An Evaluation of the Performance Management System In an Irish Pharmaceutical Company

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Authorisation Declaration

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of BA (Hons) in 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 citied and acknowledged within the text of my work.

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Abbreviations

HRM   **Human Resource Management**

HR   **Human Resources**

PM   **Performance Management**

PMS   **Performance Management Systems**

Abstract

This dissertation examines the subject of Performance Management. The nature and value of performance management is assessed in terms of its contribution to organisational effectiveness. Organisations today are more aware of the important role employees can play as a source of competitive advantage. Organisations are implementing human resource management (HRM) policies and practices which promote productivity and efficiency, one particular HRM practice is the use of performance appraisal systems, a tool used to motiviate employees to improve performance and productivity

Performance management is a long established process and has developed over time from the old merit rating systems to the strategically integrated systems being utilised in organisations today. Research indicates that organisations today are paying far more attention to the process of performance management and that there are a wide and varied range of methods and designs of performance schemes that organisations can adopt.

Linking performance to reward is a problematic area and critics in the field suggest that employers abandon any link between performance management and reward and focus on employee development instead if they are to realise the potential developments. These issues are researched and investigated both through the current literature and a survey of an Irish Pharmaceutical company. The survey is supported through the use of interviews.

The findings from the research study show that there is a commitment to the performance management system being used by the company in question and results in general were very positive particularly in relation to goals and objectives and the link between the performance management system and the culture of the company. The already identified problematic area of performance and pay was also evident from the results.

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Preface

The author of this dissertation is working as a Human Resource practioner with the pharmaceutical company which is at the heart of this research. The current performance management system was implemented into the company when the company was just a greenfield site.

The company has had considerable growth since the implementation of the performance management system and has moved steadily from a greenfield site into a fully operational site. As the performance management system is the cornerstone of employee relations in the company, the author expressed an interest in evaluating the current system.

It is hoped that this dissertation will provide the company with a working document and a greater insight to their performance management system.

Introduction

This dissertation examines the subject of Performance Management. The nature and value of performance management is assessed in terms of its contribution to organisational effectiveness. The focus of the thesis is to evaluate the performance management system being utilised in an Irish Pharmaceutical company. The objectives of the research is to establish if the performance management system is meeting its original objectives, will the system be sufficient as the company moves from a greenfield site into a fully operations site. Arising from this investigation, establish what if any changes need to be made. Due to the sensitivity of the subject matter the company in question shall remain anonymous and will be referred to only as the 'company'.

Chapter one contains a review of the current literature. This review outlines a broad overview of the subject tracing the evolution of performance management from the old merit rating systems to the strategically integrated systems being utilised in organisations today. The review highlights the process, the methods and outcomes associated with performance management

Chapter two outlines the methodology used by the author in carrying out the primary research. This methodology included both quantative research in the form of a survey and qualitative research in the form of semi-structured interviews. The primary research examines the attitudes and levels of satisfaction in relation to the performance management system currently being used in an Irish Pharmaceutical company and the findings indicate a positive result. The findings from the primary research are presented in chapter three.

The results from the primary research and the literature review are discussed and analysised in chapter four. The final chapter outlines the conclusions of the research, the recommendations of the author and suggestions as to, if time permitted, how this research could be developed further.

Context

The Corporation is a US-based biotechnology/pharmaceutical multinational, currently employees approximately 7,500 employees worldwide

The Irish company commenced its activities in 2001 with the arrival of the first 2 employees on site and approximately 230 personnel are employed at the site against a target of 300 by end of 2005. The site has a very flat structure with only four levels i.e. General Manager; Director Group; Team Leader/Manager group; Team member group. Unlike many other overseas start-ups, the entire management and workforce at the company have been recruited locally. This has allowed the development of a unique culture at the Irish site. The site is non-unionised, with individual contracts for all employees.

Preliminary work defining and developing the culture at the site was initiated by the HR Director in early 2002. Discussions followed with all personnel on site regarding the vision and values for the new organisation. A set of Design Principles (basically guides to ways of working), was also prepared with the intention of using these to assist decisions and actions (see appendix 2)

The core values of the company were developed through the sharing and discussion of personal values by the initial personnel on site, and the subsequent identification of a common set of shared values. The values chosen are intended to guide all employees in doing their jobs and most importantly in how people work together on a day to day basis (see appendix 1) From this diagram of the values chosen it can be seen that patient focus represents the core value of the company

Regular meetings were held by site personnel to continue to define and clarify the vision, values and design principles, and a number of teams were formed to further develop each. These off-site sessions included the entire workforce to share understanding and ensure common agreement on these key areas.

For an employee in their first year of employment with the company, performance reviews have been set at 3 monthly intervals. Three month review clarifies the employee's roles and objectives, the six month review closes the probation period, nine month outlines the development plan and the twelve month or annual review is linked to annual salary reviews.

The aim of the performance appraisal system is to facilitate dialogue between team members and team leaders/manager, agree appropriate targets, understand work responsibilities and receive feedback on personal performance. A performance rating is agreed at each appraisal session – the team member rates themselves under various headings and compares this to their rating from their Team Leader/Supervisor. Where differences in ratings exist consensus is reached, involving the next line manager, if necessary. Two-way feedback to supervisor/manager is also encouraged. A personal development plan should be prepared for each team member during the appraisal process.

(see appendix 9) for the performance appraisal form.

Chapter One

Literature Review

Chapter One

Literature Review

1.1   Introduction

In recent years, the concept of performance management has been one of the most important and positive developments in the sphere of human resource management. Performance management is an important tool for managing people at all levels of an organisation (Armstrong 1994).

Research indicates that organisations today are paying far more attention to the process of performance management and that there are a wide and varied range of methods and designs of performance schemes that organisations can adopt to facilitate the various requirements of a performance management system required by various organizations (Gunnigle, Hearty & Morley, 2001).

The following chapter contains a literature review on the subject of performance management.   In order to obtain information on the subject matter, the author reviewed books, academic journals, magazines and other relevant sources of materials.   The review traces the evolution of performance management from its original form through to the present day, its scope and aspects of its implementation.

1.2   The Evolution of Performance Management

According to Koontz (1971) performance management can be traced back to the emperors of the Wei dynasty (AD 221-265) in China who had 'Imperial Raters', their task was to evaluate the performance of the official family.   Prior to World War I, the first formal monitoring systems in the US evolved out of the work of Frederick Taylor.   In the 1920's rating for Officers in the US armed services was introduced, which, it is said, supplanted the seniority system of promotion in the army and the era of promotion based on merit was initiated (IBEC 2002).

The first recorded use of the term 'performance management' is in
(Beer and Ruh 1976 p 4) whose view was that:

> *'performance is best developed through practical challenges*
> *and experiences on the job with feedback from supervisors'.*

1.1.1 Merit Rating

During the 1950s and 1960s merit rating came to the fore in the USA.   According to
Armstrong (1994), merit rating required managers to judge their staff against various
work and/or personality factors or characteristics, and in doing so, rating employees
for each factor on an alphabetical or numerical scale.

IBEC (2002) suggest that criticism of merit-rating was often made on the grounds
that it was mainly concerned with the assessment of traits e.g. co-operative, self
sufficient, conscientious etc.

Armstrong (1994 p 15), maintains that merit rating was generally disliked by line
managers for all or any of the following reasons:

- *Mistrust of the validity of the scheme itself;*
- *A dislike of criticizing subordinates to their face;*
- *Lack of skill in handling appraisals and interviews;*
- *Dislike of new procedures*

McGregor (1957 p 17) pointed out in his highly influential article 'An Uneasy look
at Performance Appraisal'

> *'this resistance was met by imposing controls.   But assessments are then*
> *done as a matter of routine and the forms gather dust in the personnel*
> *department – forgotten and ignored.*   McGregor maintained that,
> *'the main factor in measuring performance should be the analysis of the*
> *behaviour required to achieve agreed results, not the assessment of*
> *personality.'*

Fowler (1990) maintains that even though in its simple and original form, merit rating is still used by some companies, but there has never been any hard evidence that it actually improves performance.

1.1.2 Management by Objectives

According to Levinson (1970), management by objectives is

> *"one of the greatest management illusions"*

Drucker (1955 p 17) coined the phrase management-by-objectives:

> *'An effective management must direct the vision and efforts of all*
> *managers towards a common goal.   It must ensure that the*
> *individual manager understands what results are demanded of him.*
> *It must ensure that the superior understands what to expect of each*
> *of his subordinate managers.   It must motivate each manager to*
> *maximum efforts in the right direction.   And while encouraging*
> *high standards of workmanship, it must make them the means to*
> *the end of business performance rather than the ends in themselves.'*

It was suggested by Drucker (1955) that this view ensured that corporate and individual objectives were integrated and the misdirection and ineffectiveness resulting from management by 'crisis and drives' would be eliminated.   He also suggests that management by objectives enabled managers to control their own performance:

> *'Self-control means stronger motivation: a desire to do the best*
> *rather than just enough to get by.   It means higher performance*
> *goals and broader vision'* (Drucker 1955 p 17)

According to IBEC (2002), management by objectives came under a lot of criticism in the 1970's.   This was mainly due to the fact that too much emphasis was placed on the quantification of objectives.   There was very little dialogue as management by objectives tended to be a top-down affair.   Also, there was seemed to be a narrow focus on the objectives of the individual managers with little or no correlation to the corporate goals.

Graves (1982), points out that management by objectives failed not because of the technique but that it was just not performance appraisal.

1.1.3 Early Performance Appraisal

Long (1986) suggests that performance appraisal, although still imperfect, is probably one of the oldest managerial activities. Fletcher and Williams (1985) describe it as being one of the great growth industries of the 1960's and 1970's.

Arising from the criticism of the management by objectives a revised approach was developed during the 1970's and 1980's, this was sometimes known as the 'results-oriented appraisal' (Armstrong, 1994).

According to IBEC (2002) this approach incorporated the agreement of individual objectives and an assessment of the results achieved against these objectives.
In traditional appraisal schemes, according to Bach (1999), the personality traits of individuals were rated, mainly based on 'commonsense' assumptions of effective performance.

According to Barlow (1989) during the 1970's and 1980's, the use of trait based methods were on the decline,

> "although this does not preclude appraisers continuing to make
> judgements on the basis of personality traits, even if this is justified
> in terms of more acceptable performance criteria"

Flanagan (1954) developed the critical incidence technique, whereby managers recorded critical incidents of successful or less successful job behaviour. Results were recorded to give a picture of effective or ineffective performance behaviour.

Armstrong (1995) feels that traditionally, performance appraisals were carried out under duress due to the fact that they were often the property of the personnel department and were imposed on line managers as part of a bureaucratic system. This resulted in appraisals often being carried out badly.

Bach (1999) writes about the problems that permeated the company appraisal scheme, which have led to attempts to refashion appraisal in order to ensure that its contribution is more effective to personnel practice. This resulted in a lot of cases in the shift from performance appraisal to performance management. He goes on to suggest that his shift is in indicative of the emergence of a more integrated and strategic approach to personnel practice i.e. HRM.

1.2 Performance Management

1.2.1 Definition of Performance Management

> *'a strategic and integrated approach to increasing the effectiveness of organisations by improving the performance of the people who work in them and by developing the capabilities of team and individual contributors '*, and also can be seen as a *'continuous process involving reviews that focus on the future rather than the past'* (Armstrong and Baron 1998 p 206)

Gunnigle, Hearty and Morley (1997 p 145) define performance appraisal as

> *"a systematic approach to evaluating employee's performance, characteristics or potential with a view to assisting with decisions in a wide range of areas such as pay, promotion, employee development, and motivation. We suggest that the performance management loop provides the framework within which systematic appraisal can take place".*

Hartle (1995) found the following definition of helpful:

> *"a process for establishing a shared understanding about what is to be achieved, and how it is to be achieved, and an approach to managing people which increase the probability of achieving job-related success."*

Gary (2004), suggests that the experts maintain that performance management excellence requires perspective, metrics and a passion for execution.

1.2.2 The aim of Performance Management

Armstrong and Murlis (1988) refer to the aim of performance management as being the establishment of a culture in which mangers, individuals and groups take responsibility for the continuous improvement of business processes and of their own competencies, skills and contributions.

Lockett (1992 p 174) outline the core aims of performance management as:

1. *The continuous improvement of business performance in terms of customer service, product quality and market leadership.*

2. *The continuous development of organisational capability through the design of effective production systems, the development of organic structures; the enhancement of employee performance in line with business demands and the expansion of product and service lines.*

1.2.3 Performance Management – The Philosophy

"The philosophy of performance management is strongly influenced by the belief that it is a natural and core process of management".
(Armstrong 1994 p 33).

Armstrong, et al. (1988) suggest that the philosophy of performance management is based upon a number of concepts:

- Integrating corporate, functional, departmental, team and individual objectives in order to achieve the business strategy.
- Establish values which supports the achievement of initiatives such as quality and service.
- Communicating the goals and objectives of the organisation to all employees and provide a mechanism for an upward process of contributing to the formulation of corporate objectives.
- Enable employees to manage their own performance and ensuring there is clarity of roles and responsibility.
- The significance of input (skills and knowledge); process (competence to fulfill the role); outputs (measurable results); outcomes (impact on what has been achieved).

- Managing by agreement, developing a partnership.
- Develop a learning organisation through the use of performance management.
- Empower employees through the use of performance management.

1.2.4 An Integrated Approach

"The central contention underpinning HRM is that organisations incorporate human resource consideration into strategic decision-making, establish a corporate human resource philosophy and develop a complementary and coherent set of personnel strategies and policies to improve human resource utilisation" (Gunnigle, 1997).

The underlining difference between Personnel Management and Human Resource Management (HRM) is the alignment HR has with business strategy, which is referred to as 'organisational integration' (Guest 1994).

While competitive advantage traditionally meant having the edge in one product or service e.g. technology, and while it might still remain, it is to a lesser degree; Pfeiffer (1994) feels competitive advantage is derived from how people are managed, as comparatively more vital.   So why is having HRM aligned with strategy so important?   Lengnick-Hall & Lengnick-Hall (1990) give a number of reasons why it is desirable to have such integration.   First, integration can give a variety of solutions to various business problems.   Second, integration ensures that human resources are considered along with other resources in determining organisational goals.   Third, integration forces the organisation to be more people-orientated as it is the employees who are central to the implementation of policies and finally integration puts HR as an essential source of organisational competence and competitive advantage.

1.2.5 The Process of Performance Management

Heathfield (2000) has categorised performance management into a process as it creates a working environment in which people are able to perform to the best of their ability. It is also a system that begins when a job is defined as "needed" and ends when the employee leaves the organisation.

Gunnigle et al., (2002) suggest that in order to have effective performance management, a participative approach is essential in determining the nature and scope of the system. The system should not be viewed as a top down affair but should have the full commitment of the management.

Armstrong (1995) presents the following framework of the performance management cycle:

Table 1: A conceptual framework for performance management
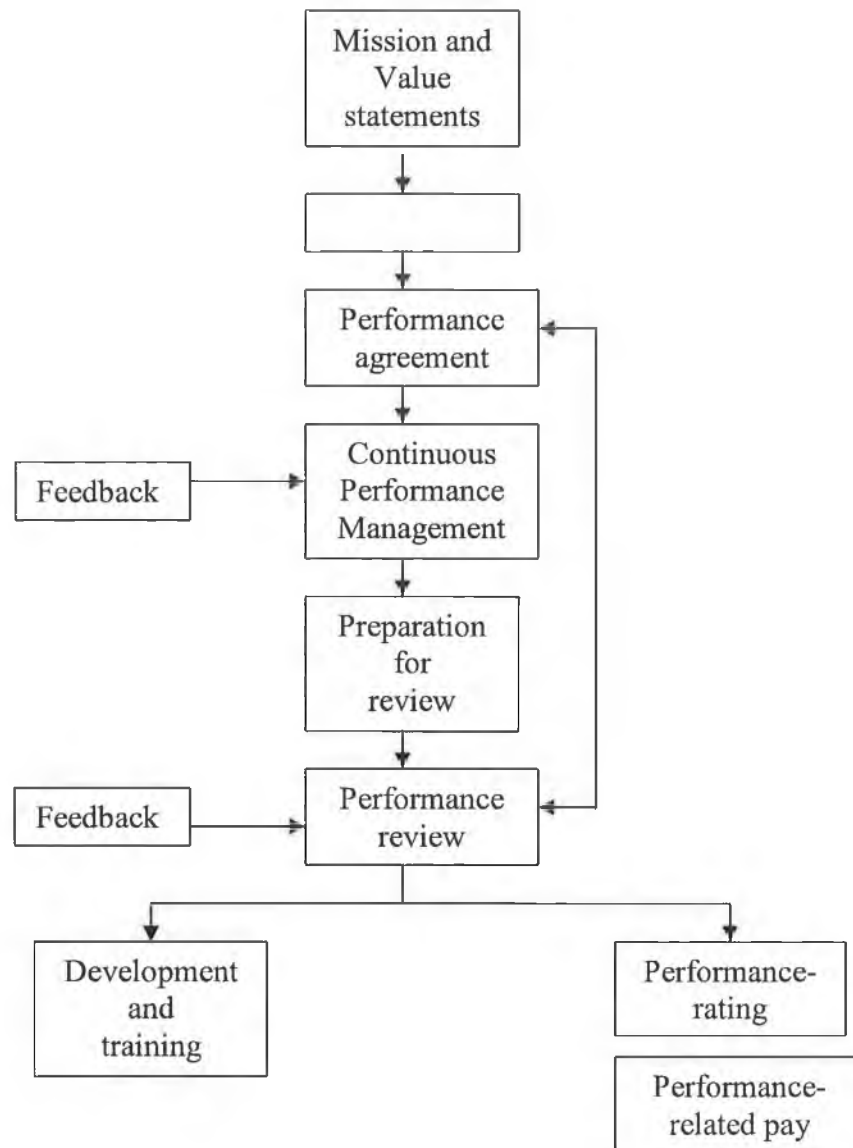
Source: Armstrong (1995)

Armstrong, et al. (1988) further suggest that it is often underestimated the skills that managers require to carry out the performance management process. They suggest that managers need to know how to:

- Set clear measurable and achievable objectives
- Define and assess competence requirements.
- Handle performance review meetings

- Coach and help employees recognise sub-standard performance and identify performance improvements and focus on development.

1.2.6 Setting Objectives

Probably one of the most important aspects of the performance appraisal process is the participation in the setting of performance objectives (Korsgaard & Roberson, 1995).

According to Gunnigle, et al. (2002) the setting of objectives is the foundation of the performance management process and for it to be effective objectives need to be achievable and agreed between managers and their employees. Objectives at departmental level have a close alignment to organisational goals and specifically define targets. Individual objectives are related specifically to the role of the individual and the contribution that they are expected to make to the achievement of unit goals.

Colbridge & Pilbeam (1998) believe that the manager should set the objectives, which would be agreed upon by the employee. They devised that objectives need to be SMART, i.e. Specific, Measurable, Achievable, Relevant and Timely.

Heathfield (2000) on the other hand believes that managers are in no position to set work objectives and the blunt truth is that, if employees have any work objective at all, most people set their own. She goes further to say, that today in an era of knowledge work and the knowledge worker, so-called 'bosses' are in no position to set work objectives for employees, monitor their accomplishments or supervise their pursuits.

However this philosophy might be somewhat unrealistic, as Egan (1995) points out, that employees need direction in doing their job and individual objective setting is a means to an end.

For effective objective setting, that are realistic to the employee and ultimately aim to achieve the overall strategic goals of the organisation; management and employees must communicate and work together to set attainable and meaningful objectives. Objectives should not be just set to achieve results, as Gunnigle (1997) observes that

objectives should also be behavioural. It is important that managers know the job of the employee and the skills, knowledge and attitudes needed to do the job. It is only with this understanding that both parties can achieve the overall aim of setting individual and team objectives.

Armstrong, et al. (1998) suggest that PM is often treated as if it were just a matter of managers and the employee who is reporting into them. PM can enhance teamwork by asking teams to identify interdependencies and setting team objectives and by getting team members to jointly review progress in getting them. By setting overlapping objectives for different members of a team can also enhance teamwork.

1.2.7 Performance Appraisal

Gunnigle and Flood (1990) describe performance appraisal as:

> *"A systematic approach to evaluating employee performance,*
> *characteristics and/or potential, with a view to assisting decisions*
> *in a wide range of area such as pay, promotion, employee development*
> *and motivation".*

Outlining the purpose of performance appraisal, they suggest that the performance management loop provides the framework within which systematic appraisal can take place.

Table 1.1: The Performance Management Loop

Establish,
Communicate and ———►
agree objectives
and standards

Evaluate ————————► Compare performance
Performance with objectives and
standards

Communicate
performance
decision and results

Take corrective action   Decide on appropriate
action
Review standards and
Objectives
Continue unchanged
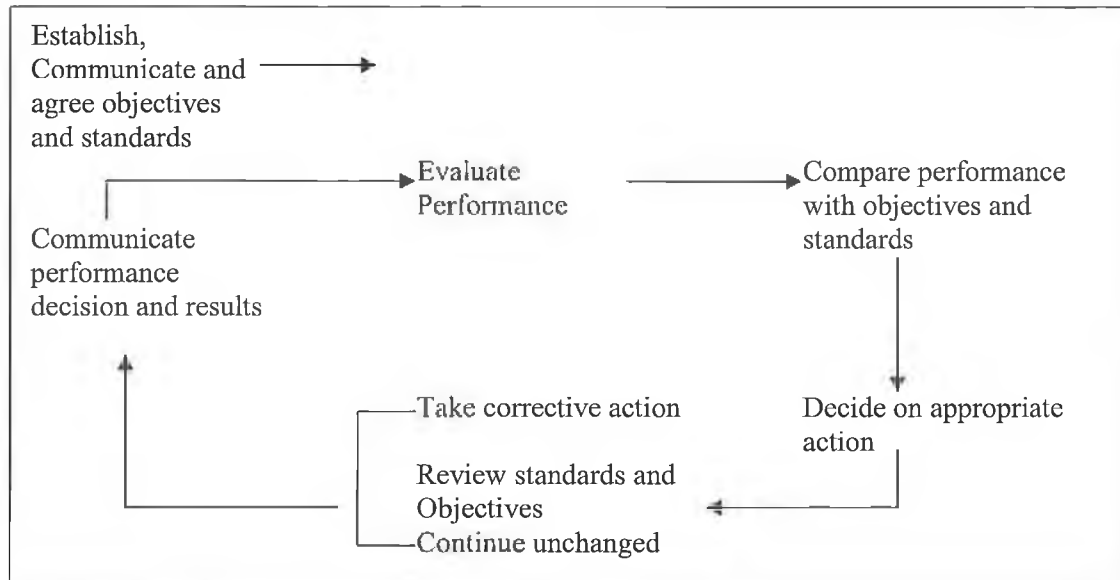
Source: Gunnigle and Flood (1990)

Gunnigle, et al. (2002) maintain the establishment of a formal appraisal system is a prerequisite to effective performance management as it provides a dedicated period of time for managers and supervisors to meet with their staff and discuss a range of factors relating to work performance.

1.2.8 New approaches to Performance Appraisal

(Armstrong and Baron 1998 p 32) maintain that the traditional top-down appraisal is being gradually replaced a joint-review process:

> *"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 judgments by 'supervisors' 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'.*

There is no one universal method. The researcher for the purpose of this literature review has concentrated of two of the most recent developments. Further examples are outlined in appendix 3.

1.2.8.1   360-degree Feedback

The many authors mentioned in this section consider the 360-degree feedback a more balanced and accurate scheme.

Ward (1997) defined 360-degree feedback as

> *"The systematic collection and feedback of performance data*
> *on an individual or group derived from a number of the stakeholders*
> *in their performance"*

The aim of the 360-degree feedback is to achieve a broader view of employee-performance by pooling feedback from both internal and external customers to receive a broader, more accurate perspective on employees (Kirksey 2000). Fletcher (1998) goes further to say that 360-degree, certainly in theory should lead to a more objective picture of an employee's contribution, strengths and development needs.

DeBare and Fletcher believe that 360-degree feedback has the ability to corral a range of customer feedback, as each group offers a new, unique view and produces a much more complete picture of an employee's performance. This view is also supported by those who already have implemented 360-degree, companies such as Digital, Intel and Hewlett-Packard (DeBare, 1997)

Kirksey compares traditional performance appraisals, at their worst can be subjective, simplistic and political. The need for accurate, fair performance measurements has increased exponentially as most organisations face increasingly flatter structures, greater internal changes and more external competitive pressures. The solution may be provided by the 360-degree appraisal. This relatively new scheme according to Fletcher (1998) offers an alternative method by which organisations can gain more useful performance information about employees and make them more accountable to their various customers.

1.2.8.2 The Balanced Scorecard

Sharif (2002) suggest that a lot of practioners and researchers in management science were of the opinion that there should be a framework to provide a flexible management reporting method, something akin to a "score card" of tactical, strategic and operational factors.

Kaplan and Norton (1992) developed and refined the well-known balanced scorecard to address the issue of how an organisation could provide an operational and strategic insight into their business.

Sharif (2002) suggests that the scorecard entails defining a number of perspectives to be measured to provide a means for both forecasting and historic analysis, these perspectives are based on the realisation of key factors which embody the organisation's business strategy. Sharif outlines the typical perspectives of Kaplan and Norton generally cited usually are: The Learning and Growth Perspective; The Business Process Perspective; The Customer Perspective; The Financial Perspective

The model suggests that organisations choose a small number of key indicators relative to each perspective and which reflect the goals contained in the corporate vision. Objectives should be achieved for each perspective within a specified time. The scorecard is designed to enable organisations focus on critical objectives and align the performance of the individual with the overall business strategy (CIPD 2002).

According to Professor Kaplan, 'The Balanced Scorecard' provides the required language, it is the missing link which fills the gap between the vision and strategy of an organisation, developed at the top and the things people down in the organisation, at the frontline are doing. This is done by linking vision and strategy to employee's everyday actions by translating the abstract strategy into clear initiatives and strategies and relating these to clear tangible strategic outcomes. Kaplan states

'The Balanced Scorecard makes strategy everyone's job'

Ruhtz (2001) maintains that the balanced scorecard does not deliver the expected results. Krause (2003) suggests that strategic approaches like the balanced scorecard are financially driven and therefore aspects such as motivation are difficult to address.

1.2.9 The Appraisal Interview

The vast majority of formal appraisal interviews according to Gunnigle, et al. (2002) take place once a year, although there may be ongoing reviews throughout the year and before the actual review the preparation of the interview itself must be a priority. In facilitating thorough preparation, adequate notice must be given. The employee needs to determine their performance during the year and expectations in relation to career and development. The manager on the other hand must be familiar with all aspects of the employee's performance. A key 'rule of thumb' is to focus on behaviour, which can be changed by the employee, rather than personality which is constant and difficult to modify.

Armstrong (2001) points out that the performance review discussion enables five key elements of performance management to be achieved:

- Measurement: results achieved against targets.
- Feedback: provide information on how the employee is doing.
- Positive reinforcement: emphasise what has been done well: use constructive criticism: point the way to improvement.
- Exchange views: the review should take the form of a dialogue, not a top-down interview or 'appraisal'.
- Agreement on action plans

Gillen (2005) identifies specific problems managers have voiced with regard to performance appraisals, as being: too busy to fill in forms; depending on the time of year it is hard to fit objectives into the business cycle; appraisal is unfair; it is too time consuming; giving feedback on performance is uncomfortable.

Armstrong, et al. (1998) suggest that performance management should avoid elaborate form filling and box ticking activities, turning it into a bureaucratic

exercise. Basic documentation only should be used for reference and guidance purposes and recording, job purpose, key accountabilities, agreed objectives and future development plans and forms should be designed well and appealing to use.

1.2.10   Behavioural aspects of Performance Management

Research has shown that the regular use of the performance management process in combination with performance driven behaviour leads to improved results (de Waal, 2004).

The willingness of organisational members to use the performance management system to obtain performance information which may help to improve results and the degree in which they feel actually responsible for results will determine the effectiveness of the performance management system (Euske et al., 1993).

1.2.11   Ethicical Considerations of Performance Management

Winstanley and Stuart-Smith (1996) suggest that it can be argued, that traditional models and approaches to performance management generally do not succeed in meeting their objectives, are flawed in implementation, can demotivate staff and are perceived as forms of control. They maintain for approach to be meaningful and worthwhile, four ethical principles need to be built into the process; respect for the individual; mutual respect; procedural fairness; transparency of decision making.

Banner and Cooke (1994) point out that ethical dilemmas may sometimes arise during the course of the appraisal process. These may be as a result of the problematic use of trait oriented and subjective evaluation criteria. There may be difficulties in preparing and writing performance standards and measurement indicators. The deployment of different systems of appraisal within the same organisation. Issues around the results of the appraisal and who actually determines the so-called objective standards. They conclude that as long as performance appraisal procedure is fair, consistent and evenly applied to all, it is morally justified and serves a legitimate function in advancing the objectives of the individual and the organisation.

1.2.12 Outputs/Outcomes of Appraisal

Bevan and Thompson (1991) suggest that there are two distinct paths which performance management is heading down, one linked to training and development and the other linked to pay. They have identified two trends in performance management; development driven and reward driven integration.

1.2.12.1 Employee Development

According to Armstrong, et al. (1998) continuous development is based on the belief that learning in organisations is a continuous process associated with everyday work. It is up to the organisation to create an environment in which learning can take place.

Egan (1995) states that if development is not valued by the company, then performance improvement is a fiction and the performance management system cannot work. He goes further by saying that if development is not the main focus of performance management then it (PMS) will be perceived as an imposed control system i.e. 'an annual reminder that somebody owns you'.

IBEC (2002) suggest that employee development is one of the primary objectives of performance management. Increasing individual competence will make staff more effective in their jobs leading to improved organisational performance. The corporate environment today requires a workforce that is more flexible and can respond quickly to change.

According to Trinka (2005) the vast majority of managers agree that helping employees develop is crucial to organisational success. CIPD (2004) state the employee development is the main route organisations follow to improve performance and requires an understanding of the techniques and processes of organisational, team and individual learning. The performance review can be regarded as learning events, where individuals are encouraged to draw up personal development plans, setting out the actions they propose to take to develop themselves.

1.2.12.2   Performance Related Pay

The monetary outcome of the performance appraisal process and probably the most controversial is performance related pay (PRP).   According to Armstrong, et al. (1998) PRP provides for an increase in base pay, governed by a rating against criteria such as performance.   They go on to suggest that the objective of PRP is to provide incentives and rewards to improve the performance of the organisation by improving the individual's performance.   To achieve this PRP aims to motivate employees; deliver a positive message with regards to performance; help to change cultures to become more performance and results orientated; reinforce existing cultures and values fostering high levels of performance, innovation, quality and teamwork; emphaise the importance of team work; improve recruitment and retention.

From an IPD research study Armstrong and Baron (1998) identified problems that could arise from linking performance to pay.   One clear problem that managers identified was having a too close a link between pay and performance damaged the development aspect of performance management.

Gunnigle, et al. (2001) make reference to the fact that pay is important to employees, pointing out that pay provides the means to live, eat and achieve personal and family goals.   Pay is the central reason people hold down and move between jobs.   A key question according to Gunnigle is not the importance of financial incentives but whether they motivate employees to perform well in their jobs.   If an employee is happy with his income, does that income induce him to perform at high levels of performance?

According to Kohn (1993) the theory behind PRP is based on 'behaviourist theory' and is attractively simple;

> *"reward people for performing well and they will continue to*
> *perform well: those who are not performing well will learn to perform well if*
> *offered an incentive"*.

Kohn further states that PRP is an extrinsic motivator and intrinsic motivation by contrast is more effective for achieving long-term commitment and high performance.   Kohn outlines six reasons why PRP schemes are bound to fail:

- Pay is not a motivator – people who are poorly paid are not motivated to perform well as they see poor pay as a sign they are not valued and there is no evidence to suggest that increasing their pay will improve or motivate performance.
- Rewards are a covert form of punishment – not receiving a reward is often indistinguishable from being punished, producing bitter resentment.
- Rewards disrupt teamwork – 'everyone is pressuring the system for individual gain, no one is improving the system for collective gain, eventually the system will crash'.
- Other things affect performance – these may include lack of resources, poor facilities, overload.   Relying on PRP obscures these difficulties.
- PRP discourages risk-taking – PRP motivates people to get rewards, not to improve the performance of the organisation as a whole.
- Rewards undermine interest – Extrinsic rewards undermine intrinsic motivation.

IBEC (2002) suggest that PRP remains one of the most problematic areas and some commentators suggest abandoning any link between performance management and pay and focus on employee development. Recent research suggests that the explicit link between performance management and reward may be getting stronger.

1.2.13   Performance Measurement

"What gets measured gets done"

"If you can't measure it, you can't manage it" (IBEC 2002)

According to the CIPD (2004), to improve performance, the current performance must be known. Measurement provides the basis for generating feedback, identify what went well and where things did not go well in order to take corrective action. In measuring performance, level of competency, achievement of objectives, standards of performance and work outputs are used.

1.2.13.1   Rating Schemes

The rating scheme, according to Gunnigle (1997), is where the appraiser rates the employee's performance and behaviours against a predetermined scale. Ratings based on a sequential scale can be made against a series relatively standard headings. The Behaviourally Anchored Rating Scale (BARS) is one if the most commonly used rating schemes. The BARS approach, according to Mohrman (1990), 'is simply a way labeling points along a rating scale'

Armstrong (1994) believes that the BARS scheme is an effective appraisal technique because it rates the appraisee on their attributes and competence. In the PMS, attributes refer to what employees need to know to be able to perform their job effectively, whereas, competence refers to the behaviours required of employees to carry out there work satisfactorily. This approach eliminates the assessment of an employee's personality traits, which was a problem with the old merit-rating scheme.

Armstong (1994) believes that the BARS scheme has been developed in an attempt to reduce the rating errors, which are associated with the merit-rating scheme. The anchors with the BARS scheme can be defined alphabetically on varying scales ranging from a three level to a six level scale.
From research conducted by Milkowich and Wigdor (1991), evidence suggests the reliability if ratings drop if there a fewer than three rating categories. The five level scale was the most typically used scale as it provides for two superior performance levels, a fully satisfactory level and two levels of less than competent performance.

Armstrong (1997) sees the following argument as favourable to the rating scheme:
- Performance-Related Pay and the rating scheme go hand in hand.
- The scheme identifies the exceptional performer, the under-performers and those who are the reliable core performers.
- The scheme can provide the potential to predict or the assumption that those who perform well are more than likely to continue to do so.

In identify the argument in favour of the scheme Armstrong (1994) also outlines the negative aspects as:

- It is highly subjective and difficult to achieve consistency between different raters
- Rating people as average/below average is both demeaning and demotivating
- To sum up the total performance of a person with a single rating is an over-simplification of what may be a complex set of factors influencing that performance.   Also making assumptions that past performance is an indicator for future performance would be dangerous.

1.2.14   Evaluation of Performance Management Systems

"If you want to find out whether a system or process is working

or not, and what to do with it, go and ask representative groups

of the people involved" (Armstrong et al., 1998 p 245)

Armstrong et al., suggest that evaluations yield useful findings and insights on which an organisation can act upon.   From their knowledge and understanding they believe that the following evaluation methodology provides an understanding of what is going well and the issues to be addressed:

- A working group of people from within the organisation should carry out the evaluation to ensure credibility and acceptability.
- Those involved in the evaluation should be briefed to ensure they understand the philosophy behind the scheme.
- Individual and group discussions with a cross section of the population should be conducted.
- A confidential survey should be carried out.
- The deliverables of the current scheme should be made in terms of assessing the quality of the process, supporting documentation, performance ratings.
- The findings should be presented in a report.

1.2.15   Performance Management in Ireland

Empirical data on performance appraisal in Ireland is relatively scarce (Gunnigle 2002).   The Cranet E./University of Limerick's Study of HR Practices in Ireland (1999) supplies the most recent evidence.   McMahon (1999) suggests that over sixty

percent (60%) of Irish organisations use some form of an appraisal. He reveals that the majority of the public sector and most small employers do not use any form of appraisal. In carrying out this research, the researcher noted that it is the large US multi-nationals based in Ireland such as Intel, Honeywell, Hewlett Packard and Microsoft are primarily the companies that are clearly focused and are paying attention to performance management.

In today's environment, the requirement for high performance work organisation, Gunnigle (2002) suggests that greater utilisation of performance systems would have been expected. As the pressures for competitive functioning intensify, organisations are likely to pay more rather than less attention to performance management in the future.

1.2.16   Conclusion

In carrying out the literature review, the author found an extensive amount of information on the subject of performance management. Due to the scope of this literature it is not feasible to view all elements and aspects of performance. From the content of the literature review it is hoped that a general overview of the subject matter was created. It is quite apparent from the available literature that there is no one 'best' PMS. When implementing a PMS into an organisation, the culture and structure of the company need to be considered and its success will depend on the commitment to the process and the carrying out of that process in a fair and equitable manner.

Chapter Two

Primary Research Objectives
And
Methodology

Chapter Two

Primary Research Objectives and Methodology

2.1 Introduction

The literature review has examined the various different aspects of performance management and research findings in relation to how beneficial an effective performance management process can be for a company. This chapter outlines the research philosophy and methodology in the reported study of the performance management system in an Irish pharmaceutical company.

The process begins by outlining the major discourse in the philosophical domain. The methodologies used to gather the primary research are discussed and the distinction between qualitative and quantitative research methods will be reviewed and explained as both were utilised in this study.

The design and analysis of the survey is reviewed. The semi-structured interview as a source of data collection is considered and justified. Also discussed is the selection process of individuals chosen for interview and participation in the survey. The issue of triangulation is considered in the overall assessment, reliability and generality of the results.

2.2 Objectives

The objectives of the primary research are:

- Evaluate the current Performance Management system used in the chosen pharmaceutical company.
- Investigate if the system is meeting the original requirements.
- Investigate if the system will meet future requirements in view of the potential growth of the company.
- Investigate what, if any changes need to be made.

2.3 Philosophical Perspectives

Easterby-Smith, Thorpe & Lowe, (1991) suggest that there are two traditional approaches to social science research methodology. The first is phenomenology and the second is positivism.

Positivism suggests that the world exists externally and that its properties can and should be measured objectively; it utilises empirical methodologies from the natural sciences. The French philosopher Aguste Comte (1798-1857) first introduced it in the 1830's. It embraces quantitative methods utilising rigorous statistical analysis to collate large amounts of data that in turn can be employed to validate or reject a hypothesis. In his book the 'Conceptions of Institutions and the Theory of Knowledge', Taylor (1989) describes positivists as having "detached the knowing subject from the social context and yet sought to validate knowledge by the analysis of the subject".

On the other hand phenomenology (anti-positivist) accepts that reality is not objectively determined but is socially constructed. This approach is generally attributed to Husserl (1859-1933). According to this approach, the researcher should not be concerned with facts or with measuring the frequency of events but with trying to understand and explain people's behaviour.

Easterby-Smith, et al.(1991) state that human action arises from the sense that people make of different situations, rather than a direct response to external stimuli. While (Berger & Luckmann, 1966) in "The Social Construction of Reality" state specific agglomerations of 'reality' and 'knowledge' pertain to specific social contexts and that these relationships must be accommodated in any serious sociological analysis of these contexts.

The key distinction between anti-positivism and positivism is the idea that reality is socially constructed rather than objectively determined" (De Burca, 1995).

Table 2   Characteristics of the Positivist and Phenomenological Paradigms

Positivist Paradigm	Phenomenological Paradigm
Beliefs: • The world is external and objective. • Observer is independent. • Science is value-free	• The world is socially constructed and subjective. • Observer is part of what is observed. • Science is driven by human interests
Researcher: • Focus on Facts • Reduce phenomena to simplest levels • Formulate hypotheses and test them	• Focus on meanings • Look at totality of each situation • Develop ideas through induction from data
Preferred Methods: • Operationalising concepts so that they can be measured. • Taking large samples	• Using multiple methods to establish different views of phenomena • Small samples investigated in depth or over time.

Source: Mark Easterby-Smith, Richard Thorpe and Andy Lowe, Management Research: Introduction. (London: Sage 1991: 27).

The implications of a researcher's adherence to positivism or phenomenology are significant for the choice of research methods. The positivist approach suggests the use of a quantitative methodology to obtain hard facts, data and causes. Quantitative research can be used to measure attitudes, satisfaction, commitment and a range of other useful data and metrics that can be tracked over time and used as part of a wider business planning and business strategy process. Techniques include structured interviews and questionnaires with pre-set questions and administered the same way, word-for-word for each respondent to obtain a reliable measurement.

The phenomenological approach is more likely to involve the use of qualitative research methods in an attempt to interpret human behaviour. Qualitative research begins with questions; its ultimate purpose is learning. Qualitative research has two unique features: (a) the researcher is the means through which the study is

conducted, and (b) the purpose is to learn about some facet of the social world. Historically, qualitative research has been associated with various social science disciplines: cultural or social anthropology, qualitative sociology, history and organisational behaviour. It is concerned with the opinions, experiences and feelings of individuals, producing subjective data. Techniques include unstructured discussion with small numbers of respondents; eliciting rational thought and emotional feelings (Walliman, 2001).

Both processes endeavour to understand and explain behaviour in very different ways.

2.4 The Importance of Methodology

Walliman (2001) maintains that anyone embarking on academic or practical research, the researcher must have a clear understanding of what the word 'research' really means. The true definition found in the Oxford Encyclopedia English Dictionary is:

> (a) *the systematic investigation into the study of materials, sources etc. in order to establish facts and reach new conclusions.*
> (b) *an endeavor to discover new or collate old facts etc. by the scientific study of a subject or by a course of critical investigation.*

If research is indeed to be 'systematic and organised' one must have clear objectives and an appropriate methodology.

Brannick and Roche (1977) define research methodology as;

> *"A decision making process whereby the literature and the existing body of knowledge and the researcher's ideas and data (evidence in any form) are interwoven by the researcher through a process of inner reflection".*

According to Sekaran (1992) research methods are ways in which research studies are designed and the procedures by which data is analysed. Methodology is the science or study of methods. In more general terms (Bogden & Taylor, 1975) and

Bulmer (1984) define methodology as the process through which research is conducted in order to answer the research questions.

Kent (1999) believes that it is sensible to start any project by researching the data which already exists (secondary data) and which is relevant to the project. This is known as the 'literature review' and involves the examination of literature which exists in relation to the research topic.

Cooper and Schindler (2001) suggest that the examination of the secondary data in an integral part a larger study and will enable the researcher to develop a greater understanding of the research topic.

However, there are limitations associated with secondary data and according to Domegan and Fleming (1999) the information may be inconsistent as different conclusions on the same topic are reached by different researchers. For that very reason is important to carry out the 'primary research'.

Brewerton and Millward (2001) state that in order to select an appropriate method to explore your research question, a number of points are worth considering, mainly, is the method appropriate to your research objective, used appropriately in the context of its original formulation and development, adequately piloted, ethically sound and able to elicit a form of data appropriate to testing your hypothesis or addressing your research question?

It has been recognised by the researcher of this study, the importance of using more than one method in the collection and analysis of data.

2.5   Triangulation

Triangulation is the use of multiple investigations, the belief being that by using a range of research methods it may be possible to combine their individual strengths. Methodological triangulation involves the combining of qualitative and quantitative methods of data collection. Easterby-Smith et al., (1991) stated that taking a

triangulated approach to data collection prevents the research from becoming 'method bound'.

The use of the survey gathered generalized information on the performance management system in the company. The semi-structured interview facilitated a more critical appreciation of the major issues arising from the survey. This approach commonly known as triangulation of methodologies according to Bell (1997) facilitates cross checking of the existence of certain phenomena.

2.6 Quantitative Research Method

The method of quantitative research chosen was to undertake a survey (see appendix 5). This survey took the form of a mini-survey, which according to (Kane & O'Reilly-De-Brun, 2001) is a useful alternative to the large traditional survey. The objective of the survey was to gather data in order to measure both the attitudes and the level of satisfaction with the performance management system currently used in the company. It was designed to gleam insights both positive and negative from individuals at whatever level in the company.

2.6.1 Population and Sample Size

There is no single universal formula for calculating the size of a sample (Frances, 1993). However, there are two-well known facts from statistical theory that should be highlighted.

1. The larger the sample size, the more precise the information will be with regard to the total, except in a homogeneous population.
2. Above a certain size, very little additional information is obtained by increasing the sample size and that a sample need only be large enough to be reasonably representative of the population.

Green, Tull and Albaum, (1988) argue that issues such as available budget, time constraints, the degree of precision needed and the number of sub-samples required as well as the length of the questionnaire all have a direct effect on sample size decisions. The sample size in this study is therefore shaped by these considerations.

In order to establish a comprehensive generalised view of the performance management system in the company, a simple random sample of 43.5% of employees was selected.   Thus, a sample size of one hundred employees was achieved, to whom the survey was given to.

There are two types of sampling techniques, probability sampling and non-probability sampling.   Probability sampling is where each element in a population is randomly selected when constituting a sample and has a known, non-zero chance of being selected.   Non-probability sampling is defined as where the chance of selection for each element in a population is unknown, and for some elements, is zero (Arber 1993; Chisnall 1991).

Simple random sampling is the most basic form of probability sampling and the approach used was a lottery method.   A complete listing of all employees was obtained and this list was mixed thoroughly and numbered from one to two hundred and twenty five.   All employees with uneven numbers were chosen until the required number of one hundred was reached.   By using the lottery method it ensured that the survey would cover all departments and all levels in the company, in order to achieve as broad a perspective as possible.

2.6.2 Preliminary Research

The survey was first pre-tested on five employees; these were excluded from the list of employees to be randomly chosen, to ensure they did not take the final version of the survey.   The pre-test confirmed that the survey flowed properly, that it was clear and easily understood and it did not take too long to fill out.

2.6.3 Design of the survey

The first section of the survey was in relation to the demographics.   It was thought by the researcher beneficial to gather information in relation to length of service, gender, age profile, previous jobs and departments.   The main body of the survey contained thirty statements and the respondent was required to rate their opinions on a scale of one to five, whereby one was 'I strongly agree' and five being 'I strongly disagree'.

A poorly designed survey can cause many administrative problems that can include incorrect deductions being made from the statistical analysis of the results. The survey required a design that facilitated logical progression and ease of use. Therefore, the thirty statements were dived into six sections and were clearly outlined and separated in accordance with the above criteria. The sections were as follows:

(i)   Communication and Culture

(ii)   Performance Related Pay

(iii)   Personal Development

(iv)   Goals and Objectives

(v)   Teamwork and Empowerment

(vi)   The Performance Management Process

2.6.4 Administration of the survey

The objective of a high response was achieved with ninety-one percent of surveys returned. This represents thirty-nine percent of the entire population of the company.

A cover letter (see appendix 4) encouraging the recipient to respond was attached to survey. The letter also explained the reason for the survey, what was hoped to be achieved and how the information obtained was to be utilised.

2.7   Qualitative Research Method

The method of quantitative research chosen was the semi-structured interview. The objective of the semi-structured interview was to develop a deeper understanding of the underlying issues of the performance management system. In this regard, the researcher carried out six semi-structured interviews.

2.7.1 The Population

The six respondents selected were hand-picked in order to ensure they represented a cross-section of views. They were also selected for their willingness to identify with the aims of the survey. This form of sampling related to the non-probability

sampling (outlined above) in that there is an intervention by the interviewer which impinges on the random selection process (Riley et al., 2000).

The company has a flat structure as outlined in the context. The respondents chosen included two Directors, two Team Leader/Manager level and Team Members this covered three out of the four levels in the company (only level excluded was the General Manger). The reason for the small sample size in the case of qualitative studies is mainly due to limitations on resources e.g. transcribing interview notes can be very time consuming.

2.7.2 Design of the interview

Semi-structured interviews do not have a standard interview form. A brief list of points, maximum of ten, should be developed, ensuring that the information required is obtained from the interview. Semi-structured interviews are ideal for getting more in-depth information and the advantage will be lost by asking too many questions
(Kane et al., 2001).

With this in mind six areas of focus were utilised in the interview: Strengths; Weaknesses; Improvements; Development; Pay; Culture. These areas by design were generic in order to allow the researcher some flexibility. According to Easterby-Smith, Araujo & Burgoyne (1999) interviews allow an opportunity for the researcher to probe deeply, to uncover new clues, open up new dimensions of a problem and to secure vital accurate inclusive accounts that are based on personal experiences. The researcher allowed the discussions carried out in the second stage of the study to develop in a natural manner and guided the respondent only to ensure the coverage of topics subject to investigation.

2.7.3 The Administration of the interview

The respondents were contacted in person on site. An explanation of the proposed interview was given to the participants and a suitable interview time was arranged. The interviews were tape-recorded whenever the permission of the interviewee was granted. The tapes were then transcribed as closely as possible to what was said. In

each case the transcript was sent to the interviewee and he or she were invited to make comments, additions or delete any points, which were deemed to be inaccurate. Once the transcript had been returned a final version was agreed upon which was then used as the basis for analysing the interviews.

The key advantage of using transcripts, as opposed to note taking, is that they allow much more of the information revealed in the interview to be successfully captured. Also, the interviewer is not concerned with recording what has been said while the interview is taking place which allows much more emphasis to be placed on what is being said and on asking questions.

2.8 Evaluation Criteria

The evaluation criteria outlined by (Gill and Johnson, 1997) can be beneficial in evaluating research findings:

(1) Internal validity: this criterion refers to whether or not what is identified as the 'cause(s)' or 'stimuli' actually produce what have been interpreted as 'effects' or 'responses'.

(2) External validity: this criterion refers to the extent to which any research findings can be generalised or extrapolated beyond the immediate research sample or setting in which research took place. The matter of external validity is often subdivided into the following:

   (a) Population validity: this criterion concerns the extent to which it is possible to generalise from the sample of people involved in the research to a wider population.

   (b) Ecological validity: this criterion is concerned with the extent to which it is possible to generalise from the actual social context in which the research has taken place and the data thereby gathered to other contexts and settings. This is also related to the issue of how artificial or atypical the research setting is relative to 'natural' contexts typical of normal everyday life.

(3) Reliability: this criterion basically refers to the consistency of results obtained in the research. To satisfy this criterion it should be possible for another research to replicate the original research using the same subjects and the same research design under the same conditions.

2.9   Validity, Reliability and Generality

There are three areas that need to be considered namely validity, reliability and generality. One of the criticisms of qualitative analysis is that it can run into problems on all three counts. However, Hakim (1987) argue that the validity of the data obtained in qualitative research is one of its great strengths: individuals are interviewed in great detail for the results to be taken as complete, true, correct and believable reports of their view and experiences. In the case of this research, interviewees were open and forthcoming with little apparent reason to hide important information. Bowen (1996) believes that as the social science researcher merges qualitative and quantitative methodologies, the internal validity of the research design is strengthened. The use of the two methods in this research helped to strengthen the validity by providing mutually reinforcing insights of performance management.

The results are only likely to be reliable if similar observations are made by different researchers on different occasions. It is impossible to say with certainty that different researchers on different occasions would produce similar observations. However, one can make some useful points here. Firstly, the individual interviewee reviewed the transcript of that interview. This meant that all interviewees were allowed, with the benefit of reflection, to confirm their opinions. Secondly, the use of clearly defined research questions means that another research would be likely to formulate similar interview questions (as the interview questions were closely related to the research questions).

With regard to generality, Easterby-Smith et al., (1999) queried the likelihood that ideas and theories generated in one setting will also apply in other settings. If the researcher had more time it would be recommended to undertake a case study to establish if the results could be generalized to other organizations

2.10 Evaluation of Research Methodologies

In undertaking research one must choose between the different systems, understand the nature and content of the subject as well as the available resources. It is important to know the inherent strengths and weakness of the approaches used. With this in mind the methodologies used in this research are critically examined below.

2.10.1 Survey: Advantages

The survey/questionnaire requires more care than the interview, as the researcher is not interacting with the respondent. The particular qualities of the survey method give it an obvious strength in population validity and reliability. Quantitative analysis is more easily gleamed from the data, it is easier to replicate and hence more reliable. This advantage can thus create a paradoxical disadvantage in that this high degree of structure also confers a relative lack of naturalism but not as artificial as in the context of the ideal experiment (Gill et al., 1997: 130)

2.10.2 Survey: Disadvantages

However, a weakness of the survey research is that it is often considered to be relatively low in ecological validity. Another is the lack of internal validity which makes the control of rival hypotheses much more difficult as it undermines any causal conclusions. Correlation is necessary but not sufficient proof of a causal relationship.

2.10.3 Semi-Structured Interviews: Advantages

Chisnall (1992) identifies the main advantages of the interview is that the interview offers more flexibility and control while building rapport with the interviewee hence a more relaxed environment. This will result in the interviewee being more informative. Smith (1991) adds that the interview allows the interviewer keep track of the way an individual's behaviour is related to his/her attitude. The interviewer can explore sensitive issues and the face-to-face interview is easy to set up.

2.10.4   Semi-Structured Interviews: Disadvantages

Smith (1991) outlines one of the main disadvantages of the interview is the time and the resources involved in both carrying out the interview and in transcribing the interview.

Another disadvantage is that of bias.   Sekaran (1992) says either party can introduce bias.   It can be done if the interviewer did not create the correct atmosphere of trust or distorted the respondent's response.   Likewise the interviewee can glorify responses so as to create a good picture of the company or give responses that they feel the interviewer wants to hear.   As with any method of research, it is important for the interviewer to be aware of the disadvantages of the research method and try and conduct the interview in an environment where such disadvantages can be limited.

2.11 Summary

This chapter has explained the author's choice of research strategy.   At the outset the philosophical perspective was set out together with the associated methodological implications.   The distinction between quantitative and qualitative was examined and discussed.

A quantitative survey was employed to examine in a general way the performance management system in an Irish Pharmaceutical company.   The semi-structured interviews were carried out to gather a deeper understanding.   Both these methods were outlined and discussed in this chapter.   The concept of triangulation was explained as was the matter of validity, reliability and generality.

The following chapter will outline the findings from both the survey and the semi-structured interviews.

Chapter Three

Primary Research
Findings

Chapter Three
Primary Research Findings

3.1 Introduction

In this chapter the results of the survey and the interviews are presented. The survey took the form of a mini-survey and the objective of the survey was to gather data in order to measure both the attitudes and the level of satisfaction with the performance management system currently used in the company.

The interviews took the form of a semi-structured interview and the objective of the semi-structured interview was to develop a deeper understanding of the performance management system and the underlying issues which were highlighted as a result of the survey.

3.2 Analysis of results from the survey

The survey was given to one hundred employees representing forty-three and a half percent (43.5%) of the workforce and a return of ninety one (91) surveys was achieved. The demographics are presented in appendix 7. The survey contained thirty statements and the respondent was required to rate their opinions on a scale of one to five, whereby one was 'I strongly agree' and five being 'I strongly disagree'. With the aid of pie charts the results of the thirty statements are presented. Of the ninety one (91) surveys returned, thirty-two contained additional comments (see appendix 6) and where applicable these have been incorporated into the findings.

In accordance with the original objectives of the PMS and in order to provide clarity to the findings, the thirty statements are further dived into six sub-sections: Communication and Culture; Performance and Pay; Development; Goals and Objectives; Teamwork and Empowerment; The PM process. The findings of these six sections are also presented with the aid of bar charts.

3.2.1 I have one:one performance review meetings with my manager at least twice a year.

The results indicate that thirty four percent (34%) of respondents strongly agree that they have performance review meetings at least twice a year.   Sixty one percent (61%) agree with this statement.   These results indicate that ninety-five percent (95%) of respondents are in agreement, which strongly supports one of the main objectives of the PMS.   Five percent (5%) of respondents disagree with the statement.
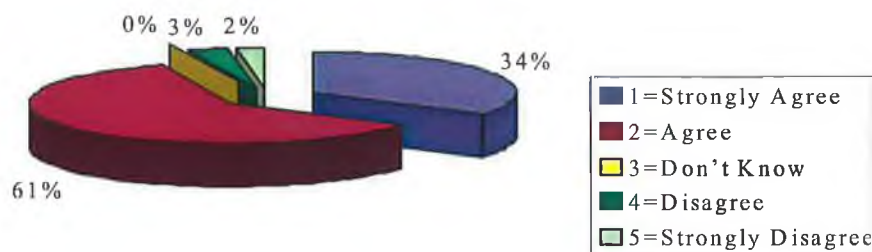
3.2.2 There is honest open two-way discussion.

The response is positive with forty percent (40%) of respondents strongly agreeing and fifty percent (50%) in agreement, giving a total of ninety percent (90%) of respondents positively agreeing that there is open and honest two-way discussion. Five percent (5%) of the population feel that there is not open and honest two-way discussion and five percent (5%) are unsure or do not know.
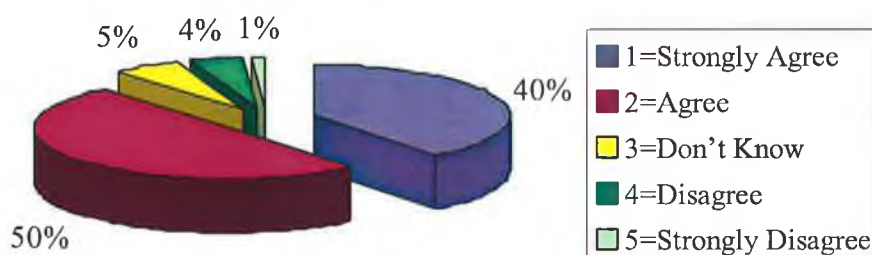
3.2.3 I receive regular feedback on how I am performing

Twenty seven percent (27%) of respondents strongly agree that they receive regular feedback and thirty eight percent (38%) agree with the statement.   This gives a positive result of sixty-five percent (65%).   A negative result of twenty-eight percent (28%) disagrees with the statement and seven percent (7%) do not know.
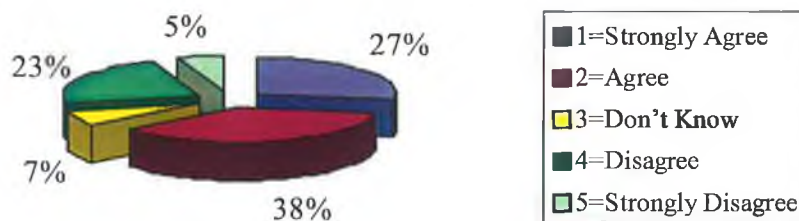
3.2.4 The Performance process supports the company culture.

Seventy seven percent (77%) of the respondents agree that the PMS supports the culture of the company.   Seven percent (7%) disagree and sixteen percent (16%) do not know.
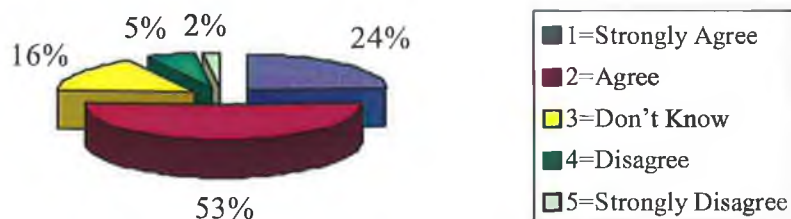
3.2.5 Poor Performance is clearly Visible.

Seventy percent (70%) of respondents are in agreement that poor performance is clearly visible. Twelve percent (12%) are in disagreement with this statement and eighteen percent (18%) do not know.
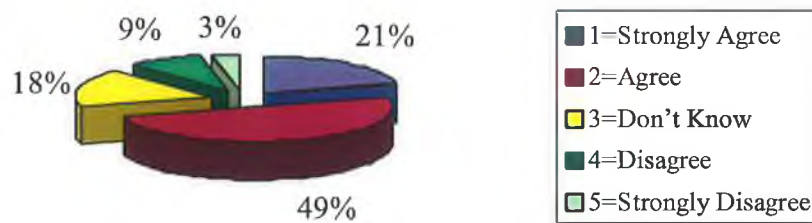
3.2.6 Poor Performance is truly not tolerated.

Only twelve percent (12%) of respondents strongly agreed that poor performance is not tolerated and thirty-one percent (31%) were in agreement to give a total of forty-three percent (43%). Twenty-eight (28%) disagreed with this statement and twenty-nine percent (29%) were unsure.
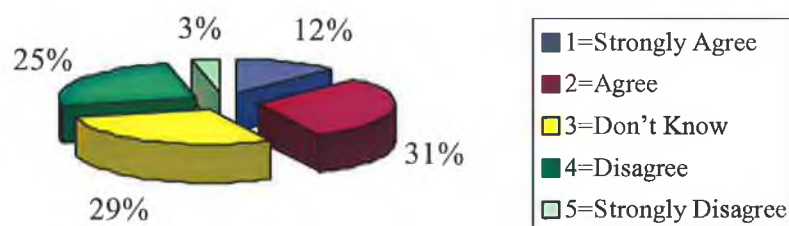
3.2.7 My Performance review for salary adjustment reflects my actual performance.

Forty-five percent (45%) of the respondents agree that their salary adjustment reflects their performance and forty percent (40%) disagree.   Fifteen percent (15%) are unsure. A comment from the survey was "*There is too much overlapping of pay bands in performance evaluation.   Why should one person determine whether you can earn more money?   Yes, learning and development opportunities are great but why should you work seriously hard on tasks and duties not scoped out in your goals and objectives and no pay increase or recognition of doing well on these or any tasks*".
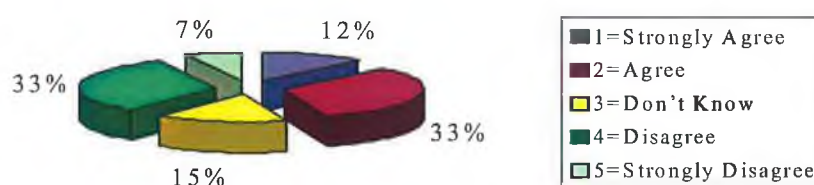
3.2.8 It is clear how my annual performance appraisal links to my pay.

Fifty-Four percent (54%) of the respondents are clear as to how the performance appraisal is linked to their pay.   Taking those that are in disagreement and those who do not know gives a total of forty-six percent (46%) of respondents who to some degree are uncertain as to how their annual performance appraisal is actually linked to their pay.
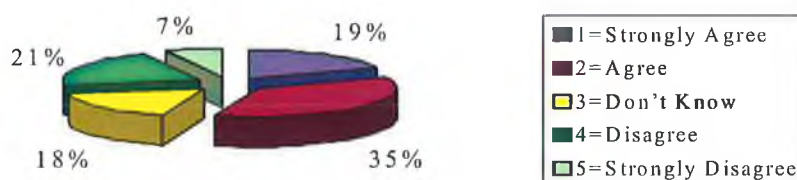
3.2.9 If I had performed poorly I would not expect a pay increase.

Sixty-nine percent (69%) of respondents agree that they would not expect a pay increase for poor performance.   However twenty-two percent (22%) of the respondents feel that they should received a pay increase regardless of poor performance.   Nine percent (9%) were uncertain.
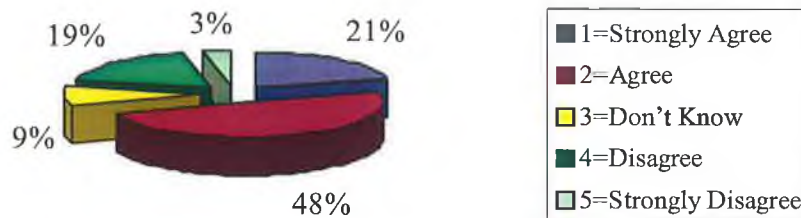
3.2.10   I can influence decisions which affect me.

There is a strong positive result in relation to this statement with seventy-six percent (76%) of respondents in agreement.   Sixteen percent (16%) disagree with the statement and eight percent (8%) are unsure.
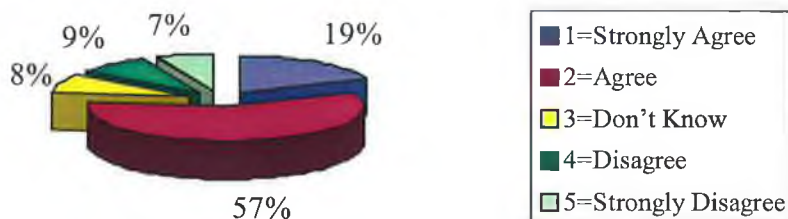
3.2.11   I can take appropriate decisions within the context of my job without seeking approval.

There is a positive result in relation to this statement. Eighty-five percent (85%) of respondents were in agreement and only eleven percent (11%) did not agree and four percent (4%) were unsure.
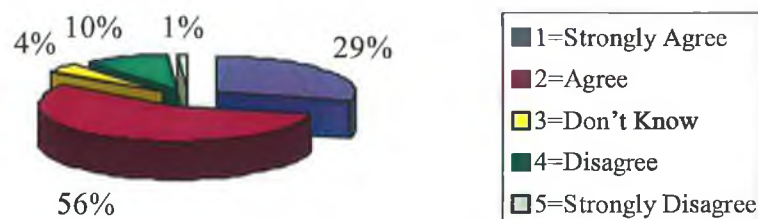
3.2.12   Effective teamwork is essential if performance is to be maximised.

Ninety-five percent (95%) of the respondents were in agreement with this statement. Only three percent (3%) did not agree with the statement and two percent (2%) were unsure.
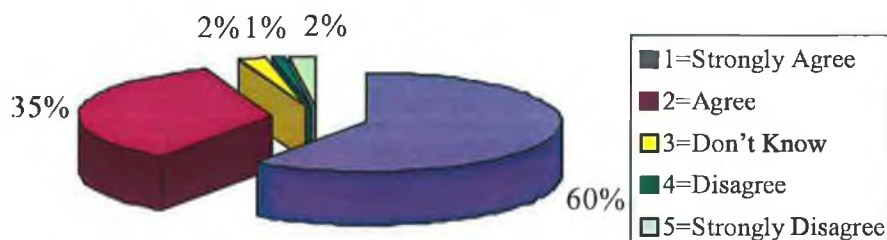
3.2.13 I understand how my role contributes to the organisation's success.

Ninety-three percent (93%) of the respondents understand how their role contributes to the success of the organisation. This is a very positive result. Five percent (5%) disagreed with the statement and two percent (2%) do not know.

2%4%1%

34%

59%

■ 1=Strongly Agree
■ 2=Agree
□ 3=Don't Know
■ 4=Disagree
□ 5=Strongly Disagree
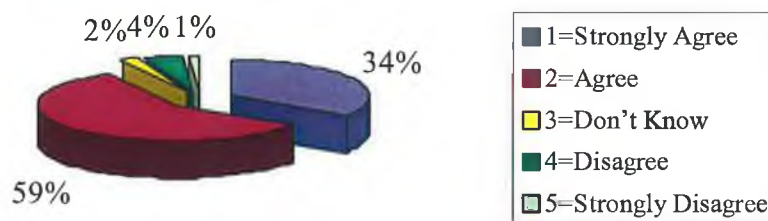
3.2.14 I know what the organisation's goals and objectives are.

A result of ninety-seven percent (97%) of respondents agree that they know the goals and objectives of the company is extremely positive. Two percent (2%) disagreed with the statement and one percent (1%) were unsure.

1%1%

1%

32%

65%

■ 1=Strongly Agree
■ 2=Agree
□ 3=Don't Know
■ 4=Disagree
□ 5=Strongly Disagree
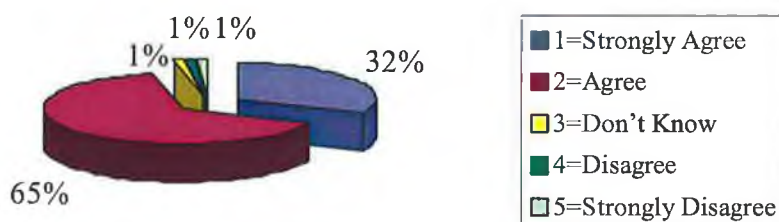
3.2.15 I understand how my actions impact on the organisation's performance.

Ninety-six percent (96%) of the respondents understand how their actions impact the performance of the organisation. Two percent (2%) disagree with the statement and two (2%) were unsure.
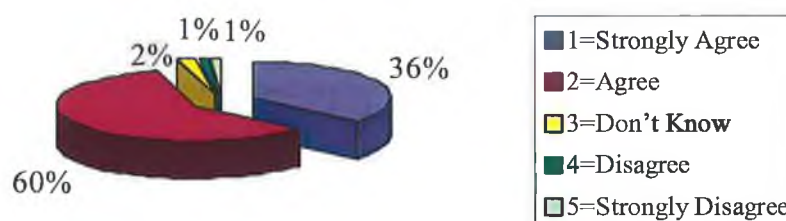
3.2.16 I understand what my goals and objectives are.

A very positive result of ninety-seven percent (97%) of respondents understand their goals. Only two percent (2%) disagree with the statement and one percent (1%) does not know.
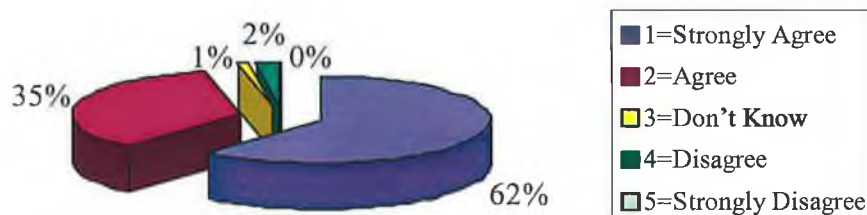
3.2.17   I know the vision and values of the Company.

Ninety-three percent (93%) of respondents know the vision and values of the company.   Four percent (4%) disagree with the statement and three percent (3%) are unsure.

3% 4% 0%   29%

64%

■	1=Strongly Agree
■	2=Agree
□	3=Don't Know
■	4=Disagree
□	5=Strongly Disagree
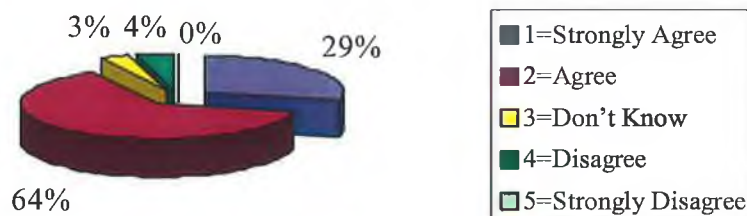
3.2.18   I set my own objectives.

Seventy-six percent (76%) of respondents agree that they set their own objectives. Sixteen percent (16%) disagree with the statement and eight percent (8%) are unsure. A comment from the survey "*Objectives have been discussed between team leader and team member and would be set together.   This would also be the base for the development plan*".

15%   1%   26%

8%

50%

■	1=Strongly Agree
■	2=Agree
□	3=Don't Know
■	4=Disagree
□	5=Strongly Disagree
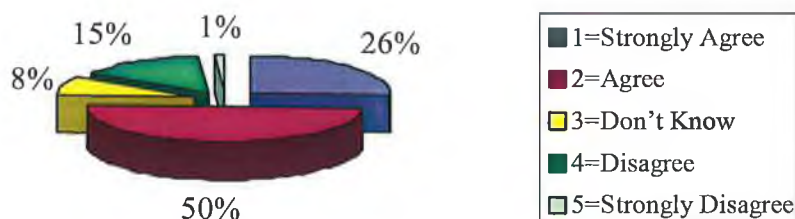
3.2.19   My Team Leader sets my objectives.

Seventy-two percent (72%) of respondents agree that the team leader sets their objectives.   Sixteen percent (16%) disagree with the above statement and twelve percent (12%) are unsure.
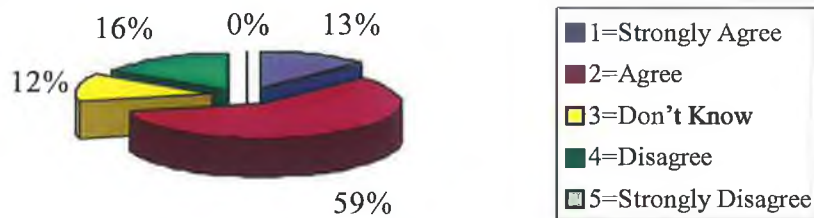
3.2.20   I understand how my objectives fit into the overall objectives of the organisation.

Ninety-seven percent (97%) of respondents understand how their objectives fit into the overall objectives of the company.   Two percent (2%) are unsure and only one percent (1%) disagree with the statement.
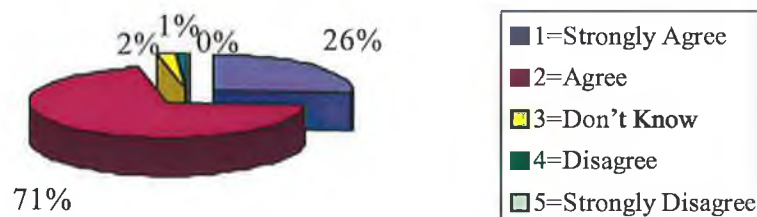
3.2.21 The Performance Management System helps identify areas for development.

Seventy-four percent (74%) of the respondents agree that the PMS helps in identifying areas for development. Ten percent (10%) disagree with the statement and sixteen percent (16%) are unsure.

10% 0% 22%
16%
52%

- 1=Strongly Agree
- 2=Agree
- 3=Don't Know
- 4=Disagree
- 5=Strongly Disagree
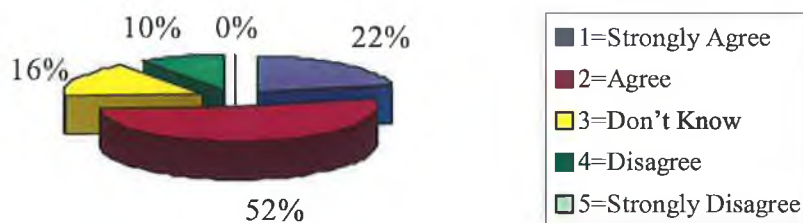
3.2.22 I outline my own Development Plan.

Forty-six percent (46%) of the respondents agree that they outline their own development plan. Thirty-nine percent (39%) disagree with the statement and fifteen percent (15%) are unsure.

2% 16%
37%
30%
15%

- 1=Strongly Agree
- 2=Agree
- 3=Don't Know
- 4=Disagree
- 5=Strongly Disagree
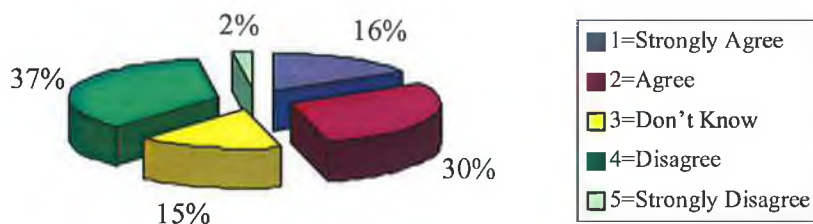
3.2.23   The Team Leader outlines my Development Plan.

Fifty seven percent (57%) of the respondents agree that the team leader outlines their development plan.   Twenty seven percent (27%) disagree with this statement and sixteen percent (16%) do not know.
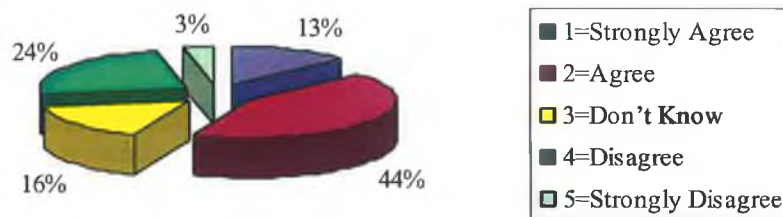
3.2.24   My Development Plan is outlined jointly.

Seventy-one percent (71%) of respondents agree that their development plan is jointly set.   Twenty percent (20%) disagree with the statement and nine percent (9%) do not know.
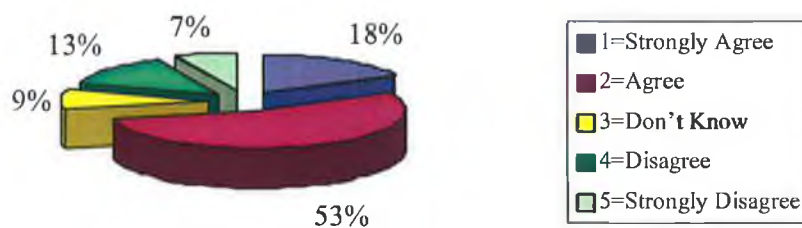
3.2.25 Since participating in the Performance Management process, I have developed personally.

Sixty-three percent (63%) of the respondents feel that the PMS has had a positive impact on their own personal development. Sixteen percent (16%) of the respondents disagree with the statement and twenty one percent (21%) are unsure.
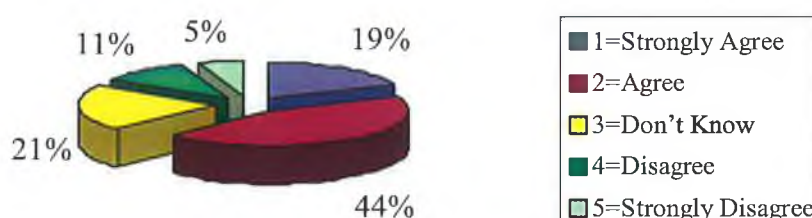
3.2.26 The Performance Review forms are user friendly.

Sixty-four percent (64%) of the respondents feel that the review forms are user friendly and eighteen percent (18%) disagree with the statement and eighteen percent (18%) do not know. A comment from the survey was *"The form has not changed over the last few years. We should change the layout and content from time to time to encourage more feedback. Personnel are just changing the previous form (if completed) and we could be getting a lot more information. Maybe have a different layout after twelve months as more is expected and even another one after two years"*.
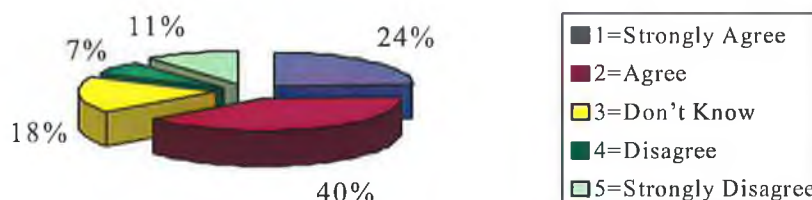
3.2.27   I find the process valuable.

Seventy-one percent (71%) of the respondents feel that the process is of value. Eighteen percent (18%) feel that the PMS is of no value and eleven percent (11%) do not know. A comment from the survey was that the *"Overall I find the performance reviews invaluable in assessing your actual progression in your role".*
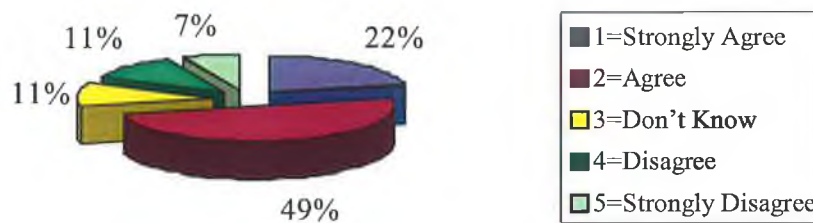
3.2.28   I find the process easy to participate in.

Seventy-one percent (71%) of the respondents find the process easy to participate in and twenty-one percent (21%) disagree with the statement.   Eight percent (8%) do not know. A comment from the survey was *"Compared with similar companies (Pharmaceutical) I have worked in the past, I find the performance management system a bit complicated and cumbersome and time consuming.   Having reviews twice a year in my opinion does not add much value with regard to managing performance and an annual review might be a better way to measure performance".*
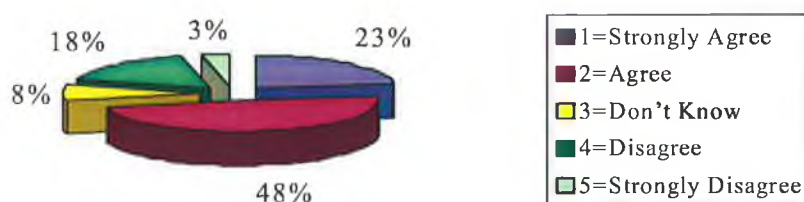
3.2.29   The System is Fair.

Sixty-three percent (63%) of the respondents are in agreement that the system is fair. A negative result of twenty-six percent (26%) believe that the system is not fair and eleven percent (11%) does not know.   Comments from the survey were "*The performance review process is the same for all company personnel, whether at team member, team leader or Director Level.   This is typical how the company operates as a flat level organisation and is very positive approach to performance evaluation in my opinion*".   "*Some work goes unnoticed for some but not for others*".
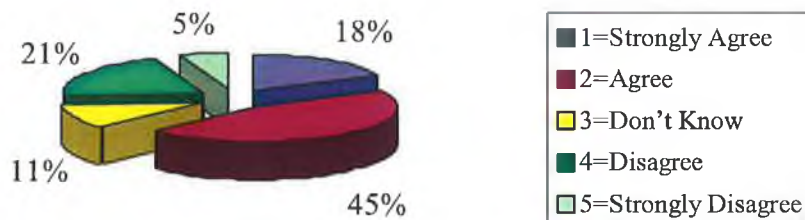
3.2.30   I understand how my rating is determined.

Sixty seven percent (67%) of respondents understand how their rating is determined. A negative result of nineteen percent (19%) do not know how their rating is determined and fourteen percent (14%) are unsure.
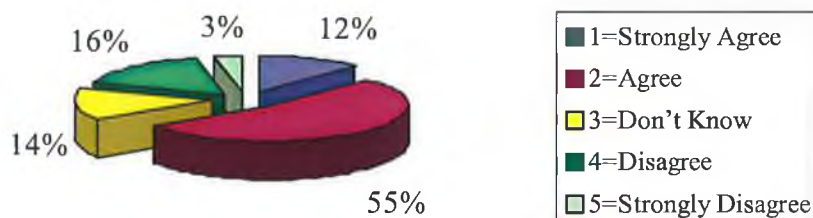
3.3 Survey Sub-Section Results

In the following section the results of the survey are presented, in relation to the sub-sections outlined above. These results are in the form of bar charts.

3.3.1 Communication and Culture

This section relates to the following statements:

    3.2.1   I have one:one performance review meetings with my manager at least twice a year.

    3.2.2   There is honest open two-way discussion.

    3.2.3   I receive regular feedback on how I am performing.

    3.2.4   The Performance Management process supports the Genzyme culture.
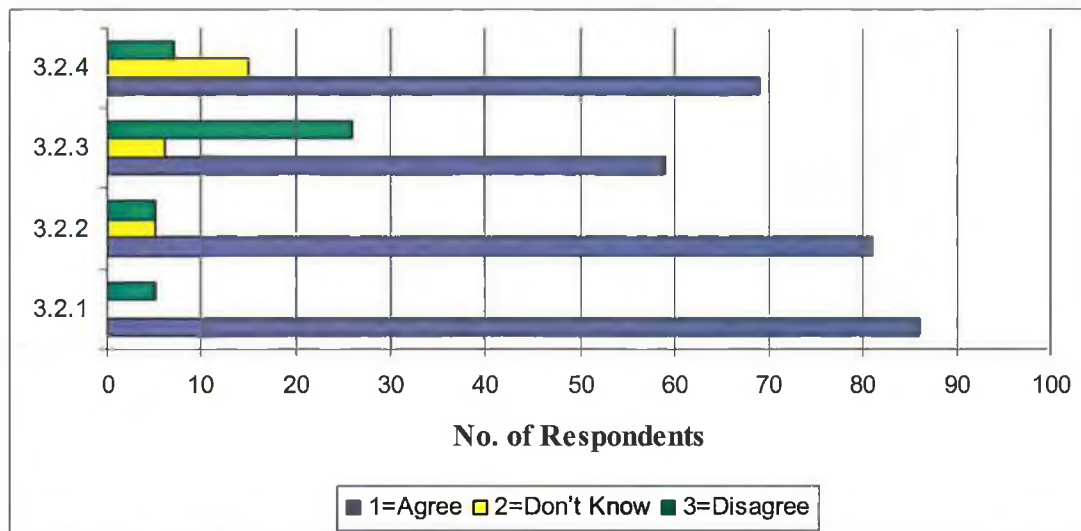
The results of the bar chart for the section of Communication and Culture indicate positive agreement among the respondents that the PMS is supporting communication and the company culture. There is little negativity in this area. However some of the comments from the survey were *"This appears to be the only method of performance communication and an annual 'pat on the back' is not sufficient"* and *"I feel that there is not two way communication at performance appraisal and that team leaders have decided on your result and pay increase before ever the appraisal happens"*.

3.3.2 Performance Related Pay

This section relates to the following statements:

      3.2.5   Poor performance is clearly visible.

      3.2.6   Poor performance is truly not tolerated.

      3.2.7   My performance review for salary adjustment purposes reflects my actual performance.

      3.2.8   It is clear how my annual performance appraisal links to my pay.

      3.2.9   If I had performed poorly I would not expect a pay increase.
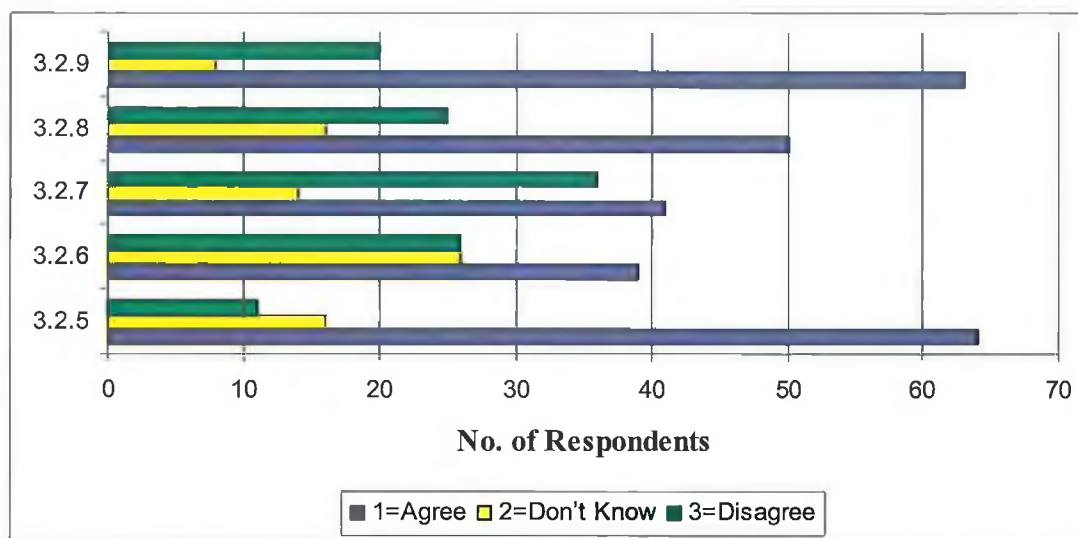
The results in relation to the section on Performance and pay are very much divided particularly in relation to the statement regarding salary adjustment reflecting actual performance. A comment from the survey was "*Pay increases should be site wide, the same people that do not perform are easy to spot and it is therefore easy to deal with a below par performance on a one to one*".   Another comment was that "*good work and initiative are rewarded but the expectations are getting higher and higher and it is very difficult to exceed expectations during the normal course of work*".

3.3.3 Teamwork and Empowerment

This section relates to the following statements:

3.2.10 I can influence decisions which affect me.

3.2.11 I can take appropriate decisions within the context of my job without seeking approval.

3.2.12 Effective teamwork is essential if performance is to be maximised.
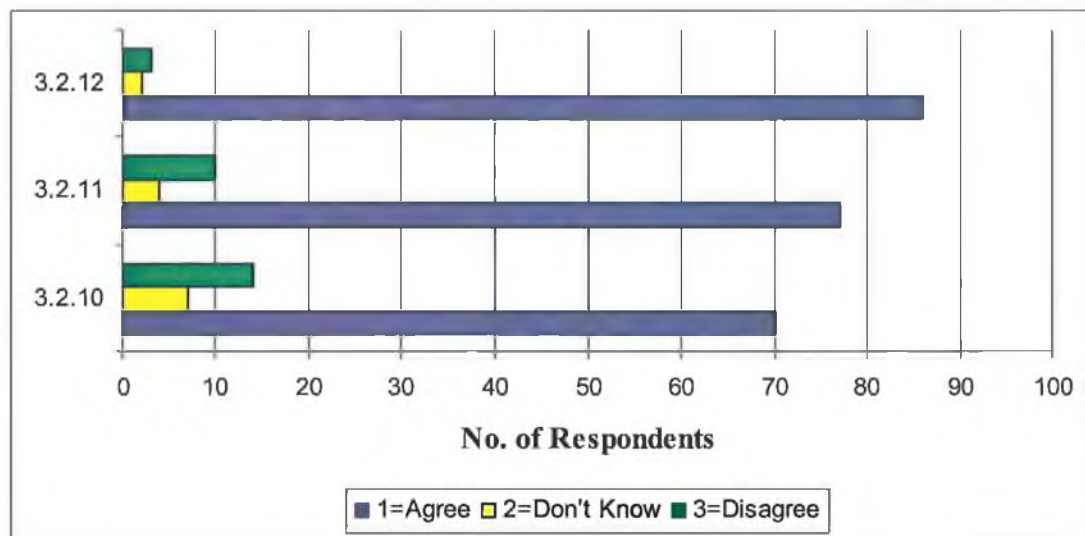
The bar chart indicates another very positive result in the area of teamwork and empowerment with very little negativity.

3.3.3 Goals and Objectives

This section relates to the following statements:

       3.2.13 I understand how my role contributes to the organisation's success.

       3.2.14 I know what the organisation's goals and objectives are.

       3.2.15 I understand how my actions impact on the organisation's performance.

       3.2.16 I understand what my goals and objectives are.

       3.2.17 I know the vision and values of Genzyme.

       3.2.18 I set my own objectives.

       3.2.19 My Team Leader sets my objectives.

       3.2.20 I understand how my objectives fit into the overall objectives of the organisation.
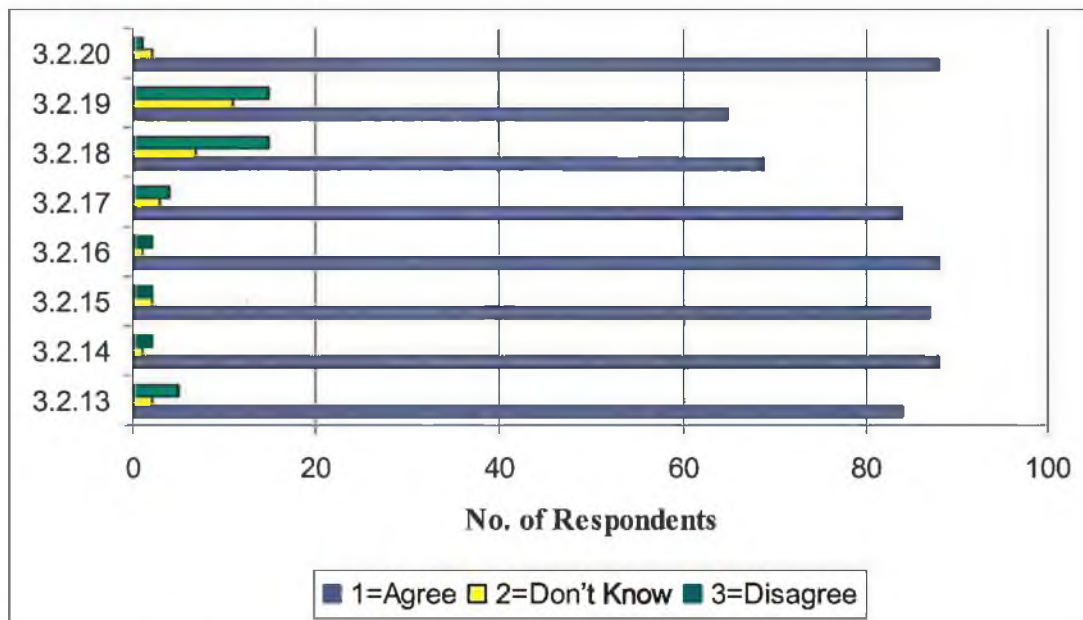
There is a positive correlation between the PMS and both the goals and objectives of the individual and the overall company. There is very little negativity. However, comments from the survey include *"I feel that the ultimate responsibility for objective setting lies with the team leader". "The objectives that are set out at the start of each year are just a copy of the previous years".*

3.3.5 Personal Development

This section relates to the following statements:

3.2.21 The Performance Management system helps identify areas for
development.

3.2.22 I outline my own development plan.

3.2.23 The Team Leader outlines my development plan.

3.2.24 My development plan is outlined jointly.

3.3.25 Since participating in the performance management process, I have
developed personally.

No. of Respondents

■ 1=Agree □ 2=Don't Know ■ 3=Disagree
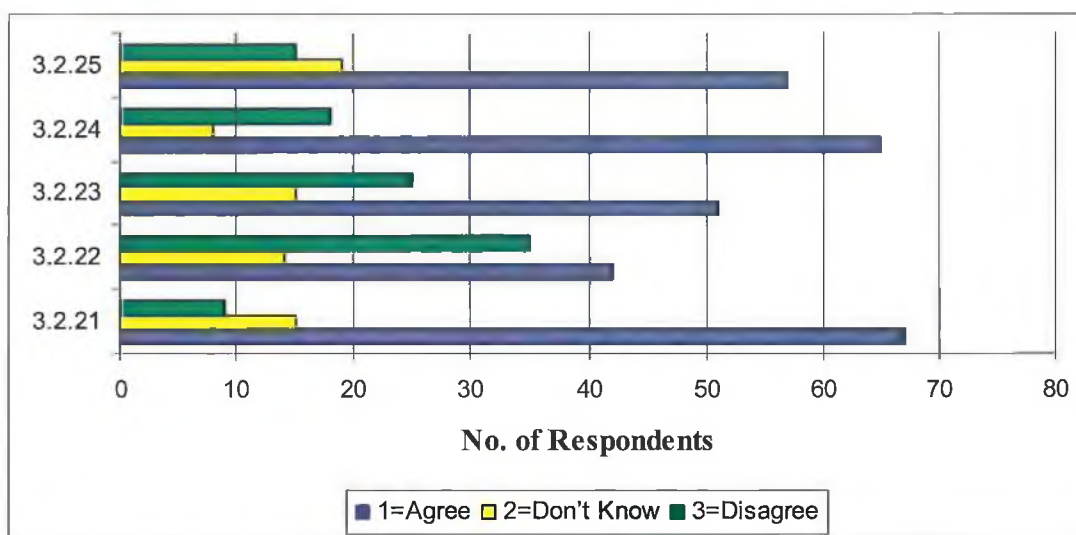
Results represented in the bar chart indicate a positive agreement that the PMS
enhances employee development.   However there is disagreement in relation to who
actually outlines the development plan. A comment from the survey was *"The
objectives that are set out at the start of each year are just a copy of the previous
years.   Targets change but not a whole lot of discussion goes into personal
development"*.

3.3.6 The Performance Management Process

This section relates to the following statements:

3.2.26 The performance review forms are user friendly.

3.2.27 I find the process valuable.

3.2.28 I find the process easy to participate in.

3.2.29 The system is fair.

3.2.30 I understand how my rating is determined.
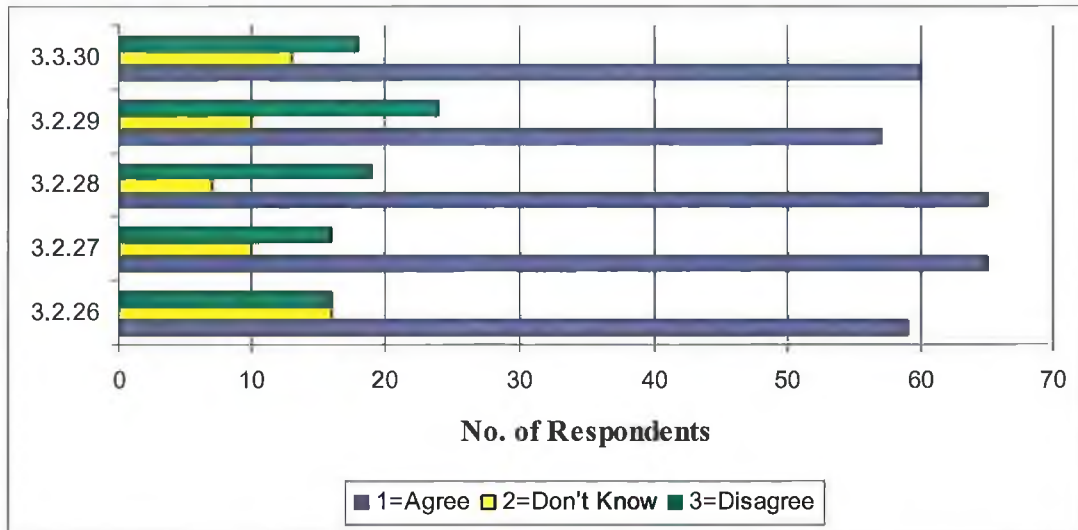
The bar chart indicates that there is a positive agreement in relation to the process itself. One of the comments from the survey was that "*Issues that may come to light in the review are not communicated at the time the issue occurred thus giving the employee no opportunity to resolve the issues prior to annual review thus creating an unfair system*". Another comment was "*I understand why the company use the performance management system and I do feel that if used properly it can be a very valuable process. However, sometimes the process can be focused largely on negative aspects which are in a vast minority rather than focusing or rewarding positive aspects for a job well done*".

3.4 Analysis of the results of the Semi-structured Interviews

Six interviews were carried out, the interviewees were hand-picked and included two Directors, two Team Leaders and two Team Members which represents all levels of the company and six different departments.   They were also selected for their willingness to identify with the aims of the research.   For a complete transcript of the six interviews please see appendix 8.

Six areas of focus were utilised in the interview: Strengths; Weaknesses; Improvements; Development; Pay; Culture.   In presenting the findings from the interviews these six areas will be utilised.

3.4.1 Strengths of the PMS

One of the key strengths which was identified at all levels during the interview process was, how the PMS strengthens and supports communication and in particular the one to one conversations between team leaders/managers and team members.   On more than one occasion it was mentioned that in our busy environment the time is set aside for the appraisal and this is carried out in a manner that is not rushed.   During interview a team leader commented that:

> *"In the hustle and bustle of everyday life it ensures that people*
> *are sitting down and looking at the performance of their teams*
> *and the individuals in their teams".*

Another key strength which was identified by one of the Directors is the fact the process is the same for everyone on site, regardless of what level one is at.

An area of strength identified by a team member is the fact that the process allows for measured feedback on a regular basis.   The fact that the process allows for the individual forms to reviewed by all levels, relevant to the individual, and the visibility that this ensures, is seen as a strength.

3.4.2 Weaknesses of the PMS

At all levels i.e. Director, Team Leader and Team Member, one of the main weaknesses identified during the interviews was in relation to the inconsistency of the PMS both by the Team Leaders and in the application of the process itself. It was felt that some people fill out the form differently to others in that they do not fill in the section which justifies why they have given themselves that particular rating. A comment made by one of the Team Leaders was:

> *"I get the impression from listening to others that different people put different amounts of time and effort into the process".*

It was felt by another team leader that this inconsistency if discussed among team members will result in the deterioration of the quality of the team member/team leader relationship.

Another weakness that was raised was in relation to the fact that the process can be very time consuming and the frequency of appraisals was too often, particularly for the team leaders that have large team numbers:

> *"particularly if you have a lot of new hires as in these instances you will have the 3, 6, 9 and 12 month appraisals".*

The rating system was also raised as an area of weakness both in relation to the five categories and in particular the 'far exceeds' and in the way team members actually rated themselves. One team member commented as follows:

> *"I feel I always do my job to the best of my ability and I am always willing to give 100%, yet I generally rate myself as 'Meets expectations'. I am confused as to how I can exceed my expectations, no one can give more than 100%. What do I need to do or what can anyone do in order to exceed"? The guy that does not put in half the amount of effort as I do but rates himself as 'exceeds' can end up getting more money than I do. The rating system can be seen as being very much money related".*

3.4.3 Suggested Improvements

With regards to suggested improvements these were mainly with regard to the forms and the general content of the forms. One team leader felt that the sections relating to performance improvement and the development plan were confusing. The comment from the team leader was;

> *"The improvement box, does this relate to style of behaviour to*
> *focus on and develop which will make you perform better in your role.*
> *Whereas the development section, is this related to education"?.*

This comment ties in with a comment from a Director:

> *"I feel at times some of the team leaders can shy away from the*
> *personal development and the personal performance sections.*
> *The team leaders may just concentrate on the educational aspects of the*
> *development plan and not specifically pointing out what someone should actually*
> *be doing in their role to improve. The form could probably be more specific at*
> *this point".*

Another suggestion with regard to the form was to include a section where team members could add their comments on how they felt the team was performing and areas for improvement. It was felt this would help get a better understanding of what we need to be doing more of.

The issue of providing training for both team members and team leaders was also raised.

It was also felt that the performance factors need to be reviewed, one suggestion was to provide a menu of 'performance factors' to choose from.

There were several suggestions with regard to the frequency of the performance appraisals. Abbreviating the six and nine month review was one suggestion. It would be great if the 6 and 9 month reviews were abbreviated. Replacing one of the reviews with a verbal one to one without the forms was another suggestion.

> *"it is the conversation which matters".*

3.4.4 Personal Development

With regard to the PMS being utilised as a development tool the view was generally positive. Being rated under each of the eight sections it was felt gave the team leader the opportunity to identify strengths and weaknesses. It helps the team leader critically look at how people are behaving and identify ways of further developing them. The feedback from the appraisal process gives the opportunity to find out what an employee needs to do to get on within their team and within the company itself.

From the perspective of a team leader, it was felt that it gave the team leader understanding of how the team member would like to develop their career and as a result facilitate this where possible".

Another interesting comment from a team member was in relation to the development plan supporting succession plans in that, the PMS gives the management team the opportunity to feel the ground and see what potential is in the company.

A comment from one team leader summed up the whole area of development:

> "I feel the development action plan at the end of the form is the secret
> to the process. It aids reviewing the performance, looking at the
> positives and the negatives to identify a gap analysis. It gives clear
> direction as to what needs to be done in order to maintain and improve
> performance. The development plan should be reviewed at each
> appraisal to ensure that the plan is actually being adhered to, but I do not think
> this is being done and if this is the case, then who should be made accountable?
> It is a critical step and I feel we are not at this stage yet".

3.4.5 Performance Related Pay

Results from the interviews as with the survey were generally mixed. The positive views were that the PMS helped determine the level of pay. It was felt that the system highlights and rewards the good performers.
One interviewee out of a rating of one to five gave a rating of four, if used properly.

On the negative front it was felt that while the PRP can be a strength of the system it could also be a weakness and a case of just ticking the boxes and getting a pay rise'.

One team member felt that the PRP was merely a negotiation process and dependant on the ability of the team leader to negotiate the overall rating. The comment made was:

"I have never managed to negotiate pay but I know others have".

Another comment was:

"I do not see a strong link between pay and the review process.
I want to do a good job regardless. In general I do not think someone
is going to really work hard just to get an extra one percent of a difference. Job
satisfaction and security are much more important".

3.4.6 PMS and Culture

The findings from the interviews again supported the findings from the survey. Overall the view was positive. In general it was felt that the PMS has a positive impact on the culture of the company. The view was that the PMS supports the 'design principles' particularly in that it very much encourages communication, valuing the individual, and transparency in decision making.

One of the Directors, felt that the PMS reinforces the way of we business and suggested that the company needs, to consider how we can use the information that we get from this research.

"I am not sure that the appraisal system we have per se affects the culture of the
company any more that any other system we have. I feel the culture we have, was
established at start up by the Senior Directors. I think it is a novel approach and I have
never come across it before. The Directors are very people orientated. The culture
allows for diverse people. The freedom to achieve is 100% and also respect is 100%. I
do not think this has anything to do with the PMS, having said that the system does
support two way communication".

It was felt the PMS dealt with the values of the company at one point or another. Another view was that if an individual was not up to standard in what is believed to be our culture, the PMS provided a clear way of documenting this and how it can be improved upon.

The culture of the company is built around teamwork and it was suggested that the PMS helps to build teams, where the focus is not just on the individual which can lead to a culture of *'Prima Donnas'*.

3.5 Conclusion

The results of both the survey and the interviews has provided an interesting and sometimes very frank insight into the performance management system being used by the company in question.

The survey provided the quantifiable data the transcripts from the semi-structured interviews provided the qualitative data, which, broadens and develops a deeper understanding of the information gathered. The results will be discussed in the next chapter.

Chapter Four

Analysis & Discussion

Chapter Four
Analysis and Discussion

4.1   Introduction

The aim of this penultimate chapter is to discuss the primary research in light of the earlier observations made within the literature review.

In order to facilitate the evaluation of the PMS and to provide greater clarity to the research findings, the discussion will concentrate on the six sub-sections outlined in the primary research as follows: Communication and Culture; Performance and Pay; Personal Development; Goals and Objectives; Teamwork and Empowerment; The PM process.

4.2   Communication and Culture

Two-way communication and valuing the individual are two of the design principles, which support the company culture, outlined in appendix ?.   One of the main objectives of the PMS in the company is to facilitate the one to one discussion between employees and their managers.   The results from the survey indicated a very positive result and this was supported by the information from the interviews as one of the main strengths of the PMS identified was the opportunity that the PMS provided to have the two-way conversation.   Ninety five (95%) of the respondents agreed that the reviews were happening.

Armstrong and Murlis (1988) state that the performance review meeting is the basis for assessing contribution, competence and continuous development.   The review meeting provides the means through which the primary performance elements of measurement, feedback, positive reinforcement, exchange of views and agreement can be put to good use.

However, Armstrong and Murlis also highlight the fact that when behaviour which leads to improved performance is recognised, positive reinforcement should be provided.

The objective is to recognise the performance improvement as soon as possible after the event. Likewise poor performance should be discussed immediately and constructively in order for learning and improvement plans to be agreed. There should be no element of surprise in the performance review meeting.

The one area of negativity both from the survey and from the interviews was the fact that for some employees the performance review was the only form of communication and performance issues were not addressed until the time of review, which sometimes added the element of surprise.

4.3 Performance Related Pay

In many performance management systems, PRP is an important element as it is believed to motivate; deliver the message that performance and competence are important and it is thought to be fair to reward people according to their performance, contribution or competence (CIPD 2004)

The section on PRP was the one section in which there was a divide in attitudes and levels of satisfaction. Forty-five percent (45%) of the respondents agree that their salary adjustment reflects their performance and forty percent (40%) disagree. The results from the two statements 'Poor performance is clearly visible' and 'Poor performance is truly not tolerated', added an element of contradiction. Seventy percent (70%) of the respondents agreed that poor performance was visible but only forty-three percent (43%) agreed that poor performance was not tolerated, which suggests that poor performance is not always addressed. This raises an element of concern as according to IBEC (2002) poor performance may be the result of bad management, inadequate leadership or defective working systems. However, the main reason for poor performance is the failure of those at the top of the organisation to establish well-defined and unequivocal expectations for superior performance. Charles Handy (1989) stated that managing poor-performers concerned "applauding success and forgiving failure".

According to Armstrong and Murlis (1988) PRP provides for an increase in base pay, governed by a rating against criteria such as performance. This theory contradicts a comment from a team member during interview when they said:

> *"I have got great reviews in the past where I have got three 'exceeds' and three 'far exceeds' but the pay rise I received was poor in relation to the overall review. That particular year I got no adjustment because of the level of pay which I was on, but someone else, who did not put in as much effort got a salary adjustment to bring them up to the required level as **their base was lower**. Regardless of the base, the pay rise I get is not a reflection of the effort I put in".*

Some of the comments from the interviews and the results from the survey support Kohn's (1993) theory when he suggests that pay is not a motivator. On more than one occasion this was voiced by individuals taking part in the primary research, one interviewee said *"Personally it does not drive me. I want to do a good job regardless. In general I do not think someone is going to really work hard just to get an extra one percent of a difference. Job satisfaction and security are much more important".* Interestingly enough twenty-one percent (21%) felt they should get a pay increase regardless of their performance.

Armstrong and Murlis (1988) puts forward the agrument that PRP motiviates employees.
This view is supported by sixty-nine percent (69%) of the survey respondents who agreed that if they had performed badly they would not expect to be paid, thus establishing the clear link they place on performance in relation to pay.

The results from the primary research support the view of IBEC (2002) when they suggest that PRP remains one of the most problematic areas in relation to performance management.

4.4   Teamwork and Empowerment

The concept of empowerment according to Armstrong and Murlis (1988) can be described as giving people the scope to exercise control and responsibility for their work.   It implies helping them develop the skills and knowledge needed to maximise their contribution to the satisfaction of the organisation and themselves.   A performance management process with its emphasis on dialogue about work, roles and development, enables an organisation to do this.

As we have seen from the section on communication and culture there is an emphasis on dialogue through the one to one performance review meetings.   The results from the survey were extremely positive with regard to empowerment and teamwork.   Seventy-six percent (76%) of the respondents felt they could influence decisions which affected them and eighty-five percent (85%) agreed that they could make appropriate decisions without seeking approval.   The structure of the company is one that is flat and flexible and according to (re-engineering) in this circumstance it is necessary to create an 'empowering climate'.   Also in the literature review the underlining philosophy of performance management was based on several concepts, one of those was 'empowering your people through the performance management process'.

Ninety-five percent (95%) of the respondents felt that effective teamwork was essential if performance was to be maximised.   This result indicates the value and importance individuals place on teamwork.   Armstrong and Murlis (1988) maintain that performance management can enhance teamwork by setting team objectives and the members of the team to jointly review the progress in achieving them.   However, a comment from the interview process with regard to teamwork was that the process did not allow the whole area of teamwork to be captured or documented in relation to how the team was performing or suggesting ways of improvement.

4.5   Goals and Objectives

"Effective performance management provides a basis for the communication to all employees of the organisation's mission, values and objectives.   The mission statement provides the framework for the organisation's strategies and goals and these can be transmitted and discussed with employees through the PM process. The organisation's values can be built into output and behaviourally-based objectives at all levels and one to the key factors assessing performance will be extent to which the individual's behaviour upholds these values" (Armstrong and Murlis, 1988 p 212)

The results of the survey were very positive in relation to the whole area of goals and objectives.   Ninety seven percent (97%) of the respondents agreed that they both knew and understood the goals and objectives of the company and ninety-three percent (93%) understood how their role contributed to the success of the organisation.   With regard to the vision and values of the company again ninety three percent (93%) of the respondents agreed they knew what these were.   The values chosen by the company as outlined in appendix are intended to guide all employees in doing their jobs and most importantly in how people work together on a day to day basis.

There is no point in defining core values according to Armstrong and Murlis (1988) unless a deliberate attempt is made to communicate them and to take the appropriate actions to ensure they are a reality and not just *'a string of pious platitudes'*.

Probably one of the most important aspects of the performance review process is the participation in the setting of performance objectives (Korsgaard & Roberson, 1995). According to Gunnigle (2002) the setting of objectives is the foundation of the performance management process and for it to be effective objectives need to be achievable and agreed between managers and their employees.

Ninety seven percent (97%) of the respondents agreed that understood their objectives, again a very positive result.   Seventy two percent (72%) said their manger set the

objectives. This coupled with a comment from the survey *'objectives are discussed between the team leader and the team member"*, suggests that, as suggested by the literature the employee and the manager share an equal input.

Heathfield (2000) believes that managers are in no position to set work objectives and if employees have any work objective at all, most people set their own.
However Egan (1995) points out, that employees need direction in doing their job and individual objective setting is a means to an end.

Another area for concern again, highlighted from both the interview and the survey was that setting objectives can be just a matter of cutting and pasting from one year to the next. This comment contradicts the opinion of Gunnigle (1997) which is that in order for objective setting to be effective, and realistic to the employee and ultimately aim to achieve the overall strategic goals of the organisation; management and employees must communicate and work together to set attainable and meaningful objectives.

4.6 Personal Development

If development is not valued by the company, then performance improvement is a fiction and the PMS cannot work (Egan 1995).

The results overall for the area relating to personal development were positive both from the survey and in particular from the semi-structured interviews. At Director level, team leader level and team member the opinion was that the section on the performance review forms was one of the strengths of the process. Seventy four percent (74%) of respondents agreed that the PMS helps in identifying areas for development and sixty three percent (63%) felt that they had developed personally since participating in the PMS process. There was only sixteen percent of the population who felt that they had not developed. This indicated that there is a commitment to employee development and supports the design principle in relation to the learning organisation.

Garvan, Costine and Heraty (1995) suggest that a certain amount of responsibility for continuous employee development lies with the line managers. They maintain that adequate training must be provided to enable employees to perform and also employees should be given the opportunity to develop their ability and potential.

This view is supported by the results from the survey, whereby, seventy two percent (72%) of the respondents from the survey agreed that it is a joint process between the team leader and the team member in relation to outlining the development plans.

Armstrong and Murlis (1988) believe that the PM process should be as much about developing as it is about rewarding them. Developing people skills and the provision of opportunities for growth are a total part of the reward process.

Personal development is an intrinsic reward and is viewed by some and being more important than the extrinsic reward of pay.

4.7   The Performance Management Process

Reading the results from the survey the results in relation to the process itself appeared to be positive. All statements in this section had positive results of sixty three percent (63%) and over. There was a firm agreement that one of the major strengths of the process was the facilitation of the one to one conversation through the performance review meetings.

However, this is one of the areas where using the triangulation of methods gives a more in-depth view of the underlying issues. The general consensus of the interviews was that the process can be time consuming, the forms can be tedious and the need for four reviews in the first year at times was at time considered overload. Also what emerged from the interviews was concern with regard to the ratings which are currently being used.

There is a danger of turning the process into a bureaucratic exercise according to Armstrong and Murlis (1988) if elaborate forms are being used. They suggest using basic documentation for reference purposes only. They also emphasise that it is the process that counts and not the design or elegance with which the forms have been completed. This view is supported by a comment from one of the survey's where an employee identified the 'key' to the process was the 'conversation'.

In relation to the review meetings Armstrong and Murlis (1988) suggest that it is important not to over emphasise the importance of the formality of the review process and it should be treated as part of normal good management practice to be carried out when required. But they do not disgard the importance of the annual for half-yearly review.

Gunnigle et al (2002) found that it is difficult to achieve consistency with rating scales due to the fact that they are highly subjective and some appraisers will be more generous than others, while others will be harder on their employees. Armstrong (1995) refers to these as the 'swan' and the 'goose effect'.

However, sixty three (63%) of the respondents did agree that the system was fair, a good result in light of the subjectivity which can be related to PM. Seventy one percent (71%) found the process valuable and the research feels this was evident with the return of ninety one percent (91%) of the surveys.

4.8   Summary

The findings from the primary research and the secondary research have been discussed and analysised in this chapter. On occasion the researcher found that the primary research may have highlighted particular aspects of PM that may not have necessarily been covered in great detail in the literature review. This discussion afforded the researcher the opportunity to expand on these aspects.

It is important to develop the linkages between the various stages of the study so as to evaluate the performance management system being utilised by the company in question. The 'triangulation of methodologies' has facilitated the cross checking of the information gathered, for the existence of certain phenomena.

Chapter Five

Recommendations
&
Conclusions

Chapter Five

Conclusions and Recommendations

5.1   Introduction

The objective of this research was to evaluate the current Performance Management system used in the chosen pharmaceutical company and in doing so, establish

- Is the system is meeting the original objectives?
- If the system will meet future requirements in view of the potential growth of the company.
- What, if any changes need to be made.

The role and importance of PM formed the overall objectives of the study.
Through the survey and the interviews the current process being utilised by the company in question was analysised.

In order to examine performance management it was necessary to establish the criteria against which the process can be evaluated.   In this context, an attempt has been made to draw out common themes from the literature in a way that makes sense of some of the complex aspects of PM.

5.2   Literature Review Conclusions

The literature review highlighted how important and benefical it is for organisations to have an effective PMS.   Performance Management is not a new concept and has been developed and enhanced over the years from the old merit rating systems to the strategic and integrated approach of the current processes.

It was noted in the literature that there is no 'one best approach' to performance management and there is a wide variety of methods to choose from.   There are many different aspects to performance management and given the scope of this dissertation it would not be feasible to cover all aspects and approaches to performance management.

However, it is hoped that the researcher has provided a 'central' theme behind the concept of the subject and an overview of what the process involves and some of the outcomes such as employee development and performance related pay.

The available literature in general, provided a very positive overview of the subject. The overall effectiveness of performance management is dependant on several variables such as the structure and culture of an organisation, the commitment to the process and the ability of the key players to carry out the process in a fair and equitable manner.

5.3   Primary Research Conclusions

The results gathered from the survey and the interviews, were overall very positive in relation to the performance management system currently being used by the company. At the time the PMS was introduced into the company, the company was a 'greenfield site' The original objectives of the PMS were primarily to facilitate one to one conversations between team members and their managers/team leaders and also link the process to 'performance related pay'.   Through the process it was hoped to establish an organisational culture whereby individuals and teams would take responsibility for improvement of business process and also take ownership of their own development and skills.   The process was also to be used as a tool to reinforce the organisation's vision, values and to align individual goals and objectives with those of the company.

In answering the first objective of this study, Is the system meeting its original objectives? the results would indicate very positively in favour of this question. With regard to the one to one conversations this emerged as one of the major strengths of the process.   Linking the process to performance related pay was perhaps the only area that there was a slight mix in the opinions.   But as the literature review highlighted this is one of the most problematic aspects of performance management.   Critics in the field of performance management suggest that employers abandon any link to pay and focus on employee development.   However the findings do not raise any alarms for the

company and the subject of pay is so sensitive to employees it can be expected that there are bound to be different levels of satisfaction.

The results of the primary research would find that, yes; overall the performance management is meeting its original objectives.

However, in light of potential growth will the process be sufficient? From the results of the interviews there are some underlying issues with regard to the process in that it is found to be time consuming and tedious. Given the future potential growth, numbers on teams will be increase, the frequency of the performance reviews and the process itself may not be able to cater for this growth.

5.4 Limitations of the Research

The author did not encounter any limitations to the study per se. The nature of the subject lends to a great deal of sensitivity. Due to the complexity of the subject, the numerous aspects of the subject and the vast amount of available literature, it was felt that the most meaningful result would be achieved by taking a narrow focus on the current practices engaged by this company and comparing them to the most widely espoused theory.

5.5 Recommendations

Based upon the concerns that were raised both through the survey and interview processes I believe that there is a perception that the process is not administered across the organisation in a consistent manor. I would therefore suggest that the company address this issue in three ways:

1. Provide further training across the management team in the application of the process providing ample opportunity for them to interact with each other to "compare notes" on the approach they take.
2. Ensure that all employees have a full understanding of how the process works and how they feed into that process. It is important in this instance to provide a

clear and safe path forwards to appeal for those who feel that they have been unfairly treated.

3. Monitor the evaluation documents and consistency of performance ratings at director and at HR level. This should provide a mechanism whereby significant anomalies can be detected.

Further training of the management team on how to address poor performance within their teams, while giving the employees an understanding of the confidential nature of the performance management process should alleviate the concern among employees that poor performance is not being addressed.

As the company clearly links pay to performance it is essential that there is consistency across the organisation in how performance ratings are allocated to employees. I would therefore recommend that the company ensure this consistency through not only comparing an employee's performance with their objectives, but by:

1. Benchmarking employees performance and contribution across the organisation with that of other employees without risking each employees confidentiality

2. Benchmarking the level of objectives being set across the organisation so that all employees feel that the same level of expectations applies to them and all their peers respectively.

On the issue of pay I also suggest that the company educate the employees so that they fully understand how pay for performance works within the company differentiating between pay for performance and pay rise for performance. Coupled with a grounding in how pay scales and structures are determined this should address both the concerns of employees who feel that hey are not being adequately rewarded for their performance and the ideas of those who believe that they should receive continuing pay rises regardless of their performance levels.

Another issue that became apparent through the research, further highlighted as a possible pitfall by the literature reviewed is the frequency of the formal reviews in the

first year of employment. This places an overemphasis on the completion of a formal process and detracts from what should be a meaningful conversation.

I recommend in this instance that the company abandon the formal reviews on the third and sixth months of employment. Instead, managers should be encouraged to focus on more regular but informal one-to-one discussions providing and receiving open and honest feedback concerning the employee's performance and development giving the employee an opportunity to request help and guidance where required.

Coupled with this I would encourage the company to modify the form to make it simpler and more strait forward. As identified already in discussion, the key to the process is a meaningful conversation and the form should be complimentary to this conversation rather than detracting from it.

The objectives should be captured in writing but the manager should talk through them explaining that if some repeat themselves year-on-year, why that is so. Also, as we have identified the importance of teamwork to the organisations performance both through the literature and the on-site research, the company should ensure that teamwork is captured as part of the objectives and that there is congruence between the individual employees objectives and those of the team as well as those of the organisation. Employee behaviour that supports teamwork and the success of the team should be recognised and rewarded as part of the review process.

5.6   Further Research

Carry out full case studies with other pharmaceutical organisations would give a better insight into the performance management systems being used in other companies and provide an effective tool to benchmark best practices.

For a more in-depth analysis use the demographics of the population size in order to establish if there were there any distinct trends amongst for e.g. departments, those in their first job or those in their third job etc

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Appendices

Appendix 1 – Core Values
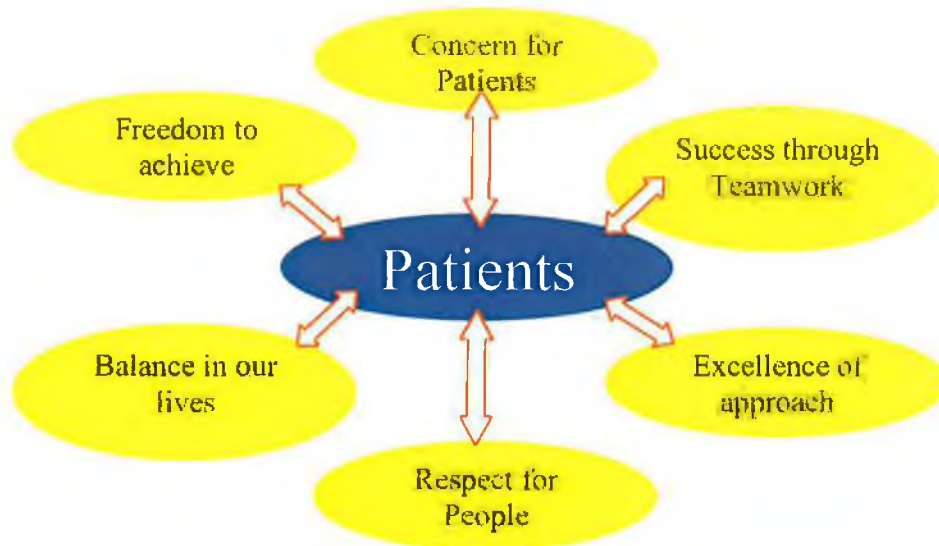
Appendix 2 – Design Principles

The design principles were condensed into the following primary headings:

◆ Safety first
◆ Open two way communication
◆ Flat, flexible team based structure
◆ Transparent decision making
◆ World Class performance & measurement
◆ Clear recognition and competitive reward systems
◆ Work Life balance
◆ Learning Organisation
◆ Valuing the individual

Appendix 3 – Methods of Performance Appraisal

1. **Comparative Methods**

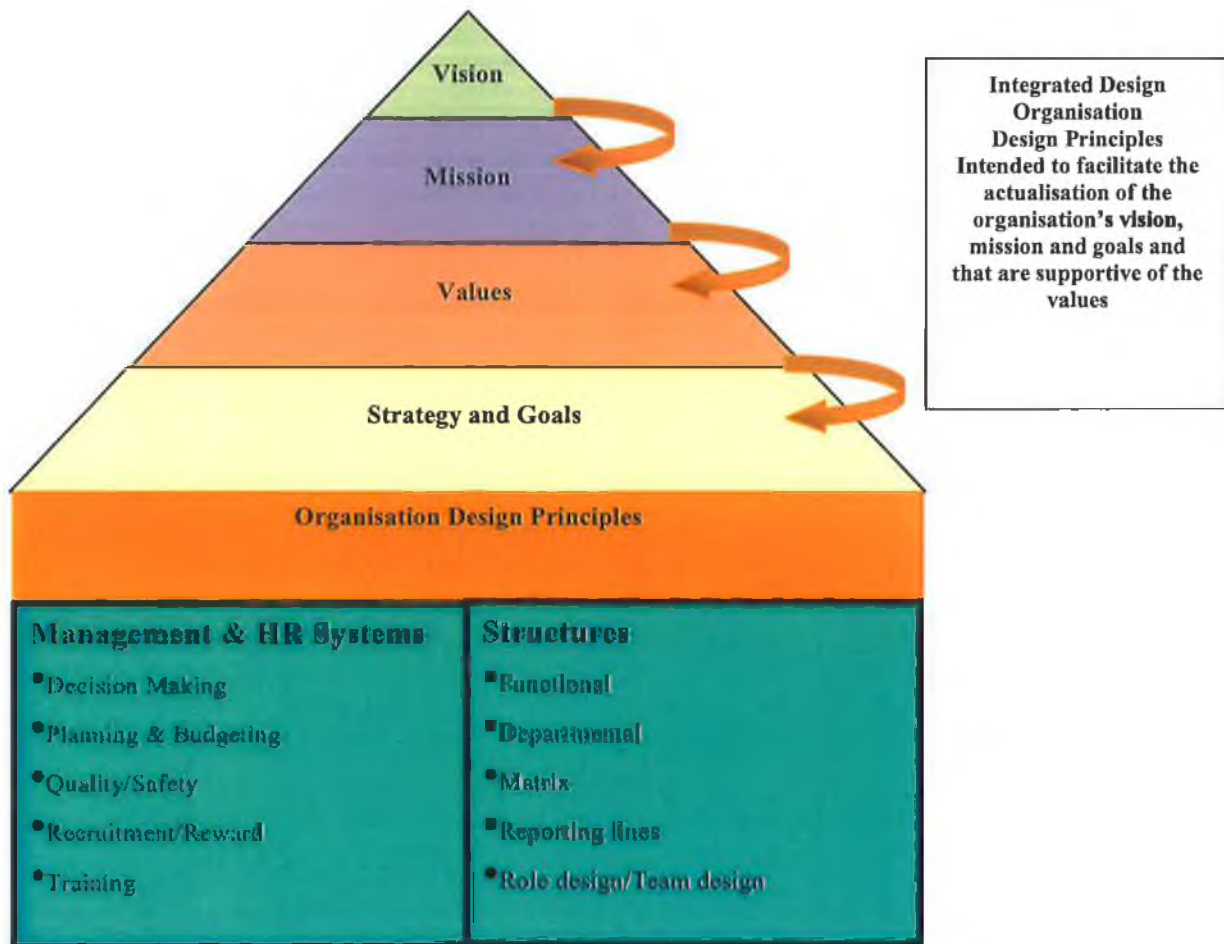   Paired comparisons -where managers assess pairs of individuals

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

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

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

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

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

3. **Critical incident techniques**

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

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

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

5. **Results orientated method**

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

6. **Self assessment**

   Self assessments are used generally to identify training and development requirements.

Appendix 4 – Cover Letter for the survey

27th June 2005

Dear Participant,

At present I am in the process of completing my degree and as part of this I am writing a dissertation for the National College of Ireland on the subject of Performance Management. For this purpose I am evaluating the Performance Management System currently being carried out in the company.

Please find attached a short questionnaire. I would appreciate your honest feedback in completing this questionnaire, the results of which will be correlated to give a general overview of the Performance Management System.

I will present the outcome of my dissertation to the Senior Management team. As part of this presentation I will be sharing an overall summary of the feedback from the questionnaire.

Please note that all questionnaires are anonymous.

Your participation is greatly appreciated.

Thank you

Siobhan Kennedy

Appendix 5 - Survey

Please tick ✓ the appropriate box

How long have you been with Genzyme?

| 3 - 12mths | 1 - 2 yrs | 2 - 3 yrs | 3 yrs + |

Gender?

| Male | Female |

Age?

| 18 - 25yrs | 25 - 35yrs | 35 - 45yrs | 45yrs + |

How many previous industrial jobs have you had?

| 0 | 1 | 2 | 3 + |

Current department?

| Manufacturing | Quality | | Other |

Please read the statements below and indicate your answer by marking your choice option as follows:

1 = Strongly Agree
2 = Agree
3 = Don't Know
4 = Disagree
5 = Strongly Disagree

COMMUNICATION AND CULTURE

1. I have one:one performance review meetings with my manager at least twice a year.

   1   **2**   **3**   **4**   **5**

2. There is honest open two-way discussion.

   1   **2**   **3**   **4**   **5**

3. I receive regular feedback on how I am performing.

   1   **2**   **3**   **4**

4. The Performance Management process supports the Company culture.

1   2   3   4   5

PERFORMANCE & PAY

5. Poor performance is clearly visible.

1   2   3   4   5

6. Poor performance is truly not tolerated.

1   2   3   4   5

7. My performance review for salary adjustment purposes reflects my actual performance.

1   2   3   4   5

8. It is clear how my annual performance appraisal links to my pay.

1   2   3   4   5

9. If I had performed poorly I would not expect a pay increase.

1   2   3   4   5

EMPOWERMENT AND TEAMWORK

10. I can influence decisions which affect me.

1   2   3   4   5

11. I can take appropriate decisions within the context of my job without seeking approval.

1   2   3   4   5

12. Effective teamwork is essential if performance is to be maximised.

1   2   3   4   5

GOALS AND OBJECTIVES

13. I understand how my role contributes to the organisation's success.

| 1 | 2 | 3 | 4 | 5 |

14. I know what the organisation's goals and objectives are.

| 1 | 2 | 3 | 4 | 5 |

15. I understand how my actions impact on the organisation's performance.

| 1 | 2 | 3 | 4 | 5 |

16. I understand what my goals and objectives are.

| 1 | 2 | 3 | 4 | 5 |

17. I know the vision and values of the company.

| 1 | 2 | 3 | 4 | 5 |

18. I set my own objectives.

| 1 | 2 | 3 | 4 | 5 |

19. My Team Leader sets my objectives.

| 1 | 2 | 3 | 4 | 5 |

20. I understand how my objectives fit into the overall objectives of the organisation.

| 1 | 2 | 3 | 4 | 5 |

DEVELOPMENT

21. The Performance Management system helps identify areas for development.

| 1 | 2 | 3 | 4 | 5 |

22. I outline my own development plan.

| 1 | 2 | 3 | 4 | 5 |

23. The Team Leader outlines my development plan.

    1   2   3   4   5

24. My development plan is outlined jointly.

    1   2   3   4   5

25. Since participating in the performance management process, I have developed personally.

    1   2   3   4   5

THE PERFORMANCE MANAGEMENT PROCESS

26. The performance review forms are user friendly.

    1   2   3   4   5

27. The system is fair.

    1   2   3   4   5

28. I find the process valuable.

    1   2   3   4   5

29. I find the process easy to participate in.

    1   2   3   4   5

30. I understand how my rating is determined.

    1   2   3   4   5

Comments

_____

_____

_____

Appendix Six – Additional comments from the survey

I think performance reviews are not good for any company. Most people I talk to hate doing them and feel it puts a barrier between the team leader and the team member. Pay increases should be site wide the same people that do not perform are easy to spot and it is therefore easy to deal with a below par performance on a one to one.
Service: 2 – 3 yrs: Gender: Male: Age: 35-45yrs: Prev Jobs: 3+: Dept:Maintenance

I think that too much emphasis is placed on the annual review. Issues that may come to light in the review are not communicated at the time the issue occurred thus giving the employee no opportunity to resolve the issues prior to annual review thus creating an unfair system. This appears to be the only method of performance communication and an annual 'pat on the back' is not sufficient and I think the whole process is demoralising and demotivating. A monthly one on one without the form would be much more beneficial. On the plus side, good work and initiative are rewarded but the expectations are getting higher and higher and it is very difficult to exceed expectations during the normal course of work.
Service: 1-2yrs: Gender: Female: Age: 25-35yrs: Prev Jobs: 3+: Dept: Quality

I feel that the performance appraisal system is valuable and I do agree that people are involved in setting objectives; however, I feel that the ultimate responsibility for objective setting lies with the team leader. I feel that there is not two ways communication at performance appraisals and that team leaders have decided on your result and pay increase before ever the appraisal happens.
Service: 2-3yrs: Gender: Female: Age: 25-35yrs: Prev. Jobs: 0: Dept: Other

I understand why the company use the performance management system and I do feel that if used properly it can be a very valuable process. However, sometimes the process can be focused largely on negative aspects which are in a vast minority rather than focusing or rewarding positive aspects for a job   well done.
Service: 2-3yrs: Gender: Female: Age: 25-35yrs: Prev Jobs:0: Dept: Maintenance

I think the Performance Management System is poor. It gives three areas, does not meet expectations, meets expectations and exceeds expectations. It does not provide percentages as to where you fall within these sections or how near you are to the next one. It does not give any indication as to how one person decides they fall into, then what are the keys? How does an employee move into the next section? It provides no motivation whatsoever. If there was a table within each indicating if you receive a certain percentage then you receive €x, it would be better.
Service: 1-2yrs: Gender: Female: Age: 25-35yrs: Prev Jobs: 3+: Dept: Other

Not a strong definition of what behaviours differentiate Meet/Exceed and Far Exceed performance ratings.
Service: 3yrs+: Gender: Male: Age: 25-35yrs: Prev jobs: 2: Dept: Manufacturing

There is too much overlapping of pay bands in performance evaluation. Why should one person determine whether you can earn more money? Yes, learning and development opportunities are great but why should you work seriously hard on tasks and duties not scoped out in your goals and objectives and no pay increase or recognition of doing well on these or any tasks. Maybe it is not the system!!
Service:1-2yrs: Gender: Female: Age: 25-35yrs: Prev jobs: 1: Dept: Other

The performance management system is a strange one, at times. There are five areas which describe your performance i.e. far exceeds expectations, Exceeds expectations etc. What can be annoying is when you exceed your expectations but you are at the lower end of exceeds, this is like saying you did great but could have done better. Why not just give a 'Meets expectations'? Also the monetary motivation/reward system may require a bit of work. The incremental bonus amount of actually getting a far exceeds and exceeds expectations is miniscule when you put into our bonus mechanism. So in effect you could put in a great deal of effort for an overall tiny percentage of an award in your bonus. This makes no sense to me.
Service: 2-3yrs: Gender: Male: Age: 25-35yrs: Prev Jobs: 2: Dept: Other

Performance reviews are never on time. After final decision has been made on team members performance level, this I think cannot be changed even after a two-way discussion with the team leader. Judging people's quality should be documented to accurately decide what level of quality the team member is at? How can team members be judged from memory in the space of six months in quality issues and also a lot of hard work goes unnoticed by team leaders?
Service: 3-12mths: Gender: Male: Age: 18-25yrs: Prev Jobs: 2: Dept: Manufacturing

It is a slow process, time consuming and I do not personally think a grade can   be changed if you feel it is unfair once you have had your review.   Some work goes unnoticed for some but not for others.
Service: 1-2yrs: Gender: Male: Age: 18-25yrs: Prev jobs: 3+: Dept: Manufacturing

The only concern I would have about the performance review process here is   the fact that if you disagree with any points or comments raised by your team leader, there appears to be no one else that you can discuss it with, your team   leader has total control.
Service: 2-3yrs: Gender: Female: Age: 35-45yrs: Prev Jobs:1: Dept: Other

Transition from 'meets expectations' to 'exceeds expectations' seems understandable but to from 'exceeds expectation' to 'far exceeds expectations' appears to be less straight forward and it is harder to understand how to get 'far exceeds expectations'Service: 2-3yrs: Gender: Male: Age: 25-35yrs: Prev Jobs: 3+: Dept: Manufacturing

The performance review process is the same for all company personnel, whether at team member, team leader or Director Level.   This is typical how the company operates as a flat level organisation and is very positive approach to performance evaluation in my opinion.
Service: 2-3yrs: Gender: Male: Age: 35-45yrs: Prev Jobs: 3+: Dept: Other

The objectives that are set out at the start of each year are just a copy of the previous years. Targets change but not a whole lot of discussion goes into personal development.

Service: 3yrs+: Gender: Male: Age: 25-35yrs: Prev Jobs: 2: Dept: Quality

Compared with similar companies (Pharmaceutical) I have worked in the past, I find the performance management system a bit complicated and cumbersome and time consuming. Having reviews twice a year in my opinion does not add much value with regard to managing performance and an annual review might be a better way to measure performance

Service: 3yrs+: Gender: Male: Age: 25-35yrs: Prev Jobs; 3+: Dept: Quality

The performance review forms are a bit difficult to understand at first. As times goes on they become OK. Overall I find the performance reviews   invaluable in assessing your actual progression in your role.

Service: 3-12mths: Gender: Male: Age: 25-35yrs: Prev Jobs: 3+: Dept: Maintenance

The performance management process is a strong tool to focus the individual, and the team leader. However, I think this is as strong or as weak a mechanism depending on the team leader involved. Poor relations or lack of communication could distort the process for both parties. The questionnaire should have had questions focused on this in order the balance the overall view.

Service: 2-3yrs: Gender: Female: Age: 35-45yrs: Prev Jobs: 3+: Dept: Other

Objectives have been discussed between team leader and team member and would be set together. This would also be the base for the development plan.

Service: 3yrs: Gender: Female: Age: 35-45yrs: Prev Jobs: 3+: Dept: Manufacturing

The performance review system needs to be used better by the team leaders. I believe that some of the team leaders do not put the effort in or have the difficult conversations in some cases.
Service: 3yrs: Gende: Male: Age: 25-35yrs: Prev Jobs:1: Dept: Maintenance

Four reviews in the first year (every three months) is excessive, should consider removing the nine month review.
Service:1-2yrs: Gender: Female: Age: 25-35yrs: Prev jobs: 3+: Dept: Quality

The two way discussion is very important to come to an agreeable conclusion.
Service: 3-12mths: Gender: Male: Age: 25-35yrs: Prev Jobs: 3+: Dept: Maintenance

Performance review promotes people who take on responsibilities other than their day to day ones. It does not however promote people who perform their day to day job exceptionally well.
Service: 2-3yrs: Gende: Male: Age: 25-35yrs: Prev Jobs: 2: Dept: Manufacturing

Performance review promotes people who take on responsibilities other than their day to day ones. It does not however promote people who perform their day to day job exceptionally well.
Service: 1-2yrs: Gender: Female: Age: 25-35yrs: Prev Jobs: 2: Dept: Quality

Job description is linked to goals which are linked to performance plan. Flexibility on both sides is required as not all activities can be documented on the form or acknowledged during review. Poor performance should be flagged as it occurs so team member has an opportunity to fix it prior to review. Team Leaders need to schedule in appropriate time for reviews. As a new employee I am unsure how the process is managed here and these comments are based on experience in other companies and comments from ex- colleagues.
Service: 3-12mths: Gender: Female: Age: 35-45yrs: Prev Jobs: 3+: Dept: Quality

The one downside to the system is the lack of consistency between departments for e.g. one department may rate someone as 'meets expectations' whereas another may rate as 'exceeds expectations'. Rating is given before human resources view the form.
Service: 3yrs+: Gender: Female: Age: 25-35yrs: Prev. Jobs: 2: Dept: Other

There is a need for performance recognition rewards besides the yearly pay increase. When work is of a high standard such as process improvements or personal performances. It should be recognised. The company use to hand out canteen vouchers when work/performances were excellent. Why was this stopped? Should it be replaced?
Service: 1-2yrs: Gender: Male: Age: 25-35yrs: Prev Jobs: 0: Dept: Manufacturing

The performance management template, in my opinion may consider the following topics:
* "Outside the Box" e.g. events, training, tasks an individual embraced, developed or completed within or outside our organisation.
* Spend more time on an individual's personal development plan.
* Every element of current role, being the most rewarding/demanding.
* Consider 360 feedback development, as piloted by "Sheppard Moscow" with the team leaders.
Service: 1-2yrs: Gender: Male: 25-35yrs: Prev Jobs 2: Dept: Maintenance

Regarding the timescale in which performance evaluations must be completed e.g. twelve month review within two weeks of each twelve months occurring etc. I think this needs to be broadened as the ratio of team members to team leaders is constantly increasing. The current targets might soon become unrealistic.
Service: 1-2yrs: Gender: Male: 25-35yrs: Prev Jobs: 1: Dept: Manufacturing

The performance management system is good, fair and supports the Company culture. However, the form has not changed over the last few years. We should change the layout and content from time to time to encourage more feedback. Personnel are just

changing the previous form (if completed) and we could be getting a lot more information.   Maybe have a different layout after twelve months as more is expected and even another one after two years.

Service: 3yrs: Gender: Male: Age: 25-35yrs: Prev Jobs: 2: Dept: Manufacturing

I do not have a clear development plan.   My team leader sets my objectives but only in the context of alignment with site objectives.   Objectives are a discussion process between the team leader and myself.   The performance review forms would be more user friendly and would benefit from clearer tie-in to peoples goals.

Sevice: 3yrs: Gender: Male: Age: 35-45yrs: Prev. Jobs 3+: Dept: Quality

In the first year, it can be difficult to be 'original' from three month to three month review.

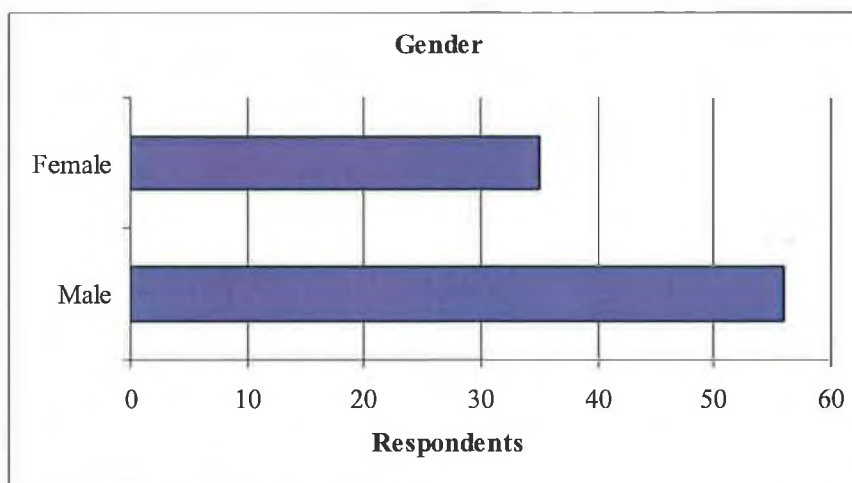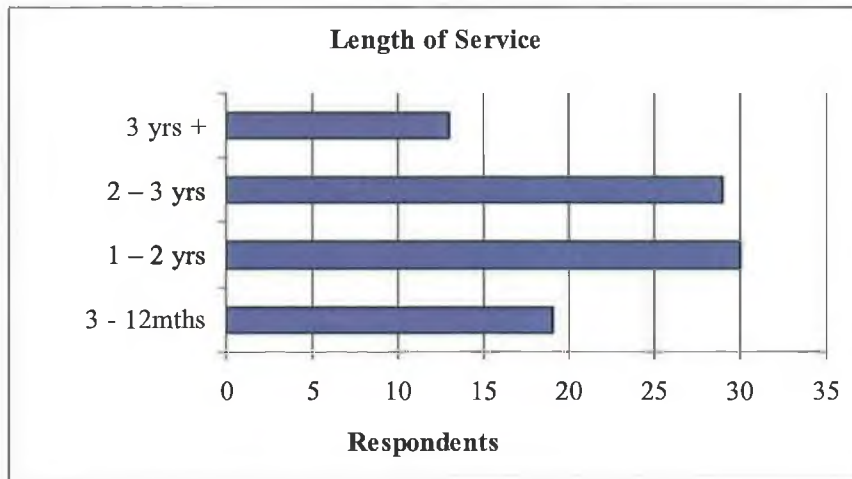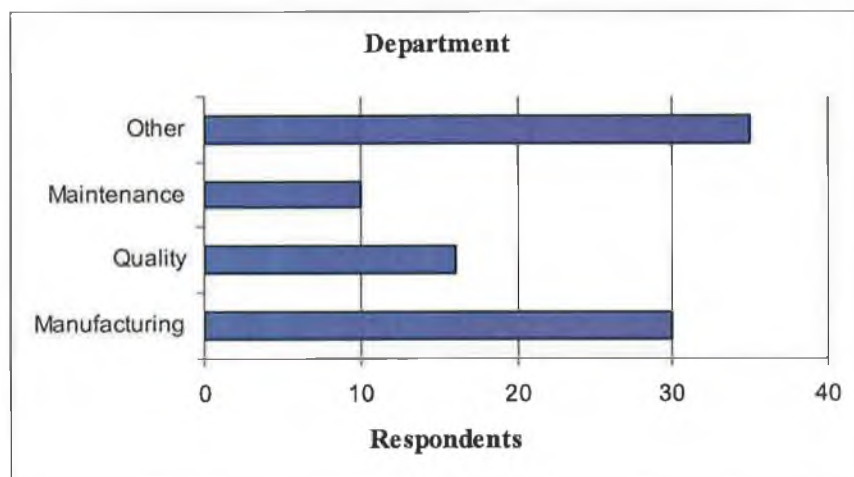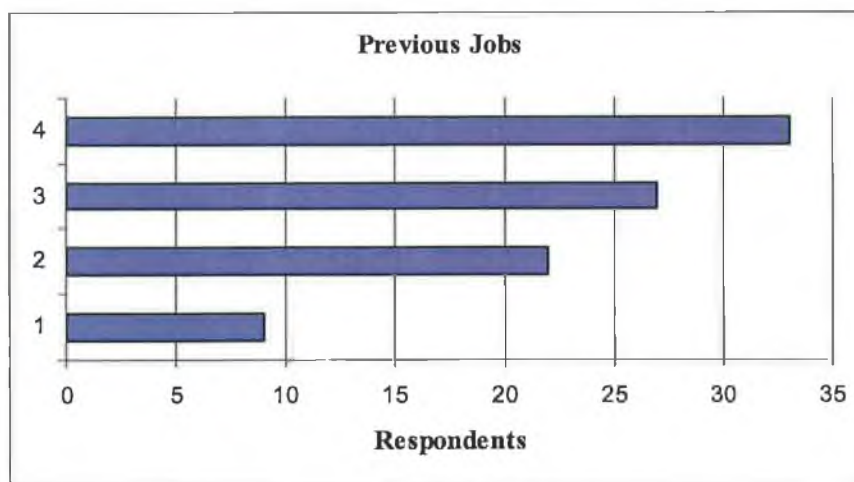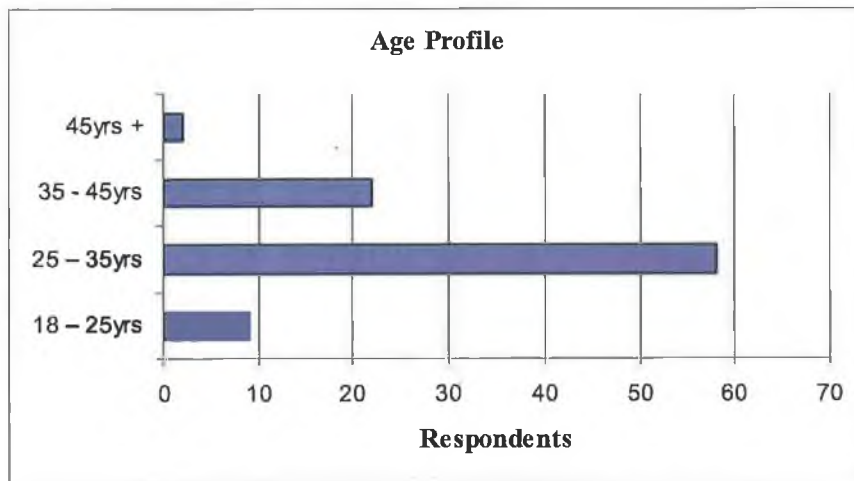Service: 1-2yrs: Gender: Female: Age: 25-35yrs: Prev Jobs: 2: Dept: Other

The performance management process is controlled by the accountant.   My rating is already determined before my review.

Service: 3yrs: Gender: Male: Age: 35-45yrs: Prev Jobs: 3+: Dept: Manufacturing

Appendix Seven – Survey Demographics

Length of Service

Gender

Age Profile

Previous Jobs

Department

Appendix Eight - Transcript of Semi-Structured Interviews

Researcher "What do you consider to be the main strengths of the Performance Management System"

Interviewee "The Performance Management System (PMS) very much encourages dialogue between the Team Leader and the Team Member.   In the hustle and bustle of everyday life it ensures that people are sitting down and looking at the performance of their teams and the individuals in their teams.

As a development tool, it places people where I would like them to be in e.g. six months. In support of this one particular employee comes to mind where he really needs to concentrate on one particular aspect to develop his role further.   It is good to see that perspective clearly.

For those who are struggling, the PMS gives the ability to flag this at 3 and 6 months particularly for those who are just settling in.   It also makes you consciously talk to others in relation to the performance of an individual and get their opinion.

Researcher "Have you got feedback in the past from others in relation to individuals on your team"

Interviewee "Yes, this would be in relation to another Team Leader that would interact regularly with an individual.   At the time the Team Leader whom I questioned was delighted and felt that this was very worthwhile.   It was good to see how team members portray themselves to others within the company".

Researcher "What do you see are the main weaknesses of the PMS?"

Interviewee "In general I find the PMS works well.   In relation to the Job Families just being introduced a lot of the team members questioned why it was felt necessary to have the 'zones' as they felt the appraisal process worked well.

Researcher " Do you see any negatives?"

Interviewee "The process can be very time consuming.   I get the impression from listening to others that different people put different amounts of time and effort into the

process. It is the perception of some that it is just a 'quick sit down'. I feel the work is in the preparation, this is a key part.

Also a downside is the amount of team members that some Team Leaders have to get through, this can be a struggle, particularly if you have a lot of new hires as in these instances you will have the 3, 6, 9 and 12 month appraisals.

Researcher "How do you feel the process could be improved"?

Interviewee "I am probably not too sure if it could be changed. There is one section at the back that relates to 'Performance Improvement' and following that there is the section headed 'Development Plan'. This I feel has confused people in the past. The improvement box, does this relate to style of behaviour to focus on and develop which will make you perform better in your role. Whereas the development section, this more related to education. There seems to be a contrast here between Character and Technical. This is where I feel it is confusing. In the first year, new recruits have reviews at 3, 6, 9 and 12 months. It would be great if the 6 and 9 month reviews were abbreviated. The 3 month review is very important in the first year. The intervals are so close together that people do not seem to know what to put into their review and end up more or less repeating themselves from the previous 3 months. Having said that, this could depend on the individual in question".

Researcher " What about the form itself"

Interviewee "With regard to the form itself, I always ask the team member how they feel the team is performing? What do you think could be improved? I do this as it is meant to be a two-way process. If this was part and parcel of the process and captured on the form we could probe a bit more and get a better understanding of what we need to be doing more of. As we do not have a 'suggestion box' system in place this would be a way of getting some suggestions. Also I feel when people sit down one to one they tend to open up and you will get more from the appraisal.

Researcher "In what way do you see the PMS supporting the setting of goals and objectives"

Interviewee "It is a good process in relation to tying into the goals and objectives. Setting these goals and objectives is a good way of keeping people on track as they can relate back to it when necessary.

Researcher "With regards to Development, does the PMS support this"?
Interviewee "In my team job rotation is high on the agenda and I try very much to put people into positions in which they are challenged and in doing this the employee can take the next steps in their career development. The PMS also makes people critically look at how people are behaving and identify ways of further developing people.

Researcher "How do you rate the PMS as a means to determining the level of pay an employee receives?
Interviewee "Good, it helps determine the level of pay, this can be indirectly, looking at performance. It is the opinion of the Team Leader as to the rating they apply e.g. E (exceeds expectations), M(meets expectations) or F (Far exceeds expectations). At times an employee could have four 'exceeds' but they may get an overall rating of 'Meets'. Other times an employee may have shone in a particular area during the year and the system is good at giving the opportunity to feed this into the salary process.
Researcher "Have you come across better systems"
Interviewee "I have not come across a better mechanism. The system we have does allow for discretion on the Team Leaders part and it also gathers qualitative information whereas some systems gather quantitative and I feel the qualitative works better. Also, because each team has a broad band of percentage to cover, the levels of performance do encourage people to perform well. The system highlights and rewards the good performers as opposed to those who are only doing enough to get by.

Researcher "What effect do you think the PMS has on the Company culture?
Interviewee "The feedback from my own team is very positive. The system helps and definitely gives people direction, and this can be as a site with a common goal as individual goals and objectives are linked to site goals and objectives.
Researcher "Is there anything else you would like to add"?

Interviewee "The system very much encourages communication and supports that ethic and it is very much a two-way process"

INTERVIEW NO. TWO (Director)

Researcher "What do you see are the main strengths of the Performance Management System"?

Interviewee "The main strength I see is the fact that people have accepted and engaged in the process.   The PMS has become a key part of what we do.   I feel the frequency of which people are meeting is very good.   In the first year this is four times and thereafter every six months.   Another key strength is the fact the process is the same for everyone on site.

Researcher "What do you see are the main weaknesses of the PMS"?

Interviewee "One of the main weaknesses I see is the level of consistency of the Team Leaders.   How consistent is it applied to people?

Researcher " How do you think this can be addressed"?

Interviewee "We need to educate and train the team leaders, particularly from a team member point of view.

Researcher "How do you feel the PMS could be improved?

Interviewee "We need to revisit the format.   We have a lot more knowledge, experience and learning from a variety of people and it would be good to listen to the opinions of others.   In relation to the 'performance factors', these I feel should definitely be reviewed and may be link them in as competencies in support of the design principles.   It may be an idea to provide a menu of 'performance factors' to choose from.

Researcher "What about the process itself"

Interviewee "The process needs to be reviewed, making it easier to provide feedback. The tracking and reporting process could be better.   Timely completion would help the

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individual.   More training for both team members and team leaders is essential once these changes have been made.

Researcher "Does the PMS enable employee's development?
Interviewee "The section on the form in relation to the development plan, I feel this is a good starting point.   This supports trying to achieve and encourage open an honest conversations in relation to employee development, so that if or when there is a good development opportunity for a team member they will be aware of it and also be able to do something about it.

Researcher "How do you rate the PMS as a means to determining the level of pay an employee receives"?
Interviewee "Good, the PMS helps determine the level of pay but it is not the sole influence.   I feel the level of influence on pay is probably smaller than people would like.   While PRP can be a strength of the system, I also see this as a weakness and it can be a case of 'if I just tick the box I will get a pay rise'.

Researcher "What effect do you think the PMS has on the company culture?
Interviewee "The PMS has a positive impact on the culture of the company.   It supports the design principles e.g. Open 2-way communication, Valuing the individual, Transparency in decision making etc.
Researcher "Is there anything you would like to add"?
Interviewee "The PMS reinforces the way of we business, which is completly different in the locality in which we operate in that everyone is involved.   It brings people together.   At times we can forget the impact that the PMS can have.   We need to consider how we can use the information that we get from this research.

INTERVIEW NO. THREE (Team Member)

Researcher "What do you see are the main strengths of the Performance Management System"?

Interviewee "The PMS ensures communication between team member and team leader on a regular basis and in the busy environment in which we work this could easily slip. The process allows for measured feedback on a regular basis and the facility is there to go back and review previous appraisals. Another key strength is the fact that the process allows for the form to reviewed at all levels in that it goes through a chain of command e.g. Department Director, Team Leader, Human Resources etc., this ensures there is visibility for all interested parties".

Researcher "What do you see are the main weaknesses of the PMS"?

Interviewee "I am old fashioned and I do not really like these things. If I have an issue with my team leader or vice versa, I would like to think that we could sit down and sort it there and then and not have to wait for three to six months or whenever the next appraisal is due and at that stage hit someone with a list of things which have/have not happened. But there is still a fear that this can still happen.

I would also be concerned as to how people are grading themselves. Looking at the different levels e.g. job knowledge, quality etc. I would be concerned as to rating myself as exceeding expectations. This concern is centred around the fact that I feel I always do my job to the best of my ability and is always willing to give 100% and yet I generally rate myself as 'Meets expectations' as I am confused as to how I can exceed my expectations, as no one can give more than 100% so what do I need to do or what can anyone do in order to exceed"?

Researcher "Do you think the system is unfair then"?

Interviewee "It can be particulary in relation to the guy that does not put in half the amount of effort as I do but they rate themselves as 'exceeds' and end up getting more money than I do. The rating system can be seen as being very much money related.

I have had many different jobs and I have experience as a supervisor and in my experience the best performers always mark themselves down. I think the process can be very subjective".

Researcher "How do you feel it could be improved"?

Interviewee "I do not like to use the word improved but would like to see changes. E.g. after two – three years it can get to the stage that you are only cutting and pasting from one form to another as it has become something people have to do.

Researcher "Have you any suggestions"?

Interviewee "My own personal preference would be to have the formal appraisal once a year and to have two compulsory one to one conversations during the year.

Researcher "Do you see the PMS enabling employee's development?

Interviewee "The PMS enables development as employees' are getting feedback from team leaders and it is an opportunity to find out what you need to do to get on within the department and within the company itself.

Researcher "What has been your own experience"?

Interviewee "My team leader is very straight talking and so is our Director so I do get very good feedback and I know what kind of future I have.   The PMS gives the management team the opportunity to feel the ground and see what potential we have. This is an important aspect of the PMS and I recognise the fact that we need to do this. I still do not like filling out the form as it like following a checklist.   The informal heart to heart would be more beneficial.

Researcher "How do you rate the PMS as a means to determining the level of pay an employee receives?

Interviewee "The main concern I would have in relation to pay is with regard to the comment I made earlier as to how people rate themselves with regard to meeting expectations and exceeding expectations.   This also depends on the standards that you set yourself for example I set myself a very high standard.   The team I work with are very supportive of one another and of the company.   How do you call this exceeds?   At times I think it is a negotiation process e.g. exceeds to meets expectations.   I am nervous about the baseline that people start at.   It is an adherent risk due to the process

being subjective.   It may also be dependant on the ability of the team leader to negotiate.

Researcher "What effect do you think the PMS has on the Company culture"?
Interviewee "I am not sure that the appraisal system we have per se effects the culture of the company any more that any other system we have.   I feel the culture we have, was established at start up by the Senior Directors.   I think it is a novel approach and I have never come across it before.   The Directors are very people orientated.   The culture allows for diverse people.   The freedom to achieve is 100% and also respect is 100%.   I do not think this has anything to do with the PMS, having said that the system does support two way communication.

INTERVIEW NO. FOUR (Team Leader)

Researcher "What do you see are the main strengths of the Performance Management System"?
Interviewee "The key strengths of the PMS forces one to one conversation in detail and it is not rushed.   It allows team members and team leaders to align their expectations. It gives a clear development plan to focus on and areas of weakness.   It hi-lights key strengths that need to be maintained.   It helps to increase performance levels, if used correctly.   It is a scientific approach to pay increases.   It allows for recognition of the contribution on a team member, team leader basis.   The team member will know that he is getting the recognition.   The PMS is beneficial for all.

Researcher "What do you see are the main weaknesses of the PMS"?
Interviewee "The application of the PMS is inconsistent.   The differences of application can end up with disgruntled team members if discovered.   The quality of the team member/team leader relationship deteriorates if not being used correctly.
Researcher "What about the process itself"
Interviewee "I feel the process is too long and complex perhaps but I have no proposed solution.   One concern I would have is that for the team member it is hard to see

progress and they could be in the 'exceeds' category for five years as I think the rating of 'Far Exceeds' is not practical for use, but I feel the 'Job Families' could address this.

Researcher "How do you feel it could be improved"?

Interviewee "The job families will have a positive effect on this. I think a course/training for team leaders which is purpose designed would ensure better consistency across the site. The PMS needs to be more of a priority for the Directors right through to team leaders in order to make sure it is done and done properly and the consistency is strong.

Researcher "Have you any thoughts on the rating system used"

Interviewee "The rating of 'Far Exceeds' needs to be definitely looked at, to ensure the rating system is practical. Team Leaders need to take a tougher/stronger/fairer stand in giving the ratings and not just awarding an 'exceeds' in order to keep the peace. Far exceeds should probably be removed. During start up, we were under a lot of pressure and employees were getting 'exceeds'. This was for the pressure and not the performance. It will be hard now to drop people from 'exceeds' to 'meets'.

Researcher "In what way do you see the PMS enabling employee's development"?

Interviewee "I feel the development action plan at the end of the form is the secret to the process. It aids reviewing the performance, looking at the positives and the negatives to identify a gap analysis. It gives clear direction as to what needs to be done in order to maintain and improve performance. The development plan should be reviewed at each appraisal to ensure that the plan is actually being adhered to, but I do not think this is being done and if this is the case, then who should be made accountable? It is a critical step and I feel we are not at this stage yet.

Researcher "As a team leader how do you think this helps you"?

Interviewee "As a team leader, you get an understanding of what the team member wants to do and as a result you can facilitate this if possible".

Researcher "How do you rate the PMS as a means to determining the level of pay an employee receives"?

Interviewee "If I was asked for a specific rating out of one to five, I would give it a rating of four, which is strong if used properly. The PMS gives a clear factual based report of how an employee is doing with very little ambiguity if done properly. The PMS gives the opportunity to discuss and agree on various different points and to come up with expected levels of performance. The reason it may have fell down is in relation to the over lapping in the bands e.g. Meets, Exceeds, Far Exceeds etc. but the 'Job Families' should help this. This overlap provides a challenge from the team member which leaves it open to ambiguity.

Researcher " How do you think the PMS supports the company culture?

Interviewee "The openness in the review process is very important. The values of the company are dealt with at one point or another. If an individual is not up to standard in what we believe is our culture there is a clear way of documenting this and how it can be improved upon. Because we are not dictating the pay and it is performance based, people know they are getting recognition for their contribution, it is there in the values e.g. Respect, by doing this we respect individuals ability and what they are bringing to the organisation.

Researcher "Any further thoughts"

Interviewee "It is a good system but is tough on the team leader and there is a definite need for training.

INTERVIEW NO. FIVE (Team Member)

Researcher "What do you see are the main strengths of the Performance Management System"?

Interviewee "The PMS gives the opportunity for you the break down your job under the various headings. It allows for two-way (and sometimes three way) communication. The Directors also get to review the appraisal.

Researcher "What has been your own experiences of two-way communication"?

Interviewee "On one occasion, I had a negative opinion and I was given the opportunity to discuss this with both my team leader and the department Director and the outcome of my appraisal was changed. In other companies which I have worked to you would just be listened to with no action being taken. In this company it is not the case of someone writing down their own opinion and telling you what they think. In light of this communication is very strong.

Researcher "What do you see are the main weaknesses of the PMS"?
Interviewee "There are too many reviews and the frequency is too much. The three months is too short. I was asked for advice by one of my colleagues for her three month review and then eight weeks later she got notification for her six month review. She totally panicked, as she felt she had not learned a huge amount of new material in the few weeks between the three month and the six month review. Some people fill out the form differently to others. I discovered that some people only mark the rating and do not support the rating with any justification as to why they have given themselves that particular rating. This leads to inconsistency. Overall it is a good system.

Researcher "How do you feel it could be improved"?
Interviewee "The process could do with being slimmed down a little. Of the three previous companies I have worked in I feel this is the best one. May be it would be possible to blend a couple of the appraisals together. Writing my objectives and how I have achieved them, blends in quite well into the eight sections

Researcher "How has the PMS enabled your development"?
Interviewee "The last section which covers the development plan is good, particularly when you can compare how you view yourself and how the Team Leader sees you and analysing the gap between the two. When this is in black and white in front of you it is easier to see the job and to sit down like adults and agree on a plan. **Researcher** "Has your career progressed in the company"?
Interviewee "I have recently started on a new project role, this has stemmed from the team leader pointing out to me my key strengths.

Researcher "How do you rate the PMS as a means to determining the level of pay an employee receives"?

Interviewee "I have got great reviews in the past where I have got three 'exceeds' and three 'far exceeds' but the pay rise I received was poor in relation to the overall review. That particular year I got no adjustment because of the level of pay which I was on, but someone else, who did not put in as much effort got a salary adjustment to bring them up to the required level as their base was lower. Regardless of the base, the pay rise I get is not a reflection of the effort I put in. I have never managed to negotiate pay but I know others have.

Researcher "What effect do you think the PMS has on the Company culture?

Interviewee "The PMS has positive effects particularly in relation to communication. The openness is the most important part and also to be given the opportunity to breakdown you job into different categories. Also it is good to be give the opportunity to make comments in the 'Values' section.

INTERVIEW NO. SIX (Director)

Researcher "What do you see are the main strengths of the Performance Management System"?

Interviewee "It is more frequent than annual and is based on your own personal start date. This I feel works well and makes it personal. The way it has been communicated does strive to start the dialogue, this is what the PMS is there for, to drive discussion and not just a process of ticking the boxes.

Researcher "Do you think the PMS has any weaknesses"?

Interviewee "The PMS currently does not allow for flexibility. There are eight sub headings, which are very much a formula. I would like to see different ones added and at different stages in the process. Some of the headings are good to mention but not

every three to six months.   In general I like the process but it can be too rigid in its structure.

Researcher "Do you feel there is consistency among the team leaders"?

Interviewee "I feel at times some of the team leaders can shy away from the personal development and the personal performance sections.   The team leaders may just concentrate on the educational aspects of the development plan and not specifically pointing out what someone should actually be doing in their role to improve.   The form could probably be more specific at this point.

Researcher "How do you feel it could be improved"?

Interviewee "There is a danger that the PMS will become routine and loose its impact. When someone is on site five years they will have had twelve reviews complete.   There needs to be more variety for e.g. customer service, this can relate to the internal customer?   We need to look more closely at how people are measuring up to the quality needs of the company.   Refresher training would not go amiss.   Four a year may be a bit too much, it would be good to have a verbal one, in just getting people together, it is the conversation which matters.

Researcher "In what way do you see the PMS enabling employee's development"?

Interviewee "Because you are being assessed in a number of different areas, it forces you to be looked at in specific ways and it should be very clear what needs to be improved.   Breaking down your contributions under different headings will give a balanced feedback.   In the overall summary, the weak points might get lost.   Being rated in each of the sections this is important, it forces the team leader to really rate everyone and identify their strengths and weaknesses.

Researcher "How do you rate the PMS as a means to determining the level of pay an employee receives"?

Interviewee "I do not think the PMS is the be all and end all with regard to determining pay levels. There is a budget there for increases.   If someone gets a rating of 'Far Exceeds', it is good to recognise.   I do not see a strong link between pay and the review

process. Personally it does not drive me. I want to do a good job regardless. In general I do not think someone is going to really work hard just to get an extra one percent of a difference. Job satisfaction and security are much more important.

Researcher "What effect do you think the PMS has on the company culture"?
Interviewee "The PMS is one of the key drivers and shapers of the company culture.
Researcher "Any further comments"?
Interviewee "Some of the team leaders are very good at discussing things with the team members. The PMS forces them to sit down and receive regular feedback. The frequency is probably more than other companies. The PMS helps to build teams, the focus is not on the individual as I have seen in other companies where they have 'Prima Donnas'. It forces the one to one relationship.
Overall it is a good system and the main thing, the most valuable contribution is the one to one dialogue.

Appendix Nine – Evaluation Form

Name		Position	
Team Leader		Evaluation Period	

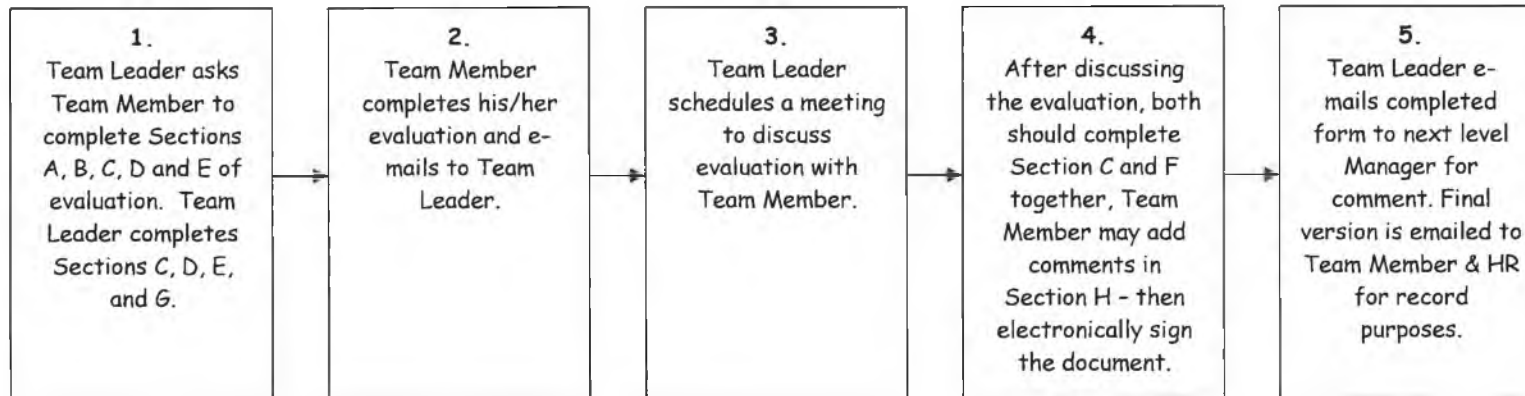| GUIDELINES AND INSTRUCTIONS |
|---|

Purpose of Evaluation:

To provide an opportunity for the Team Member and Team Leader to evaluate the Team Member's personal performance over the past performance period for the purpose of helping the individual plan realistic steps for improving results in the current position and for becoming better equipped to handle future challenges and responsibilities.

Key Points:

1. An effective performance evaluation will recognize and reinforce good performance and identify opportunities for growth and improvement.
2. Feedback should be clear, include examples of performance, and be presented in a manner that is helpful and supportive.
3. The discussion should be interactive; action plans for improved performance and growth should be developed jointly.
4. The form must be completed electronically – **Team Member using BLACK font** & Team Leader & Next Level Manager using BLUE font.

Process:

1.	2.	3.	4.	5.
Team Leader asks Team Member to complete Sections A, B, C, D and E of evaluation. Team Leader completes Sections C, D, E, and G.	Team Member completes his/her evaluation and e-mails to Team Leader.	Team Leader schedules a meeting to discuss evaluation with Team Member.	After discussing the evaluation, both should complete Section C and F together, Team Member may add comments in Section H – then electronically sign the document.	Team Leader e-mails completed form to next level Manager for comment. Final version is emailed to Team Member & HR for record purposes.

The Team Member Performance Evaluation Form is available on the P drive and should be completed electronically

Team Member Performance Evaluation

Name		Position	
Team Leader		Evaluation Period	

A.   SUMMARY OF KEY RESPONSIBILITIES DURING EVALUATION PERIOD
(Team Member completes; Team Leader may add comments)

B.   RESULTS ACHIEVED AND/OR PERFORMANCE AGAINST OBJECTIVES DURING EVALUATION PERIOD
(Team Member completes; Team Leader may add comments)

Team Member Performance Evaluation

Name		Position	
Team Leader		Evaluation Period	

C.   PERFORMANCE FACTORS

Team Leader & Team Member should highlight the evaluation category that best describes the performance level and provide examples to back up evaluation – this evaluation should be done independently and then discussed.

Job Knowledge	F	E	M	P	U	Problem Solving	F	E	M	P	U
Demonstrates the skills necessary to understand and perform assigned tasks and/or projects.						*Analyzes problems; plans or recommends appropriate action.*					
Quality of Work	F	E	M	P	U	Relations with others	F	E	M	P	U
Work meets quality requirements and is timely with minimum to no errors.						*Works well with others in a cooperative manner; respects individual differences.*					
Planning/Organisation	F	E	M	P	U	Communication	F	E	M	P	U
Plans, organizes and prioritizes work so the right things get done.						*Listens well. Expresses oneself in an organized and effective manner, both orally and in writing. Keeps appropriate people informed.*					

Optional Factors: *(Please specify)*

Leadership	F	E	M	P	U	Values	F	E	M	P	U
Demonstrates leadership capabilities.						*Demonstrates a strong commitment to values by own behaviour.*					

See guide to performance evaluations for more information

F = Far Exceeds Expectations / **E** = Exceeds Expectations / **M** = Meets Expectations

P = Partially Meets Expectations / **U** = Fails to Meet Expectations

Team Member Performance Evaluation

Name		Position	
Team Leader		Evaluation Period	

D. KEY STRENGTHS *(Team Leader &Team Member to identify strengths and positive aspects of Team Member's performance that help him/her be effective; Agree key items together)*	E. PERFORMANCE IMPROVEMENT *(What skills or abilities, if improved, will help the Team Member yield improved performance results and/or will help equip him/her to handle future responsibilities? Team Leader & Team Member to complete : Agree key items together)*

F. DEVELOPMENT ACTION PLAN
(Jointly identify a few key action steps)

Team Member Performance Evaluation

Name		Position	
Team Leader		Evaluation Period	

G. TEAM LEADER'S SUMMARY EVALUATION *(Team Leader to describe Team Member's overall performance for the evaluation period)*	☐ Far Exceeds Expectations ☐ Exceeds Expectations ☐ Meets Expectations ☐ Partially Meets Expectations ☐ Fails to Meet Expectations If evaluated "Fail to Meet or Partially Meets Expectations," improved performance is essential. Performance will be evaluated again no later than _____/_____/_____.
	Team Leader's Signature Date

H. TEAM MEMBER COMMENTS			
Team Member Signature		Date	
Team Leader Signature		Date	
Next level Manager Comments:			
Next Level Manager Signature		Date	
HR Comments (if appropriate):			
HR Team Member Signature		Date	

The following descriptions provide a guide to evaluating a Team Member's performance. <u>In evaluating performance please explain the specific reasons for your evaluation in the area provided.</u>

Performance Evaluation	Evaluation Description
Far Exceeds Expectations	Performance consistently far exceeds expectations. Results attained are far superior to goals and objectives with significant, quantifiable impact on the team or organisation's success. Contributions are highly visible, measurable, and acknowledged by superiors and peers alike.
Exceeds Expectations	Performance consistently exceeds expectations. Contributions and results attained are of superior quality and frequently exceed objectives. This level of performance is noticeably above what is generally expected.
Meets Expectations	Performance consistently meets and sometimes exceeds expectations. This level of performance is expected of a competent, qualified and experienced individual. This descriptor states that results are fully meeting expectations and goal attainment.
Partially Meets Expectations	Performance is inconsistent, occasionally meets expectations and needs to improve. Team Member requires close supervision and coaching, particularly in areas where results have been insufficient.
Fails to Meet Expectations	Performance consistently fails to meet expectations and serious deficiencies exist. Significant improvement is required immediately. Alack of immediate and sustained improvement will result in corrective action.