"When Money is Not Enough -

Recognition is The Name Of the Game"

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A thesis submitted in partial fulfillment for the Masters in

Strategic Human Resource Management

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Mayor Street, IFSC, Dublin 1.

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For my Mum Greta, sister Rhona

and my children Ciaran & Eimear

DECLARATION

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of MA in Strategic Human Resource Management 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 work.

Signed: _____ Susan Byrne _____

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ACKNOWLEDGEMENTS

ABSTRACT

This thesis examines the lack of recognition within certain sectors of AXA Ireland. Theory suggests (**Blanchard 2001**) that high performing organizations portray the following characteristics:-

- Clarity of Expectation

- Honest feedback

- Recognition

This report will further explore the responses of AXA Insurance employees who participated in a worldwide survey conducted in 2003 and the results suggests the following: -

1. Happy with their remuneration Package
2. Are proud to work for AXA

Nonetheless 70% at ground level do not feel they get the recognition they deserve or that their contribution to the organisation is valued.

This is a particularly surprising phenomenon, in that it comes at a time when AXA has just introduced a "*Best Practice*" Performance Management System and has invested heavily in internal communication and leadership development. During 1999 - 2003 there has been a turnaround in economic performance and the establishment of a very clear corporate strategy for AXA.

This report reviews the lack of recognition, which results in de-motivated employees, resulting in under performance which impacts financially on the bottom line. The information was extracted by conducting a series of Focus Groups within AXA Insurance, which accounted for disgruntled, de-motivated employees and this is furthered broken down by examining two different sections within similar working environment, whereby one section experience recognition while the other allude to lack of recognition.

Finally make recommendations for the Management Team to conduct further research in the area of Job Evaluation and Open Effective Communication.

CHAPTER 1

Introduction

1.0   INTRODUCTION

The topic of this thesis concerns the area of recognition and theory suggests **Blanchard (2001)** that high performing organizations portray the following clear characteristics:-

- Clarity of Expectation

- Honest feedback

- Recognition

This report explores the responses of AXA employees who participated in a worldwide survey conducted in 2003, which suggests that employees are: -

1. Happy with their remuneration Package
2. Are proud to work for AXA

Nonetheless 70% of employees at ground level do not feel they get the recognition they deserve or that their contribution is significantly rewarded.

This is a particularly surprising phenomenon in that it comes at a time when AXA has just introduced a *"Best Practice"* Performance Management System and has invested heavily in internal communication and leadership development. During 1999-2003 there has also been a

turnaround in economic performance and the establishment of a very clear corporate strategy for AXA.

As the pressure for performance and competitiveness intensifies, companies of all sizes are taking a new look at the added value of people management policies and practices. Effective people management is now widely recognised at AXA as a source of sustainable competitive advantage. But the aspects of people management, which can really impact on business performance, are less well understood at AXA and are the source of ongoing debates. A significant body of research demonstrates the value of a strategic focus on leadership & culture, business driven employee development, employee involvement, and innovation in work organisation.

In a competitive labour market; with the increasing pressures of global competition for companies, and the need for improved performance and accountability in AXA – this necessitates the importance of recruitment at competency level, develop and retain employees and enhance productivity through effective people management is **crucial** to maintain our competitive advantage.

Performance management is widely regarded as an important tool for managing people at all levels of an organisation. Despite its widespread use however, it remains a fairly vague term and performance management processes often manifest themselves in many different forms.

Research suggests there is no one right way of managing performance Contextualism **Brewster (2000)**; the approach must depend on the context of the organisation – its culture,

structure, technology, the views of the stakeholders and the type of people involved. It is a natural process of management, not a system or technique. It is about managing within the context of a business (its internal and external environment). Best practice performance management processes are part of a holistic approach to managing for performance, which is the concern of everyone in the organisation.

The challenge in this thesis is to identify how and why staff at AXA, which possess countless sophisticated HR processes, still do not feel recognized.

1.1   Who is AXA Ireland?

Guardian Royal Exchange Assurance (GRE) and Private Motorist Protection Association (PMPA)

On 22 June 1720 Royal Exchange Assurance was established in London. The following year, a representative of the Royal Exchange opened an office in Dublin. In 1821, in London, the Guardian Assurance Company was formed. Leading Dublin Insurance Agents Phillips & Co. secured the rights to represent Guardian Assurance in Ireland. In 1968, the two companies merged to form Guardian Royal Exchange Assurance (GRE). Toward the end of the 1980's, the Irish operation was separated from GRE's British units to an Irish company trading as GRE Insurance Limited.

PMPA came from a completely different background. It was formed as a pressure Group in 1959. PMPA expanded rapidly. Unfortunately, this led to severe trading difficulties and in 1985 PMPA was forced to appoint an Administrator to restructure the business. New PMPA Insurance was founded from this operation. Following restructuring New PMPA Insurance was purchased by GRE Insurance in 1989 and a period of integration commenced. The Irish operation was restructured to the Guardian PMPA Group with the authorisation to underwrite general insurance business vested in Guardian PMPA Insurance Limited.

As the 20th century came to an end so too did Guardian Royal Exchange. In an increasingly competitive global market, Guardian took the strategic decision to accept a stg£3.4 billion bid from Sun Life & Provincial Holdings, part of AXA, the largest insurance group in the world.

The Irish operation was renamed AXA PMPA Insurance Limited

Two companies merge to one
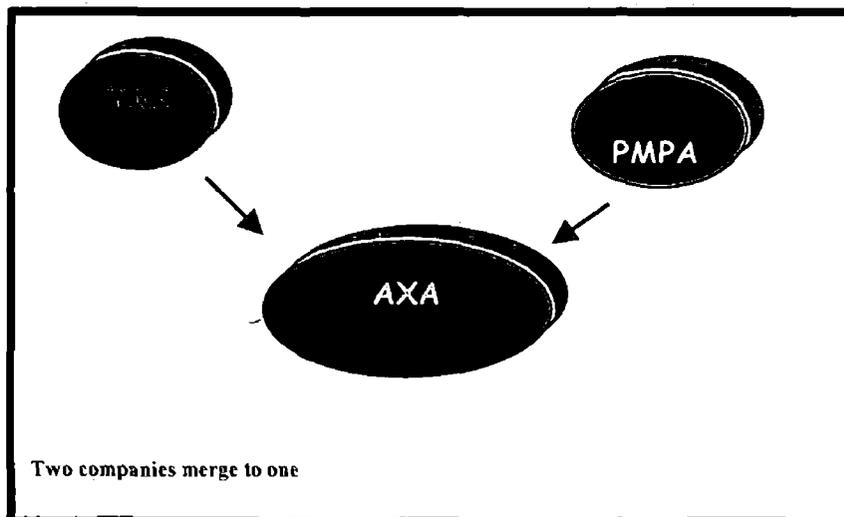
1.2   AXA Insurance Ireland Today.

AXA Ireland and the Irish Insurance Market

AXA Ireland is part of the AXA Group, who rank among the world's leading insurers and financial services providers. The Group operates in both domestic and international markets: large international risks, assistance and reinsurance.   It is present in approximately 60 countries and counts some 140,000 people (employees and agents) around the world
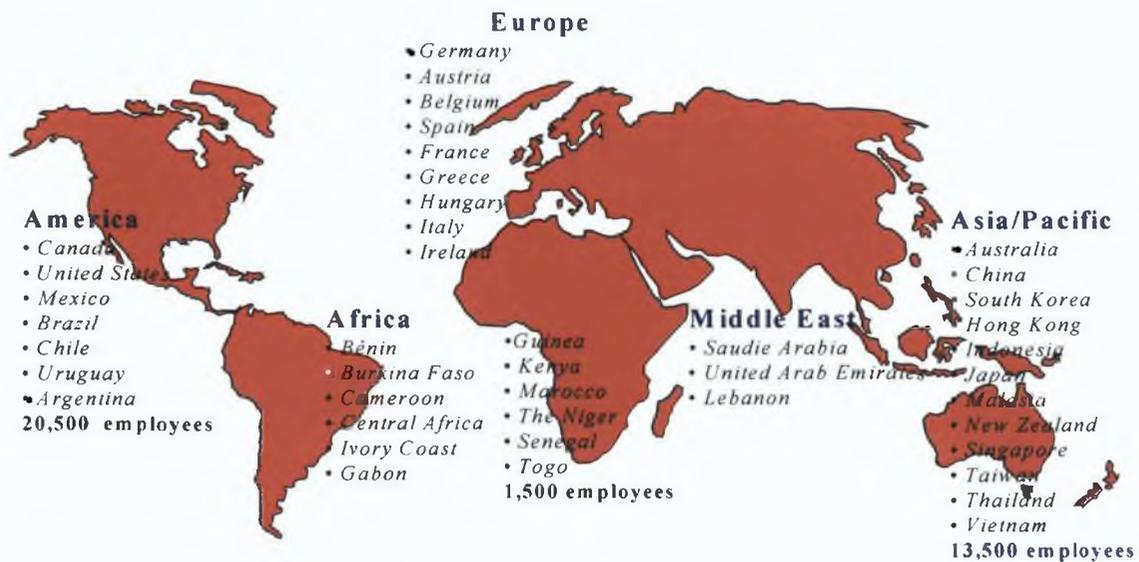
AXA Insurance Ireland is ranked No. 2 in the General Insurance Market in the Republic of Ireland. It has approximately 800 employees in 43 offices countrywide. Their core business is car & home insurance (property and casualty) with a significant commercial motor/fleet account.

In keeping with AXA's philosophy to be a world-class service brand they continue their multi-channel distribution strategy. Their products are sold through 3 channels:

- Telesales: AXA Direct.

- Through branches: AXA Insurance

- Through AXA Brokers: intermediaries/brokers.

Through their alliance with Allied Irish Bank (AIB) they underwrite AIB Home Insurance Policies and AIB bank provide loans for AXA customers. They have entered a marketing alliance with AIB bank to cross-sell products to both companies' direct client bases and, following the integration of the AXA branch in Belfast, they now operate on an all Ireland basis with over 500,000 customers.
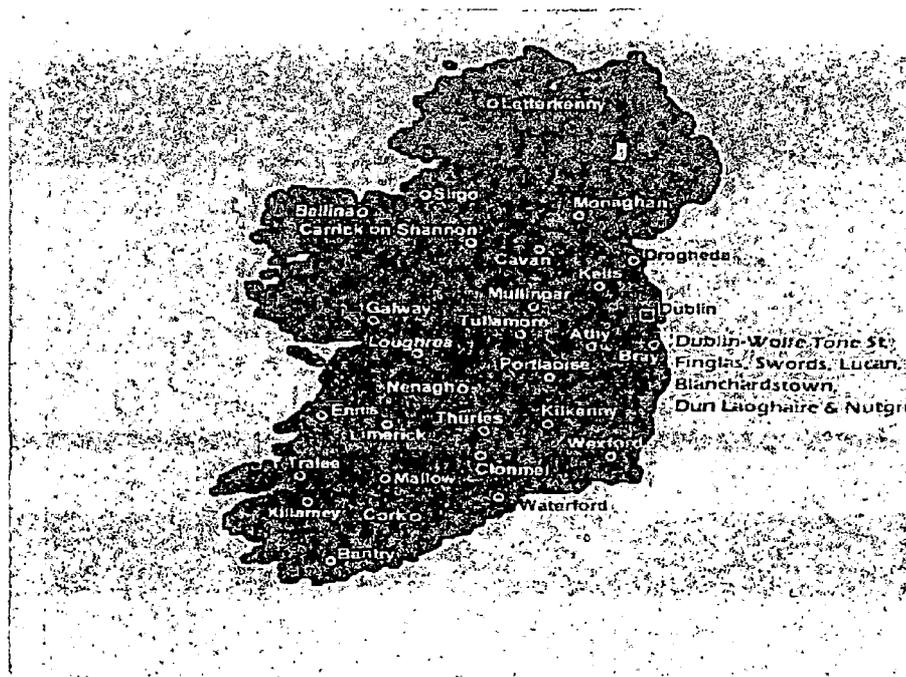
Key Statistics for AXA Ireland

•Total Staff (FTE):   893.3

•Republic of Ireland: 818.1

•Northern Ireland   :   75.3

•Number of Part-time staff: 79

•98.73% are female

•Gender Balance: •   52% Male •48% Female

•Average Age: 38

•Average Length of Service: 15 years

1.3   AXA Culture

Culture may be defined by **(Schein 1985)** as *"A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems."*

The culture that exists in AXA is portrayed by the following statements:-

Where we were in 1999/2000

- Autocratic Leadership

- Experienced, competent and stable workforce

- Staff not sufficiently challenged or motivated

- Low morale

- Strong union demands for pay increases

- Unsatisfactory remuneration structure

In 2003 we were known as "The Employer of Choice"

- Charismatic Leadership

- New salary structure

- New career structure

- Progressive HR policies providing work life balance

- Partnership with Unions

- Committed staff & a culture of empowerment & innovation

1.4   AXA Aims

Aligning HR Strategy with Company Strategy

- We leverage the power and reputation of the AXA Brand in Ireland to attract top quality staff.

- We benchmark total employment package against competitors to attract top quality staff.

- We use various sources of talent (Internet, universities, schools).

- We use selection methods such as aptitude tests, assessment centres and psychological testing.

- We re-engineered the selection process around a competency based system

The corner stone of this new management approach is the Performance management system in AXA Ireland

The aim of the performance management system in AXA Ireland.is to establish connections between reward systems and the achievement of the organizational strategic aims which encompass the following:-

- Identify the importance of integrating reward systems into other human resource strategies

- Describe the managerial implications of approaches to reward management

- Show links between structure culture motivation and reward management

- Describe the strategies for the main types of system for determining pay and benefits.

- Identify role of performance-related pay in reward management

- Highlight the importance of fairness and equity in reward systems and suggest how these may be ensured

- The importance of training and the huge change in culture it will be to implement

Ever since **Michael Beer and Robert Ruh** coined the term in the 1970s, the meaning of performance management has been ambiguous' (**Armstrong and Barron, 1998**). A possible explanation for the apparent ambiguity is that performance management processes must be contextually located. The process chosen in any set of circumstances will depend on the culture and structure of the organization, on the views of the stakeholders, and on the types of people who work in the organization, and on the nature of the work carried out. Performance Management is about getting things done through people.

To ensure that the management process does deliver the right outcomes in terms of the business related success there should be a proper link between the overall strategy of AXA

Ireland's Business Units and those objectives set for teams and individuals and the ways in which they are measured.

The following guiding principles have been implemented to provide a framework for the the performance management system - It should be: -

- Open and transparent

- An effective catalyst for developing people to their full potential

- Aligned to the strategy of AXA Ireland

- A continuous process, not a once a year event

- Consistent in approach but permitting of sensible variations between departments

- Inclusive of all aspects of performance i.e. results and competencies, team's and individuals

It ought to: -

- Reinforce the vision and values of AXA Ireland

- Clarify individual/team accountabilities

- Help people identify the competencies and skills they need to achieve their objectives

- Allow for upward feedback and eventually the use of 360% feedback

- Reward performers and High achievers

- Highlight Slackers and people who do not contribute to their full ability

Using the BARs competency dictionary and role profiles AXA Ireland were in a position to implement a revised performance Management system.

The starting point of the new process was to agree objectives or *Personal Performance Commitments* with each staff member at the beginning of the year. These Personal Performance Commitments will enable measurement of the key deliverables of any particular role.

The Commitments are not be purely quantitative in the form of Key performance indicators but also include qualitative Commitments such as behaviours and commitment to self-development. The Personal Performance Commitments are structured under the headings of Need to Do, Need to Know, and Need to Be. The Personal Performance Commitments are aligned to the Company strategy.

Examples of the measures that are covered in the Personal Performance Commitments are as follows:

Need to Know

Knowing one's job. Being professional in work. Demonstrating and articulating best practice, Developing skills, Demonstrating ability to learn and develop. Being innovative. Knowing internal and external customer and striving for high customer satisfaction levels.

Need to Do

Regularly achieving daily, weekly etc. work targets in accordance with agreed Key performance indicators. Achieving excellent customer satisfaction levels. Demonstrating successful outcome of project work and milestones where appropriate, including follow up and feedback.

Need to Be

Being flexible in work. Being reliable in work and attendance at work Taking extra workload in the event of a colleague being absent. Contributing to cross-functional teams. Suggesting departmental or operational improvements across the business. Providing coaching, mentoring and training to younger staff as may be appropriate. Providing help and assistance if one's skills are adaptable to other departments under pressure.

The Personal Performance Commitments are reviewed between the Team Leader/Manager and the employee quarterly with one formal half-year review. At this meeting the employees are advised as to where they are heading in terms of their final rating.

AXA intend to become the **Employer of Choice** in the insurance industry through the following strategy:-

Working Environment

- AXA will provide a working environment based on open communication, trust, and mutual respect.

- AXA will strive to create and maintain a pleasant co-operative and friendly work atmosphere where stress is at a minimum.

Fairness

- AXA are committed to taking employment decisions based on justice and fairness. Decisions on promotions will be based on merit.

Participation

- AXA are committed to harnessing the efforts of every staff member to achieve our goals. AXA will do this through consultation and communication with staff on company strategy.

- AXA will operate to the principles of partnership in our dealings with our Trade Unions.

- Every staff member will be made aware how their role contributes to the achievement of the strategy.

- Every staff member will understand the performance expected of them and the resources available.

- Finally every staff member will receive feedback regularly on their performance.

Career Development

AXA are committed to providing staff with the opportunity to develop grow and build a career. This will be achieved by:-

- Individual Development plans under AXA's Skills Development Process

- Through our education policy, AXA will support staff who undertake outside study.

- Introduction of AXA Certificate course to be run in house

- Introduction of EOLAS Programme to provide opportunities at first line management level.

A transparent career structure for each area of the company was developed, which is visible and understood by staff. It creates an environment where performance is rewarded with career development. It identified all of the roles within the company and produced role

profiles for each. This would ensure that all jobs are correctly graded under the agreed salary band descriptions.

Work Life Balance

AXA are committed to pursuing policies that facilitate harmony between home and work life. Policies to achieve this are:-

- Flexitime

- Part time working

- Term time leave

- Leave of absence

- Homeworking

- Enhanced Maternity leave

- Free health checks

- Education Policy

- Counseling Service

Remuneration and Benefits

AXA are committed to providing an attractive remuneration package that rewards individual performance, company performance and AXA Group performance. These are delivered through:-

- Competitive basic salary

- Competitive benefits package

- Individual performance pay and performance bonus

- Company Profit share scheme

- AXA Group share purchase scheme at discounted price

AXA benchmarks its benefit package against the following surveys:-

- PWC Annual Insurance Sector Compensation & HR Practices Survey 2002

- IBEC Financial Services Sector Remuneration Survey

- IBEC Call Centres / Telebusiness Salary & Benefits Survey

- Acumen Resources Actuarial Salary Survey

- Hay surveys & Hay PayNet

- Carry out our own surveys

There is an increasing acknowledgement of the link between staff satisfaction, customer satisfaction and profitability. AXA Ireland's vision is to become the employer of choice for general insurance in Ireland. AXA will fulfil this ambition by attracting and retaining talented staff who are prepared to take on responsibility, are customer oriented, and are concerned by the economic performance of the company and by retaining these staff through progressive HR Polices.

The new performance process begins with the development and communication of strategy. This in turn then results in the development of objectives at all levels of the company.

1.5   Performance Management Cycle at AXA

The performance management process is cyclical, consisting of three stages:

1. Defining and planning: identifying what type of performance is required and how it can be met.

2. Delivering and monitoring: providing appropriate support and development and checking progress.

3. Evaluating: assessing whether or not performance is to the required standard, recognising where standards have been met and seeking improvements where they have not.

The diagram overleaf illustrates the links between organisational, team and individual performance and the cyclical performance management process.
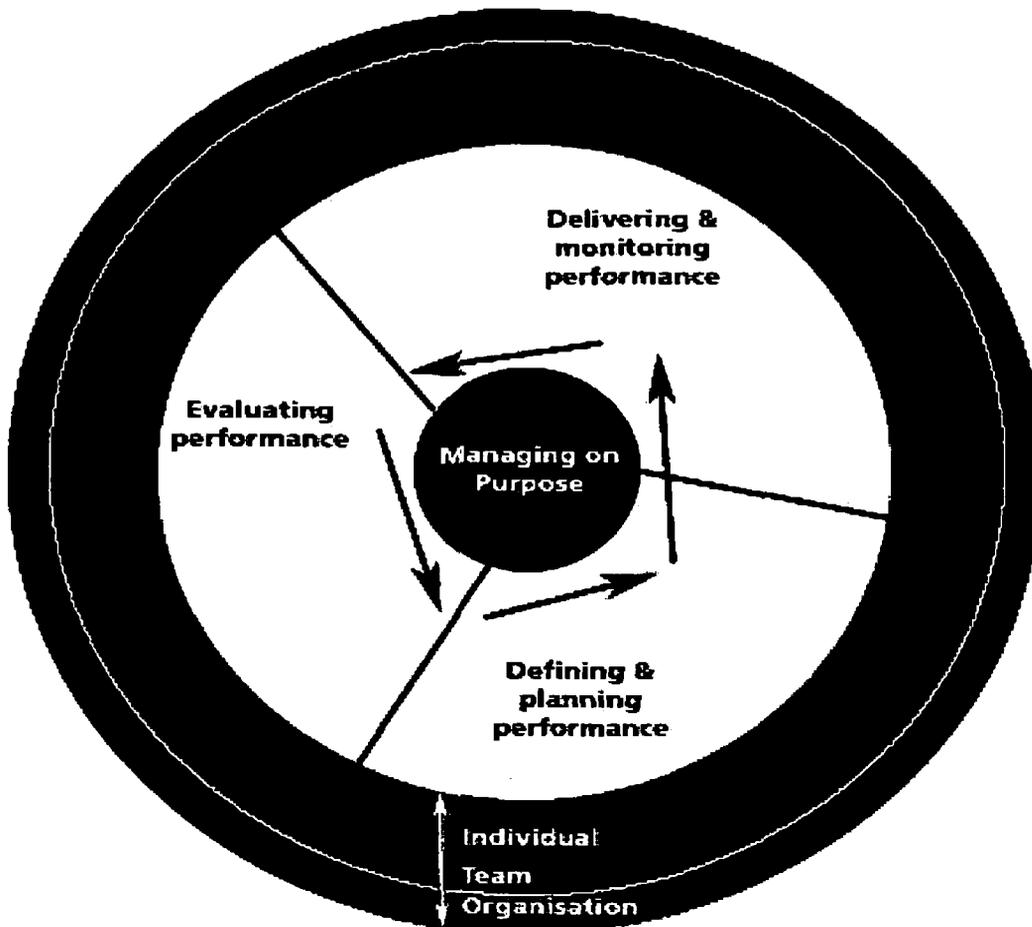
For performance management to work well it is crucial that senior management are able to communicate effectively across the organisation and ensure that employees fully comprehend the organisations key corporate objectives and the reasons behind them.

1.6   The Irish Economy

According to the IIF (Irish Insurance Federation) Ireland's growth rate has slowed since the Celtic Tiger of the late 1990's,early 2000. A broad based recovery is expected in 2004/2005 and Ireland is still ahead of the E.U average growth (GNP growth for Ireland forecasts at 2.5% for (2003) Inflation is high, compared to EU average, at 3.5% in 2003 but is forecast to fall to 1.9% in 2004.

Ireland has a young well educated population with more that 40% under 25years of age. Ireland unemployment is still below E. U. average at 4.9% at end of 2003. The major issue facing Irish business is competitiveness.

AXA vs Competitors

Top 5 P&C Insurers 2002

Loss ratio 2002 - Top 5 P&C Insurers

Combined Ratio 2002 - Top 5 P&C Insurers

* Source: DETE Annual Report (Bluebook) 2002
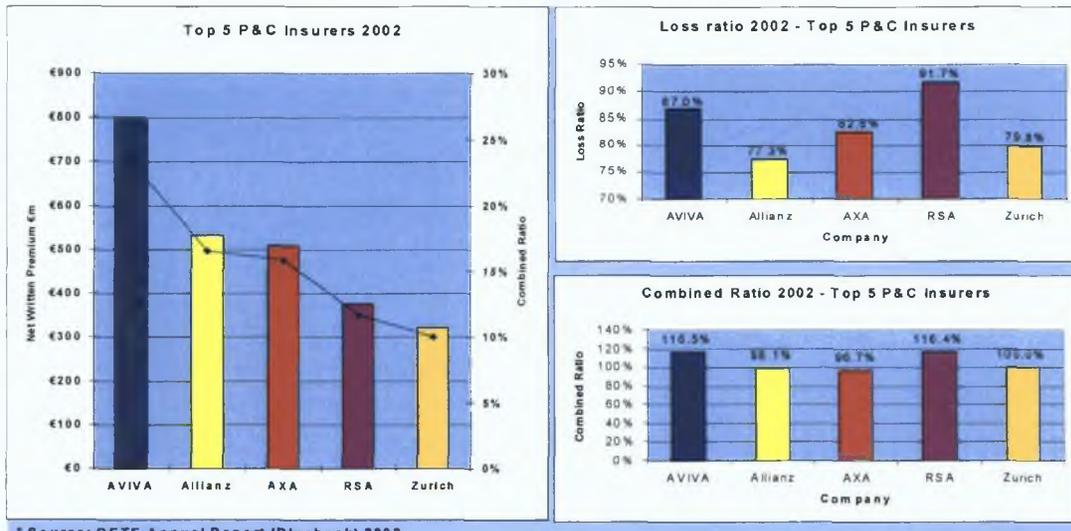
AXA Ireland - Market Share by Class 2002 (NWP)

Private Motor Market Share 2002

29.4%

(2001 Market Share: 26.8%)

Commercial Motor Market Share 2002

23.3%

(2001 Market Share: 18.4%)

Household Market Share 2002

14.7%

(2001 Market Share: 15.8%)

Total Market Share 2002

16.7%

(2001 Market Share: 16.6%)

* Source: IIF Factfile 2002
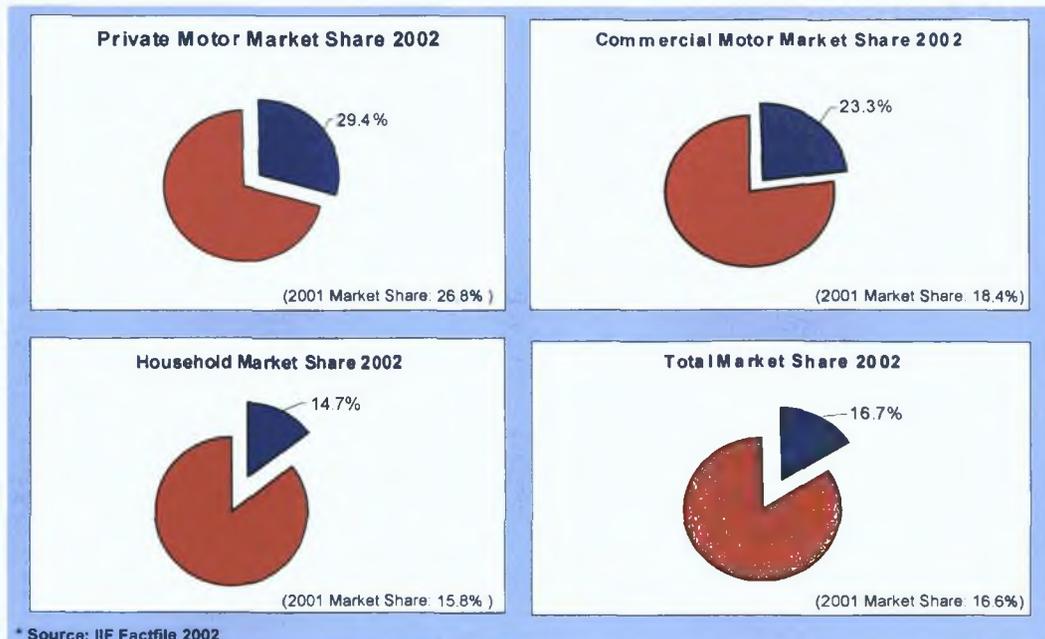
1.7   *Research Question*

- Why, with best practice performance management methodology do front line staff and their Team leaders not feel recognized yet more senior Managers state they feel recognized?

1.8   *Research Objectives*

- Identify the root causes of recognition

- Identify the barriers of staff and team leaders who are feeling unrecognized

- Identify the attributes displayed by individuals where recognition is achieved.

CHAPTER 2

Literature Review

2.0 INTRODUCTION

Competitiveness intensifies; companies of all sizes are taking a new look at the added value of people management policies and practices. Effective people management is now widely recognised as a source of sustainable competitive advantage. But the aspects of people management, which can really impact on business performance, are less well understood and are the source of ongoing debate. A significant body of research demonstrates the value of a strategic focus on leadership & culture, business driven employee development, employee involvement, and innovation in work organisation.

2.1 PERFORMANCE MANAGEMENT

There have been considerable developments in how organisations are introducing and operating processes for performance management since the beginning of the 1990s. In the UK **Armstrong and Baron (1998)** initiated a major research project which includes useful information about the latest thinking and developments since the (then) Institute of Personnel Management (IPM) conducted its last comprehensive research on this subject in 1991.

The authors summarised the developments in an excellent book *Performance Management – the New Realities* **(IPD 1999)** as follows:

FROM
• System
• Appraisal
• Outputs
• Performance Related Pay
• Ratings common
• Top down
• Directive

→

TO
• Process
• Joint review
• Outputs/Inputs
• Development
• Less rating
• 360-degree feedback
• Supportive
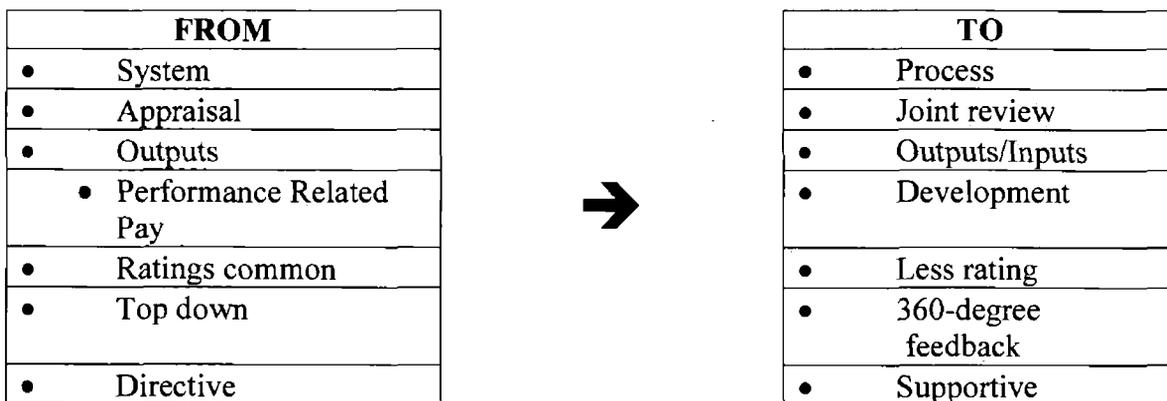
• Monolithic	
• Owned by HR	

• Flexible	
• Owned by users	

From system to process. In 1991, performance management was regarded as a 'system', a sort of mechanistic set of techniques that could be applied rigidly to any organisation, with the guarantee that it would deliver results in the form of improved performance. Today, the emphasis is much more on how the management of performance is carried out -what the people involved do, and how they do it -than on a set of prescribed procedures and practices to be followed rigidly by all concerned.

From appraisal to joint review. Performance management in the early 1990s still carried the baggage of the traditional performance appraisal scheme, in which the appraisal meeting was an annual event involving top-down and unilateral judgements by 'superiors' of their 'subordinates'. Since then, it has increasingly been perceived as a continuous process, involving reviews that focus on the future rather than the past, and for which the key words are 'dialogue', 'shared understanding', 'agreement' and 'mutual commitment'.

From outputs to inputs. In 1991, the emphasis was still on objective-setting and the appraisal of results against goals i.e. outputs. This was more baggage - a hangover from the discredited management-by-objectives system. The difference now is that there is a realisation that a fully rounded view of performance must embrace how people get things done as well as what gets done i.e. inputs as well as outputs. This means using the so-called mixed model, considering skills and competence as well as results, inputs as well as outputs.

From pay related performance to development (PRP). In the early days, performance management was associated closely with PRP, which to many people epitomised the 'system'. Lip-service may have been paid to the use of performance appraisal as a means of identifying training needs (to be met by sending people on courses), but the developmental aspects of the process were neglected. It did not seem to be appreciated that the greatest added value to be derived from performance management was the role it could play in continuous development and self-development. Personal Development plans (PDPs) had not been heard of in 1991. Yet in 1997-98 they became a major feature of performance management processes.

Less prominence given to ratings. At one time, performance appraisal was synonymous with performance-rating another hangover from the old days (in this case, merit rating). The need for rating is often justified by the need to have a basis for PRP decisions. Yet about a quarter of the organizations with PRP that responded to the IPD survey did not have ratings. Increasingly, people are realising that ratings. = One HR director stated to the authors that ratings 'denigrate the performance-management process'.

From top-down appraisal to 360-degree feedback. The use of 360-degree feedback is still fairly small (11 per cent of the respondents to the IPD questionnaire). But interest is growing as the value of obtaining feedback from a number of different sources is becoming recognised.

From a directive to a supportive approach. 'Best-practice' organizations recognise that performance management is not just another means of obtaining compliance to the achievement of objectives that have been cascaded down from some remote height. They treat

it as a joint process that requires managers and team leaders to identify in discussion with individual team members (or their teams as a whole) what support they need to do their work well.

From monolithic to flexible. Traditionally, performance appraisal has been a monolithic and bureaucratic system imposed on line managers by the personnel department. Everyone had to conform to the same procedure, and the most important output has been a set of ticks on an form which, once made, were soon forgotten. Today there is much less bureaucracy in many organisations: It has also been recognised by many people that performance management is a tool for managers to use in association with the members of their teams, and that they will use it most effectively if they apply it in their own particular way in accordance with their own particular circumstances.

From ownership by HR to ownership by the line. The best practice organisations all stressed that were concerned with the management of performance as the responsibility of line managers in conjunction their teams.

The major performance management change is the introduction of competency frameworks, which look at how individuals and teams achieve their objectives, not just what they accomplish. Traditional performance rating is also coming under pressure as employers seek better ways to differentiate between performances, as well as introduce more consistency to the process.

2.1.1   Definitions of Performance Management

Fowler (1990) defines what has become the accepted concept of Performance Management:

Management has always been about getting things done, and good managers are concerned to get the right things done well. That, in essence, is performance management -the organisation of work to achieve the best possible results. From this simple viewpoint, performance management is not a system or technique, it is the totality of the day-to-day activities of all managers.

Armstrong and Baron (1998) have developed a framework, which defines the arrangements for agreeing performance requirements or expectations, preparing performance plans, managing performance throughout the year and reviewing performance.

2.2.   Performance Management System

The strategic planning process, business plans; corporate mission statements and values all determine organisational objectives. These goals should aim to be as precise about what the business needs to deliver as is   practicable. Clear corporate goals are more likely to lead to departmental, team and individual objectives that are better integrated with business needs. The process will also help to identify priorities.

However this type of integration is very difficult to achieve in practice, particularly for staff who are at lower levels in the 'command chain'. Goal setting, or to use more common

contemporary language, objective setting, is particularly difficult in a rapidly changing business environment. Objectives need to be constantly redefined to suit changing business circumstances. Yet, it is difficult to set objectives that are flexible and can be adapted in response to change. Although many companies have adjusted their system to enable individual or team objectives to be revised during the performance period, this is usually to overcome personal problems with the original aim – e.g. the goal is unachievable within the time frame, there is a lack of proper resources or there has been a misunderstanding of what is required – rather than to accommodate wider changes to the business strategy. Individual objectives should be set as close as possible to the formulation of the business plan.

Other potential problems with objective setting are that it is difficult to cover intangible aspects of performance, such as knowledge, or that cover the whole job. Objectives tend to focus on only a small part of a person's daily activity. Where performance dictates pay levels, individuals tend to pursue objectives that secure immediate rewards to the detriment of longer-term goals.

2.2.1 *What is a Good Work Objective*

Some organisations use the acronym **SMART** to define a good objective

S = stretching

M = measurable

A = agreed (although A can = Achievable or in some firms A=Ambitious

R = realistic

T = time related.

According to **Latham and Lock** (1992) employees must see goals as fair and reasonable. Thus, the employment relationship should involve a degree of trust in the managerial decision making process. Support structures need to be in place that help rather than hinder goal attainment. For example, employees must be given the correct tools and any training they require to bring their skills up to the level needed to achieve their goals. Support for the line manager is seen as critical to the success of the process.

Moreover, communication is vitally important in successful goal setting. Feedback is a necessary condition for improved performance and relies on good performance measurement. Periodic and precise feedback should be given to employees so that they are informed of how well, or how badly they are performing in relation to their goals. The process also helps to identify future goals. .

2.2.2 Competency

Boyatzis (1982) first developed the concept of competency through research, which established that there was no single factor but a range of factors that differentiated successful from less successful managers. Boyatzis defined 'competency' as 'a capacity that leads to behaviour that meets the job demands within the parameters of the organisational environment and that, in turn, brings about desired results'. He suggested the following competencies:

- Goal and action management;

- Directing subordinates;

- Human resource management;

• Leadership

Since the contribution of Boyatzis there has been many alternative uses of the term 'competency'. **Woodruffe (1990)** defines competency as 'the behavioural dimensions that affect job performance'. This behavioural view of competency is the usual basis of competency frameworks (i.e. definitions of core competencies. Sometimes a distinction is made between 'soft' behavioural competencies and 'hard' competencies.

Whereas objectives are suited to jobs with easily quantifiable outputs, competencies provide a qualitative assessment of performance – how it should be done. Essentially, competencies describe what organisations and people need to do to perform well. They can be defined at three levels:-

Core competences -these applies to the organisation as a whole. They refer to what the organisation has to be good at doing if it is to succeed. This could include such factors as customer orientation, producing high-quality goods or delivering high-quality services.

Generic competences - are shared by a group of similar jobs –financial accountants, systems analysts, team leaders etc.

Role-specific competences -these are unique to a particular role. They define the special tasks that they have to be able to do, in addition to any generic competences. Many organisations have now developed their own lists of 'generic competencies' describing the behaviour they believe to be important. These are sometimes called competency frameworks

models when they cover all the key jobs in an organisation. They are popular because they enable job requirements to be better defined. This helps firms to match skills and potential to job positions, as well as enabling managers to identify areas of deficiency. Employee development tends to be the most common aim behind employers' decisions to use competencies. However competency programmes are increasingly being used as a strategic tool to reinforce corporate goals.

Performance management is not easy. It requires high levels of skill by everyone involved, but the skills are likely to be ones that have not yet been developed or put into practice. Providing feedback, for example, that will motivate and help to develop people does not come easy to those who have not done it before. Receiving, responding to and acting on feedback are similarly unfamiliar skills.

The agreement of objectives and competence requirements, the application of performance measures and methods of analysing and using the outcomes of reviews may be unfamiliar. The concepts of personal development planning and self-managed learning will also be new to many people.

For performance management to work well it is crucial that senior management are able to communicate effectively across the organisation and ensure that employees fully comprehend the organisations key corporate objectives and the reasons behind them.

Bernadin *et al (1995)* said 'Performance should be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of the organisation, economic contributions and customer satisfaction'.

Campbell *(1990)* believes 'Performance is behaviour and should be distinguished from the outcomes because they can be contaminated by systems factor'. Performance is achieved if it is defined as embracing both behaviour and outcomes.

Brumbach *(1988): Performance means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right – the product of mental and physical effort applied to tasks - and can be judged apart from results.*

In wrapping up when managing the performance of teams and individuals both inputs (behaviours) and outputs (results) need to be considered.

This is the so-called 'Mixed Model' **(Hartle,** *1995)* of performance management, which covers competency levels and achievements as well as objective setting, and review.

2.3   Developments In Performance Management

Performance management is a never-ending and flexible process that engages managers and the people they mange acting as associates within a structure that sets out how they can best work together to accomplish the necessary results.   It focuses on future planning and improvements.

It is a process for measuring outputs in the shape of delivered performance; focusing on targets, standards and performances measures as indicators. In addition, it is concerned also with inputs such as knowledge, skills and competences required to achieve the results.

Defining these input requirements and assessing the extent to which the expected levels of performance have been achieved by using the skills and competences efficiently, developmental needs are recognized.

2.4 Fair Process/Equity

Kim and Mauborgne state in Managing in the Knowledge Economy that *"when employees don't trust managers to make good decisions o to behave with integrity, their motivation is seriously compromised"*

This was the finding in their research into links between trust, idea sharing, and corporate performance. They believe that employees will commit to a managers decision- even one they disagree with – of they believe that the process the manager used to make the decision was fair.

What is fair Process Fair? Process responds to a basic human need. We all need no matter what our role is in a company need to be valued as human beings and not as a number.. We want others to respect our intelligence. We want our ideas to be taken seriously and we want to understand the rationale behind specific decisions. Kim and Mauborgne found a direct link between processes attitudes and behaviour. Managers who believed the company's processes

were fairly displayed a high level of trust and commitment, which in turn engendered active cooperation. Conversely when managers felt fair process was absent, they hoarded ideas and dragged their feet

The bedrock elements of Fair Process are the same whether it is with senior executives or with front line staff they are

- Engagement
- Explanation
- Expectation clarity

Hayek argued that "Practically every individual possesses unique information that can be put to use only with his active cooperation"

Voluntary cooperation was not what Frederick Winslow Taylor had in mind when at the turn of the century he began to develop tools to promote efficiency and consistency by controlling peoples behaviour and compelling employees to comply with management dictates These conventional management levers still have their role to play, but they have little to do with encouraging active cooperation. They operate in the realm of outcome fairness or what social scientists call distributives justice, where the psychology works like this: When people get the compensation they deserve, they feel satisfied with the outcome. They will fulfill their responsibility to the letter of their obligation to the company.

The psychology of fair process or procedural justice is quite different. Fair process builds trust and commitment and commitment produces voluntary cooperation and voluntary cooperation drives performance leading people to go beyond the call of duty by sharing their knowledge and applying their creativity

2.5 Recognition

Recognition is defined in the dictionary as simply *"Take notice of, show appreciation of"*
The following statements support this definition: -

- 225,000 left jobs last year - and it wasn't for money (Sunday Business Post , June 24, 2001)

- More than 300,000 Irish workers (18 per cent of the national workforce) moved jobs in the past year, according to a recent Small Firms Association survey (2000). The survey, based on the findings of 3,000 exit interviews carried out in 2000, showed that more than 225,000 people left jobs last year for reasons other than money.

Commenting on the results, **SFA director Pat Delaney** said the findings show that "in many instances people leave other people, not jobs". Management style was cited as the main reason why people feel the need to move on.

"Business must recognise that the role of management has become far more complex, with managers required to do far more than simply give instructions. Managers must also provide training, coaching, support and managers themselves need to be reviewed on a 360 degree

basis. "More than 90,000 people voted with their feet last year because of a failure to get on with fellow employees and style of management," Delaney said.

The survey also shows that the Irish workplace culture suffers badly from a lack of **recognition** for the contribution people make. This accounted for 25 per cent (75,000) people changing jobs. These people felt that their contribution was undervalued.

Company managers reported that they recognise people are the most important asset of the business but due to the pressure of work they forget to tell their staff how much they appreciate their efforts. Twenty per cent of those interviewed left jobs because of lack of advancement. According to Delaney, this highlights the need for "continual training programmes" within every business. "It is no longer enough to offer people jobs, employers must now offer people careers. Investment in training is crucial because this will create a skills increase, which in turn will increase output, competitiveness, and sales," he says.

In all, 225,000 (75 per cent) left jobs last year for reasons other than salary. "While money remains a universal motivator, other issues such as learning opportunities, personal growth, work variation, autonomy at work and intellectual stimulation must feature highly on small business strategy to attract and retain staff," he says. However, Delaney cautioned that companies that respond to employee retention solely by increasing wages are only "buying time -- not loyalty". "Companies, which compete for scarce talent only on a cash basis are vulnerable to the next offer the employee receives."

However, in examining employment opportunities prospective employees should look beyond basic rates of pay and examine the full remuneration package.

They should see that small companies give people the opportunity to use all their talents, people are not pigeon holed, are close to the decision making process and they will be paid at least as much, if not more than working for a larger company.

REASON WHY 3,000 IRISH WORKERS LEFT JOBS IN 2000 SHOWN AS A PERCENTAGE

Unhappy with management	90,000	30%
No Recognition	75,000	25%
Limited opportunities for advancement	60,000	20%
Inadequate salary and benefits	45,000	15%
Bored with job	15,000	5%
Other reasons	15,000	5%

Source: Profiles International

Barry (2004) outlines in "What employees want" from their employer:-

- Meaningful Work

- Clarity of expectation

- Know how the organization is performing

- Confidence in Management

- Freedom to operate within competence

- Support

- Honest feedback

- Development

- Recognition

2.6   Motivation

Management's fundamental concern is:-

"How can I influence the performance of those who work for me"?

Assumptions that we make about people have a significant influence on how we approach motivation. As stated in the following Theories:-

- Theory X: people are inherently lazy: managers exert close control and direction.

- Theory Y: people are growth and development orientated: managers create opportunities for people, provide guidance and encourage growth.

2.6.1   Motivational Theories

Bowditch and Buono have identified three broad classifications of motivational theories:

1.   **Static-content theories (peoples needs at only one point in time)**

Maslow's Hierarchy of needs:

All human motivation could be organised in a hierarchy on five basic levels the need to satisfy basic <u>psychological needs</u> are of primary importance a person then becomes concerned about safety and shelter <u>(security needs)</u> people then develop desires for interpersonal relationships, friendship & affection, <u>(social needs)</u> people then experience the need to feel <u>self-esteem</u>, recognition, prestige, achievement and success he individual focuses on the needs and well-being of others in a process called <u>self actualization</u>

There is no empirical verification of the need-hierarchy framework. The main strength is the recognition and identification of individual needs for the purpose of motivating behaviour.

Manager and organisations should be flexible and able to tailor incentives to individual employees if they desire to maximize employee contributions.

Aldefer's ERG Theory:

3 levels of needs

- Existence or survival needs

- Relatedness needs (social interaction, recognition & status)

- Growth (success and autonomy)

The boundaries overlap, people can go from one level to another without fully satisfying the first (main difference from **Maslow)**

Recent work, in contrast, suggests that needs are only indirectly related to action.

McClelland's Theory of Socially Acquired Needs

3 basic needs people develop and acquire from the larger society

- Achievement,

- Power and

- Affiliation

The strength of the need will vary according to the situation and orientation towards a particular need is based on our life experiences. The need for achievement influences an individual's orientation to the tasks they face in a company. Studies have found that employees with a high need for achievement tend to:-

- Experience satisfaction from good performance

- Set higher goals than those with low achievement needs

- Be more effective in managing their time

- Improve their performance following feedback

Training programs could be developed to increase achievement motivation in managers and employees. Motivation is changeable even in adulthood.

Herzberg's Motivator-Hygiene Theory

Motivation is composed of two largely unrelated dimensions:

- Those aspects of the job that can prevent dissatisfaction but do not influence employees to grow and develop (hygiene factors)

- Those job-related dimensions that encourage growth (motivators)

For employees to be truly satisfied and perform above minimum standards, motivators need to be built into the job.

Managerial Application: Work Design and Job Enrichment *(influenced by static-content theorists & **Hertzberg** in particular)*

Job enrichment is opportunities for growth and achievement (motivators). **Job characteristics model**- identify five basic job characteristics that should be considered when attempting to redesign work:

- Skill variety-activities that draw on different skills and talents of the worker

- Task identity-completion of a whole and identifiable piece of work

- Task significance-the degree to which a job has a perceivable impact on others, internal or external environment

- Autonomy- discretion in scheduling work

- Feedback on performance

As the above factors are enhanced they influence 3 psychological states of employees, the meaningfulness of work, responsibility for work outcomes and knowledge of results of work. High levels of these critical psychological states lead to such favorable outcomes and work behaviours as high motivation, high quality of work performance, high levels of job satisfaction, low absenteeism and turnover.

2. Process Theories of Motivation (factors that channel or direct behaviour)

Expectancy Theory

The model assumes that motivation is a function of three components:

- an effort-performance expectation that increased effort will lead to good performance (**expectancy**)

- a performance-outcome perception that good performance will lead to certain outcomes or rewards (**instrumentality**)

- the value or attractiveness of a given reward or outcome to an individual (**valence**)

Implications of the theory:

The person must value the outcome or reward. Incentive rewards and recognition systems should take into account a variety of employee preferences. Employees must perceive that differences in actual performance will result in differences in rewards or outcomes. Employees must perceive that their effort will result in good performance. This will be enhanced through training, clear expectations and feedback on performance. A problem with expectancy theory is that is assumes people with act in a rational manner.

Path-Goal Theory of Motivation:

The underlying idea is that people make choices that reflect their preferences in terms of the relative utility for them. Managers' efforts should focus on clarifying subordinates' path to a desired goal or objective. Managers can motivate people by increasing the personal benefits of work-goal accomplishment and removing the organisational barriers.

Goal-setting Theory

The basic idea that a person's goals determine task related motivation since goals direct our thoughts and actions. Hard goals make self-satisfaction conditional on a higher level of accomplishment than easy goals. Participation in goal setting leads to higher performance. Managers should:

- Set clear and specific goals for employees
- Make goals sufficiently difficult to be perceived as challenging (not impossible)
- Involve employees in goal setting when appropriate to ensure commitment
- Include sub goals and feedback

- Link goal accomplishment with valued rewards

3. Environmentally Based theories of motivation

Operant Conditioning and reinforcement theory B.F Skinner

An individual's behaviour or motivation is a function of the consequences of that behaviour. Motivation is reduced to identifying needs and providing appropriate rewards. By making valued positive reinforces such as praise, recognition, pay or promotions contingent on certain behaviours managers can increase the probability that those behaviours will be sustained.

Social Comparison Theory (how people view reality based on their own experience)

Attitudes about a particular job are likely to be constructed from both the present job situation as well as past behaviour, which is linked to the present job. There is also a tendency to rationalize or justify certain behaviours.

Equity Theory

$$\frac{\text{person's outcomes}}{\text{person's own inputs}} = \frac{\text{comparable others' outcomes}}{\text{comparable others' inputs}}$$

An important implication for motivation is that people may use external comparisons to determine the appropriateness of a particular level of performance over time with respect to the resultant reward which they and comparable others receive. Social comparison theory seems more effective in helping us to understand the ways in which our perceptions of what is fair and just in organisations are formulated rather than in predicting performance as an outcome.

Social Learning Theory

We acquire much of our behaviour by observing and imitating others within a larger social context. It is not a one-way process though our behaviour can also affect our environment. This theory can help us understand 3 important processes:

- Vicarious learning

- The use of symbolism

- The role of self-control

Vicarious learning-managers acquire much of their work-related behaviours by observing and imitating others whom they personally identify with.

Mental Symbolism-we often attempts to anticipate consequences to various actions or imagine solutions to problems before we experience them firsthand.

Self Control-individuals can control their own behaviour and actions if they can manager their environment and cognitive processes.

Intrinsic and Extrinsic Rewards and motivation

Extrinsic rewards -pay & benefits, working conditions

Extrinsic motivation- we engage in certain behaviours to receive certain incentives that are external to a task.

Intrinsic rewards-feelings of achievement, growth, self esteem

Intrinsic motivation – the desire to work hard solely for the pleasure of task accomplishment

Gainsharing

The strongest motivation occurs when people have both a psychological (intrinsic) and a financial (extrinsic) stake in an organisations success. Two elements to gainsharing:-

1. Tying employee bonuses to system wide productivity

2. A formal employee involvement program

Small to moderate size organisations have the best chance of success with gainsharing (up to 600 employees).

2.7   Motivation & the Psychological Contract

Psychological contract-the link between the individual and the organisation as represented by the expectations of each party.

Organisational Commitment and the psychological contract

Type of control system			
Level of Involvement	Coercive	Remunerative	Normative
Alienative	Forced Contract		
Calculative		Extrinsic Contract	
Moral			Intrinsic Contract

It is important to recognize that people are complex beings and different things may motivate different people at different times. Research suggests that value shifts centering more fully on personal growth and development are keys to the growing disenchantment in our labour force. If people are expected to exhibit greater commitment to and motivation toward their work they must be provided with an opportunity to fulfill valued personal goals such as a sense of autonomy and influence over organisational decision making processes in return.

2.8   CHOOSING AN APPROPRIATE MOTIVATIONAL MODEL

Initial Diagnosis

- What is the performance problem? Describe the discrepancy

- How important is it? If unimportant ignore it

- Is it due to situational obstacles? If so, remove the obstacles

Strategy Selection

- What motivational process is involved? Is the focus arousal, choice, persistence?

- Do individual tendencies or dispositions explain the problem? Focus on selection, job assignment and related actions.

- Which motivational strategy is feasible, given the situation?

- Which strategies are affordable?

- Is the target individuals or teams or both?

Make the choice

Five basic sources of motivation:

1. Mission-inspiring people to believe in the importance and worth of their jobs

2. Agenda control-giving people the opportunity to be in control of their own careers

3. Share in value creation

4. Learning

5. Reputation-professional recognition

Theories should be viewed as complementary more so than mutually exclusive.

2.9   LEADERSHIP

Druker (1990) "Managing for the future" states that there are only two demands of leadership; **One** is to accept that rank does not confer privileges, it entails responsibilities. The other is to acknowledge that leaders in an organization need to impose on themselves that congruence between deeds and words, between behaviour and professed beliefs and values, that we call '**personal integrity**'

Jack Welch (1992) in Boundaryless describes four types of managers:-

Type 1	Manager delivers on commitments financial or other wise and shares the values
Type 2	Manager who doesn't meet the commitments and doesn't share values
Type 3	Managers who misses commitments but shares values
Type 4	Managers who meets commitments but does not share values

Managers 1& 3 will stay but 2 and 4 must go. Type 4 is *the managers who typically forces performance out of people rather than inspires it* The Autocrat, the tyrant, this was once ok but not in a Boundaryless organization where leadership was a core value.

GE had to insist on excellence and be intolerant of bureaucracy they had to search for and apply the best ideas regardless of their source. They had to prize intellectual capitol and the people who provided it.

"**Boundaryless was helping a lot of ordinary people do some extraordinary things**".

Kerr, Steven (1995) "On the folly of rewarding A, while hoping for B - he brilliantly captured the accountability issues as "hoping for A while rewarding B". Often a leader hopes that employees will do tasks A, B, C, then builds reward systems for D, E, and F. Leaders hope that employees will learn new skills, but reward them only for deploying old skills. Employees do what they are rewarded for more than what leaders hope for. Accountability exists when the things leaders hope for are done, because they are the right things to do based on strategy and business goals and are built into the reward system.

The model for accountability falls into four phases: **Strategy** – What are we trying to accomplish, **Measures** – How will we recognise success? What are our standards? **Consequences** – What are positive or negative consequences of meeting or missing measures? **Feedback** – How do we know how we are doing? Leaders who use these four phases sequentially ensure accountability.

Steven Kerr has suggested six criteria for Effective Rewards and Effective Feedback

Effective Rewards: Availability, Eligibility, Visibility, Performance Contingency, Timeliness, and Durability

Effective Feedback: Immediate, Consistent, Self-Monitored, Honest, Behavioural, Followed Up.

Dr Steve Kirn stated from his research at Harvard that "Sears was a compelling place for feedback and learning and explains how **Arthur Martinez** who took over Sears in 1992 used the Three "C"s to change the company they were to:-

- Compelling place to work

- Compelling place to shop

- Compelling place to invest

Kirn - Found that **"Sears is rare in having a realistic grasp of how employees and customers actually think and behave"**

Balnchard & Johnson (1984) in "The one minute manager" outlines his people management strategy and eliminates the argument that managers use that it takes too much time. The one minute manager techniques were:-

- One minute goals

- One minute Praising

- One minute Reprimand

Grote(2000) in the secrets of Performance appraisal claims that America's best organizations are doing:-

1. They get tough

2. They cut to the core

3. They seek mastery

4. They check for frequency

5. They realize that objectivity is a myth

2.10   SUMMARY

The art of getting work done through people it involves planning, control, co-ordination and motivation. The best organization that creates performance management systems is, as *Einstein* said the solution to any problem should be, as simple as possible-but no simpler.

People want their boss's opinion, plain and unvarnished. They want to know how they are doing, how they can improve. They want recognition for a job well done and not just the reprimand when it is too late to change the outcome. They need straight talking managers who are able to summon the courage to deal with people effectively.

Organisational expectations of the performance management system have been upgrades and it is no longer viable just to tell old John how he was doing but the performance management system has the ability to change the culture of any organisation, be it good or bad.

CHAPTER 3

Research Methodology

3.0   METHODOLOGY

The Research methodology for this study is based on the philosophy of interpretivism and the inductive approach, as I am particularly interested in understanding why people do not feel recognised within AXA. (Cooper and Schindler 1998) state that when undertaking an exploratory study it is likely to include qualitative research interviews in their approach.

Semi structured interviews also provide you with an opportunity to 'Probe answers' where you need your interviewees to explain, or build on their responses. According to **Saunders Lewis and Thornhill** adopting a phenomenological approach, *"where you need to be concerned to understand the meanings that respondents ascribe to various phenomena"* It can also lead to discussions in other areas that were not at first suggested as reasons..

Concerns of Data quality issues in-depth interviews can be related to:-

* Reliability

* Forms of Bias

* Validity and generalism

The primary data

The primary data collected formed the empirical investigation, using structured focus groups that were administered to a target group, which was selected using the Bi-annual staff survey..

The target population was taken from Team leaders and their staff that report to them. This group was targeted as the staff survey identified this group as not receiving recognition for the job they do. Management levels above this group felt that they did receive recognition and that there reward package was fair. These groups identified stated that their remuneration package was fair but they did not receive the adequate recognition.

To ensure data quality the people who were selected from a group of Seven teams in the Customer Service Centre in AXA Insurance. As I work in the Broker end of the Business I tried to eliminate bias by looking at this area, as I would not be familiar with it structure. I invited team leaders from the seven teams at a mutually agreed time to come to a meeting and all seven arrived. The meeting was held on Wednesday morning, which lasted approx two hours.

Further information was extracted from a staff telephone list, which identified staff in the stated sections. These were chosen at random; two staff members from each section were identified, as not to incur any bias, namely that of the team leaders.

This was done in three meetings with two groups of five and one group of four. All participants arrived and were happy to talk openly as prior to commencement of the focus groups, total confidentiality and anonymity of employees was guaranteed.

The objectives of the research were to understand staff satisfaction in their current roles within AXA and to gain feedback on management style within the division.

Other issues that were explored were:-

- General perceptions of AXA

- Understanding of company strategy

- Staff morale (general satisfaction and specific to the division)

- Sense of empowerment/ control/critical blockages

- Process/environment/systems

- Recognition

- Training

- Opportunities for improvement

Secondary Data

The secondary data involved probing a literature review as a basis for the examination of the theoretical framework as articulated in international and local articles, survey findings in related fields of study and accredited publications. These were subject to a further analysis against the backdrop of existing management development models, and their impact on AXA.

The investigation of:-

- Scope (Staff Survey), investigation into why with best practice performance management techniques why are staff not getting the recognition they think they deserve

- Is there was any link between absenteeism and lack of recognition

- Any further information that can be obtained from exit interviews Is there any correlation between the Sunday business post findings

CHAPTER 4 –

Presentation of Findings

4.1 FOCUS GROUP INTERVIEWS

As was outlined in the Methodology (see Chapter 3) a series of focus groups interviews were conducted in order to investigate the lack of recognition within AXA.

Given that team leaders and staff, both new and existing have different work experience and work issues, this will examine the findings from the groups separately. However there are common issues between both the staff and the team leaders; this report will outline the key concerns for staff in both new and existing businesses and also the team leaders.

4.1.1   Key Issues for Staff

Category	Staff Member New Business	Staff member Existing Business
Company Strategy	Understands Clearly	Understands Clearly
Culture	Vibrant energized Culture	Staid dull work atmosphere
Communications	Good clear communications	Poor communications
Remuneration Package	Fine	Fine
Sense of Empowerment	Yes	No, very controlled
Recognition	Yes, on a company wide basis and by team leaders	NO, You are more of a number to be closely watched and numbers are more important
Physical Environment	O.K	Needs to be tidied up

4.1.2 Key Issues for Team leaders

Category	Team leaders
Company Strategy	Understands Clearly
Culture	Very demanding
Communications	Could be better upwards and downwards
Remuneration Package	Fair
Sense of Empowerment	Yes but within limits
Recognition	Lack of acknowledgement by superiors and direct reports of job role and diversity of Tasks
Physical Environment	O.K but very pressurrsed

The basis of this research document commenced with an in depth look at recognition contained in the scope survey and results showed that the score on recognition was low yet morale was improving.

The interesting factor with this group which consisted of 7 teams:-

3 from New Business, 3 from Existing Businesses and 1 overflow was, that both groups worked in the same building; they shared the same systems and up till now one group are happy that they are being recognised appropriately, yet the other group is extremely unhappy and fell that adequate recognition is not in place.

4.2 Exit Interviews

Looking at the Exit Interviews no staff gave a the reason for leaving as lack of recognition

The reasons given are as follows:-

Primary Reason for leavers in CSC

- ■ Pursue Career 25%
- ■ Disciplinary 24%
- ☐ Salary 13%
- ▨ Travelling 19%
- ■ College 19%
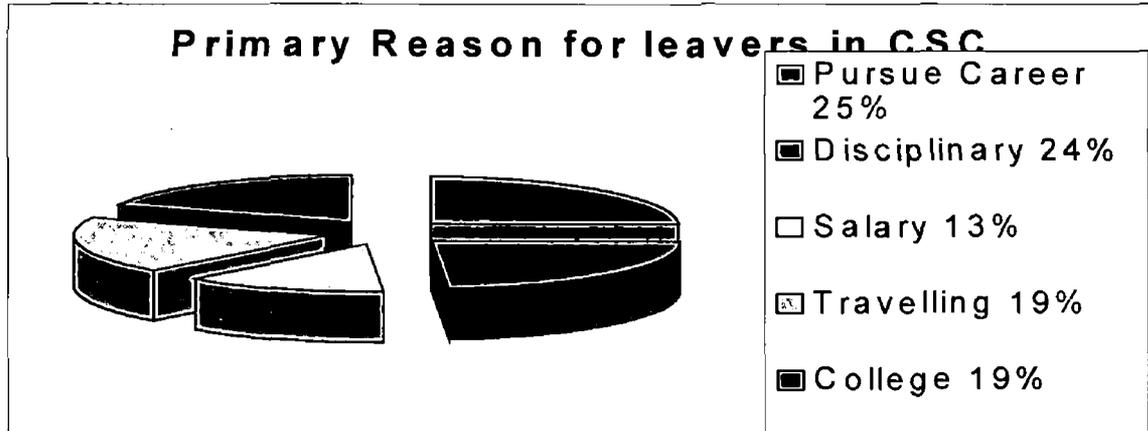
One of the interesting findings from this research is the majority of exists from the organisation was due to none other than disciplinary matters – this impacts significantly on the organisations recruitment and selection processes.

Absenteeism - There was not correlation between absenteeism and recognition but this may be because of an Attendance bonus, which is in place for all front line staff.

I list some of the comments made by employees during the interviews which further highlight the lack of recognition within the stated sections of the organisation:-

" *I look forward to going into work each day, John O'Neill should be very proud of the leadership and achievements of AXA Ireland*"

"My company claims to be an "Employer of choice" and while I agree that the company on the whole has this attitude unfortunately individual managers do not"

"Honesty in VOICE meetings etc is recommended (officially) by management but while they "talk the talk" they don't "walk the walk"

"In certain situation credit is not given or recognized by management when an employees goes out of the way to maintain AXA Standards, If this was recognized it would motivate and encourage staff members to uphold and improve their qualities and performance within the company"

"Members of the customer service unit have a very stressful job, I feel that more recognition of this is needed, people here are made to feel they are nothing but a stat or a number, this does not build morale or encourage workers to contribute more to AXA"

"Despite the common misconception call center staff, do have a brain, if we are continuously controlled by stats then the quality of customer service will suffer. We need to be challenged so we can contribute more to the company, Mutual respect as outlined in our strategy must be returned"

"Managers should be more involved with the staff working for them instead of just being concerned with stats and their own career "

"The team leaders should be more supportive during busy times, they should have to take difficult calls"

CHAPTER 5

Analysis

5.1   KEY ISSUES FOR STAFF

Company Strategy

In general staff acknowledged having a good understanding of company strategy. They are clearly aware of the customer focus and acknowledge the Chief executive roles in reinforcing this message. Although they believe that a customer focused approach to be necessary there is concern that a focus on "Numbers" has become more important that staff's needs leading to a drop in morale.

Culture

This seems to be at the core of many staff issues but it seems to vary depending on the different business units.   The key issues that emerged from the research which affect each unit's culture are: -

- The management style of the team leader
- The communication flow between the TL and staff
- The sense of responsibility and value afforded to staff by their individual team leader
- The rewards given to staff for performance

These are all the ingredients that are needed in all areas in which staff would feel appreciated and motivated to perform.

In addition, there is a discernable difference in the attitudes of younger staff and staff who have been with the company for ten years or more.

In general the more established employees are more positive about AXA describing it as *"a nice place to work"* and feel *"well treated and fairly paid"*. On the other hand many younger staff, particularly those who have joined in the last few years perceive themselves to be poorly paid and tend to express concern about their potential to speedily gain promotion *"Its not what you know, its who you know"* A number questioned the recent appointments stating that the people were known before the interviews.

This is displayed clearly by the cultures in two units new business, existing business Culture and that of Existing business culture. These two teams are under the same director the same operations manger and the change of management only appears at team leader level.

New business Culture is reflected by the following employees comments:-

- Staff feel valued

- High moral

- Good communications

- Empowered to make decisions

- Rewards for work done

- Approachable Management

- Management listen and act on issues raised

- Vibrant, positive work atmosphere

Existing Business Culture

- Staff feel unappreciated

- Low morale

- Poor communication in some areas

- Staff feel disempowered and watched versus supported

- Little or no rewards for work done

- Inconsistency in management being approachable

- Some management fail to act on issues raised

- Staid dull work atmosphere

Overflow/support Team then display a mixture of both

- Most feel appreciated

- Medium Morale

- Average communications

- Some issues about staff being undermined

- Limited tangible rewards for work done

- Some staff question whether Management listen to their needs

- Enjoy camaraderie of colleagues

Contrary to focusing on the strengths and weakness of each business unit this report focuses on the area of new business as an example of good work atmosphere and management style.

By examining the critical factors in this business unit it demonstrates how the balance between Team leaders needs and staff can be met.

Management style

Staff positively endorsed the management style within the New Business unit. In all of the business units staff have spoken about the importance of team leaders being:-

- Physically present

- Approachable

- Open to dealing with staff questions and queries

Across most of the business units staff questioned some team leaders willingness to deliver on the above. A key difficulty to emerge was that team leaders diverse range of responsibility, attending to staff queries was not perceived by staff to always be a team leaders top priority. This issue often come to the fore when a staff member's team leaders is absent or occupied, staff often find that some of the other team leaders difficult to approach. In contrast within the New Business unit staff experience the team leaders to be very approachable and amenable to dealing with staff queries. In addition, it appears that Team leaders appear to be usually physically present and in the event if one team leader another will assist where possible. It is important to remember given the diverse range of responsibility and workloads of the team leaders. It is important to recognize the time constraints with which they operate can making dealing with all staff queries a difficult exercise. However, without dealing with staff queries, the problem arises that staff feel somewhat abandoned and unappreciated

Internal Communication

Another key issue to emerge from this research was the importance of internal communications between team leaders and staff.

- Criticism of some of the Team leaders in failing to keep staff abreast of ongoing policy and practice changes.

- Voice meeting (These are monthly meeting where staff can raise issues and the minutes are copied to all staff and managers and directors) in the existing business area were critised as the issues raised were ignored or they were sanitised.

This lead to a palpable sense of staff exclusion from all decision making giving rise to: -

- A resigned workforce (and inability to change current working environment

- A demotivated work force

- The promotion of a "YES" culture (but with underlying unresolved issues)

In contract the new business voice meeting appear to work more effectively with staff feeling that there were able to raise issues and experiencing prompt resolution.

A number of key factors were stated as to have contributed to the success: -

- The provision of an emailed agenda to all staff before the meeting

- A revolving chairperson for each meeting

- The documentation of all issues and action to be taken

5.2   KEY ISSUES FOR TEAM LEADERS

Team leaders were generally positive about work atmosphere. They perceive younger staff to be highly motivated, committed and willing to take direction. They perceive mature staff to be less amenable to change and are ingrained in work patterns.

Key issues:-

- Practical difficulties

- Very demanding targets

- Diverse roles and responsibility

- Limited time to support staff

- Emotional Outcome

- Pressurised Environment

One of core difficulties experienced by team leaders is the multitude of tasks expected of them and the difficulty in satisfactorily delivering on all task. Their role of dealing with their staff's queries ma not always be prioritise owing to time pressures.

The next issue that affected the team leaders relationship with their team members was difference in the perceived role by both parties staff perceive the primary function of the team leader is to deal with queries and issues that other staff are unable to answer however team leaders may not be able to answer. Conversely, team leaders recognize that dealing with staff queries is an important issues but due to time restraints may not always be either physically present or have time to priortise this issue. Team leaders also would like to be involved in

more coaching and mentoring but perceive this to be a problem due to time restraints. However it appears that a balance can be achieved as has been done very successfully with the new business team but this requires all team leaders to support each other and to be physically present.

The team leaders have a positive role with senior managers but on occasions specific decisions are perceived to take place, without prior consultation, which can lead to significant increase in their workloads.

5.3   CONCLUSION

The key issues to emerge from this research was the importance of some of the team leaders management style, good internal communications and on going positive support and incentives to create a good working atmosphere.

In many respects new business operate as a template for the Customer Service center on how an atmosphere can be created through:-

- Approachable and amenable Team leaders

- Team leaders who share the responsibility in dealing with staff queries

- A balance of ongoing incentives and support to make staff feel valued and to encourage a health competitiveness.

- It is important that Existing business gets the balance right between employee measurement and active encouragement.

- Internal communications remains a integral component to staff satisfaction.

- The role of the team leader must be re-examined to take account of realistic time constraints, clearly outlining priority functions.

- Team leaders must be mindful of their management approach to be positively supportive of staff performance.

CHAPTER 6

Overall Conclusions

6.0   CONCLUSION

At whatever level in the organisation that an employee works, if the individual does not feel appreciated and trusted as a human being he/she will not feel valued.   Research has demonstrated that incentives can positively impact performance and that the nature of the work should drive structuring an incentive system. Management in AXA from the CEO to the front line staff must be cognizant of the dynamics that supports individual, team and organizational performance.

Effective performances management requires the presence of 3 factors in combination.:-

- Believe in employees and have clear performance expectation

- Create system of accountability

- Provide supportive feedback

In AXA we have taken account of these but it there appears to be a haphazard application of the 3 factors and this has produced the above results

CHAPTER 7

Recommendations

7.0   Recommendations For Further Research

AXA should benchmark our exit interviews by recording more accurately what sections employees are leaving from and how long they have been with the company. The number of exits due to disciplenary appears to be quite high and gives rise to the fact that our recruitment and selection processes are not adequate.

Job evaluation

AXA should evaluate the role of the team leaders in AXA Insurance and clearly outline to both staff and Team leaders what are the roles.

Best Practice that is operated by the new business team leaders needs to be examined further to ensure that these findings are accurate. The role of the team leader and their management style is paramount to the staff morale and recognition.

Performance recognition is becoming a critical part of our corporate strategy. If our businesses are to grow their way out of the current economic malaise, they will have to get more productivity out of their people - not by cutting and slashing, but by nurturing, engaging and recognizing"

CHAPTER 8

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8.0   BIBLIOGRAPHY

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APPENDIX I

AXA Ireland Strategy

AXA Ireland Strategy 2003

Satisfied Shareholders

Profitable Growth

Operational Excellence

Mutual Respect

Delighted Customers

Motivated Staff

Exceptional Service

2003 Imperatives for all of us!

Deliver exceptional customer service at every contact point
Find a better way every day (reduce our costs)
Grow our business - get new customers
Retain our customers

ALIGNING BUSINESS AND HUMAN RESOURCE STRATEGY
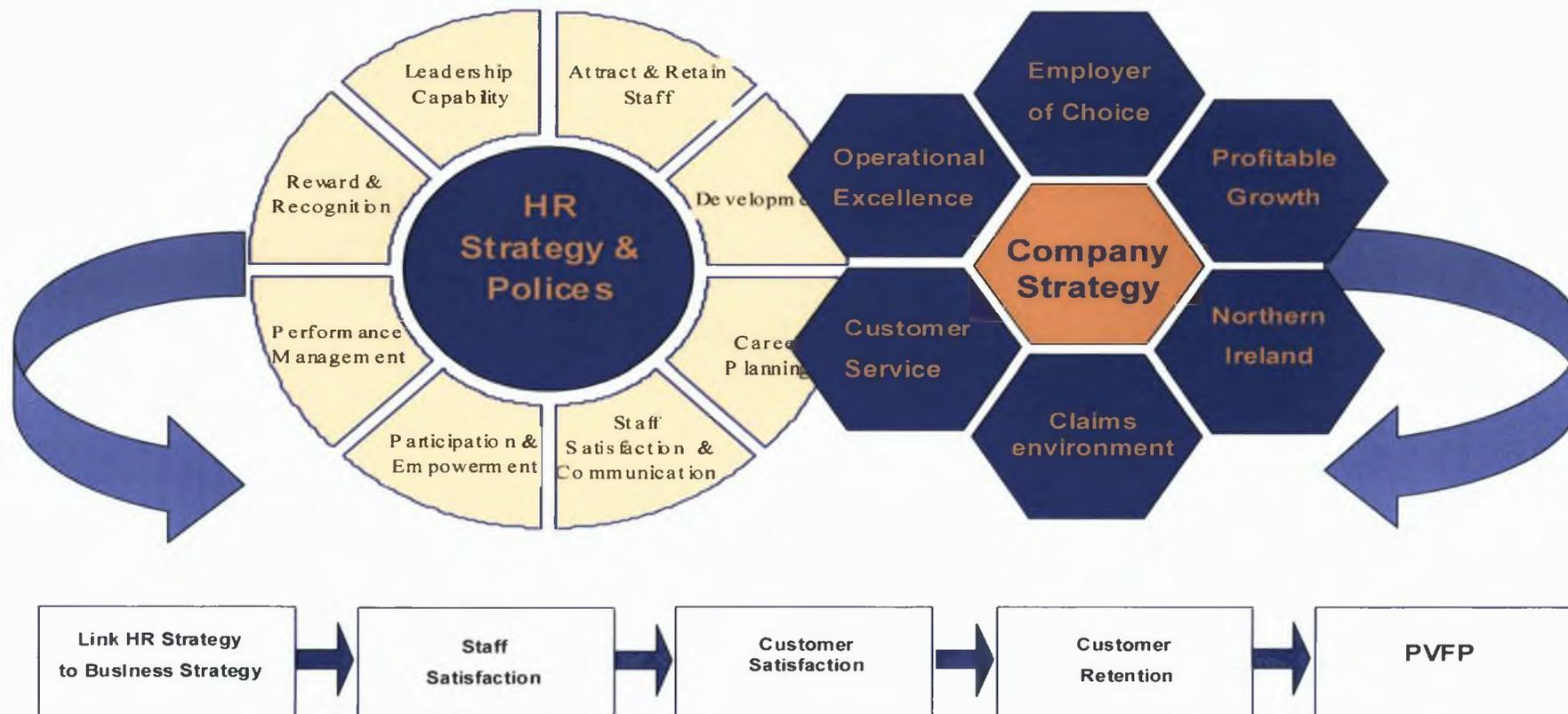
APPENDIX II

Sample Interview Questions For Focus Groups

The objectives of this meeting are to understand staff satisfaction with their current roles within AXA Insurance and to gain feedback on management style within the division. To identify the attributes where employee's are feeling recognised.

1.   General perceptions of AXA

2.   Do you think AXA is a good place to work? Why? Why not?

3.   Understanding of company strategy

4.   Do you understand how the Company strategy effects you day to day work or can you see a connection?

5.   Staff morale (general satisfaction and specific to the division)

6.   Do you feel that you get recognition for the effort you put into job on day to day?

7.   Why do some people get recognition and not others?

8.   How would you think AXA can meet your needs?

9.   When were last thanked for doing a job well?

10.   Sense of empowerment/ control/critical blockages

11.   Are there blockages to you carrying out your job effectively?

12.   Do you get feedback on well/bad you are doing in your role?

13.   How that impact on your job performance?

14.   Have you confidence in Senior Management Team?

15.   Have you confidence in your direct manager .

16.   What in your opinion is a good manager?

17.   Process/environment/systems

18.   Are there processes that you think are a waste time/ not added value

19.   Training

20.   Do you get the training you require? Day to day or for your development to enable you progress in your career

21.   Remuneration

22.   Is it fair? Would you consider moving for the same money?

23.   Opportunities for improvement

24.   Can you suggest any changes to the reward structure that would make feel more motivated.?

25.   Any other comments?

APPENDIX III

Overview of Strategy Within AXA