of objectives and the display of relevant competencies. The system is therefore, a mixed model approach measuring both inputs and outputs. In addition, planning for the next year and the longer term through objective setting and planning for

individual development should take place. Participation by both managers and staff is expected and it should be a two-way process.

The Hay report states that while the exact nature of each stage should vary according to organisational need, the fundamental principle implies a continuous process rather than a formal structured and sequential process. In particular, the emphasis will be on managing rather than appraising performance.

### ***3.10.5 Features of the Model***

One of the key features of the framework is the use of 'role profiles'. A role profile is a description of the deliverables, critical success factors, mix of knowledge, skills and competencies, performance measures and other indicators which relate to a specific 'job' or 'role'. Role profiling enables managers to define job/role requirements, clarify expected performance standards, and ultimately assist in identifying superior performers. The aim of the PM model is to develop such a profile for each category of job so that the range of competencies needed for superior performance is identified and used to develop and manage performance.

The competency framework, along with the 'role profiles', is another key feature of the process. The competencies are concerned with 'how' objectives must be achieved. It seems that Hay adopted Prahalad and Hamel's (1990) concept of 'core' organisational competencies. To this end Hay Consultants have developed a generic 'competency dictionary' to support the process. The dictionary includes 17 competencies, clustered under 4 main categories (see figure 3.2). Each competency is described using 4 levels of proficiency.

The Hay report suggested that three or four key behavioural competencies should be required for a job, ideally taken from more than one competency cluster. On the one hand this approach appears to support the U.S.A approach of competency development, but without having yet defined the distinguishing characteristics of outstanding performers as opposed to average performers required to assess an individual's development needs. On



the other hand, it advocates the UK approach by seeking to identify the threshold competencies required to perform a particular role (i.e. the key 3 to 4 competencies and associated levels needed to carry out a role) in order to perform effectively.

Hay's report refers to competencies as opposed to competences and defines 'competencies' as "*those attributes of an individual which lead to superior performance on the job*" (Hay report: 13). These attributes are clarified in the model's competency dictionary which lists 17 competencies, clustered into four categories:-

1. Personal Effectiveness,
2. Thinking style and Problem-Solving,
3. Resource Management and
4. Communications.

The report states that these competencies will be used in the development aspect of reviewing performance where competencies required for a role are defined and will be assessed as part of the performance review. In other words the individual will be given the opportunity to identify their strengths and the areas that they need to improve on in order to carry out their role. This is clearly indicative of Tate's (1995) input model - one which is concerned more with the 'soft skills' an individual possesses, although the Hay Report also links the competency dictionary to specific role analyses and expectations for roles - Tate's output model. This suggests to me that Hay are including two different concepts in their model, that is, what Tate (1995) refers to as '*job performance-related*' competence and '*person-related*' competencies. This also reflects what appears to be a dual purpose of the Hay model, i.e. both for development and assessment of performance, and as the literature warns, this will inevitably cause difficulties in the assessment process.

## Civil Service Competency Clusters

<b>PERSONAL EFFECTIVENESS</b>	<b>THINKING STYLE /PROBLEM SOLVING</b>
<b>Achievement Drive/Commitment Self Confidence Initiative Teamworking</b>	<b>Analytical Thinking Conceptual Thinking Decision Making/Judgement Specialised Expertise</b>
<b>ISSUES MANAGEMENT</b>	<b>GROUP and INTERPERSONAL EFFECTIVENESS</b>
<b>Managing Budgets &amp; Resources Information Seeking &amp; Management Concern for clarity and work quality Written Expression</b>	<b>Networking/Influencing Interpersonal Understanding Customer Service Managing and Developing People Leadership</b>

Figure 3.2:- *Source: Hay Report (1997)*

### 3.10.6 *The Rating System*

The model initially proposed a simple 3-level rating system to be applied when comparing individual performance to agreed performance targets i.e. to what extent did the individual meet, exceed or fail to meet his/her objectives for the year. Hay recommended that Process Managers and Individuals complete a narrative summary of performance to support the rating given. However, this was subsequently amended and two rating systems were introduced, one system for the grades represented by the Civil Public and Services Union (CPSU) and another one for every other grade. Rating is based on the achievement of results (outputs) and the amount to which the competencies for the role were displayed (inputs).

### 3.10.7 *Further Refinements to the Model*

Since the implementation of the PMDS there have been significant refinements. The first of which was the introduction of 'Upward feedback'. This was introduced on the 30 January 2002 by General Council report 1398. Upward Feedback is intended to provide the jobholder with the opportunity to comment on how they are being managed and is intended to build on the existing levels of formal and informal feedback.

### **3.11 Mercer Human Consulting - Evaluation of the PMDS in the Civil Service, 2004.**

As provided for in *Sustaining Progress* an evaluation of PMDS was conducted 2004. The evaluation was conducted by Mercer Human Resource Consulting who distributed a questionnaire to all Departments and Offices in the Civil Service. The questionnaire comprised of fifty four questions on eight evaluation criteria to gain the experiences of all staff.

The survey found that staff were generally positive about the PMDS implementation (64% favourable responses overall), process (61%), assessment (60%) and fairness and consistency (56%). However, staff were less positive concerning the linkage of the PMDS (33% favourable responses overall), feedback (48%), training and development (52%), and effectiveness (55%).

Mercer concluded that further improvements are needed to

- enhance the effectiveness of the PMDS,
- better target and act on training and development requirements,
- ensure constructive feedback, and,
- link PMDS with HR strategy and process (Mercer report, 2004: 6)

In light of the findings Mercer recommended areas around which further improvements were needed. These were:

#### **1. Leadership**

Mercer recommended that senior management must remain a visible role model for the PMDS and be openly supportive and committed to its success in the short and long terms amidst other dynamic changes such as decentralisation.

## 2. Process efficiency

With regard to this Mercer stated the PMDS process should primarily be seen as a process for establishing a shared understanding about what is to be achieved and how it is to be achieved, and for managing and developing people so as to increase the probability of achieving the business objectives. Therefore, it is essential that managers understand the importance of the business plans, demonstrate consistency across each stage of the process and link evaluations and subsequent staff decisions with individual performance and results. Moreover, simplify the documents to free up time.

## 3. Communication and Feedback

This was highlighted as a weak area. Upward feedback was not being utilised. It was recommended that training was required of managers to ensure open communication to facilitate staff development needs.

## 4. Cultural Support and Organisation Practices

It was recommended that a participative rather than an autocratic approach to management was required for PMDS going forward. Mercer suggested supportive behaviours such as coaching and mentoring and management practices that involve appropriate levels of communication, transparency, fairness and consistency and staff inclusion in key processes such as business planning.

## 5. Training and Development

Mercer recommended more training to sustain further progress with the system. Better alignment of training and development with business needs and employee development. That the competency framework needed to be revisited and better aligned to the business needs. This recommendation reflects Garavan and McGuire's (2001) view that a competency framework must take heed to specific organisational requirements. This implies that a one-size-fits-all approach as recommended by Hay is inadequate.

## 6. Assessment and Rating

Mercer suggested that the initial rating system needed to be refined and that a two tier system should be introduced to measure both results and the display of competencies. In addition, suggested that a five point scale should apply to all staff with a typical or forced distribution to be applied.

## 7. Linkage

Mercer also suggested linking the PMDS to wider HR practices such as pay and promotion.

### **3.12 Current Issues**

Some of these issues were taken on board by the Civil Service. Hence the most critical and ambitious amendments to the model were agreed on 1 June 2005 in General Council report 1452. Essentially, this report provides for the integration of the PMDS with wider HR policies and practices such as pay and promotion as provided for in *Sustaining Progress*. This was always the intention but due to lengthy negotiations and other organisational challenges it will only take effect on 1 January 2007.

Since the adoption of the General Council report 1452 there has been industrial unrest amongst the members of the CPSU. On the 7 April 2006 the CPSU Executive voted to ballot their members on the acceptance of the amendments to the PMDS notwithstanding it was signed and agreed on their behalf at General Council. A national executive member Mr. Terry Kelleher stated

*“the system will push would “push down” increments and result in the clawing back of payments under benchmarking” (Source: Irish Times, 8 April 2006)*

Until the outcome of the ballot which is due around the 18 June payments under *Sustaining Progress* have been withheld for all CPSU grades.

This chapter examined the previous attempts at improving performance in the organization and offered explanations why they failed in the past. It outlined why there was a growing demand for the accountability of civil servants. It considered the policy context in which the PMDS was introduced and compared the system with other models. It has brought the reader up-to-date on current developments.

Conclusion: Too broad. Should lead to statement on what needs to be researched.

## **SECTION 4: RESEARCH METHODOLOGY**

### **4.1 General Research Approach**

In the previous section I examined the contextual application of PM within the organisation to further develop my research questions following the literature review in Section 2. This section will set out the methodology with which I intend to answer those questions. The research approach taken in this dissertation was mixed. I used a combination of inductive and deductive reasoning. Saunders *et al* (2003) note the benefits of using multi-methods in the same study; firstly, different methods can be used for different purposes in the study. Secondly, it enables triangulation to take place. Triangulation refers to the use of different data collection methods within one study in order to ensure that the data are telling you what you think they are telling you.

With regard to the first research question and objectives:

**Question 1:** What are the attitudes of staff in the Clerical Officer, Staff Officer, Executive Officer, Higher Executive Officer, Administrative Officer and Assistant Principal Grades in the Department of Finance to the PMDS?

**Objective 1:** (a) To identify what areas of the PMDS are viewed either positively or negatively.  
(b) To identify if the attitudes staff to the PMDS in the Department of Finance differ depending on their grade

Initially an exploratory inductive approach was taken to unearth some of the current issues surrounding the PMDS. This involved conducting preliminary interviews with both staff and senior management to ascertain what the key issues were surrounding the PMDS. The preliminary interviews were supplemented by the analysis of the findings from a previous Civil Service wide survey on staff attitudes to the PMDS, which was conducted by Mercer Human Resource Consultants in 2004.

On uncovering some of the key issues associated with PM in the Department it appeared that there were different views depending on the grade level of staff within the Department. I therefore embarked on an explanatory study with the aim of establishing what relationships if any existed between the variables i.e. to find out if there were differing opinions to PMDS in the Department depending on grade. This was done by using a quantitative technique i.e. an on-line survey, to gather the data which was subsequently analyzed using statistics. A series of in-depth interviews were then conducted to supplement the quantitative research. In this respect, in-depth interviews were chosen over focus groups as a form of qualitative research because it was felt due to the sensitivity of the subject people would be more open to expressing their opinions in a private and confidential setting.

With regard to Objective two of the dissertation which is,

**Question 2:** How can the effectiveness of the PMDS be improved in the Department of Finance?

**Objective 2:** To identify areas in the PMDS that require improvement and to make recommendations on the same.

The approach taken for the above definition was primarily deductive reasoning. Saunders et al (2003) note that a deductive approach involves 'the development of a theory that is subjected to a rigorous test' (Saunders et al, 2003:86). Consequently in Section 2 I researched the literature surrounding PM and in Section 3 I examined the contextual application of PM in the Department of Finance. During this research the literature revealed certain phenomenon and practices associated with a successful PM system, for example, role clarity, continuous feedback etc. While reviewing the literature I formulated research questions which were then tested by gathering quantitative data through the administration of an on-line survey and gathering qualitative data via semi-structured in-depth interviews.



## **4.2 Research Setting**

The research setting was primarily the Department of Finance. The quantitative research undertaken to obtain the primary data was confined to staff within the Department. This was followed up by qualitative research in the form of semi-structured interviews to further explore some of the findings from the on-line survey. Two of the interviews were conducted in the interviewees' offices which are located outside of the Department. The interviewees were senior trade union officials not employed by the Department.

## **4.3 Quantitative research - Survey of Staff on PMDS in the Department of Finance**

### **4.3.1 Participants**

An on-line survey on the PMDS was administered to 540 staff. The survey was directed at the following grades:

- Clerical Officer (CO),
- Staff Officer (SO),
- Executive Officer (EO),
- Higher Executive Officer (HEO),
- Administrative Officer (AO), and
- Assistant Principal (AP).

The Clerical Officer and Staff Officer grades are lower ranking clerical and supervisory grades employed in the Department. The former grade represents twenty percent of the entire workforce and the latter six percent. The Executive Officer, Higher Executive Officer and Administrative Officer are lower to middle management grades in the Department and account for ten percent, thirteen percent and eight percent of the overall workforce respectively. The Assistant Principal grade is a senior management grade that represents twenty three percent of the workforce in the Department. There are other more senior grades in the Department that were omitted from my research by the request of the Personnel Unit. These include, Principal Officer, Assistant Secretary and Secretary General. These grades represent 20% of the entire staff complement of the Department.

This of course means any generalisations I make on the staff of the Department are subject to this limitation.

The survey was sent to 540 people and there were 379 refusals. This means that there was a response rate of thirty percent. In order to determine whether the opinions of the respondents surveyed were likely to differ significantly from the entire population selected, the Kolmogorov-Smirnov test was employed to ascertain the likelihood of the distribution of the observed data differing to that of the specified population by chance alone. The Kolmogorov-Smirnov test calculates a  $D$  statistic that is then used to work out the probability of the two distributions by chance alone.

**Figure 1: Calculation for testing the representativeness of the sample**

		CO	SO	EO	HEO	AO	AP	Other	Total
<b>Respondants</b>	<b>No.</b>	27	10	14	34	21	50	5	161
	<b>Cum. Proportion</b>	0.168	0.062	0.087	0.211	0.13	0.31	0.031	
<b>Total employees</b>	<b>No.</b>	137	39	65	89	54	156		540
	<b>Cum. Proportion</b>	0.254	0.072	0.12	0.165	0.1	0.289		
<b>Difference</b>		0.086	0.01	0.033	0.046	0.03	0.021	0.031	
<b>D = .086</b>									

As shown in Fig. 1 a spreadsheet was used to calculate the  $D$  statistic = 0.86. I consulted a 'critical values of  $D$  for the Kolmogorov-Smirnov test table for sample size 161 which revealed the probability that the distributions differed by chance alone was less than 0.01, in other words one percent and is represented thus, [ $D = 0.86, p < 0.1$ ]. Therefore, I concluded that those employees who responded did not differ significantly from the total population. As a result I could make generalisations on the attitudes of the staff to PMDS with ninety nine percent chance of being accurate.

#### 4.3.2 Materials

The on-line survey was designed with the aid of the Department's IT unit. I used *Sharepoint* which is a web-based software package available on the Department's intranet. *Sharepoint* contains a survey design 'wizard' that enabled me to input the

questions and choose the type of response. The complete survey can be viewed in Appendix 1

#### **4.3.3 Procedure**

The questions for the survey were coded prior to the administering the survey. If a person chose not to answer a question there was a default answer that was not included in the results. An on-line survey was chosen over other methods to raise the response rate. Moreover, the survey was anonymous, again in an effort to raise the response rate. Before the survey was administered as suggested by Saunders et al., (2003) a pilot version of the survey was sent to one division within the Department in order to ascertain whether there were any potential problems both in respect of technicalities i.e. access to the survey and in relation to questions posed i.e. clarity. On ensuring that everything was in order the survey was administered to the entire sample on the 19<sup>th</sup> April 2006. A link to the survey was distributed via e-mail to all officers for the grades in question with a cover letter (see appendix 2) that introduced my self and explained the nature of the survey, which is recommended by Saunders *et al.*, (2003) to increase the response rate. A copy of the letter can be viewed below.

#### **4.3.4 Survey Questions**

Dillman (2000) distinguishes between three types of variable that can be collected through questionnaires:

- opinion
- behaviour
- attribute

Saunders et al (2003) note the importance of these distinctions because they will have an influence on the wording of the questions.

The first five questions of the survey related to personal details of the respondents (attributes). The purpose of these questions was to analyse whether age, length of service, union membership and or grade influenced the responses to the questionnaire.

The remaining thirty questions of the questionnaire related directly to PMDS. Some of the questions used were adapted from Mercer's (2003) 'Survey of Staff Attitudes to PMDS in the Civil Service' and others I developed myself. The questions were written as statements with the exception of question thirty. Participants were asked to indicate whether they strongly agreed or strongly disagreed using a Likert scale of one to six. I used an even number of points to force either a positive or negative response. Participants were asked to provide an answer to question thirty five in the space provided.

The questions were targeted at certain areas which are detailed below. The reason I targeted certain areas were twofold. Firstly, In relation to objective one I wanted to determine whether the views on the PMDS differed depending on certain variables. Secondly, in relation to objective two, I wanted to test whether certain phenomenon associated with PM according to the literature transferred to a practical setting. The questions are therefore related to both objectives one and two.

***Questions targeted at obtaining staff opinions on the effectiveness and implementation of PMDS within the Department.***

- Q.6 PMDS helps to clarify my role within the Department.
- Q.7 PMDS provides an opportunity to develop my skills.
- Q.8 Through training and development my performance has improved.
- Q. 9 PMDS has helped me to contribute more effectively to the work of the section.
- Q. 10 I regularly receive feedback on my performance
- Q. 13 PMDS has improved communication with my manager.
- Q. 16 My overall rating reflects my actual performance.
- Q. 20 PMDS helps me to focus on my goals.
- Q. 21 I have agreed a development plan with my manager.
- Q. 26 Training and development is targeted on areas that will improve my performance.

- Q. 29 The PMDS is an effective model of performance management.
- Q. 31 PMDS helps to effectively differentiate the performance levels of individuals.

***Questions to ascertain whether there is confusion with concept of competencies and PM.***

- Q. 17 I understand what competencies are required for my job.
- Q. 30 I understand the concept of competencies and how they relate to my performance.

***Questions targeted at determining whether there has been any change in behaviour as consequence of PMDS.***

- Q. 18 My work output has increased since PMDS was introduced.
- Q. 19 I approach my work in a more systematic way since PMDS was introduced.
- Q. 22 PMDS motivates me to improve my performance
- Q. 23 I believe PMDS has changed the way I approach my work.
- Q. 24 I have attended more training courses since PMDS was introduced.
- Q. 25 There is more focus on customers needs since PMDS was introduced.
- Q. 27 I consistently meet my objectives on time.
- Q. 28 The quality of my work has improved since PMDS was introduced.
- Q. 32 People in my area take responsibility for their work.

***Questions targeted to determine the opinion of staff in relation to future issues and linkages with other HR practices.***

11. PMDS is a fair and consistent method of performance appraisal.
12. PMDS should be used to make decisions on the award of increments.
14. PMDS should be used for future career development of work assignments.
15. PMDS should be used to make decisions on promotion.
33. I am more likely to stay with the organisation in the future because my performance is recognised.
34. I can use PMDS to develop my future career.

***Question to ascertain staff opinions on how PMDS can be improved.***

Q.35 In what areas do you believe PMDS can be improved?

**4.4 Qualitative Research**

As is conducive with qualitative research a series of interviews were conducted. Firstly, in relation to Objective One a number of informal preliminary interviews were held with both staff and experts on PMDS in the Department to determine the current issues. These interviews were conducted by telephone during the period 13 March 2006 to 16 March 2006, while telephone interviews have their limitations such as being impersonal, it was felt that on considering time limitations they would suffice for the purpose of identifying the general issues. All the parties were given the assurance that the interviews were confidential.

**4.4.1 Preliminary interviews**

I contacted a senior manager in the Department involved with the implementation of PMDS at a civil service wide level. The person is involved with PMDS evaluation sub-committee of General Council. I asked the person the following questions:

1. Why in their opinion was PMDS introduced into the Department of Finance and the wider Civil Service?
2. In their opinion what are the current issues with the PMDS?

The first question was essential to gain some insight for what contextual data was required. The second was more straightforward and speaks for itself.

During the period I made contact with a number of staff at varying levels in the Department. I asked the following questions:

1. How would you evaluate the PMDS?
2. In your opinion what are the main issues for staff in relation to the PMDS?

As mentioned above these interviews were to establish the general attitude of staff to the PMDS as would inform the content of the questionnaire that would follow.

#### **4.4.2 *In-depth interviews***

A second series of interviews were conducted after the on-line survey was administered and the results were collated. A series of five in-depth semi-structured interviews were held. Two of the five interviews were held with senior trade union officials from the Civil Public and Services Union (CPSU) and the Public Service Executive Union (PSEU). The CPSU have recognition for the Clerical Officer and Staff Officer grades which account for twenty six percent of staff in the Department. The PSEU have recognition for the Executive Officer, Higher Executive Officer and Administrative Officer grades which account for thirty one percent of staff in the Department. The reason I interviewed the trade union officials was because they were involved in the negotiations prior to the introduction of the PMDS into the Department and are also involved in any subsequent negotiations concerned with amendments to the system. Moreover, because union density is very high in the Department, eighty six percent of the respondents are members of unions; it was felt that these officials would have important insights into the attitudes of the staff and management to PMDS in the Department.

The remaining three interviews were held with staff in the offices of the Department of Finance.

##### **4.4.2.1 In-depth interview 1 – Mr. Tom Geraghty, Deputy General Secretary, PSEU.**

On the 11<sup>th</sup> of May 2006 I interviewed Mr. Tom Geraghty, Deputy General Secretary of the PSEU. The interview was held in the offices of the PSEU located on Merrion Square. Prior to the interview I informed Mr Geraghty of the purpose of the interview and explained the objectives of my dissertation. In addition, I explained that the format of the interview will be semi-structured. The interview lasted one hour and thirty minutes. The following questions were put to Mr Geraghty:

1. Why in your opinion did the organisation introduce PMDS?

2. How would you evaluate the success of PMDS?
3. What are your views on how PMDS was introduced?
4. How do you think PMDS can be improved upon?
5. How would you evaluate the attitude of staff to PMDS?
7. How would you evaluate PMDS as a method of performance appraisal?
8. What are the benefits of using PMDS?
9. What are the draw backs with PMDS?
10. How would you evaluate the attitude of management to PMDS?
11. Do you believe PMDS can improve the performance of an individual and the Department? How/Why?
12. Have you any thoughts on the future of PMDS

#### **4.4.2.2 In-depth Interview 2 – Ms. Rosaleen Glackin, Deputy General Secretary, CPSU.**

On the 19<sup>th</sup> of May 2006 I interviewed Ms. Rosaleen Glackin, Deputy General Secretary of the CPSU. The interview was held in the offices of the CPSU located on Adelaide Road. Prior to the interview I informed Ms. Glackin of the purpose of the interview and explained the objectives of my dissertation. In addition, I explained that the format of the interview will be semi-structured. The interview lasted for one hour and forty five minutes. The following questions were put to Mr Glackin:

1. Why in your opinion did the organisation introduce PMDS?
2. How would you evaluate the success of PMDS?
3. What are your views on how PMDS was introduced?
4. How do you think PMDS can be improved upon?
5. How would you evaluate the attitude of staff to PMDS?
7. How would you evaluate PMDS as a method of performance appraisal?
8. What are the benefits of using PMDS?
9. What are the draw backs with PMDS?
10. How would you evaluate the attitude of management to PMDS?



11. Do you believe PMDS can improve the performance of an individual and the Department? How/Why?
12. Have you any thoughts on the future of PMDS

#### **4.4.2.3 In-depth Interview 3 – Lower ranking Civil Servant in the Department of Finance**

On the 6<sup>th</sup> of June 2006 I interviewed a lower ranking civil servant employed by the Department of Finance. The interview was held in the offices of the Department. Prior to the interview I informed the person of the purpose of the interview and explained the objectives of my dissertation. I stressed that the identity of the interviewee would remain confidential and that I wanted to follow up on the issues raised following the results of the on-line survey. In addition, I explained that the format of the interview will be semi-structured. The interview last for one hour and forty minutes. The following questions were put to the person:

1. Why in your opinion did the organisation introduce PMDS?
2. How would you evaluate the success of PMDS?
3. What are your views on how PMDS was introduced?
4. How do you think PMDS can be improved upon?
5. How would you evaluate the attitude of staff to PMDS?
7. How would you evaluate PMDS as a method of performance appraisal?
8. Why do you think there is a negative reaction to the new system beginning in 2007?
9. What re your views on linking pay and promotion to PMDS?
10. What are the benefits of using PMDS?
11. What are the draw backs with PMDS?
12. How would you evaluate the attitude of management to PMDS?
13. Do you believe PMDS can improve the performance of an individual and the Department? How/Why?
14. Do you receive regular feedback on your performance?
15. Have you any thoughts on the future of PMDS

#### **4.4.2.4 In-depth Interview 4 – Mid ranking Civil Servant in the Department of Finance**

On the 7<sup>th</sup> of June 2006 I interviewed a mid ranking civil servant employed by the Department of Finance. The interview was held in the offices of the Department. Prior to the interview I informed the person of the purpose of the interview and explained the objectives of my dissertation. I stressed that the identity of the interviewee would remain confidential and that I wanted to follow up on the issues raised following the results of the on-line survey. In addition, I explained that the format of the interview will be semi-structured. The interview lasted for one hour and thirty minutes. The following questions were put to the person:

1. Why in your opinion did the organisation introduce PMDS?
2. How would you evaluate the success of PMDS?
3. What are your views on how PMDS was introduced?
4. How do you think PMDS can be improved upon?
5. How would you evaluate the attitude of staff to PMDS?
7. How would you evaluate PMDS as a method of performance appraisal?
8. Why do you think there is a negative reaction to the new system beginning in 2007?
9. What are your views on linking pay and promotion to PMDS?
10. What are the benefits of using PMDS?
11. What are the draw backs with PMDS?
12. How would you evaluate the attitude of management to PMDS?
13. Do you believe PMDS can improve the performance of an individual and the Department? How/Why?
14. Do you receive regular feedback on your performance?
15. Do you give regular feedback to staff that you have responsibility for?
16. Have you any thoughts on the future of PMDS

#### **4.4.2.5 In-depth Interview 5 – Head of Corporate Services in the Department of Finance**

On the 8<sup>th</sup> of June 2006 I interviewed a mid ranking civil servant employed by the Department of Finance. The interview was held in the offices of the Department. Prior to the interview I informed the person of the purpose of the interview and explained the objectives of my dissertation. In addition, I explained that the format of the interview will be semi-structured. The interview lasted one hour and ten minutes. The following questions were put to the person:

1. Why in your opinion did the organisation introduce PMDS?
2. How would you evaluate the success of PMDS?
3. How do you think that PMDS can be uniformly implemented across the Department?
4. How do you think PMDS can be improved upon?
5. How would you evaluate the attitude of staff to PMDS?
6. How has peoples' behaviour to work changed since the introduction of PMDS?
7. How would you evaluate senior managements' attitude towards PMDS?
8. What are the benefits of PMDS?
9. Are there any difficulties with PMDS?
10. The provision of on-going feedback is an issue for staff what do you think about this?
11. Have you any thoughts on the future of PMDS?

#### **4.5 How were the resultant data analysed?**

##### **4.5.1 *Quantitative data***

The data gathered from the on-line survey were exported to a Microsoft Excel spreadsheet. This enabled the data to be grouped, sorted and filtered by variables such as grade, gender and response etc. It therefore was possible to breakdown the data and categorise it. In addition, by exporting the data to a spreadsheet meant that the data could be entered into tabular tables which allowed it to be displayed using graphs and diagrams.

Furthermore, as is consistent with explanatory research, statistical techniques were employed to test hypotheses, such as, whether opinions on the PMDS linkage to pay were independent or dependent on the grade level. The data collected was ordinal in nature and ranked which lends itself readily to the chi-square test. The chi-square test was used to see if there was any statistical significance of the results of the survey. It is used to calculate the probability that the data occurred by chance alone. This allowed me to say with some certainty whether the results indicated a certain relationship or not.

**Fig 4.2 Example of the Chi-square test**

Q 12. PMDS should be used to make decisions on the award of increments								
Observed Value Table	Strongly agree	2	3	4	5	Strongly disagree	Total	
Lower grades	5	7	8	5	9	16	50	
Higher grades	14	35	22	8	12	12	103	
<b>Total</b>	19	42	30	13	21	28	153	
	12%	27%	20%	8%	14%	18%	100%	
Ho: The grades are independent		(There's is no relationship between grade level and resp						
H1: The grades are not independent		(There is a relationship between grade level and response						
Expected Value Table	Strongly agree	2	3	4	5	Strongly disagree	Total	
Lower grades	6.21	13.73	9.80	4.25	6.86	9.15		
Higher grades	12.79	28.27	20.20	8.75	14.14	18.85		
<b>Total</b>	19	42	30	13	21	28		
<b>Obs expected</b>	-1.21	-6.73	-1.80	0.75	2.14	6.85		
	1.21	6.73	1.80	-0.75	-2.14	-6.85		
<b>(Obs expected)squar</b>	1.46	45.23	3.25	0.56	4.57	46.92		
	1.46	45.23	3.25	0.56	4.57	46.92		
<b>Obs expected squared - expected</b>	0.24	3.30	0.33	0.13	0.67	5.13	9.7889312	
	0.11	1.60	0.16	0.06	0.32	2.49	4.7519083	
						<b>Actual Chi</b>	<b>14.54084</b>	
Rows - 1 Columns -1								
2-1	6-1							
5*1	is 5 DOF							
Critical Chi Square value @ 5% for 5 DOF is 9.488								

Fig 4.2 is a typical example of the use of statistics in this dissertation. This enabled me to establish with some certainty that the opinions of staff on the linkage of PMDS with pay were dependent on grade. Data was grouped in the example above, the lower grades included the responses of the CO, SO and EO grades and the higher grades were the results from the HEO, AO and AP grades. In the example above the actual chi is higher than the critical chi-value for 0.5 percent probability for five degrees of freedom, which indicates that I can be ninety five percent certain that the results are significant. The Chi-square test was used throughout the dissertation.

#### **4.5.2 *Qualitative data***

As was earlier mentioned qualitative research was used in relation to Objectives one and two. In relation to Objective one a number of preliminary interviews were conducted with staff and experts on PMDS in the Department as part of an exploratory inductive approach. The resultant data was classified into meaningful categories. The categories were divided into positive and negative views and subdivided into categories relating to the level of the respondents within the organisation which made the subsequent analysis more manageable. Following the analysis a pattern emerged that staff opinions on the PMDS varied by grade. This led to what Yin (1994) labels an explanation building exercise whereby I developed a theory that staff attitudes to PMDS were dependent on grade. Therefore, a further round of quantitative research was required to test the hypothesis supplemented by further qualitative research in the form of in-depth interviews.

The data from the in-depth interviews was analysed by summarising the notes after the interview was completed and categorising the data into negative and positive opinions, explanations and suggestions in conjunction with referring to the literature.

#### **4.6 Conclusion**

This Section has outlined in some detail the research methodologies I employed to answer the dissertation questions. The next section will present the results and findings from the research.

## SECTION 5 - RESULTS

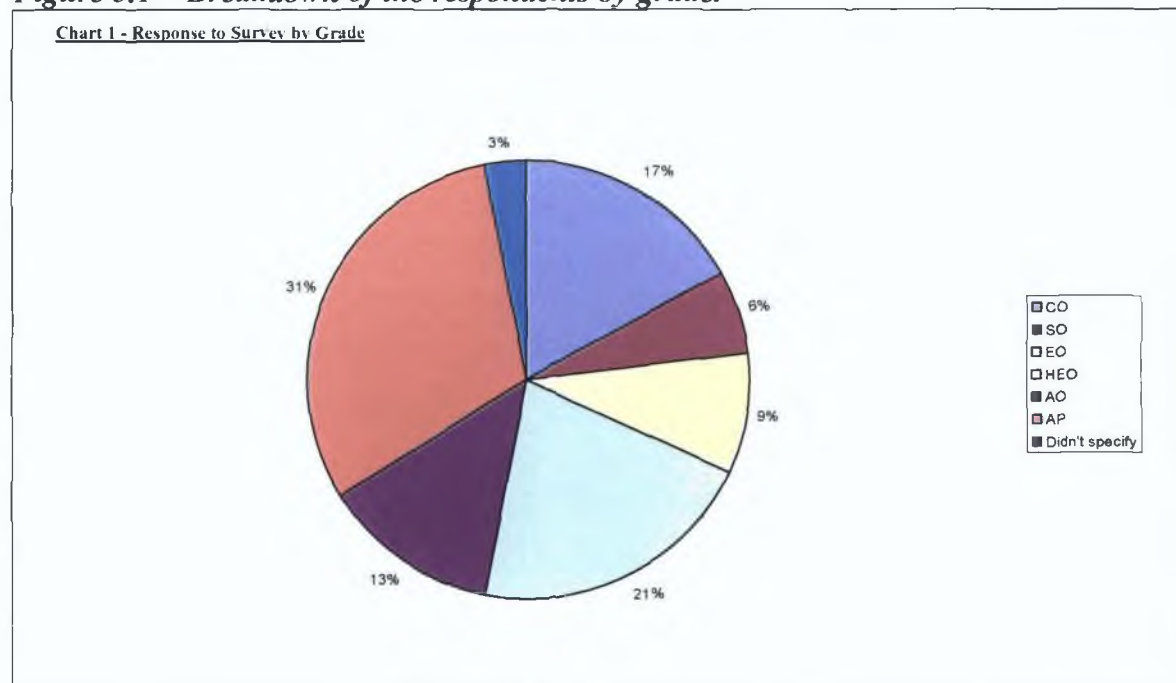
### 5.1 Introduction

The previous section outlined the methodology employed to answer the research questions. This section will present the results. The implication of the results with reference to sections two and three of the dissertation will be discussed in the following section. With regard to references to statistics, the actual calculations will not be included in this section; examples of the methods used were shown in the previous section. However, the reader should note that when references to statistics are quoted e.g.  $x = 37.562$ ,  $p = <.01$ , this indicates that the results of the test are ninety nine percent certain.

### 5.2 Characteristics of the respondents to the survey

As mentioned in the previous section the first five questions of the survey were designed to acquire some characteristics of the respondents. The following diagrams present these characteristics. A breakdown by grade of the respondents can be viewed in Fig. 5.1

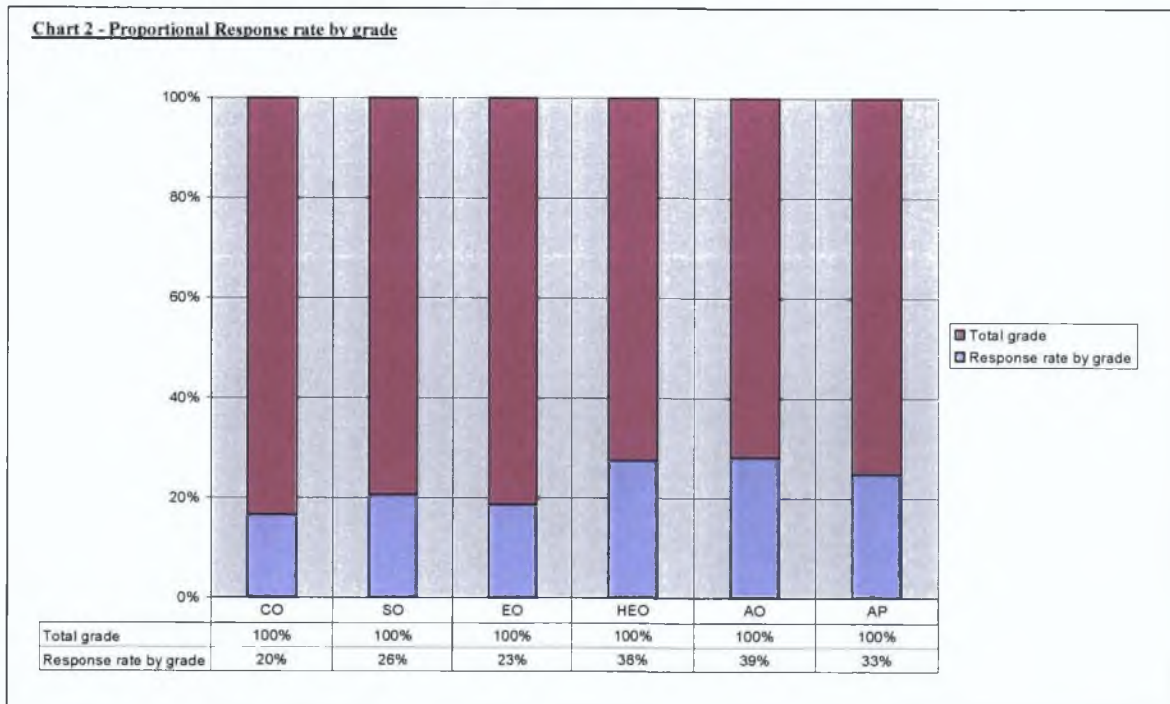
*Figure 5.1 – Breakdown of the respondents by grade.*



The total response of the survey was 161 responses from a sample of 540. This represents a response rate of thirty percent. The response rate for each grade in relation to the total

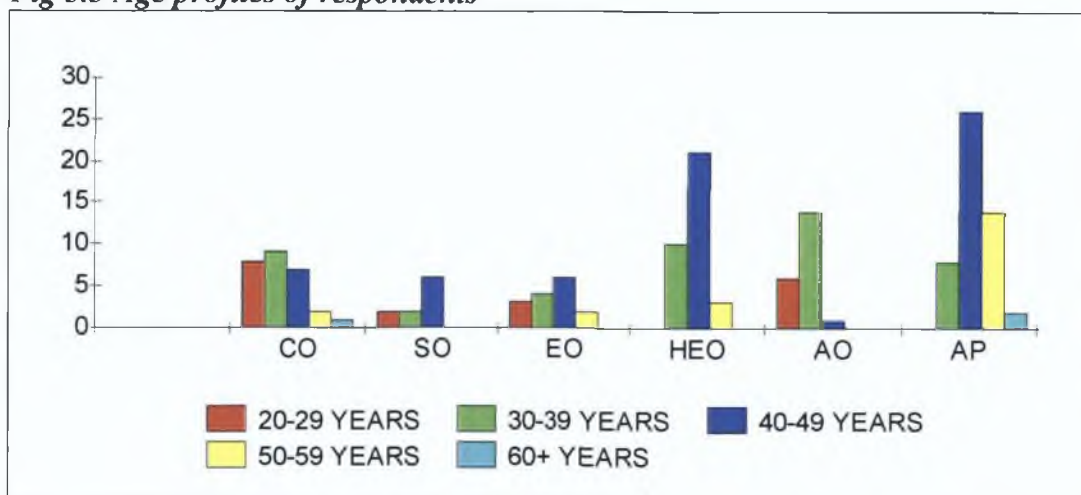
population for that grade is displayed below in Fig. 5.2. The Kolmogorov-Smirnov test for sample size of 161 revealed that the probability of the returns differing from entire sample was less than one percent and is represented thus,  $[D = 0.86, p < 0.1]$ .

**Fig 5.2 Response rate by grade as a proportion of the total grade number**



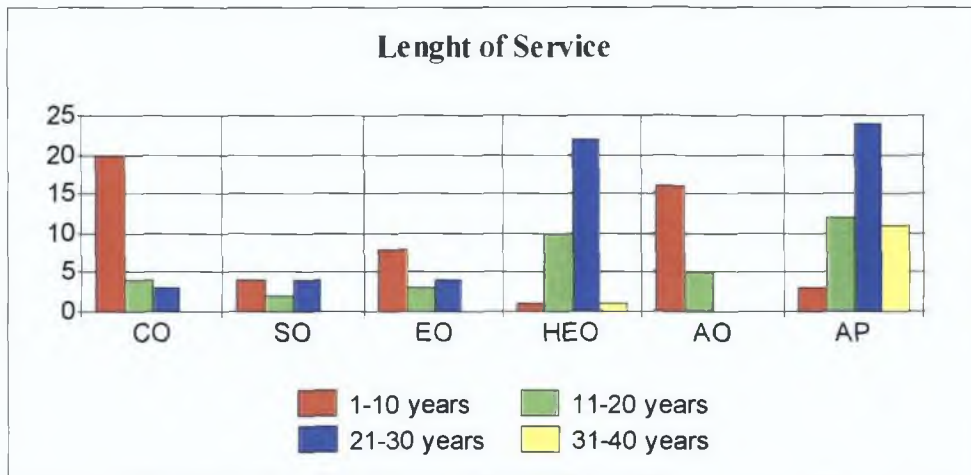
The age profile of the respondents varied as would be expected. A break down of the age profiles can be viewed in Fig. 5.3.

**Fig 5.3 Age profiles of respondents**



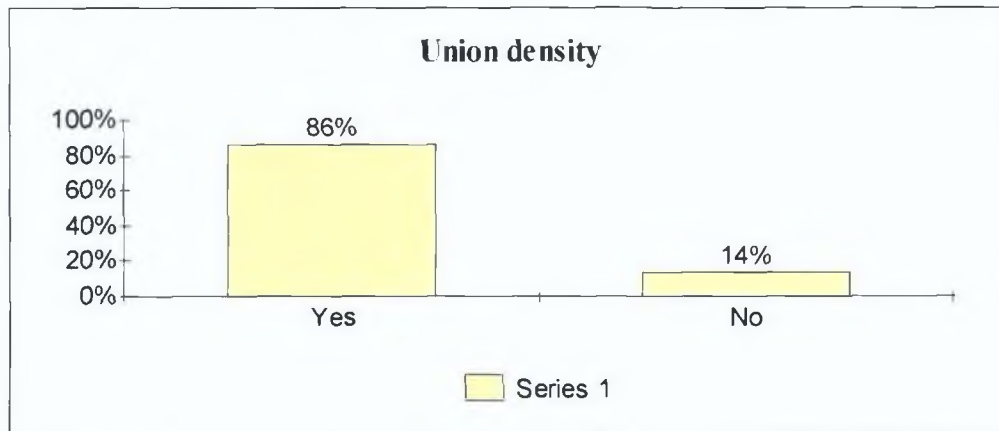
The length of service of the respondents can be viewed in Fig 5.4 below.

**Fig 5.4 Length of Service of respondents**



The results revealed that eighty six percent of officers who responded were members of a union. The result is shown in diagrammatic form below in Fig 5.5.

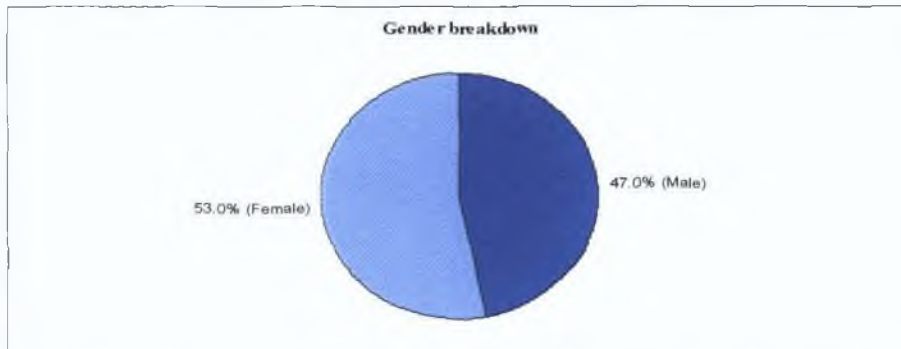
**Fig. 5.5 Union density**



The gender breakdown of the respondents was fairly evenly matched with fifty three percent to forty seven percent in favour of female as Fig 5.6 demonstrates.



**Fig. 5.6 Gender breakdown of respondents**



The results of the entire survey can be viewed in Tables 1-7 at the end of this section. For the purpose of clarity I will extract the relevant results in relation to each the dissertation objectives.

### **5.3 Findings in relation to Objective 1 (a) and Objective 2**

Overall the opinion of staff on the PMDS was positive. Sixty percent of the staff surveyed believe that the PMDS is ‘an effective model of PM’. However, certain aspects were viewed more positively than others. The key findings are explored below.

#### **5.3.1 Positive elements in relation to effectiveness and implementation.**

Many of the positive opinions on the PMDS relate to the key elements of any PM system. For example, seventy two percent of staff agree that the PMDS helps to clarify their role within the Department. The lowest score in this area was sixty percent registered by the SO grade. The highest was eighty four percent from the AP grade. The qualitative data also reveals that this aspect of the system is working well. A lower ranking civil servant stated,

*“There are positive parts to the PMDS. I know what I have to do, the system makes that very clear and the training and development can help me do it well.”*

Ms. Rosaleen Glackin of the CPSU also sees role clarity as a crucial element of the system, she stated,

*“In the past it was possible for an individual to freewheel through the system [within the employment context] without seeing how or where you fitted in within the wider organisation. PMDS provides essential clarity in this regard”.*

The opinion does not change as you progress up the ranks. A middle manager commented,

*“The PMDS has many benefits, not least of all role clarity. This has the added advantage of being able to direct training suited for that particular role and improving the capability of the individual and the organisation”.*

Mr Tom Geraghty of the PSEU stated,

*“PMDS is a positive step forward in the sense that it manages expectations. People now through their role profile know what they have to do and consequently how they stand in relation to that. So in a sense it provides clarity for both the jobholder and the manager”.*

Ms Carmel Keane, Head of the Corporate Services Division stated,

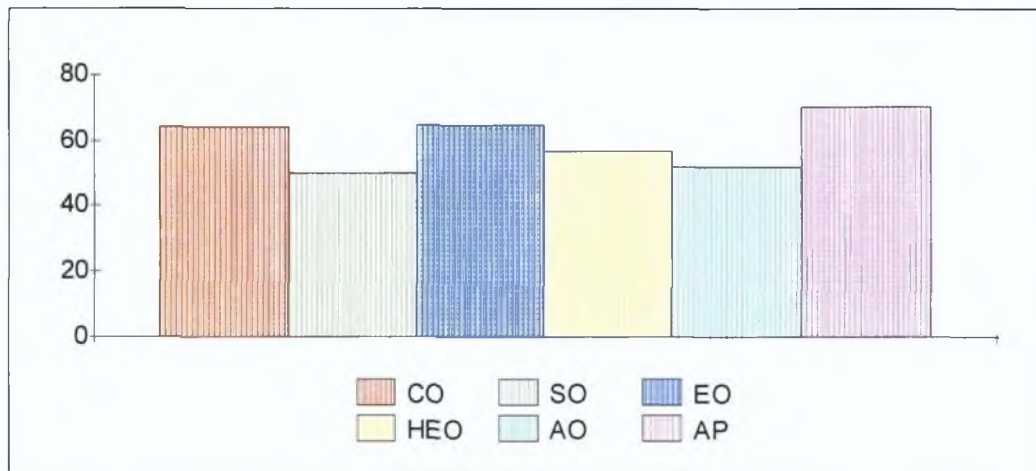
*“Its very useful from the point of view that two people can sit down and consider what needs to be done and how they will go about achieving it. It’s strong on providing clarity and directing training to areas that required improvement”.*

Another positive key finding congruent with the PM philosophy was in relation to training and development. Seventy percent of staff think that the PMDS provides an opportunity to develop skills. The lowest score in this area was from the EO grade with fifty six percent and the highest was from the HEO grade with seventy six percent. Directly related to this aspect of the system, seventy seven of the staff surveyed believed

that their performance had improved through training and development. The highest scores in this matter were from the SO and AO grades both with ninety percent.

Following on from this point the majority of staff thought that the PMDS has helped them to contribute more effectively to the work of their section with an overall positive response of sixty four percent, the highest of these being seventy percent from the AP grade. A breakdown by grade in relation to this aspect can be viewed in Fig. 5.7.

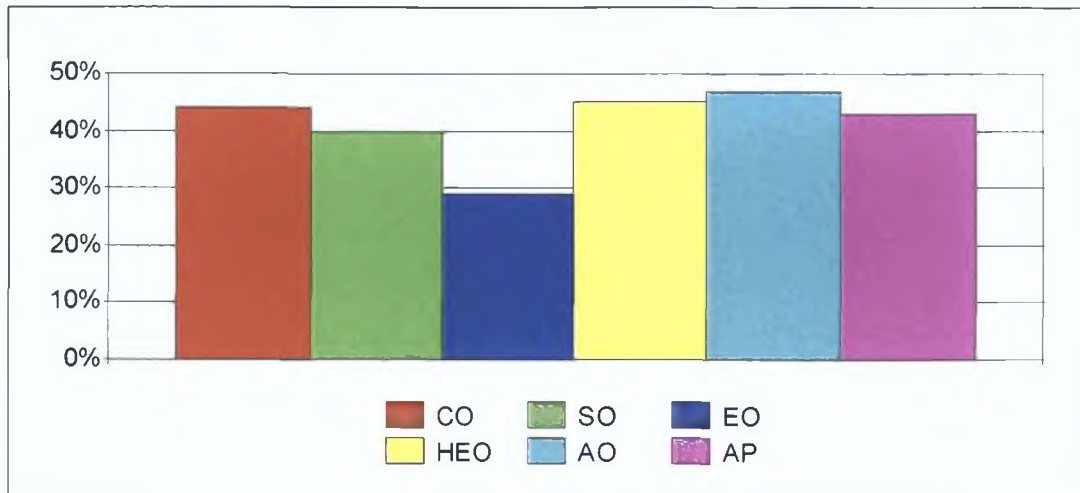
**Fig. 5.7 Percentage of each grade that believe training has improved their performance**



### **5.3.2 Negative findings in relation to effectiveness and implementation**

With regard to the negative findings in relation to effectiveness and implementation some of them are integral to the future success of the PMDS. A key issue is the matter of ongoing or regular feedback which the proponents of the PM philosophy highlight as a critical component to any system. Overall the results indicate that only forty four percent of staff in the grades surveyed receive regular feedback on their performance. The breakdown by grade can be viewed in Fig. 5.8.

**Fig. 5.8 Response by grade for receipt of regular feedback.**



The diagram demonstrates there is not much disparity between the experiences of all the grades. The qualitative data confirms this result. A higher ranking civil servant comments,

*“While the principle of using a model to ensure a consistent approach to managing performance, I do not believe the PMDS is being effectively applied or used by managers. I do not receive ongoing feedback, while there is much scope for improving the model, the main problem lies with its application”.*

A lower ranking civil servant states,

*“I have not received much feedback on my own performance; however, I do give regular feedback to my staff. As a manager in the Civil Service there is little scope for giving recognition to your staff other than positive or constructive feedback”*

A person in a middle management grade experience is similar, she comments,

*“I give my staff regular feedback, however, I don’t receive any on my own performance and generally communication in this regard is poor”.*

Area that are directly related to feedback also registered poorly in the survey including only forty eight percent of people feel that communication with their manager has improved and less than half of staff have agreed a development plan with their manger.

Two other key issues that were not specifically sought after in the research process emerged as potentially problematic areas that will require further research. The first of these is that PMDS does not appear to be uniformly implemented across the Department. This issue came to light via qualitative research and data. A middle manager comments,

*“PMDS is a good idea but it is not implemented properly and is not taken seriously by some senior managers in certain areas”.*

Another middle manager states,

*“PMDS should be monitored across the Department, so that all line managers implement it equally”.*

A senior mangers says,

*“It appears to be implemented differently in various areas of the Department. In some areas it is considered to be very important and there is commitment to it at senior management level. In other areas of the Department it is considered merely a paper exercise that gets in the way of ‘real work’. To improve PMDS for everybody it needs to be implemented in a consistent way”.*

The above comments are a representative sample of many more received from all levels of staff.

Another opinion that staff at all levels feel strongly about is related to the design and format of the PMDS. Generally, it is felt that the system is cumbersome and overly

bureaucratic. This is evidenced in some of the following thoughts, a clerical officer comments,

*“Over all I don’t think that the PMDS is a system that works. I think that models like this are meant to cater for either the individual or a post, they need to be personalised from the start and written in an easily understood manner. Everybody’s fist look at the PMDS form knocks them back in shock. It needs to be personal in its look and approach”.*

Many other similar comments were received.

### **5.3.3 Positive findings in relation to behaviour**

With regard to this area, the vast majority of people i.e. eighty four percent believe they achieve their objectives on time. Furthermore, a very high percentage, seventy eight percent believe that their colleagues take responsibility for their work.

### **5.3.4 Negative findings in relation to behaviour**

On the negative side the results indicate that the behaviour of staff has not changed as a consequence of PMDS. This of course is quite difficult to measure or quantify. However, according to the results only forty three percent of staff said that they believe their work output has increased. Sixty percent do not feel that the PMDS has any motivational qualities or provides an incentive to improve their performance. Only forty five percent say that they have attended more training courses since its operation. Less than half of the respondents feel there is more focus on the needs of the customer as a consequence of the system.

The qualitative data provides some indication why this might be the case. Ms Carmel Keane, Head of CSD states,

*“PMDS is still in its infancy. There currently is no link to wider HR practices such as pay and promotion. In 2007 when the system is integrated I believe it will increase the effectiveness of the PMDS”*

This opinion is shared by the staff of the Department. In a typical statement on the matter a lower civil servant stated,

*“At the moment as far as I can see the system is being used for training purposes. When it is linked to the payment of increments I think people will pay more attention to it”.*

### **5.3.5 Positive findings in relation to the understanding of competencies.**

The quantitative data revealed that the competency framework was well understood. Eighty three percent of the staff survey understood what competencies were required for their job. Furthermore eighty three percent understood how they related to the performance. The qualitative data confirmed these results. A staff officer stated,

*“While training for the improvement competencies is important for your current grade there should also be an element of training focused on the competences required for the next level”*

Mr. Tome Geraghty’s opinion on the use of competencies and training in general agrees with the comment above. He stated,

*“Training and development is a crucial aspect of the system, however, more thought on this area should be given to developing competencies required for future performance as well current performance”*

### **5.3.6 Positive findings in relation to future issues**

The findings relating to future issues were generally positive taken at face value. Fifty four percent of staff were believed that the PMDS should be used to make decisions on the award of increments just over half of staff believe it should be used to make decisions

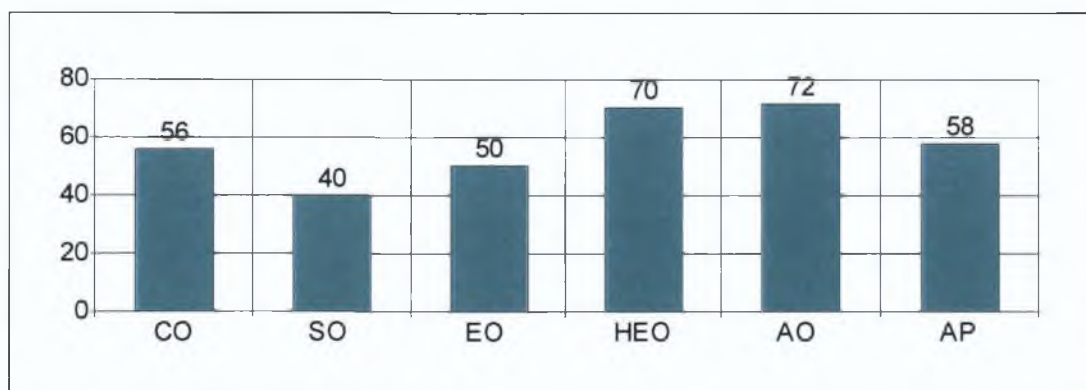


on promotion and fifty four percent thought it would be a fair and consistent method of performance appraisal. Fifty four percent indicated they were more likely to stay with the organisation because they performance is recognised. Some of these issues are looked at in more detail below.

#### 5.4 Findings in relation to Objective 1 (b) and Objective 2

As mentioned above generally the PMDS as a whole is viewed in a positive light by the respondents of the survey i.e. sixty percent. On examining the results by grade there were, however, variations. The results indicate that fifty percent of the CO grade believes it to be effective; the SO grade was more negative with forty percent believing it to be effective. The EO grade was split down the middle at fifty percent; the HEO and AO were seventy and seventy two percent respectively, while the AP grade was fifty eight percent. The results are displayed below in Fig. 5.8

*Figure 5.8 – Results by grade on effectiveness of the PMDS as a model of performance management*



The preliminary interview findings in relation to this objective revealed that the staff of the Department had opinions on two key issues relating to the PMDS. The first of these was in relation to the future linkage of pay to the PMDS. Another issue was performance appraisal. The opinions seemed to differ depending on grade.



Further research in this area was carried out via the survey and subsequent in-depth interviews. The survey revealed that the majority of staff were in favour of using the PMDS for making decisions on the award of increments with fifty nine percent of all the staff surveyed in favour of doing so. However, on further analysis the results showed that opinions did differ according to grade. In general the higher up grades were more in favour of this linkage when compared to the lower ranking grades. The majority of CO and SO grades with whom the CPSU have recognition were not in favour of the linkage; with fifty nine percent and seventy percent respectively showing their disagreement. This is compared with fifty one percent of EOs, sixty five percent of HEOs, eighty one percent of AOs and sixty six percent of APs agreeing there should be a link.

The chi-square test used to test the significance of these results revealed an actual chi of 9.488,  $p = < .05$  for 5 five degrees of freedom. This indicates with a ninety five percent probability of being accurate that the differences in opinion was related to grade adding further significance to the quantitative data. Furthermore, the qualitative data reflects the results of the quantitative data. Some typical quotes from lower ranking civil servants obtained from interviews include,

*“...while PMDS is a useful tool in its own right, I do not agree it should be used for awarding increments or promotions”*

*“The PMDS is good for training and development but I do not agree it should determine pay”*

The higher grades showed greater support for the future linkage. The following quotes are from a senior management grade,

*“A more clear linkage to pay and output is necessary”.*

*“It [PMDS] needs to have a concrete link to the award of increments, promotions and merit awards”.*

The middle management grades state,

*“PMDS process will not properly impact on performance or output until it directly feeds into incremental progression and performance awards”.*

*“PMDS should be used to make decisions on the award of special increments”.*

The in-depth interviews offered some explanations for why the CPSU grades were not supportive of the pay linkage. In an interview with a CPSU member he states that,

*“There is a lack of trust amongst staff with the performance appraisal system. It is generally believed that forced distribution will cause further animosity. People believe that the distribution will be unfair because you could have five very good people in an office and five very bad in another”.*

Ms. Rosaleen Glackin further elaborates the above point,

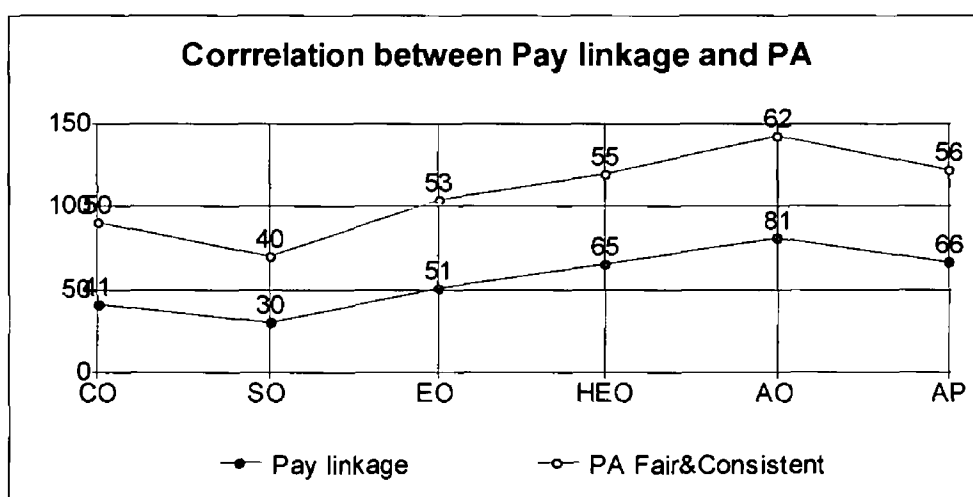
*“The forced distribution issue is a problem. Individuals’ performance will be measured against one and other, instead of performance being measured on the basis of individual merit. Essentially, forced distribution is a way of forcing middle managers to do their job which should not be the case”.*

Tom Geraghty, Deputy General Secretary of the PSEU who have recognition for the middle management grades stated in relation to this matter,

*“The grades I represent I represent are not happy about the issue of forced distribution with respect to appraising lower grades. It is their opinion that whatever performance you were getting from the person in the first place would be better than no performance after the sanction or dissatisfaction with a rating”*

The qualitative data also suggests that the opinions on the link of pay to the PMDS could be related to the PA aspect of the PMDS. The overall results revealed that the majority of staff believed the PMDS to be ‘a fair and consistent method of performance appraisal’. However, again there were differences between grades. Fifty percent of the CO and forty percent of the SO grades thought it was fair and consistent compared with fifty three percent of the EO, fifty five percent of the HEO and sixty two and fifty six percent for the AP and AP grades. Fig 5.7 demonstrates an apparent correlation between the two issues.

**Fig. 5.7: Displays a correlation between the opinions on pay to determine the award increments and the opinions on the fairness and consistency of PA aspect of PMDS**



However, further research is required because statistical analysis involving testing the correlation coefficient did not demonstrate a positive or negative correlation.

### 5.6 Summary of areas identified for Objective 2.

With regard to this area the results show that a number of key areas require improvement. These include:

- Communication and ongoing feedback
- Uniform application of PMDS throughout the Department.

- Simplification of forms and procedures.
- Concerns of the CPSU grades in relation to PA and linkage of pay needs to be addressed.
- Senior management showing open support for the system.
- A clear and visible link between high performance and reward to address motivational aspects

## 5.6 Tables 1 to 7 of Results

<b>Table 1 - Overall Results of the Staff Survey on the Performance Management and Development System in the Department of Finance</b>									
		<b>Strongly Agree</b>			<b>Total Positive</b>			<b>Strongly Disagree</b>	<b>Total Negative</b>
<b>Q. 6</b>	PMDS helps to clarify my role within the Department.	10%	28%	34%	<b>72%</b>	12%	7%	7%	<b>28%</b>
<b>Q. 7</b>	PMDS provides an opportunity to develop my skills.	12%	25%	33%	<b>70%</b>	14%	7%	9%	<b>30%</b>
<b>Q. 8</b>	Through training and development my performance has improved.	12%	35%	30%	<b>77%</b>	11%	5%	7%	<b>23%</b>
<b>Q. 9</b>	PMDS has helped me to contribute more effectively to the work of my section.	3%	22%	35%	<b>60%</b>	11%	16%	13%	<b>40%</b>
<b>Q. 10</b>	I regularly receive feedback on my performance.	4%	12%	26%	<b>42%</b>	18%	16%	24%	<b>58%</b>
<b>Q. 11</b>	PMDS is a fair and consistent method of performance appraisal.	7%	20%	27%	<b>54%</b>	17%	13%	16%	<b>46%</b>
<b>Q. 12</b>	PMDS should be used to make decisions on the award of increments	13%	27%	19%	<b>59%</b>	9%	14%	18%	<b>41%</b>
<b>Q. 13</b>	PMDS has improved communication with my manager	6%	13%	29%	<b>48%</b>	17%	17%	18%	<b>52%</b>
<b>Q. 14</b>	PMDS should be used for future career development and work assignments	20%	24%	24%	<b>68%</b>	13%	6%	13%	<b>32%</b>
<b>Q. 15</b>	PMDS should be used to make decisions on promotion	14%	20%	17%	<b>51%</b>	16%	10%	23%	<b>49%</b>
<b>Q. 16</b>	My overall rating reflects my actual performance	15%	34%	25%	<b>74%</b>	11%	6%	9%	<b>26%</b>

		Strongly Agree			Total Positive			Strongly Disagree	Total Negative
Q. 17	I understand what competencies are required for my job	21%	43%	19%	<b>83%</b>	8%	5%	4%	<b>17%</b>
Q. 18	My work output has increased since PMDS was introduced	5%	6%	32%	<b>43%</b>	17%	20%	20%	<b>57%</b>
Q. 19	I approach my work in a more systematic way since PMDS was introduced	3%	12%	30%	<b>45%</b>	20%	15%	20%	<b>55%</b>
Q. 20	PMDS helps me to focus on my goals	5%	23%	28%	<b>56%</b>	16%	11%	17%	<b>44%</b>
Q. 21	I have agreed a development plan with my manager	5%	18%	26%	<b>49%</b>	13%	15%	23%	<b>51%</b>
Q. 22	PMDS motivates me to improve my performance	4%	12%	22%	<b>38%</b>	16%	20%	26%	<b>62%</b>
Q. 23	I believe PMDS has changed the way I approach my work	3%	10%	20%	<b>33%</b>	19%	24%	24%	<b>67%</b>
Q. 24	I have attended more training courses since PMDS was introduced	9%	15%	21%	<b>45%</b>	16%	20%	19%	<b>55%</b>
Q. 25	There is more focus on customer needs since PMDS was introduced	4%	18%	26%	<b>48%</b>	19%	17%	16%	<b>52%</b>
Q. 26	Training and development is targeted on areas that will help improve my performance	8%	30%	27%	<b>65%</b>	15%	9%	11%	<b>35%</b>
Q. 27	I consistently meet my objectives on time	22%	43%	19%	<b>84%</b>	8%	4%	4%	<b>16%</b>
Q. 28	The quality of my work has improved since PMDS was introduced	2%	11%	29%	<b>42%</b>	21%	16%	21%	<b>58%</b>
Q. 29	The PMDS is an	7%	17%	36%	<b>60%</b>	16%	9%	15%	<b>40%</b>

	effective model of performance management								
<b>Q. 30</b>	I understand the concept of competencies and how they relate to my performance	19%	39%	25%	<b>83%</b>	10%	4%	3%	<b>17%</b>
<b>Q. 31</b>	PMDS helps to effectively differentiate the performance levels of individuals	3%	15%	26%	<b>44%</b>	17%	20%	19%	<b>56%</b>
<b>Q. 32</b>	People in my area take responsibility for their work	23%	39%	16%	<b>78%</b>	9%	8%	5%	<b>22%</b>
<b>Q. 33</b>	I am more likely to stay with the organisation in future because my performance is recognised	12%	14%	26%	<b>52%</b>	10%	16%	22%	<b>48%</b>
<b>Q. 34</b>	I can use PMDS to develop my future career	7%	20%	27%	<b>54%</b>	12%	14%	20%	<b>46%</b>

**Table 2 - Results for Clerical Officer grade of the Staff Survey on the Performance Management and Development System in the Department of Finance**

		Strongly Agree			Total Positive			Strongly Disagree	Total Negative
<b>Q. 6</b>	PMDS helps to clarify my role within the Department.	12%	11%	40%	<b>63%</b>	22%	4%	11%	<b>37%</b>
<b>Q. 7</b>	PMDS provides an opportunity to develop my skills.	8%	19%	40%	<b>67%</b>	11%	11%	11%	<b>33%</b>
<b>Q. 8</b>	Through training and development my performance has improved.	9%	56%	8%	<b>73%</b>	11%	4%	12%	<b>27%</b>
<b>Q. 9</b>	PMDS has helped me to contribute more effectively to the work of my section.	4%	11%	49%	<b>64%</b>	8%	14%	14%	<b>36%</b>
<b>Q. 10</b>	I regularly receive feedback on my performance.	4%	0%	40%	<b>44%</b>	22%	15%	19%	<b>56%</b>
<b>Q. 11</b>	PMDS is a fair and consistent method of performance appraisal.	16%	15%	19%	<b>50%</b>	15%	19%	16%	<b>50%</b>
<b>Q. 12</b>	PMDS should be used to make decisions on the award of increments	12%	15%	14%	<b>41%</b>	14%	15%	30%	<b>69%</b>
<b>Q. 13</b>	PMDS has improved communication with my manager	0%	20%	41%	<b>61%</b>	8%	16%	15%	<b>39%</b>
<b>Q. 14</b>	PMDS should be used for future career development and work assignments	11%	19%	30%	<b>60%</b>	14%	7%	19%	<b>40%</b>
<b>Q. 15</b>	PMDS should be used to make decisions on promotion	4%	20%	11%	<b>35%</b>	27%	11%	27%	<b>65%</b>
<b>Q. 16</b>	My overall rating reflects my actual performance	4%	30%	49%	<b>83%</b>	7%	7%	3%	<b>17%</b>



Q. 17	I understand what competencies are required for my job	19%	55%	19%	<b>93%</b>	4%	3%	0%	7%
Q. 18	My work output has increased since PMDS was introduced	4%	8%	33%	<b>45%</b>	33%	11%	11%	<b>55%</b>
Q. 19	I approach my work in a more systematic way since PMDS was introduced	3%	11%	34%	<b>48%</b>	19%	19%	14%	<b>52%</b>
Q. 20	PMDS helps me to focus on my goals	0%	14%	36%	<b>50%</b>	25%	11%	14%	<b>50%</b>
Q. 21	I have agreed a development plan with my manager	4%	19%	14%	<b>37%</b>	11%	30%	22%	<b>63%</b>
Q. 22	PMDS motivates me to improve my performance	4%	15%	19%	<b>38%</b>	25%	19%	18%	<b>62%</b>
Q. 23	I believe PMDS has changed the way I approach my work	0%	8%	25%	<b>33%</b>	19%	25%	23%	<b>67%</b>
Q. 24	I have attended more training courses since PMDS was introduced	12%	24%	19%	<b>55%</b>	14%	19%	12%	<b>45%</b>
Q. 25	There is more focus on customer needs since PMDS was introduced	8%	26%	26%	<b>60%</b>	14%	14%	12%	<b>40%</b>
Q. 26	Training and development is targeted on areas that will help improve my performance	19%	22%	19%	<b>60%</b>	19%	11%	10%	<b>40%</b>
Q. 27	I consistently meet my objectives on time	30%	33%	26%	<b>89%</b>	7%	4%	0%	<b>11%</b>
Q. 28	The quality of my work has improved since PMDS was introduced	0%	23%	33%	<b>56%</b>	14%	19%	11%	<b>34%</b>
Q. 29	The PMDS is an effective model of performance management	0%	19%	37%	<b>56%</b>	22%	11%	11%	<b>44%</b>

<b>Q. 30</b>	I understand the concept of competencies and how they relate to my performance	22%	26%	30%	<b>78%</b>	14%	8%	0%	<b>22%</b>
<b>Q. 31</b>	PMDS helps to effectively differentiate the performance levels of individuals	0%	19%	33%	<b>52%</b>	19%	0%	19%	<b>38%</b>
<b>Q. 32</b>	People in my area take responsibility for their work	26%	44%	19%	<b>89%</b>	0%	7%	4%	<b>11%</b>
<b>Q. 33</b>	I am more likely to stay with the organisation in future because my performance is recognised	14%	22%	30%	<b>66%</b>	4%	11%	19%	<b>34%</b>
<b>Q. 34</b>	I can use PMDS to develop my future career	8%	19%	44%	<b>71%</b>	0%	10%	19%	<b>29%</b>

**Table 3 - Results for the Staff Officer grade of the Staff Survey on the Performance Management and Development System in the Department of Finance**

		Strongly Agree			Total Positive			Strongly Disagree	Total Negative
<b>Q. 6</b>	PMDS helps to clarify my role within the Department.	0%	10%	50%	<b>60%</b>	10%	20%	10%	<b>40%</b>
<b>Q. 7</b>	PMDS provides an opportunity to develop my skills.	20%	10%	30%	<b>60%</b>	20%	20%	0%	<b>40%</b>
<b>Q. 8</b>	Through training and development my performance has improved.	20%	0%	70%	<b>90%</b>	0%	0%	10%	<b>10%</b>
<b>Q. 9</b>	PMDS has helped me to contribute more effectively to the work of my section.	0%	40%	10%	<b>50%</b>	10%	20%	20%	<b>50%</b>
<b>Q. 10</b>	I regularly receive feedback on my performance.	10%	10%	20%	<b>40%</b>	20%	10%	30%	<b>60%</b>
<b>Q. 11</b>	PMDS is a fair and consistent method of performance appraisal.	0%	0%	40%	<b>40%</b>	40%	10%	10%	<b>60%</b>
<b>Q. 12</b>	PMDS should be used to make decisions on the award of increments	0%	0%	30%	<b>30%</b>	10%	30%	30%	<b>70%</b>
<b>Q. 13</b>	PMDS has improved communication with my manager	10%	10%	40%	<b>60%</b>	20%	20%	0%	<b>40%</b>
<b>Q. 14</b>	PMDS should be used for future career development and work assignments	10%	10%	40%	<b>60%</b>	0%	10%	30%	<b>40%</b>
<b>Q. 15</b>	PMDS should be used to make decisions on promotion	0%	0%	50%	<b>50%</b>	10%	10%	30%	<b>50%</b>
<b>Q. 16</b>	My overall rating reflects my actual	10%	20%	30%	<b>60%</b>	20%	0%	20%	<b>40%</b>

	performance								
<b>Q. 17</b>	I understand what competencies are required for my job	10%	40%	40%	<b>90%</b>	10%	0%	0%	<b>10%</b>
<b>Q. 18</b>	My work output has increased since PMDS was introduced	10%	0%	30%	<b>40%</b>	20%	20%	20%	<b>60%</b>
<b>Q. 19</b>	I approach my work in a more systematic way since PMDS was introduced	0%	20%	10%	<b>30%</b>	40%	0%	30%	<b>70%</b>
<b>Q. 20</b>	PMDS helps me to focus on my goals	10%	20%	10%	<b>40%</b>	30%	0%	30%	<b>60%</b>
<b>Q. 21</b>	I have agreed a development plan with my manager	0%	20%	20%	<b>40%</b>	30%	20%	10%	<b>60%</b>
<b>Q. 22</b>	PMDS motivates me to improve my performance	0%	10%	20%	<b>30%</b>	30%	10%	30%	<b>70%</b>
<b>Q. 23</b>	I believe PMDS has changed the way I approach my work	0%	10%	10%	<b>20%</b>	30%	20%	30%	<b>80%</b>
<b>Q. 24</b>	I have attended more training courses since PMDS was introduced	10%	10%	20%	<b>40%</b>	30%	20%	10%	<b>60%</b>
<b>Q. 25</b>	There is more focus on customer needs since PMDS was introduced	0%	10%	40%	<b>50%</b>	30%	10%	10%	<b>50%</b>
<b>Q. 26</b>	Training and development is targeted on areas that will help improve my performance	0%	20%	50%	<b>70%</b>	10%	20%	0%	<b>30%</b>
<b>Q. 27</b>	I consistently meet my objectives on time	10%	50%	40%	<b>100%</b>	0%	0%	0%	<b>0%</b>
<b>Q. 28</b>	The quality of my work has improved since PMDS was introduced	0%	10%	40%	<b>50%</b>	10%	10%	30%	<b>50%</b>
<b>Q. 29</b>	The PMDS is an effective model of performance	0%	0%	40%	<b>40%</b>	40%	10%	10%	<b>60%</b>

	management								
<b>Q. 30</b>	I understand the concept of competencies and how they relate to my performance	0%	33%	56%	<b>89%</b>	11%	0%	0%	<b>11%</b>
<b>Q. 31</b>	PMDS helps to effectively differentiate the performance levels of individuals	0%	10%	40%	<b>50%</b>	30%	10%	10%	<b>50%</b>
<b>Q. 32</b>	People in my area take responsibility for their work	30%	40%	10%	<b>80%</b>	20%	0%	0%	<b>20%</b>
<b>Q. 33</b>	I am more likely to stay with the organisation in future because my performance is recognised	0%	20%	20%	<b>40%</b>	10%	10%	40%	<b>60%</b>
<b>Q. 34</b>	I can use PMDS to develop my future career	0%	20%	30%	<b>50%</b>	10%	0%	40%	<b>50%</b>

**Table 4 - Results for Executive Officer grade of the Staff Survey on the Performance Management and Development System in the Department of Finance**

		Strongly Agree			Total Positive			Strongly Disagree	Total Negative
<b>Q. 6</b>	PMDS helps to clarify my role within the Department.	7%	14%	44%	<b>65%</b>	14%	7%	14%	<b>35%</b>
<b>Q. 7</b>	PMDS provides an opportunity to develop my skills.	14%	7%	35%	<b>56%</b>	22%	0%	22%	<b>44%</b>
<b>Q. 8</b>	Through training and development my performance has improved.	7%	43%	14%	<b>64%</b>	29%	0%	7%	<b>36%</b>
<b>Q. 9</b>	PMDS has helped me to contribute more effectively to the work of my section.	0%	43%	22%	<b>65%</b>	13%	0%	22%	<b>35%</b>
<b>Q. 10</b>	I regularly receive feedback on my performance.	0%	14%	15%	<b>29%</b>	7%	7%	57%	<b>71%</b>
<b>Q. 11</b>	PMDS is a fair and consistent method of performance appraisal.	0%	15%	38%	<b>53%</b>	15%	9%	23%	<b>47%</b>
<b>Q. 12</b>	PMDS should be used to make decisions on the award of increments	22%	22%	7%	<b>51%</b>	0%	14%	35%	<b>49%</b>
<b>Q. 13</b>	PMDS has improved communication with my manager	0%	0%	23%	<b>23%</b>	23%	15%	39%	<b>77%</b>
<b>Q. 14</b>	PMDS should be used for future career development and work assignments	31%	23%	23%	<b>77%</b>	9%	0%	14%	<b>23%</b>
<b>Q. 15</b>	PMDS should be used to make decisions on promotion	23%	38%	0%	<b>61%</b>	16%	0%	23%	<b>39%</b>
<b>Q. 16</b>	My overall rating reflects my actual performance	17%	33%	8%	<b>58%</b>	0%	8%	34%	<b>42%</b>

Q. 17	I understand what competencies are required for my job	15%	23%	15%	<b>53%</b>	23%	9%	15%	<b>47%</b>
Q. 18	My work output has increased since PMDS was introduced	0%	7%	29%	<b>36%</b>	21%	14%	29%	<b>64%</b>
Q. 19	I approach my work in a more systematic way since PMDS was introduced	0%	0%	31%	<b>31%</b>	15%	31%	23%	<b>69%</b>
Q. 20	PMDS helps me to focus on my goals	0%	14%	36%	<b>50%</b>	14%	14%	22%	<b>50%</b>
Q. 21	I have agreed a development plan with my manager	0%	23%	8%	<b>31%</b>	8%	0%	61%	<b>69%</b>
Q. 22	PMDS motivates me to improve my performance	0%	0%	23%	<b>23%</b>	23%	15%	39%	<b>77%</b>
Q. 23	I believe PMDS has changed the way I approach my work	0%	0%	15%	<b>15%</b>	15%	31%	39%	<b>85%</b>
Q. 24	I have attended more training courses since PMDS was introduced	17%	8%	8%	<b>35%</b>	8%	34%	23%	<b>65%</b>
Q. 25	There is more focus on customer needs since PMDS was introduced	8%	15%	23%	<b>46%</b>	8%	23%	23%	<b>54%</b>
Q. 26	Training and development is targeted on areas that will help improve my performance	8%	15%	23%	<b>46%</b>	15%	15%	24%	<b>54%</b>
Q. 27	I consistently meet my objectives on time	21%	57%	0%	<b>78%</b>	7%	0%	15%	<b>22%</b>
Q. 28	The quality of my work has improved since PMDS was introduced	0%	7%	14%	<b>21%</b>	21%	29%	29%	<b>79%</b>
Q. 29	The PMDS is an effective model of performance	7%	7%	36%	<b>50%</b>	21%	0%	29%	<b>50%</b>

	management								
<b>Q. 30</b>	I understand the concept of competencies and how they relate to my performance	14%	29%	36%	<b>79%</b>	0%	7%	14%	<b>21%</b>
<b>Q. 31</b>	PMDS helps to effectively differentiate the performance levels of individuals	7%	29%	21%	<b>57%</b>	7%	14%	22%	<b>43%</b>
<b>Q. 32</b>	People in my area take responsibility for their work	7%	50%	14%	<b>64%</b>	13%	0%	13%	<b>26%</b>
<b>Q. 33</b>	I am more likely to stay with the organisation in future because my performance is recognised	29%	7%	14%	<b>50%</b>	7%	14%	29%	<b>50%</b>
<b>Q. 34</b>	I can use PMDS to develop my future career	14%	14%	22%	<b>50%</b>	7%	0%	43%	<b>50%</b>



**Table 5 - Results for Higher Executive Officer grade of the Staff Survey on the Performance Management and Development System in the Department of Finance**

		Strongly Agree			Total Positive			Strongly Disagree	Total Negative
<b>Q. 6</b>	PMDS helps to clarify my role within the Department.	12%	35%	29%	<b>76%</b>	12%	9%	3%	<b>24%</b>
<b>Q. 7</b>	PMDS provides an opportunity to develop my skills.	12%	35%	29%	<b>76%</b>	12%	6%	6%	<b>24%</b>
<b>Q. 8</b>	Through training and development my performance has improved.	12%	38%	29%	<b>79%</b>	9%	9%	3%	<b>21%</b>
<b>Q. 9</b>	PMDS has helped me to contribute more effectively to the work of my section.	3%	21%	27%	<b>51%</b>	9%	31%	9%	<b>49%</b>
<b>Q. 10</b>	I regularly receive feedback on my performance.	3%	18%	24%	<b>45%</b>	15%	15%	25%	<b>55%</b>
<b>Q. 11</b>	PMDS is a fair and consistent method of performance appraisal.	3%	26%	26%	<b>55%</b>	18%	9%	18%	<b>45%</b>
<b>Q. 12</b>	PMDS should be used to make decisions on the award of increments	18%	29%	18%	<b>65%</b>	3%	14%	18%	<b>35%</b>
<b>Q. 13</b>	PMDS has improved communication with my manager	3%	6%	26%	<b>35%</b>	15%	29%	21%	<b>65%</b>
<b>Q. 14</b>	PMDS should be used for future career development and work assignments	21%	29%	18%	<b>68%</b>	21%	9%	2%	<b>32%</b>
<b>Q. 15</b>	PMDS should be used to make decisions on promotion	9%	21%	18%	<b>48%</b>	14%	14%	24%	<b>52%</b>
<b>Q. 16</b>	My overall rating reflects my actual performance	15%	32%	26%	<b>73%</b>	9%	9%	9%	<b>27%</b>

Q. 17	I understand what competencies are required for my job	11%	56%	21%	<b>88%</b>	6%	6%	0%	<b>12%</b>
Q. 18	My work output has increased since PMDS was introduced	0%	9%	33%	<b>42%</b>	9%	17%	32%	<b>58%</b>
Q. 19	I approach my work in a more systematic way since PMDS was introduced	0%	15%	29%	<b>44%</b>	6%	17%	33%	<b>56%</b>
Q. 20	PMDS helps me to focus on my goals	6%	17%	33%	<b>56%</b>	6%	17%	21%	<b>44%</b>
Q. 21	I have agreed a development plan with my manager	3%	17%	33%	<b>53%</b>	9%	9%	29%	<b>47%</b>
Q. 22	PMDS motivates me to improve my performance	3%	12%	24%	<b>39%</b>	6%	23%	32%	<b>61%</b>
Q. 23	I believe PMDS has changed the way I approach my work	0%	9%	21%	<b>30%</b>	18%	21%	31%	<b>70%</b>
Q. 24	I have attended more training courses since PMDS was introduced	9%	24%	27%	<b>60%</b>	6%	14%	20%	<b>40%</b>
Q. 25	There is more focus on customer needs since PMDS was introduced	0%	12%	36%	<b>48%</b>	24%	15%	13%	<b>52%</b>
Q. 26	Training and development is targeted on areas that will help improve my performance	0%	38%	19%	<b>57%</b>	31%	3%	9%	<b>43%</b>
Q. 27	I consistently meet my objectives on time	17%	42%	27%	<b>87%</b>	6%	3%	4%	<b>13%</b>
Q. 28	The quality of my work has improved since PMDS was introduced	0%	6%	34%	<b>40%</b>	9%	16%	35%	<b>60%</b>
Q. 29	The PMDS is an effective model of performance management	9%	24%	37%	<b>70%</b>	12%	16%	12%	<b>30%</b>
Q. 30	I understand the	6%	53%	25%	<b>84%</b>	16%	0%	0%	<b>16%</b>

	concept of competencies and how they relate to my performance								
<b>Q. 31</b>	PMDS helps to effectively differentiate the performance levels of individuals	3%	4%	24%	<b>34%</b>	18%	30%	18%	<b>66%</b>
<b>Q. 32</b>	People in my area take responsibility for their work	21%	36%	21%	<b>78%</b>	6%	13%	3%	<b>22%</b>
<b>Q. 33</b>	I am more likely to stay with the organisation in future because my performance is recognised	6%	9%	29%	<b>44%</b>	9%	15%	32%	<b>56%</b>
<b>Q. 34</b>	I can use PMDS to develop my future career	0%	21%	21%	<b>42%</b>	18%	26%	14%	<b>58%</b>

**Table 6 - Results for Administrative Officer grade of the Staff Survey on the Performance Management and Development System in the Department of Finance**

		Strongly Agree			Total Positive			Strongly Disagree	Total Negative
Q. 6	PMDS helps to clarify my role within the Department.	10%	38%	19%	67%	14%	10%	9%	33%
Q. 7	PMDS provides an opportunity to develop my skills.	14%	48%	10%	72%	14%	0%	14%	28%
Q. 8	Through training and development my performance has improved.	24%	38%	28%	90%	5%	5%	0%	10%
Q. 9	PMDS has helped me to contribute more effectively to the work of my section.	0%	24%	28%	52%	24%	14%	10%	48%
Q. 10	I regularly receive feedback on my performance.	0%	14%	33%	47%	10%	24%	19%	53%
Q. 11	PMDS is a fair and consistent method of performance appraisal.	10%	33%	19%	62%	5%	19%	14%	38%
Q. 12	PMDS should be used to make decisions on the award of increments	14%	43%	24%	81%	0%	10%	9%	19%
Q. 13	PMDS has improved communication with my manager	5%	19%	28%	52%	24%	5%	19%	48%
Q. 14	PMDS should be used for future career development and work assignments	19%	28%	24%	71%	5%	5%	19%	29%
Q. 15	PMDS should be used to make decisions on promotion	20%	25%	15%	60%	15%	10%	15%	40%
Q. 16	My overall rating reflects my actual performance	19%	38%	28%	85%	10%	0%	5%	15%

<b>Q. 17</b>	I understand what competencies are required for my job	33%	28%	14%	<b>75%</b>	10%	10%	5%	<b>25%</b>
<b>Q. 18</b>	My work output has increased since PMDS was introduced	0%	14%	33%	<b>47%</b>	15%	24%	14%	<b>53%</b>
<b>Q. 19</b>	I approach my work in a more systematic way since PMDS was introduced	0%	0%	43%	<b>43%</b>	33%	10%	14%	<b>57%</b>
<b>Q. 20</b>	PMDS helps me to focus on my goals	0	43%	24%	<b>67%</b>	14%	5%	14%	<b>33%</b>
<b>Q. 21</b>	I have agreed a development plan with my manager	14%	5%	24%	<b>43%</b>	10%	23%	24%	<b>57%</b>
<b>Q. 22</b>	PMDS motivates me to improve my performance	0%	29%	10%	<b>39%</b>	5%	23%	33%	<b>61%</b>
<b>Q. 23</b>	I believe PMDS has changed the way I approach my work	5%	0%	29%	<b>34%</b>	19%	28%	19%	<b>66%</b>
<b>Q. 24</b>	I have attended more training courses since PMDS was introduced	10%	24%	24%	<b>58%</b>	10%	14%	18%	<b>42%</b>
<b>Q. 25</b>	There is more focus on customer needs since PMDS was introduced	0%	10%	24%	<b>34%</b>	24%	14%	28%	<b>66%</b>
<b>Q. 26</b>	Training and development is targeted on areas that will help improve my performance	19%	29%	29%	<b>77%</b>	10%	9%	4%	<b>23%</b>
<b>Q. 27</b>	I consistently meet my objectives on time	33%	33%	19%	<b>85%</b>	10%	5%	0%	<b>15%</b>
<b>Q. 28</b>	The quality of my work has improved since PMDS was introduced	0%	10%	29%	<b>39%</b>	43%	4%	14%	<b>61%</b>
<b>Q. 29</b>	The PMDS is an effective model of performance	10%	19%	43%	<b>72%</b>	10%	4%	14%	<b>28%</b>

	management								
<b>Q. 30</b>	I understand the concept of competencies and how they relate to my performance	24%	52%	14%	<b>90%</b>	0%	5%	5%	<b>10%</b>
<b>Q. 31</b>	PMDS helps to effectively differentiate the performance levels of individuals	0%	24%	14%	<b>38%</b>	14%	19%	29%	<b>62%</b>
<b>Q. 32</b>	People in my area take responsibility for their work	30%	30%	0%	<b>60%</b>	20%	20%	0%	<b>40%</b>
<b>Q. 33</b>	I am more likely to stay with the organisation in future because my performance is recognised	19%	19%	10%	<b>48%</b>	19%	19%	14%	<b>52%</b>
<b>Q. 34</b>	I can use PMDS to develop my future career	11%	42%	5%	<b>58%</b>	16%	10%	16%	<b>42%</b>

**Table 7 - Results for the Assistant Principal grade of the Staff Survey on the Performance Management and Development System in the Department of Finance**

		Strongly Agree			Total Positive			Strongly Disagree	Total Negative
Q. 6	PMDS helps to clarify my role within the Department.	12%	34%	38%	84%	8%	4%	4%	16%
Q. 7	PMDS provides an opportunity to develop my skills.	12%	20%	42%	74%	14%	8%	4%	26%
Q. 8	Through training and development my performance has improved.	6%	28%	44%	78%	12%	6%	4%	22%
Q. 9	PMDS has helped me to contribute more effectively to the work of my section.	2%	20%	48%	70%	8%	14%	8%	30%
Q. 10	I regularly receive feedback on my performance.	2%	16%	25%	43%	25%	18%	14%	57%
Q. 11	PMDS is a fair and consistent method of performance appraisal.	4%	20%	32%	56%	20%	14%	10%	44%
Q. 12	PMDS should be used to make decisions on the award of increments	12%	32%	22%	66%	14%	12%	8%	34%
Q. 13	PMDS has improved communication with my manager	6%	18%	26%	50%	20%	16%	14%	50%
Q. 14	PMDS should be used for future career development and work assignments	22%	26%	22%	70%	16%	6%	8%	30%
Q. 15	PMDS should be used to make decisions on promotion	16%	20%	22%	58%	12%	10%	20%	42%
Q. 16	My overall rating reflects my actual performance	16%	44%	14%	74%	18%	8%	00%	36%

Q. 17	I understand what competencies are required for my job	22%	44%	20%	<b>86%</b>	8%	4%	2%	<b>14%</b>
Q. 18	My work output has increased since PMDS was introduced	6%	2%	34%	<b>42%</b>	16%	28%	14%	<b>58%</b>
Q. 19	I approach my work in a more systematic way since PMDS was introduced	2%	16%	30%	<b>48%</b>	26%	14%	12%	<b>52%</b>
Q. 20	PMDS helps me to focus on my goals	8%	28%	26%	<b>62%</b>	18%	12%	8%	<b>38%</b>
Q. 21	I have agreed a development plan with my manager	4%	25%	34%	<b>63%</b>	19%	12%	6%	<b>37%</b>
Q. 22	PMDS motivates me to improve my performance	4%	8%	30%	<b>42%</b>	20%	22%	16%	<b>58%</b>
Q. 23	I believe PMDS has changed the way I approach my work	2%	20%	16%	<b>38%</b>	22%	26%	14%	<b>62%</b>
Q. 24	I have attended more training courses since PMDS was introduced	4%	6%	20%	<b>30%</b>	24%	28%	18%	<b>70%</b>
Q. 25	There is more focus on customer needs since PMDS was introduced	0%	24%	22%	<b>46%</b>	16%	22%	16%	<b>54%</b>
Q. 26	Training and development is targeted on areas that will help improve my performance	0%	38%	34%	<b>72%</b>	8%	10%	10%	<b>28%</b>
Q. 27	I consistently meet my objectives on time	16%	52%	10%	<b>78%</b>	12%	8%	2%	<b>22%</b>
Q. 28	The quality of my work has improved since PMDS was introduced	0%	12%	28%	<b>40%</b>	28%	18%	14%	<b>60%</b>
Q. 29	The PMDS is an effective model of performance management	6%	20%	32%	<b>58%</b>	12%	16%	14%	<b>42%</b>



<b>Q. 30</b>	I understand the concept of competencies and how they relate to my performance	24%	42%	20%	<b>86%</b>	8%	6%	0%	<b>14%</b>
<b>Q. 31</b>	PMDS helps to effectively differentiate the performance levels of individuals	2%	14%	28%	<b>42%</b>	18%	26%	14%	<b>58%</b>
<b>Q. 32</b>	People in my area take responsibility for their work	18%	44%	22%	<b>84%</b>	8%	6%	2%	<b>16%</b>
<b>Q. 33</b>	I am more likely to stay with the organisation in future because my performance is recognised	2%	12%	34%	<b>48%</b>	12%	22%	16%	<b>52%</b>
<b>Q. 34</b>	I can use PMDS to develop my future career	4%	16%	34%	<b>54%</b>	16%	16%	14%	<b>46%</b>

## 5.6 Conclusion

This section presented the results following both quantitative and qualitative research to meet Objectives 1 (a) and (b) and 2 of this dissertation. The following chapter will consider the implications of these results with reference to the literature and present the conclusions and recommendations.

## **SECTION 6 – CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 Introduction**

The aims of this dissertation are threefold. The first aim was to establish what the attitudes of staff in the CO, SO, EO, HEO, AO and AP grades are to the key elements of the PMDS in the Department of Finance. Secondly, to identify if attitudes differed depending on ones level within the organisation. Thirdly, find out how the system could be improved upon by identifying areas that that were not operating to their fullest potential.

The first step in this exploration began with preliminary interviews to establish what areas of the PMDS were of most concern with the staff and management of the Department. In addition, a review of the literature on PM was undertaken to establish what the views of the experts in the field were and to find out what practices and phenomenon were associated with the application of a successful PM system. Both of these exercises were conducted to allow for the formulation of a theory from which questions could be developed and tested against a sample of the grades in question, to see if the theory behind performance management translated into practice in a real life scenario.

Therefore, the research methodology was primarily deductive reasoning supplemented by some inductive reasoning. Following the review of the literature and a section was devoted to the history and contextual application of performance management in the Department. An anonymous on-line survey was administered to staff followed by a series of in-depth interviews. The results of these primary research techniques were presented in the previous section. This section is concerned with the conclusions and recommendations based on the interpretation of those results taken in conjunction with the knowledge diffusion from sections two and three. This section will remain consistent with the structured approach, thus I will examine each objective in turn.

## **6.2 Conclusions with regard to objective 1 (a)**

The literature revealed that there doesn't seem to be a consistent definition of PM and neither is there a prescriptive model of PM that can be applied to all organisations. What might be practical for one organisation may not be for another. Furthermore, even within an organisation, the requirements of various groups and levels may differ. However, there are common themes and philosophies that emerge when academics and practitioners alike discuss successful performance management systems. There are key elements that remain the cornerstone of this latest and most fashionable management tool.

Firstly, the trend is moving towards integrated systems, that is, systems that are driven by the organisational strategy, strategy remains king in a global environment where nothing is constant except the requirement to have a strategy in place and indeed the ability to change that strategy quickly if required to do so. As Gunnigle (2002) notes integrated systems drive the strategic objectives down to the objectives of individuals and teams which are translated into manageable packages. The benefits of such systems are the ability to control the strategic direction of the organisation (Sparrow and Hiltrop, 1994) and provide role clarity for the individuals. In this regard, I conclude on the basis of the results that this important aspect of the PMDS is successful. It also achieves three aims of the SMI (1994). Number one it provides for accountability of the civil servant, number two it provides strategic control and number three it provides clarity for the individual civil servant. In addition, to these benefits it also as Armstrong and Baron (2006) point out, manages expectations both for the manager and the jobholder. Now both parties know who has to do what and when it has to be done as it is written down and signed off.

On a related matter, expectations rely on communication, obviously there is a requirement at the beginning or planning stage for communication, however equally important is the requirement for continuous communication, indeed the literature on PM emphasises that ongoing communication is of the utmost importance in a PM system (Deming 1986, Fletcher, 1997, Armstrong, 1998, Armstrong and Baron, 2000, Guinnigle,

2002, Gary, 2004, Armstrong and Baron, 2006). How else can you manage expectations? If you do not know how you're performing during the year. Perhaps you may assume you are doing brilliantly only to find out at the end of year review that in fact you were not displaying the correct or desired competency and, therefore, your rating is average. My point being in order to manage expectations ongoing monitoring and communication is critical. Furthermore, to ensure that the organisation is moving on the correct strategic pathway there must be regular feedback. My conclusion on this important aspect is that the PMDS is not working based on the results and attitudes of staff. However, I feel I must qualify that statement. It is not a negative aspect of the system per se but perhaps of the culture within the Department. No management tool can make people talk it must be embedded in the culture and the attitudes of staff.

PM is about the continuous development of employees which leads to improved organisational performance (Armstrong, 2002). Indeed, competency-based systems are built upon the philosophy that one can learn and develop the necessary competencies required for excellent performance (Garavan and McGuire 2001) and can facilitate workplace learning of skills that are deemed essential for strategic direction (Chan, 2006). In this regard I conclude the PMDS has the potential to work and this seems to be the case with high percentages of staff believing that the PMDS provides an opportunity to develop their skills. Furthermore, the majority of staff believe that the PMDS through training helped them to contribute more effectively to the work of the section.

The most effective PM systems can according to (Williams, 1997 and Barry 2006) modify human behaviour based on the systematic use of antecedents and consequences to improve current behaviour-performance (Daniels, 1999). This in conjunction with the use of motivational theories such as goal-setting (Locke, 1968) and expectancy theory (Vroom, 1964) can lead to superior performance. At face value based on the results of the research this would not seem to be happening with the PMDS. Staff believe their motivation has not increased and may be largely attributed to the fact the system has not yet been integrated with wider HR practices on pay and promotion. This, however, only explains the absence of antecedents and consequences; it does not explain the apparent

failure of the goal-setting theory. In this regard I conclude that the system is not operating to its full potential, however, I do believe it is having a positive motivational impact on staff despite their belief that it is not. My belief is based on other results obtained from the survey and qualitative data received via in-depth interviews. In relation to the survey results, one of the highest results right across all grades was in relation to the question that 'I consistently meet my objectives on time. This leads me to believe that either one of three things is happening. The first possibility is objectives are set too low, which may be possible for a small number of people but I don't believe it is possible for around one hundred and sixty people at varying levels across the Department. The second possibility is that people are lying or let's say for arguments sake exaggerating the truth; again I do not believe this is possible for that amount of people, especially considering they are responding to an anonymous survey. The third possibility is that PMDS and the goal-setting aspect of it do in fact provide motivation for people to achieve their results consistently and on time. Taking this together with qualitative data to the effect that once the objectives are agreed amicably people try to achieve them, leads me to believe the PMDS certainly has motivational qualities that are referred to in the literature. I therefore conclude that this is positive aspect of the system although it is not yet used to its fullest potential.

The literature on competency models revealed mixed opinions on what competencies are and it's said this ambiguity can lead to difficulties implementing competency-based systems (Grzeda, 2006). Some authors believe that they shouldn't be used as the basis for PM systems (*Shippmann et al.*, 2000) that the possession of a competency does not necessarily equal superior performance that many factors effect performance (Chan, 2006). This of course is true many factors do affect performance such as personal character, individual styles, and access to information amongst many other things. However, considering that the staff of the department as the results demonstrate have a good understanding of competencies, and the fact they are becoming embedded in the culture of the organisation I think it would be unwise and a waste of resources and impractical to change the system. In addition, I don't agree with the opinions of the authors above. Nothing guarantees superior performance, not skill-based systems or

results-based systems or indeed personal character. The fact is that competencies can be developed unlike personal characteristics which by the way sound very hard to measure. Competencies can be used as a strategic management tool and can be adapted to a change to the environment. Can personal characteristics? I conclude that competency based systems have more positive elements than negative elements to them. In saying that as Garavan and McGuire (2001) note they should be more considered in the context in which they are applied. The notion that seventeen core competencies can serve the needs of the entire civil service is nonsensical and inhibitive. In order to remain adaptable the competencies should remain under constant consideration and reviewed periodically to ensure they are congruent with the organisation's strategic direction.

### **6.3 Conclusions in relation to objective 1 (b)**

This objective relates to specific areas identified through the preliminary interviews. These areas include the future linkage of pay to the PMDS and the future performance appraisal aspect of the PMDS. Initial indications were that differences of opinion on these matters seemed dependent on grade. Through quantitative and qualitative research and subsequent statistical analysis the results confirm that this is indeed the case in relation to both performance appraisal and pay linkage. I conclude that the Clerical Officer and Staff Officer grades have no trust in the performance appraisal system. The issue of performance appraisal and specifically the recommended guidelines for forced distribution is the main cause for the mistrust. It is the view of union leaders that forced distribution is being put in place in order to make managers manage. Who according to the unions without being forced to differentiate the performance of their staff would not do so out of fear that whatever performance they are currently receiving would be withdrawn by the offender.

## **6.4 Conclusion and recommendations in relation to objective 2**

### **6.4.1 *Communication and on-going feedback***

The PMDS has many positive aspects to it, however, the results have demonstrated that a number of key areas require improvement. Some of these I have touched upon already in relation to the conclusions on objectives 1 (a) and 1 (b).

The issue of on-going communication and feedback is an area that must be tackled. As I have stated it is not so much a negative issue that can be attributed to the PMDS but more to do with the organisational cultural. The results demonstrated quite clearly that it is not restricted to any particular level within the organisation; it is one that transcends all grades. In fact, if anything the results highlight the mind set of the people within the Department. To elaborate six grades all indicated that they do not receive regular feedback on an on-going basis yet they give feedback to staff they have responsibility for. Logic dictates that four of the six grades with the exception of the CO and AP grades should therefore receive feedback and communicate regularly with their respective managers.

Unfortunately, for me the literature on PM at least does not provide any suggestions to get people to talk to one and other. My conclusion and recommendation is therefore, the problem must be made aware to the senior management team and the implementers of the PMDS. Leaders should lead by example. Senior managers need to consciously support the PMDS and give feedback to their subordinates so that the process can filter or cascade down the chain of command.

In addition, it has been approximately five years since people received their initial training on PMDS. Considering that the organisation is about to embark on it's most ambitious phase so far with the impending integration with wider HR policies it would be an opportune time to provide refresher training courses for people, especially line managers whose shoulders must take the major burden of responsibility. The requirement

for communication should be stressed as a crucial issue for the successful implementation of the system.

#### **6.4.2 *Uniform application of the PMDS throughout the Department.***

Although this wasn't initially a part of the research agenda it is something that arose in the context of feedback from staff when asked what areas would believe could be improved. Again this is something that is not so much a problem with the system itself but its application and implementation. Grades at all levels have stated that PMDS is not being implemented across the organisation. There seems to be a significant amount of areas that are not using the system to any great extent. It has been suggested that the role profiles are being completed in order to comply with divisions or sections annual meeting with the Management Advisory Committee but this is where it ends.

Senior managers need to be convinced of the benefits of the PMDS and its implementation needs to be taken seriously at the highest level. The system depends on the cascading effect and if there is a bottleneck at the top of the chain this has an obvious negative impact for the entire area. My recommendation is that a senior manager should have the responsibility for the implementation of the system in their area. This responsibility should form a part of their objectives in their role profile. This view is shared by Gary (2004). In addition, I recommend that a senior official in the Corporate Services Division should monitor the application of PMDS for Department.

#### **6.4.3 *Simplification of the PMDS forms.***

Another issue that came to light during the research stage was that the vast majority of people at all levels found the forms associated with the PMDS cumbersome and overly bureaucratic. This again is not an issue of principle that staff have with the system but more a practical suggestion for improvement. I conclude and believe the system can be streamlined. I recommend that consideration for developing an on-line system should be



explored. It could be integrated with the HRMS system which already holds details of officers training, education and pay details. This would have major benefits for the organisation in that time spent transferring data on to the HRMS would be reduced. In addition, the paper trail would be reduced and the time spent in filling forms could be directed elsewhere. It also might dispel the notion that some people have with not having enough time to fill in the forms.

#### **6.4.3 *Concerns of the CPSU grades.***

The concerns of the CPSU members need to be addressed as do all staff in relation to the forced distribution issue. While the Secretary General of the Department of the Taoiseach has stated that they are only guidelines the perception of staff is that five percent of each grade will not receive an increment. This amounts to approximately 1,750 officers assuming that the majority are not on the top of the scale, hence the negative reaction by certain groups. While there is a requirement to differentiate performance levels, HR and line managers alike must ensure that the system is open and transparent and perceived to be fair.

#### **6.4.5 Senior Management Support**

The senior management team must demonstrate visible support for the continued successful implementation of the system. This is true of all PM systems and the literature highlights this essential requirement (Armstrong and Baron, 2006). Indeed this is true of any change initiative. Continued senior management support is crucial. Especially, while faced with other major change initiatives such as decentralisation. The necessary resources must be channelled into the system for the insurance of its success. The organisation must learn from the mistakes made in the past when other attempts at change in this general area failed.

#### **6.4.6 A clear visible link between high performance and reward.**

The literature is united from the perspective that in order to promote desired behaviours and extinguish those behaviours that are not desired people must be rewarded with what they value (Beer, 1982, Hall, 2004, Bowditch and Buono, 2005). Rewards must be explicitly linked to the desired behaviour. Blanchard stated there is nothing more unequal than treating unequal people equally. Therefore superior performers must be treated as so and be seen to be treated. My conclusions are that there is a perception amongst staff that this is not the case as evidenced in the qualitative data. Recommendations in this regard are to assign the best people to the best jobs and reward them appropriately. Social comparison theory tells us that if this is not done people will seek to attempt redress then imbalance in their own way perhaps by leaving the organisation or by not performing to their fullest potential.

#### **6.4.7 Closing remarks**

The Civil Service has come a long way since the first appraisal system was introduced on foot of the Devlin report back in the 1970s. There has been much progress made since. The culture of the Civil Service is changing and the management practices reflect those changes. The implementers of change and the people within the system must not lose sight of the overall objective. That is to provide an efficient and effective service to the public.

PMDS Survey

PMDS Survey: New Item

 [Save and Close](#) | [Go back to survey](#)

1. What is your job grade? \*

2. What is your age? \*

3. What is your length of service in years? \*

4. What is your gender? \*

- Male
- Female

5. Are you a member of a union? \*

- Yes
- No

6. PMDS helps to clarify my role within the Department. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

7. PMDS provides an opportunity to develop my skills. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2

- 3
- 4
- 5
- 6 (Strongly disagree)

8. Through training and development my performance has improved. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

9. PMDS has helped me to contribute more effectively to the work of my section. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

10. I regularly receive feedback on my performance. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

11. PMDS is a fair and consistent method of performance appraisal. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2

- 3
- 4
- 5
- 6 (Strongly disagree)

12. PMDS should be used to make decisions on the award of increments. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

13. PMDS has improved communication with my manager. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (strongly disagree)

14. PMDS should be used for future career development and work assignments. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

15. PMDS should be used to make decisions on promotion. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2

- 3
- 4
- 5
- 6 (Strongly disagree)

16. My overall rating reflects my actual performance. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

17. I understand what competencies are required for my job. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

18. My work output has increased since PMDS was introduced. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

19. I approach my work in a more systematic way since PMDS was introduced. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2

- 3
- 4
- 5
- 6 (Strongly disagree)

20. PMDS helps me to focus on my goals. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

21. I have agreed a development plan with my manager. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

22. PMDS motivates me to improve my performance. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

23. I believe PMDS has changed the way I approach my work. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2

- 3
- 4
- 5
- 6 (Strongly disagree)

24. I have attended more training courses since PMDS was introduced. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

25. There is more focus on customer needs since PMDS was introduced. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

26. Training and development is targeted on areas that will help improve my performance. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

27. I consistently meet my objectives on time. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2



- 3
- 4
- 5
- 6 (Strongly disagree)

28. The quality of my work has improved since PMDS was introduced. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

29. The PMDS is an effective model of performance management. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

30. I understand the concept of competencies and how they relate to my performance. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

31. PMDS helps to effectively differentiate the performance levels of individuals. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2

- 3
- 4
- 5
- 6 (Strongly disagree)

32. People in my area take responsibility for their work. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

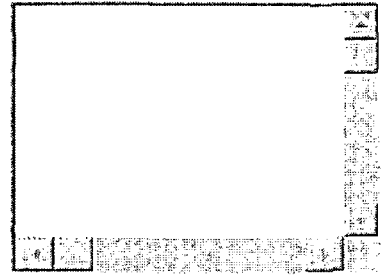
33. I am more likely to stay with the organisation in the future because my performance is recognised. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

34. I can use the PMDS to develop my future career. \*

- PLEASE SELECT 1-6
- 1 (strongly agree)
- 2
- 3
- 4
- 5
- 6 (Strongly disagree)

35. In what areas do you believe the PMDS can be improved? Please provide an answer in the space provided. \*



\* indicates a required field

19 May 2006

**Staff Survey on PMDS in the Department of Finance.**

Dear colleagues,

I am conducting a survey to find out the attitudes of staff to the PMDS in the Department of Finance. The results will form a part of my research for a dissertation required for the completion of a Master of Arts in Human Resource Management with the support of the Department. Please answer the questions freely. **You cannot be identified from the information provided.**



**ALL THE INFORMATION YOU PROVIDE WILL BE TREATED IN THE STRICTEST CONFIDENCE**

This is an on-line questionnaire and it can be accessed directly by clicking the link below. The questionnaire should take you about five minutes to complete. The first five questions relate to some personal details such as grade and length of service, the remaining questions relate directly to the PMDS and are written as statements on which you can indicate whether you agree or disagree on a scale of one to six. As I have specified above all information received will be anonymous in nature and will be used for analytical purposes to derive an aggregate picture. Your answers to all of the questions are essential in building an accurate picture of the issues that are important to you and the Department.

Please click here → <http://teamservices1/survey/Lists/PMDS%20Survey/overview.htm>

Then click on respond to survey as shown below.

---

 Respond to this survey |  Export Results to a Spreadsheet | [Subscribe](#)

---

Survey Name: PMDS Survey  
Survey Description: Survey of staff in the Department of Finance on PMDS  
Time Created: 5/16/2006 1:08:45 PM  
Number of Responses: 0

**CLICK HERE TO COMMENCE SURVEY**

When you have completed the survey please click on:

 Save and Close | [Go](#)

I hope you find completing the questionnaire enjoyable, and thank you for taking the time to help me.

Kind regards,  
Eric Gargan,  
Conciliation and Arbitration Section,  
Department of Finance.

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