

**Evaluating the Performance Management Process in a Fund
Administration Services company**

By

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**Dissertation presented to National College of Ireland in the
fulfilment of the requirements for the Bachelor of Arts of
Human Resource Management**

July 2004

Acknowledgements

This project would only have been possible with the compliance of the individuals involved who took the time to fill out the questionnaires.

I would like to thank my colleagues from work and college who have always been very helpful and supportive.

I would especially like to thank my family and friends for all their help and encouragement, not only during this project, but also throughout my education. I would not be far as I am today without their support.

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Chapter 1

Introduction

1.1 Objective of Dissertation

The objective of this dissertation is to research the perceived value the performance management process within a Fund Administration Services company in Dublin who uses the Balanced Scorecard system.

There are different views on what performance actually is; is it the effort or contribution an individual makes based on their work style or is it a results orientated statement of how an organisation is succeeding in comparison to their competitors?

Armstrong and Baron (1998) cite that performance management can be defined as a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.

Football managers are notoriously and constantly being challenged on their performance through results, based on how successful their team are in the volatile world of football. It is important to clarify what it means because if performance cannot be defined then it cannot be measured.

Performance Management has been defined by Bates and Holton (1995) as a: 'multi-dimensional construct, the measurement of which varies dependent on a variety of factors'. They also state that is important to determine whether the measurement objective is to assess performance outcomes or behaviour.

Measuring performance outcomes and behaviours would imply that we must analysis the individual's performance success factors but also take into consideration the competencies, which have led them to this result.

Kane (1996) argues that performance 'is something that the person leaves behind and that exists apart from the purpose'.

Therefore a more comprehensive view of performance would be achieved if it were defined as embracing both behaviour and outcomes. Brumbrach (1988) states that: 'Performance means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right – the product of mental and physical effort applied to tasks – and can be judged apart from results'.

Considering the definitions put forward leads to the conclusion that the management of an individuals' performance should consider both the inputs (behaviour) and the outputs (results) of the individual.

Taking into consideration all of these factors should conclude that any given performance system regardless of how elaborate or complex should encompass both the behaviour and results of the individual. The process of evaluation of performance should be consistent and objective. There should be a procedural fairness incorporated along with a transparency upon which the basis for

decisions can be scrutinized. This and other ethical considerations must be in existence for the validity of any performance management system considered as good management practice in today's' businesses.

1.2 Defining Performance Management

The Oxford English dictionary defines performance as the 'accomplishment, execution, carrying out of anything undertaken'.

Taken in its most basic definition; performance management is a method of measuring and guiding the accomplishment of specific tasks undertaken by a subordinate in pursuit of the achievement of individual or collective goals in the context of the work environment.

Performance management is not simply about working hard or working quickly. It is not even about only meeting individual objectives; it is about directing and supporting employee's work as effectively and efficiently as possible in line with the needs of the organisation.

Performance management aims to get better results from the organisation, teams and individuals by measuring and managing performance within agreed frameworks of objectives and competence requirements; assessing and improving performance.

Performance management is a strategic and coherent approach to the management of an organisation's most valued and intangible assets – the workforce.

Campbell (1990) believes that 'Performance is behaviour and should be distinguished from the outcomes because they can be contaminated by systems factors'.

Most organisations aim to achieve sustained high levels of performance through people.

Performance management can be defined as a process for establishing shared understanding between employees and the organisation about what is to be achieved in the context of business aims.

The overall aim of performance management is to establish a culture in which managers, individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, competencies and contributions.

Performance management is not only a feature of large corporations, evidently the process can be a sophisticated and overly systemised method, but it can also be a simple and subtle process carried out by a business in the achievement of targets.

However performance management can have different purposes to achieve, depending on the context that it is used.

The purpose of performance appraisal can be classified in a number of ways. One of the most widely known classifications was by McGregor (1960) who grouped them in three ways. One of these purposes is administrative; the results of appraisal are used for salary administration, promotion, transfer, demotion, and termination.

The second classification was that the performance management process could also be used to communicate information to the appraisee on their performance. This informative purpose can be fraught with emotional responses from both parties if the feedback is criticising. It is a common dilemma for appraisers and the reluctant appraisee, however the situation can be the reverse in respect of an individual who is performing well, in this case the individual will usually relish positive feedback and thereby encourage regular communication.

Finally there was the motivational purpose of the performance management process. The theoretical assumptions of motivation lead us to believe that human behaviour is influenced by intrinsic and extrinsic factors, and controlling behaviour is just a matter of understanding how one is motivated.

Chapter 2

Literature Review

2.1 History of Performance Management

Managing performance has become widely researched throughout the field of management studies globally, and performance management has become a critical component of business strategy in today's work environment, but the first formal monitoring systems only emerged from the research and work of Frederick W Taylor and his followers during the 1900's.

Performance management is not a new concept; a formal method of reviewing performance was introduced for the US armed services in the 1920's coined the 'man to man comparison' scale; it aimed to promote individuals on the basis of merit, which was subsequently modified and used to rate the efficiency of US Army officers.

Throughout the 1950's and 1960's new methods of performance management began to emerge, the 'merit rating', re-christened at that time as 'performance appraisal' became popular in use. The system was based on an assessment of personality qualities (merits) essential for success. Many performance management methods today have basic foundations in a 'merit rating' style of performance appraisal, whereby subjective judgements on performance are quantified into 'ratings' and thereby justified as objective by translation into a 'forced distribution' of ranking. This method is generally viewed as flawed, as cited by McGregor (1957) in his attack on the practice; he suggested that the emphasis should be shifted from appraisal to analysis;

'This implies a more positive approach. No longer is the subordinate being examined by his superior so that his weaknesses may be determined; rather he is examining himself, in order to define not only his weaknesses but also his strengths and potentials...He becomes an active agent, not a passive object. He is no longer a pawn in a chess game called management development'.

Some companies used the merit rating system as a method for ranking employees for performance-related pay purposes; for example the top 10 per cent in the ranking get a 5 per cent increase; the next 20 per cent a 4 per cent increase, and so on. Different industries adopt different philosophies on the relationship between performance and reward systems. Performance related pay is a contentious subject, which will be assessed further in discussion on the performance management topic.

Throughout the 1960's and 1970's 'management by objectives' began to emerge; which claimed to supersede the 'merit rating' method by overcoming the problems associated with assessing personality trait qualities. The 'management by objectives' method was defined by John Humble (1972), as:

'a dynamic system which seeks to integrate the company's need to clarify and achieve its profit and growth goals with the manager's need to contribute and develop himself. It is a demanding and rewarding style of managing a business'.

The 'management by objectives' method was based on a continuous process of reviewing strategic, tactical, unit, and individual plans in order to improve performance, interdependent on these factors is a constant review and control of the process with effective selection, succession, training and salary plans. The process seemed to link the corporate mission with individual output; however by the late 1970's the method had become thoroughly discredited as the method became over-systemised and too much credit was being placed on the quantification of objectives.

Experimentation with the 'critical incident technique' began circa the 1950's as Flanagan developed the latest method for managing performance. From his research he developed the 'critical incident technique' method, which focused on appraisers 'recording' behavioural patterns, which would provide a 'real' illustration of how individuals were performing. The 'record' of 'critical-behaviour incidents' could be used as evidence of actual behaviour during performance appraisal reviews, thereby seemingly increasing objectivity. The 'critical-incident technique' method failed to gain acceptance as a popular performance management tool as it was seen as time-consuming and merging the data collected into an overall rating became a problem for appraisers.

However the critical incident technique had considerable influence on methods of developing competence frameworks, whereby data on effective and less effective behaviour can be documented and studied.

The concept of competency establishes that there is no single factor but rather a range of factors that differentiate effective behaviour from less effective behaviour. The range of factors can include personal qualities, motives, experience and behavioural characteristics.

The 'critical-incident' method was used to develop the 'behaviourally anchored rating' scales. Individuals are assessed against a range of competences of effective behaviour and performance dimensions. The 'behaviourally anchored rating' scales however was lacking in objectivity as appraisers interpreted definitions of behaviour based on their own judgements.

The term 'performance management' was first used in the 1970's but it did not become a recognised process until the latter half of the 1980's. Emerging from the 1970's was a revised form of 'results orientated' performance appraisal system, which is still in existence today and can be linked to the 'balanced scorecard' system, which will be discussed further in the performance management topic.

The 'results orientated' performance appraisal system incorporated the agreement of objectives and an assessment of the results obtained against those objectives. Again the use of ratings was constructed from overall performance and in relation to individual objectives. This form of performance appraisal received a boost during the late 1980's because of the use of performance-related pay based on performance ratings.

Some appraisal schemes went further than examining the achievement of specific objectives and included ratings of performance factors such as volume of work, quality of work, knowledge of job, dependability, innovation, staff development and communication. Frequently work improvement suggestions and training needs would be feedback from the appraisee during the review process.

2.2 Challenges of Performance Management

Many criticisms were made of the ways in which appraisal schemes operated in practice, Long (1986) cited that;

' There is no such thing as the perfect performance review system. None are infallible, although some are more fallible than others. Some systems despite flaws, will be managed fairly conscientiously, others despite elegant design, will receive perfunctory attention and ultimately fail. The relative success or failure of performance review, as with any other organisational system, depends very much on the attitudinal response it arouses'.

The concept of performance management has been one of the most important and positive developments in the realm of human resource management in recent years. The phrase was first coined by Beer and Ruh in 1976 but it did not become recognised as a distinct approach until the mid 1980's, growing out of the realisation that a more continuous and integrated approach was needed to manage an reward performance.

Assessing the work of employees is a key function in business advancement and strategic human resource management. Designed to complement the continuous evaluation and reward of people at work, performance management has been defined as by McMahon and Gunnigle (1994) as 'a procedure and process which assists in the collection, checking, sharing and use of information collected from and about people at work for the evaluation of their

performance and potential for such purposes as staff development and the improvement of that work performance'

The objective of performance management is to assess an employee's performance on a periodical basis, but it should also serve the purpose of analysing training needs, identifying weaknesses and recognising potential.

Tyson and York (1992) identify six major objectives of the performance management process.

- i. To determine how far people are meeting the requirements of their jobs and whether any changes or action are indicated for the future.
- ii. To determine developmental needs in terms of work experience and training.
- iii. To identify people who have potential to take on wider responsibilities.
- iv. To provide a basis for assessing and allocating pay increments and similar rewards.
- v. Generally to improve communication between managers and their staff.
- vi. Generally to develop motivation and commitment by providing regular and scheduled opportunities for feedback on performance and discussions of work, problems, suggestions for improvement, prospects etc.

In the Irish context, American owned organisations on the whole appear far more likely to utilise a performance management

system which is all encapsulating, rather than focused on one specific objective, for example merit rating for performance related pay purposes.

In a 10-year-old study, McMahon and Gunnigle (1994) identified a number of central objectives of performance appraisal in Irish organisations:

Objectives of Performance Appraisal in the Republic of Ireland

<u>Objectives:</u>	<u>%</u>
Improve future performance	98
Provide feedback on performance	96
Agree key objectives	95
Identify training needs	95
Strengthen appraise commitment and motivation	89
Improve communication	84
Assess promotion potential	82
Career counselling	77
Assist personnel decisions	70
Aid salary review	64
Secure feedback on supervisory/managerial effectiveness	63

The research of McMahon and Gunnigle (1994) on performance appraisal objectives in Ireland to that of Tyson and York (1996) in identifying the major objectives of performance management compares favourably. However it reveals some gaps between the theory and practice of performance management objectives, such as 'career counselling', and 'assisting personnel decisions', which

could be a difficult objective to fulfil in one periodical assessment of performance.

The impact and implications of performance management can create anxiety regardless of the purpose of the system. Despite the realms of scientific research and theoretical arguments, it is fair to say that it can be extremely difficult to measure performance effectively. In the practice of performance management the process can prove to be highly problematic.

2.3 Theories of Motivation

Understanding motivation can be a major aid in improving performance. People can be motivated by themselves through finding and doing work that satisfies their needs, or people can be motivated by pay, promotion, recognition etc.

These two types of motivation can be described as;

'Intrinsic motivation' – the factors that influence individuals to behave in a particular fashion by their own internal behavioural traits, these factors include being motivated by having responsibility, feeling accountable and important, having an opportunity to develop skills and abilities, and having control over one's own resources.

'Extrinsic motivation' – are the factors that influence individuals to behave in a particular fashion by external influence, for example one might be motivated by rewards such as increased pay, promotions, bonuses, or special commendation rewards from management. On the other hand one might also be motivated by a disciplinary action, poor performance feedback, criticism or failure to meet certain targets from management.

The view of motivational influences just described is broadly based on a number of motivational theories, which attempt to define the human emotional response.

There have been many significant and convincing theories of motivation developed over the last century, and they have been influential in understanding the complexity of the process of motivation as an emotional response.

The most popular and influential motivation theories were produced by Maslow (1954) and Herzberg *et al* (1957). Maslow's hierarchy of needs theory is one of the most famous classifications of needs. Maslow suggested that there are five major need categories which can apply to an individual's level of needs, beginning with fundamental physiological needs and leading up through a hierarchy of safety, social, and esteem needs up to the need for self fulfilment, as described below;

- i. Physiological – the need for oxygen, food, water and sex
- ii. Safety – the need for protection against danger and the deprivation of physiological needs
- iii. Social – the need for love, affection and acceptance as belonging to a group
- iv. Esteem – the need to have a stable, firmly based, high evaluation of oneself (self-esteem) and to have the respect of others (prestige).
- v. Self-actualisation – the need to develop potentialities and skills to become what one believes one is capable of becoming.

Herzberg *et al* (1957) developed another motivational theory after an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers, the two-factor model

of satisfaction and dissatisfaction. Basically his findings reported that the factors which gave respondents a feeling of satisfaction were frequently concerned with; the content of their job, particularly achievement, recognition, advancement, responsibility, and the work itself.

He found that the factors, which gave respondents a feeling of dissatisfaction, were frequently concerned with the context of their job, particularly company policy and administration, supervision, salary and working conditions.

According to Herzberg the main implications of this research are that in order for one to be motivated by 'intrinsic' factors such as achievement recognition, advancement etc, certain 'extrinsic' factors must be fulfilled as a basic component of the job environment such as supervision, salary and working conditions.

Herzberg coined the motivational factors as 'hygiene' factors associated with the context of the job and 'motivator' factors associated with the content of the job.

This research unveiled the relationship between satisfaction and performance. Herzberg's two factor theory implies that if the conditions of an individuals 'hygiene' factors are not satisfactory, then they will not be motivated by 'motivator' factors.

2.4 Application of Performance Measures

Defining performance measures can be difficult and sometimes abstract. Competencies are useful as a benchmark of performance measurement. Effective performance is measured not merely by the delivery of results (however outstanding) in one area but by delivering satisfactory performance across all the measures.

Measurements are essential in order to provide a rational basis for decisions. Jac Fitz-Enz (*Benchmarking Staff Performance*, 1996) offers the following admonition:

"Measurement of any work process or practice is more than possible. It is imperative. It applies in both routinized process work and in individual professional practices. Whether we are talking about a benchmarking project or just tending to day-to-day management, without number we don't really know what we are doing. If managers do not know [measurements], I have only one question: What do you think they are managing? Without metrics, managers are only caretakers. They are administrators of processes."

Throughout the Balanced Scorecard process performance measures are applied not only through specific objectives which are linked to corporate goals but weightings are also attached to each objective, 'adding value' to the importance of the execution of that task.

2.5 Performance Related Pay

Performance related pay relates individual pay increases or bonuses to assessed performance of individuals. Pay structures play a key role in pay determination. Leading companies view pay as a tool designed to support the organisation's pay philosophy and business strategy. Pay structures support the pay determination process. In line with business objectives pay structures are designed to provide a pay control mechanism, help link pay to performance, blend internal and external values and reflect different labour markets.

Organisations regard performance related pay as desirable because it motivates individuals to perform better and develop their skills and competencies, it also delivers the message that performance is important to the organisation and finally organisations believe that it is fair and equitable to reward people differently according to their performance, or contribution.

Performance management – encompassing setting, measuring and rewarding individual and group performance – is now seen as central to strategic human resource management. Organisations are placing greater emphasis on developing and rewarding their people. Even though pay is regarded as an important tool of achieving corporate objectives, it supports rather than shapes the performance management review process.

Within this framework pay is an important component. However traditional pay systems no longer fit with current HR/business

strategies. These systems were designed as part of the personnel function and with little or no links to the business strategy. By comparison, pay determination and reward strategies in leading companies today are tied to business goals and performance targets.

The basic principle of performance related pay is that is equitable to reward individuals according to their contribution, however successful implementation of performance management systems require more than an 'off the shelf' solution.

The Balanced Scorecard attempts to link business goals with performance targets, and in turn provides a basis for reward management. The foundation of strategic thinking for the organisation.

2.6 The Balanced Scorecard

In essence the Balanced Scorecard model is a strategic control system designed to enhance organisational performance. The strategic objective of any organisation is to gain competitive advantage, which can be achieved through a focus on efficiency, quality, innovation and responsiveness to customers. The Balanced Scorecard is a way of translating an organisation's strategic objectives into actionable and measurable results on a corporate, divisional, and individual level.

The Balanced Scorecard operates on a set of strategies developed to build competitive advantage and meet the organisation mission and goals. The organisation structure is then established to use resources to obtain competitive advantage.

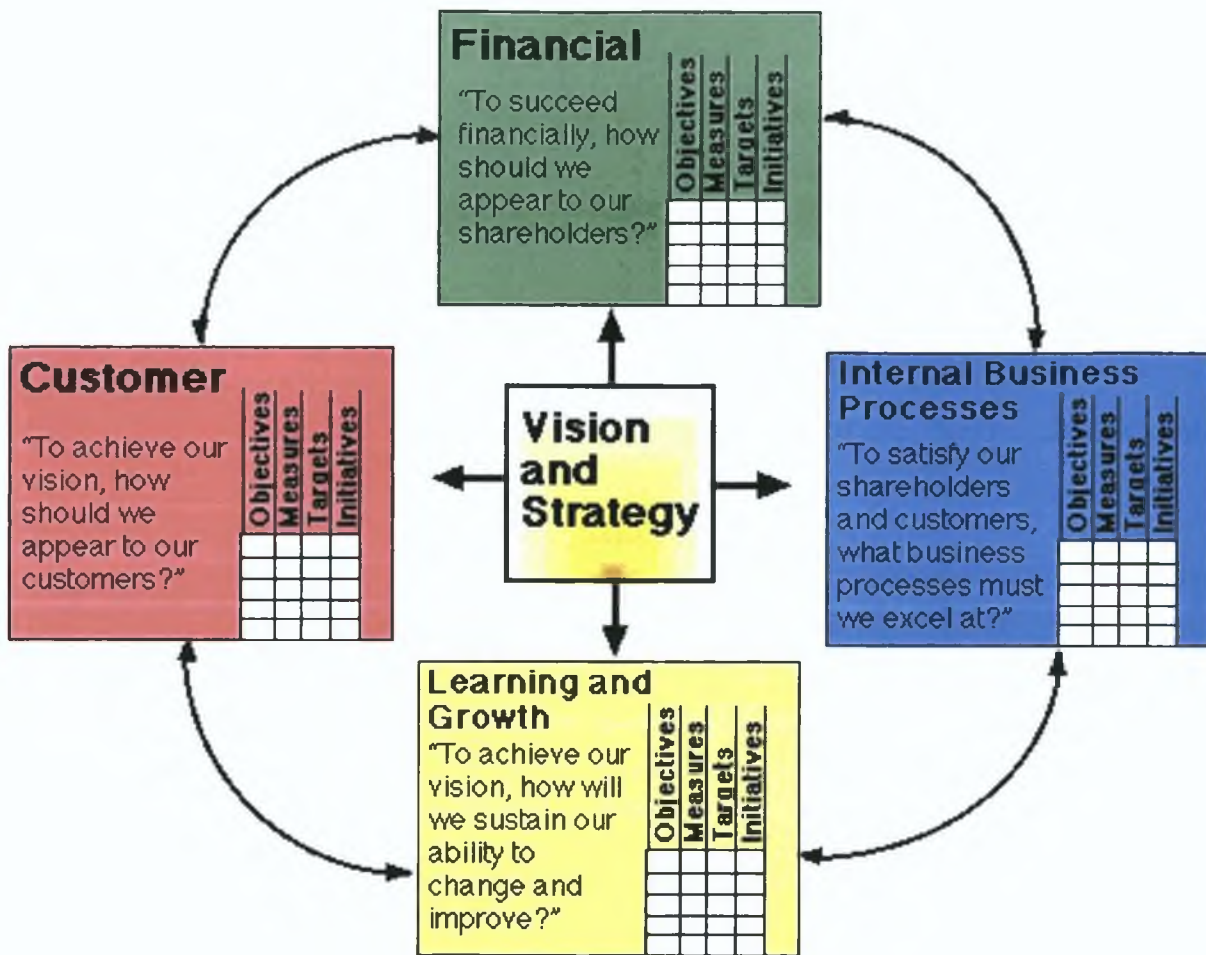
Robert Kaplan and David Norton developed the Balanced Scorecard after an extensive research project in 1990, a multi-client study 'Measuring Performance in the Organisation of the Future'. The conclusion to the research was that organisations should not be managed based on 'bottom line' results.

In an interview session Published by the International Quality & Productivity Centre in 2001, Dr Robert Kaplan cites that 'the Balanced Scorecard system is a way to enable organisations to measure, communicate and implement their strategies. Most systems are set up to control things control the organisation and prevent variation. The Balanced Scorecard broadens the horizon by specifying both the outcomes the organisation wants to achieve

and the methods (the strategies) for getting there. Measurement enables strategic intent to be translated into a more precise and understandable language. For example, instead of saying "let's improve customer satisfaction," it asks "who are the customers that you most want to satisfy," "what do you have to do to create that satisfaction and how do you quantitatively define the value proposition you are offering to your customers?" After understanding what creates value for your customers, the process leads you to ask "What internal processes and what employee skills are required to improve customer satisfaction, and what skills do you employees currently have?" You can devise an index that quantifies the gap between currently skills and needed skills. By monitoring the index, you can see how well your human resources people are closing the gap'

Therefor the Balanced Scorecard enables management to analyse their business from four perspectives, providing measurable targets to achieve strategic objectives. The Balanced Scorecard looks at the Financial perspective, the Customer/External perspective, the Internal perspective, and the People/Environment perspective and aligns them with the business strategy, as illustrated in Diagram 1 below;

Diagram 1 – The Balanced Scorecard view of the organisation



The Balanced Scorecard helps organisations to focus on the execution of strategy through getting management to look at their business from four perspectives, providing answers to basic questions;

- Financial perspective – How do we look to shareholders?
- Customer/External perspective – How do customers see us?
- Internal perspective – What must we excel at?
- People & Environment – How must we continue to improve and create value?

Management can gain much valuable information by analysing business from these four perspectives, and by creating Balanced Scorecards. The process of creating Balanced Scorecards begins with articulation of the Mission statement of the organisation. A Mission statement is a formal declaration of what the company's ambitions are. For example Microsoft's mission statement is 'to empower people through great software, any time, any place, on any device'.

The values and strategic objectives must be then articulated at corporate levels, once these elements have been established Strategy maps are created, which are the foundation for Balanced Scorecards. Strategy maps will chart the organisational strategy against the four perspectives already described. See Appendix 4 for an example of a Mission statement, and Appendix 5 for an

example of a Strategy Map for the Global Human Resources division of The Bank of Bermuda.

Major goals and objectives are then established through determining a desired future state or objective that the organisation is attempting to realise. Well-constructed goals provide a means by which evaluation of performance can take place.

Major goals and objectives specify the precise actions required to take place in order for achievement of the mission of the organisation. Major goals and objectives deal with the 'how' the organisation is going to achieve its mission within the context of the values of the organisation. Major goals and objectives are considered the corporate objectives, which form the key elements for building a Strategy map.

Chapter 3
Research Methodology

3.1 Primary Research

In selection of a primary research method for this dissertation I took into consideration the options available such as interviewing, questionnaires, and discussion groups, I chose the questionnaire as the most feasible taking the limitation of time into account.

The first step in designing the questionnaire was to define the research question, hence defining the problem to be tackled by the survey, thereby deciding what questions are to be asked.

Research Question; what is the perceived value of a performance management process amongst employees of a Fund Administration Services company, using the Balanced Scorecard method?

Firstly I suggested conducting a general attitude survey amongst all employees to give a general background to the levels of job satisfaction. But given the current environment of acquisition it was decided against as some employees may have found the questionnaire contentious as it asks the respondents sensitive questions regarding job satisfaction. However management plan to distribute a similar survey once the integration process is complete. I have attached this questionnaire at the back of the dissertation in Appendix 1.

It was then decided that a questionnaire could be carried out with a small number of employees unaffected by the integration process to gather data on their perception of performance management,

the performance management review process in the company and the Balanced Scorecard process.

This questionnaire is divided up into 4 parts. The first part of the questionnaire classifies the respondent group by their department, length of service, current position and present time in current position. The second part of the questionnaire tackles questions on respondent's general perception of performance management practices. The third part of the questionnaire is directly aimed at the respondents' experience of the Balanced Scorecard system, and the fourth part of the questionnaire is specifically aimed at the respondent's knowledge and experience of the performance management review process within the company.

I attach a copy of the questionnaire at the back of this dissertation in Appendix 2. The questionnaire will be distributed by email and can be returned completed by hand or on printed soft copy as the document allows the respondent to 'tick' the relevant box for each question on screen, thereby speeding up the survey completion time.

These questionnaires will be carried out amongst 120 employees from the Bank of Bermuda in Dublin. The objective of the questionnaire is to get the opinions of employees and management regarding their opinion of the effectiveness of performance management and specifically the Balanced Scorecard.

3.2 Secondary Research

In order to develop an informed view of the performance management process, which would enable me to analyse the research question both primary and secondary research had to be collected.

The secondary data consists of theorist's views of performance management and the development of performance management systems. I will be looking at the history of performance management since the 1900's, right up to modern day systems such as the Balanced Scorecard. I will be evaluating the challenges of performance management and linking the relevant theories of motivation with performance strategies. I will also look at the benefits for industry of introducing performance management as a strategy, and the importance of accurate application of performance measures and performance related pay systems. All of these topics were used in the literature review.

The data gathered from the primary research will be used to analyse the research question along with the secondary research.

Chapter 4

Background

4.1 Background to the company

Bank of Bermuda (Europe) Pic in Dublin is a wholly owned subsidiary of the Bank of Bermuda group. A multinational financial services organisation spanning 17 countries and employing approx 3,000 staff worldwide. Bank of Bermuda (Europe) Pic is part of the IFSC, a financial service institution specialising in fund administration for offshore investors and fund managers. Established in 1995 and currently employing 280 staff in Dublin, Bank of Bermuda (Europe) Pic has enjoyed the wealth of business opportunities that can be attributed to the extensive client base of Bank of Bermuda globally, and especially to the domestic economic surge during the last couple of years. HSBC officially acquired the Bank of Bermuda group in February 2004, an executive decision taken on due to global market position deceleration.

The HSBC Group has a remarkable history in banking and financial services, headquartered in London, HSBC Holdings Plc are one of the largest banking and financial services organisations in the world. HSBC's international network comprises over 9,500 offices in 79 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

With total assets of nearly \$1,000 billion, HSBC occupies a leading position in the world of banking and finance. The group strategic plan 'Managing for Growth' was launched in Autumn 2003, well before the acquisition of the Bank of Bermuda group. The core elements of the strategy are to build on the unique international

franchise, and seek growth through a strong focus on key customer groups of financial services.

The Balanced Scorecard was introduced in July 2001 as an initiative for becoming a more strategy focused organisation. The reasons for introduction were based on the results of an Employee Opinion Survey in 2000, which highlighted issues surrounding the lack of clarity about the Bank's strategic direction and vision. Evidently the Bank's strategic goals were not being communicated well enough, and it was not clear to many employees how the business objectives of their division, and their own personal role, related to the Bank's corporate strategy as a whole.

There was also a growing demand from the Bank's core businesses for a more incentive-based approach to performance management, in which individual performance against set goals is rewarded appropriately. The Balanced Scorecard was introduced in the hope that it would enable the Bank to become a more integrated enterprise, with the performance objectives of each business and support division, and each individual employee, aligned to the Bank's strategic direction and vision. Prior to this the performance management review method was an annual appraisal method, which was not linked to strategic goals or reward systems. Annual pay increases and profit share bonuses are now directly linked to performance through the Balanced Scorecard method.

The last Employee Opinion Survey generated was in 2002. Presently there are significant changes taking place in the current work environment as the companies merge and re-structure locally and globally.

Chapter 5

Results

5.1 Response Level

All questionnaires returned were completed fully, which meant that total returns were eligible for analysis.

Fifty-four (54) percent responded to the questionnaire that was issued. This equated to 64 out of the 120 of respondents. I am satisfied that the response rate is adequate to supply the primary data required on the perception of performance management process and the Balanced Scorecard system.

5.2 Results from Section 1 of Questionnaire

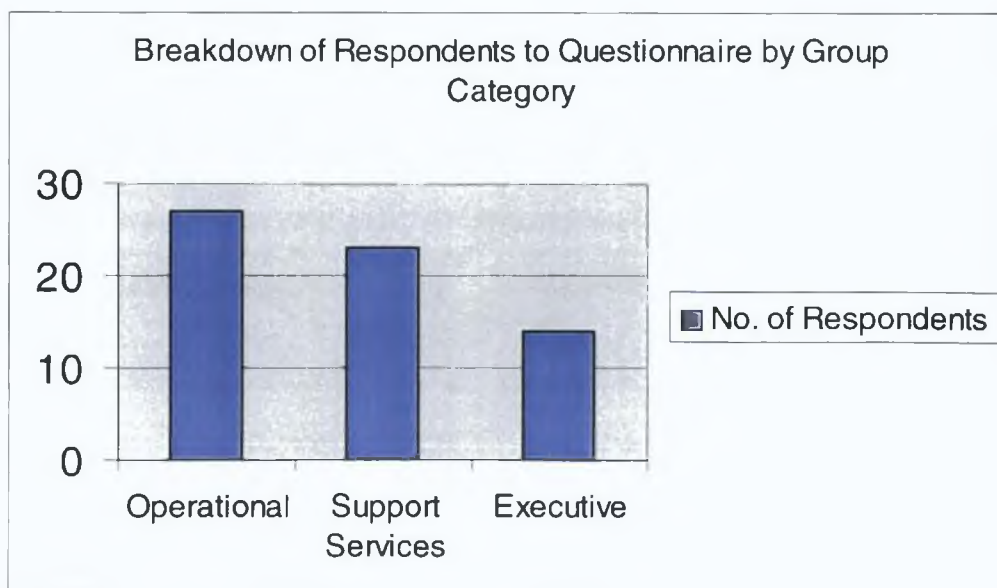
Section 1 of the questionnaire was designed to gather data on the respondent group classification. Respondents were asked to answer 4 questions on the area they work in, how many years of service they have, what their current position is and how long they have held that position.

5.2.1 Group Classification

Respondents were asked to indicate which group they are working in, there are 3 major categories of working groups in the organisation; Revenue generating Operations such as fund accounting, shareholder services administration, investor services administration, and valuations administration. Non-revenue generating Support Services could be described as the normal business support functions such as financial control, facilities management, human resources, systems support etc. Executive groups are responsible for corporate secretarial management, directorship and partnership of legal entities, legal counsel and compliance. Of the 64 responses, employees from the respondent company of which 14 were from an Executive group, 23 were from a Support Services group, and 27 were from an Operational group.

Graph 1 below illustrates the breakdown:

Graph 1



The number of respondents enabled me to make a fair comparison between the groups categorised and to conduct an analysis of the perceived differences of opinion in relation to performance management.

The categorisation of the 3 groups was very important for this survey in my opinion as the perception amongst the 3 groups can vary quite differently. Although each function has a pivotal role in the success of the business, some rivalry can exist between revenue generating groups and non-revenue generating groups; whilst executive groups in the fulfilment of a peripheral function can have the capacity to remain impartial and objective.

From this information it can be seen that there was a good response from each of the 3 groups, this is beneficial to the further analysis of data.

5.2.2 Service Profile of the Respondents

Respondents were asked to indicate their length of service with the organisation. Fund Administration companies in Dublin experience high levels of turnover, so this information was important to gather information on the respondent's group length of time with the organisation.

The breakdown of the number of year's service of respondents reads as follows;

Service	Respondents
0-6 mths	12
6 mths - 1 year	18
1-2 years	11
2-4 years	16
4-6 years	6
6-8 years	1
8-10 years	0
10 years+	0

From this information it can be seen that there is a good variety of employees with varying lengths of service. This is very beneficial as it provides information from respondents who have both long and short experience in the workplace to give their opinion on performance management.

5.2.3 Categorisation of Current Positions of Respondents

The structure of the organisation is based on 5 groupings of job responsibility levels. Ranging from junior positions in band 'B', to supervisory levels in band 'C', to managerial levels in band 'D', and senior management positions in band 'E', up to directorship levels in band 'F'. This tall structure provides a reporting line of up to 8 levels as outlined below. The breakdown of the current positions of respondents can be read below;

Current Position	No. of Respondents
Director	0
Senior Manager	1
Manager	5
Assistant Manager	7
Officer	12
Supervisor	10
Senior Administrator	16
Administrator	13

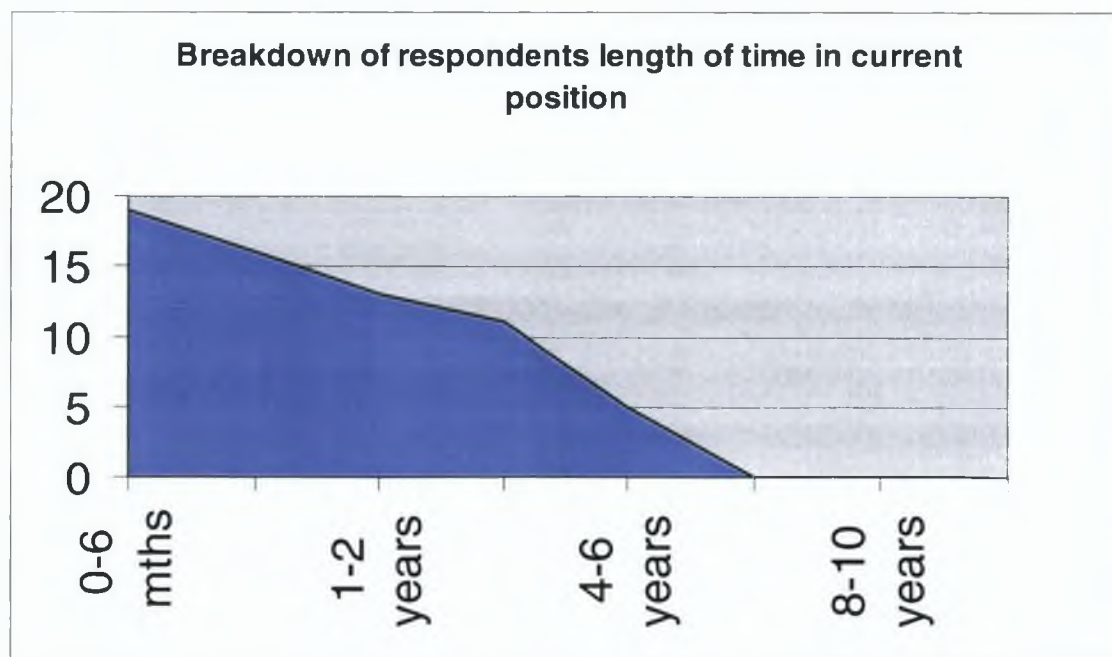
The majority of the respondent group came from the bottom 4 layers of the organisation ranging from junior positions up to middle management positions. There was a small response from the senior level positions in the company, but I am satisfied with this response rate as the incumbent group is not large, so in comparison it could be viewed as a good response rate. There is no respondent from the most senior level in the organisation.

5.2.4 Respondents Length of Time in Current Position

In designing the questions for this questionnaire I felt that information gathered on the length of time a respondent had been in their current position would be very beneficial in comparison of data. I was hoping that this would provide additional information on the frequency of promotion, and whether a pattern of promotion exists. Employees holding the same position for a lengthy period of time at lower levels of the organisation could imply problems in progression and it would be interesting to see how the performance management process affects this and similar issues.

Graph 2; illustrating the breakdown of respondent's length of time in current position;

Graph 2



The graph illustrates the breakdown of respondent's length of time in current positions. The results seem to imply that the majority of

respondents are either in the position of having been promoted recently or have joined the company recently. However it is important to remember that this particular group was established just 9 years ago.

5.3 Results from Section 2 of the Questionnaire

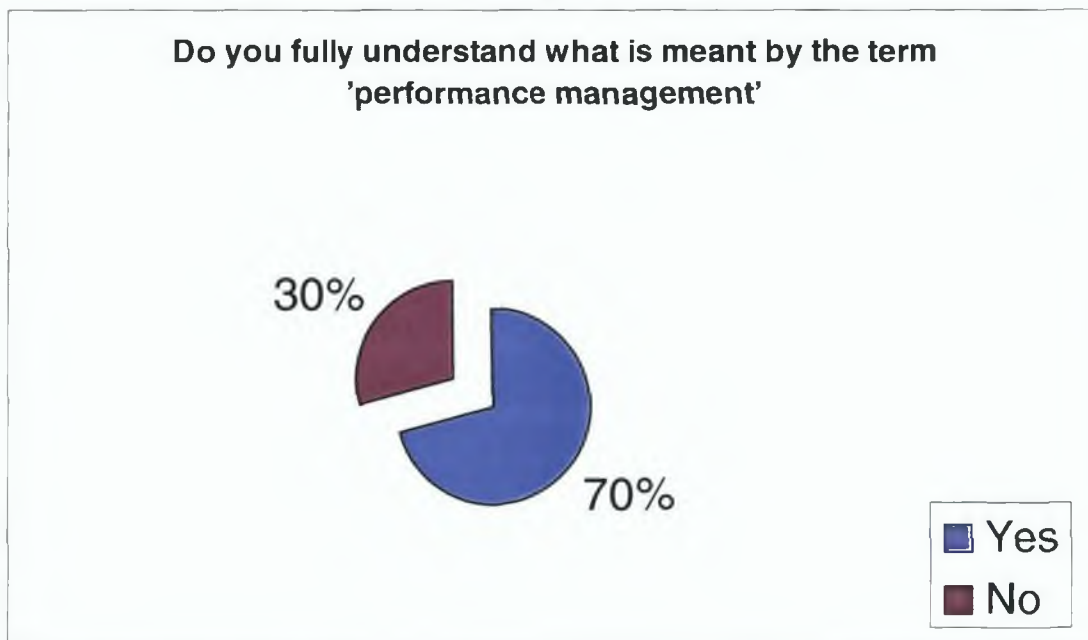
Section 2 of the questionnaire was designed to gather data on the respondent's general perception of performance management practices. Respondents were asked to answer 8 'closed' questions regarding their opinions, understandings and experiences of performance management, with an opportunity to give their personal opinion on 2 of those questions if they are negative responses.

5.3.1 Respondents Understanding of Performance Management

The first question in Section 1 of the questionnaire was a general question asking respondents whether they felt they fully understood what is meant by the term 'performance management'.

Graph 3 below illustrates the breakdown of the respondents group answer to this question;

Graph 3



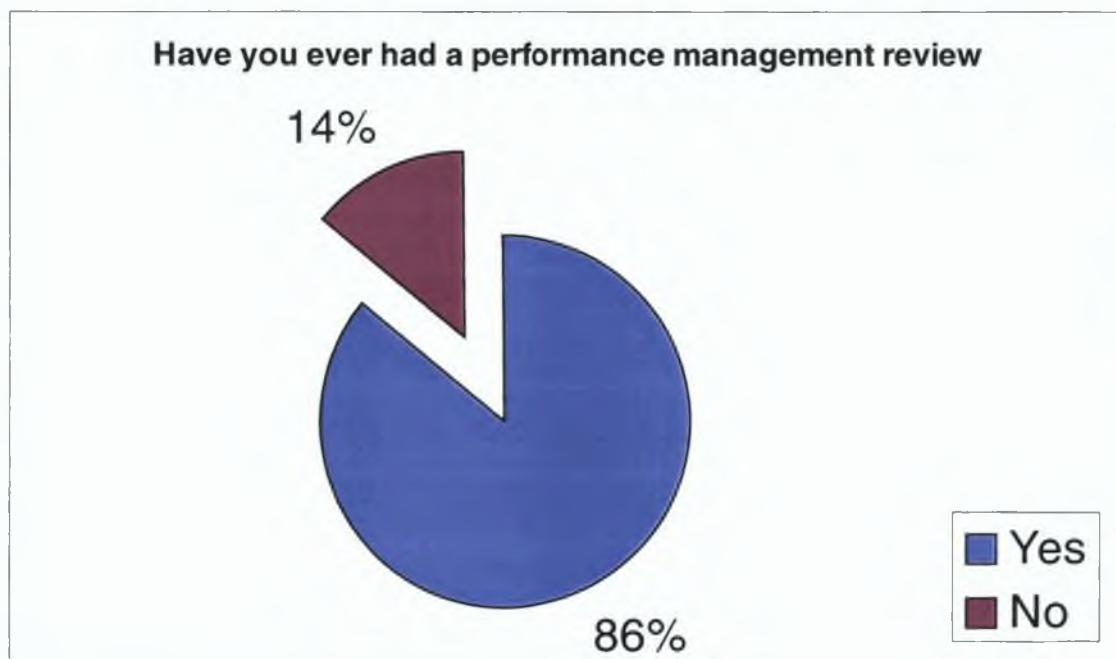
It is interesting to see that 70% of the respondent group believe they understand what is meant by the term 'performance management' whilst a large proportion of the respondent group (30%) felt that they do not fully understand what is meant by the term performance management. Obviously an individuals perception of how much they fully understand what is meant by the term 'performance management' could completely differ to another individuals perception, however one would have to ask the

question whether a positive response of only 70% indicates a lack of understanding or is it a symptom of having a workforce with high turnover and a young age profile.

5.3.2 Respondents whom have had a Performance Review

The second question in Section 2 of the questionnaire asks respondents a closed question on whether they have ever had a performance management review or not. Graph 4 below illustrates the breakdown of the respondents group answer to this question;

Graph 4



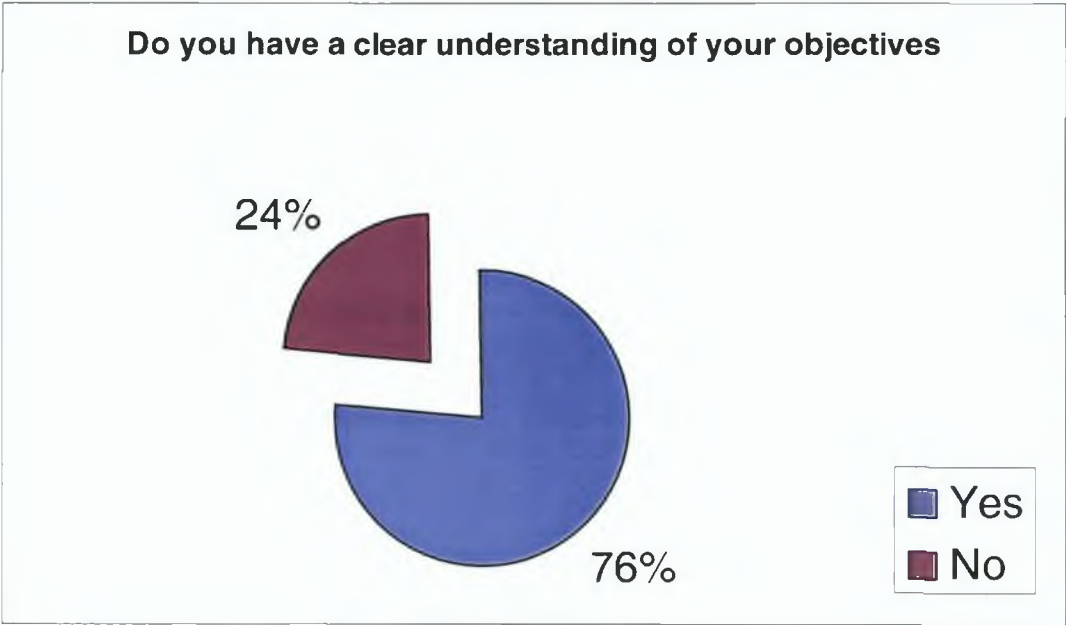
This question is directly linked to the previous question, in so far as if the respondent group have not had a performance review before then the likelihood is that they may not understand what is meant by the term 'performance management'. However if a large proportion of the group have had a performance management review then the likelihood is that there is a general lack of understanding amongst some of the respondent group on what the term 'performance management' actually means.

Of the respondent group of 64 it is interesting to note that 86% of those have had a performance management review, and only 14% have never had a performance management review. Taking into consideration that 30% of the respondent group believe that they do not fully understand what is meant by the term 'performance management', could this indicate an underlining misunderstanding of how the process works? Those whom answered 'No' to the above question were asked skip to Section 4 of the questionnaire as the questions to follow are aimed at those who have had a performance review.

5.3.3 Respondents Understanding of Objectives

Question 3 asks the remaining respondent group (86% of total respondents) to give their response to the question of whether they have a clear understanding of their objectives. Graph 5 below illustrates the breakdown of the respondent group:

Graph 5

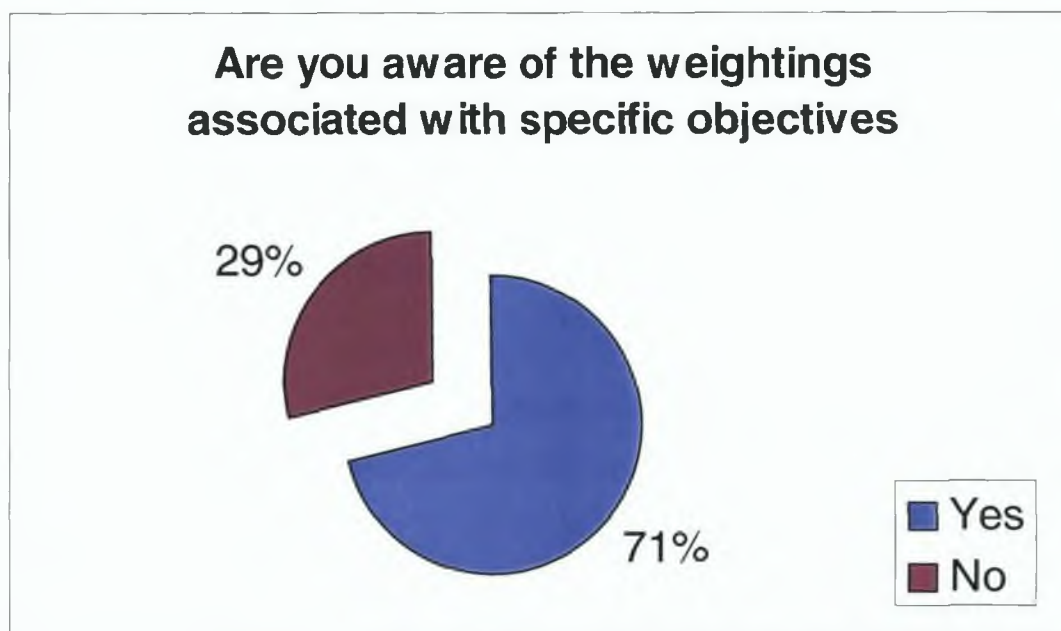


The majority of respondents believe they have a clear understanding of their objectives (76%), however 24% of the respondent group believe they do not have a clear understanding of their objectives. Considering that 24% of the remaining respondent group equates to 13 individuals who feel that they do not have a clear understanding of their performance objectives indications are that a feeling of misunderstanding may exist.

5.3.4 Respondents Awareness of Weightings

Question 4 asks the respondents if they are aware of the weightings associated with specific objectives. Most objectives carry a 'weighting' determining their importance in achievement. This question is even more important than understanding performance management as it reveals whether respondents understand the application of performance measures. Graph 6 below illustrates the breakdown of the respondent group to question 4:

Graph 6

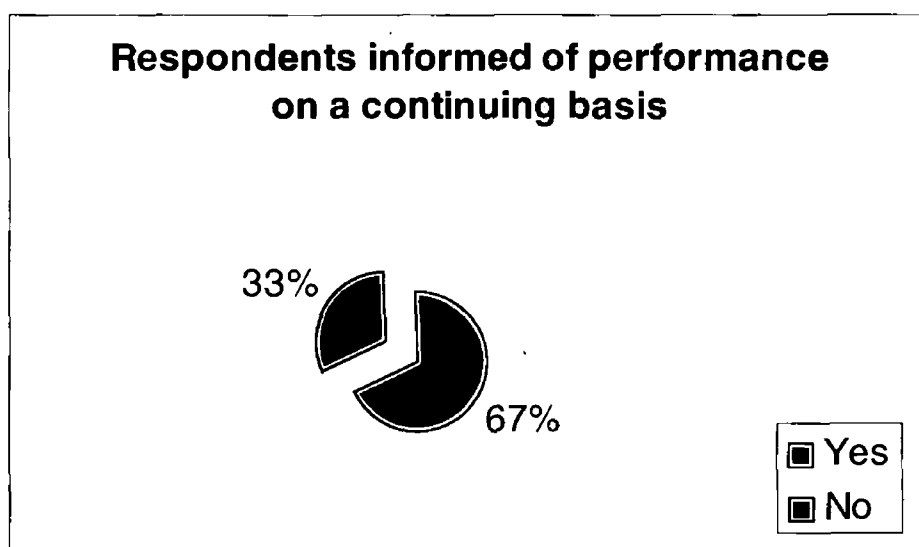


29% of the respondent group feel that they are not aware of the weightings associated with specific objectives. There is a higher proportion of individuals (29%) who feel they do not have a clear understanding of the weightings associated with specific objectives than those individuals (24%) who feel that they do not have a clear understanding of their objectives.

5.3.5 Respondents being informed of performance on a continuing basis

Question 5 asks respondents whether they have been informed of their performance on a continuing basis. This question is very relevant to the research as it provides data on actual processes within the performance management review system. The results are illustrated below in Graph 7;

Graph 7

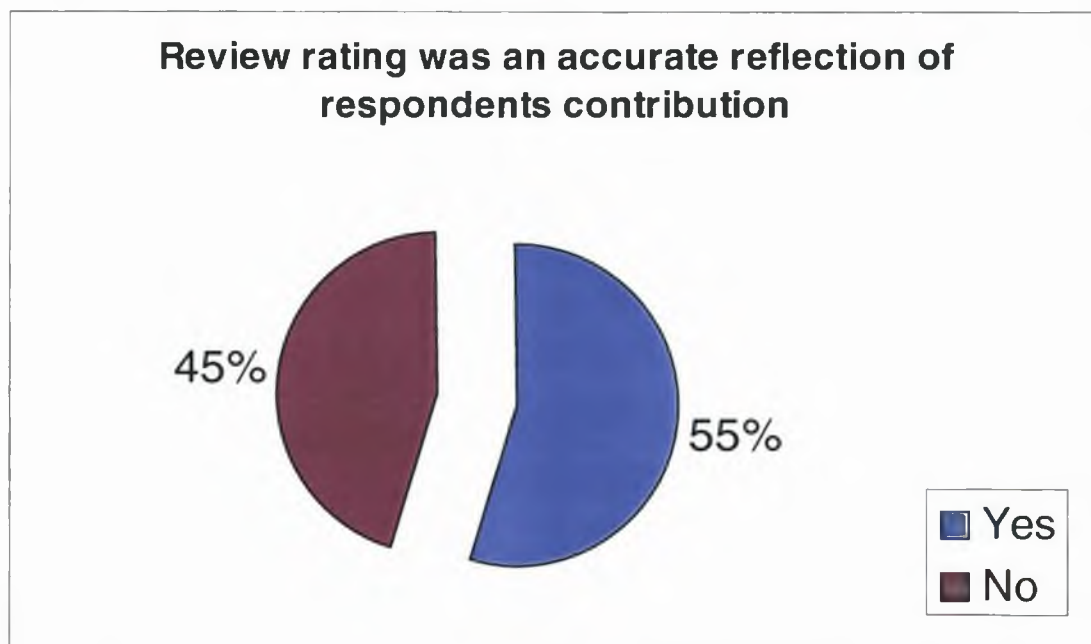


The majority of the respondents (67% of remaining respondent group) felt that they are informed of their performance on a continuing basis, however the results show that there is a group of individuals (33% of remaining respondent group), are of the opinion that they are not informed of their performance on a continuing basis. This data reveals new information on the internal processes of the performance management review system and the opinions of the participants.

5.3.6 Respondents perception of their contribution

The performance management review process is essentially about monitoring performance against set objectives, business objectives. This is not a self-monitoring exercise and it is the responsibility of management to ensure an accurate execution of this process. Taking this fact into consideration Question 6 is aimed at revealing the perception of individuals on whether they feel that their performance management review rating was an accurate reflection of their contribution to the achievement of corporate objectives. Graph 8 below illustrates the response of the respondent group to Question 6;

Graph 8



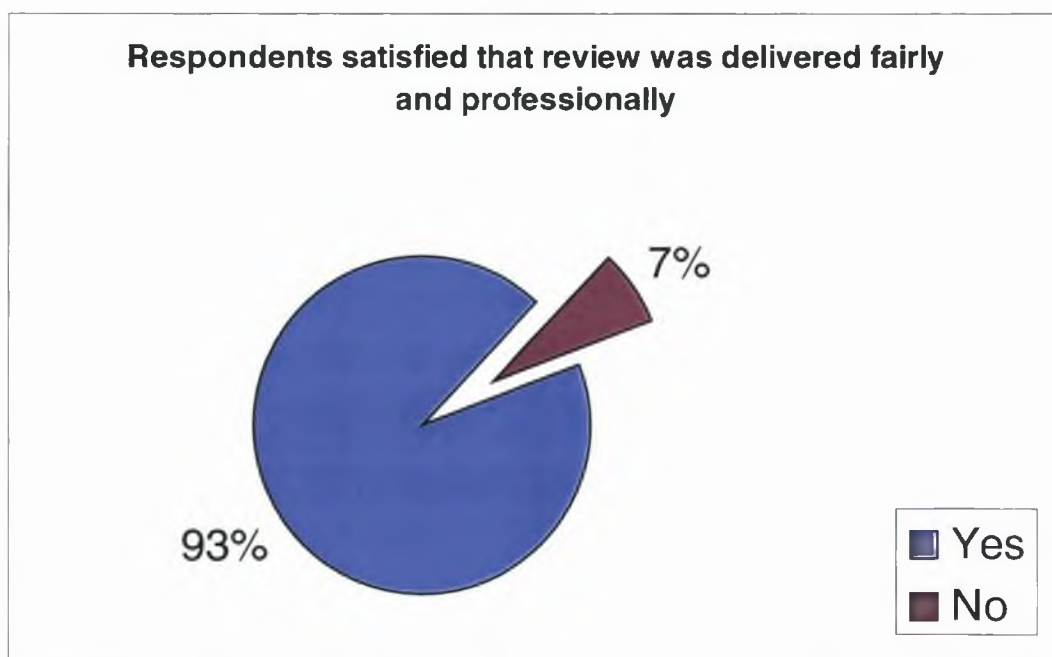
Interestingly there is huge divide on the response to this question, 55% of the respondent group are of the opinion that their performance management review rating was in fact an accurate reflection of their contribution to the achievement of corporate

objectives while a huge percentage of the respondent group (45%) felt that their performance management review rating was not an accurate reflection of their contribution to the achievement of corporate objectives. This strong response poses some new questions for discussion such as; could the opinion of the respondent group be a product of forced distribution performance management review ratings? Or is there a general lack of understanding amongst the respondent group on the performance management review process? Or is the performance management review process actually accurately reflecting an individual's contribution in the first instance?

5.3.7 Respondents opinion on the quality of process of performance management review

Question 7 aims to delve deeper and reveal the perception of the quality of the performance management review process at an individual level. This type of questioning can be contentious, as each manager will have their own style of communicating to their staff. However the procedure should be carried out in a fair and professional manner, regardless of individual managers style of communication. The integrity of the performance management review process relies heavily on procedure and delivery. Graph 9 illustrates the breakdown of the respondent's group opinion:

Graph 9



This has been the strongest result so far in that the majority of the respondent group are satisfied that their performance management review was carried out in a fair and professional

manner, ruling out any doubts about the lack of quality in the procedure and delivery of performance management review processes. However there is a small proportion of the respondent group (7%) who feel that their performance management review was not carried out in a fair and professional manner. This could pose the question around training for management in delivery of performance management reviews, or if there is an unethical practice leaking into the process that needs to be addressed. Respondents whom answered 'No' to the above question were asked to give the reasons why they felt that their performance management review was not carried out in a fair and professional manner, however unfortunately none of these respondents made any comments.

5.3.8 Respondents that gave documented feedback to their appraiser

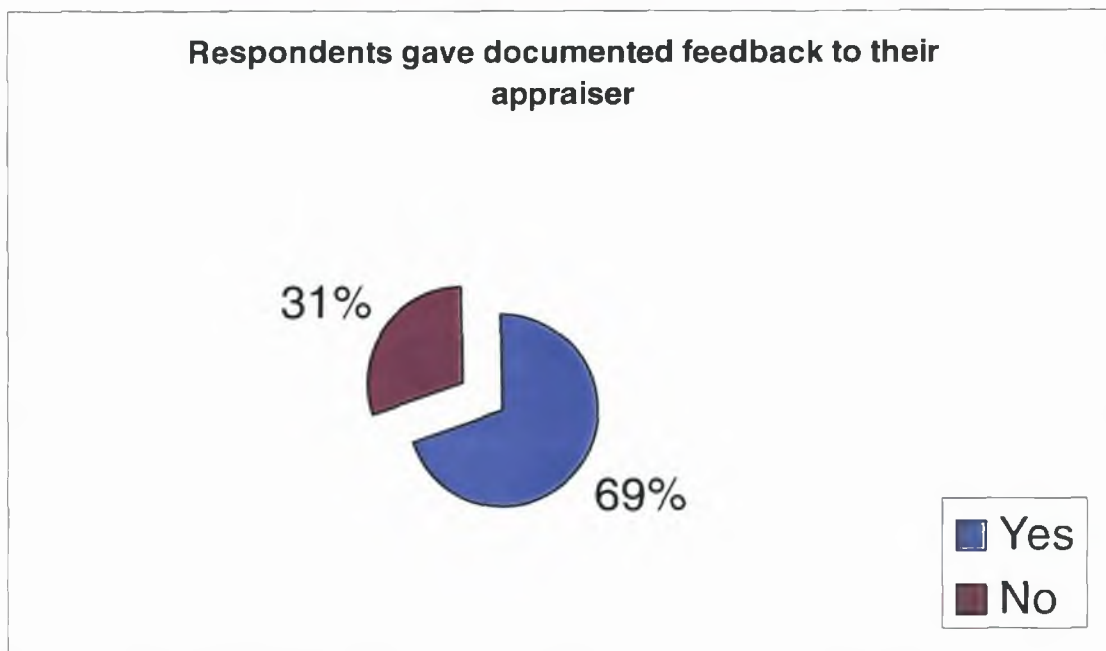
Question 8 is aimed at revealing the level of participation in the performance management review process. In my experience an individual that is genuinely participating and believes in the strategy of the performance management review process will give documented feedback to their appraiser. Whether the feedback is positive or negative - is not important. The main objective is that they are actively taking part in the process and not just allowing the process to happen without some of their own input.

The importance of documenting the feedback is also vital in gathering this information, as verbal feedback will not be as thoughtful and relevant as documented feedback. Documented

feedback is an invitation for follow-up for both parties and encourages communication and participation.

Graph 10 below illustrates the breakdown of the respondent group on this particular question:

Graph 10



The results show that a large proportion of the respondent group (31%) did not give documented feedback to their appraiser, the respondents who answered 'No' to this question were also asked to outline the reasons why they didn't give documented feedback to their appraiser.

Data from the latter question revealed the following thoughts from the respondent group, only 2 respondents declined to give their thoughts;

1. Didn't know what to write down
2. Felt it wasn't important anyway
3. Didn't see any point in writing down their opinion
4. Verbally said everything they needed to say
5. Had nothing to say that would have added value
6. Didn't want to write something negative down
7. Though it was just for training needs
8. Wanted to but wasn't encouraged to do so
9. Thought that their manager would feel they were being too up front
10. Wanted to say what they felt but it wasn't good so didn't bother saying anything
11. Afraid that they wouldn't be taken seriously
12. Was unhappy in job at the time so better off saying nothing
13. Didn't want it going down on record
14. No-one else on their team writes down anything
15. Was just told to sign form wasn't asked to write anything else

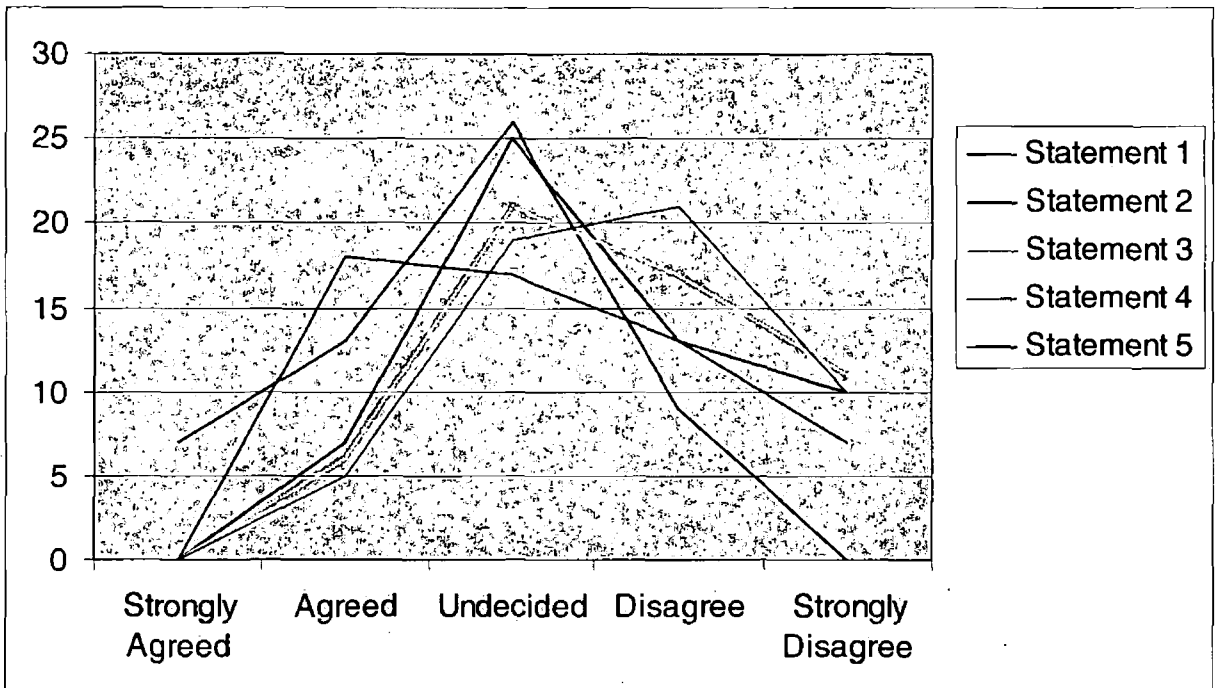
5.4 Results from Section 3 of the Questionnaire

Section 3 of the questionnaire was designed to gather data on the respondents' experience of the Balanced Scorecard system. Respondents were asked to give their response to 5 statements about the Balanced Scorecard system. Responses ranged from 'Strongly Agreed', 'Agreed', 'Undecided', 'Disagree', or 'Strongly Disagree'.

The design of the 5 statements was themed in such a way that the individual response would result in a personal opinion. The first 3 statements were centred around how the Balanced Scorecard enables an individual in the organisation to meet job requirements, determine training needs and identify potential, and the last 2 statements were centred around performance related pay issues, and organisational communication.

However the questionnaire results in Section 3 are not completely contaminated by central tendency and the outcome of the respondent's reaction to statements provides excellent data for discussion. In order to illustrate the general perception of the Balanced Scorecard system the outcome of the responses to the 5 statements is depicted below in Graph 11;

Graph 11



Throughout the analysis of the results of Section 3, a large proportion of the respondent group felt 'Undecided' towards all 5 statements; this has led to a central tendency problem in illustration of the results. The average percentage of 'Undecided' respondents throughout the 5 statements is 39%.

There could be a number of reasons why this happens, respondents may not have understood the question that was being asked of them, or they may have differing opinions on parts of the same statement or they could genuinely be undecided in their response.

The results from the respondent group is illustrated by the tables according to each statement as follows:

Statement 1

‘The Balanced Scorecard method enables me to determine how far I am meeting the requirements of the job and whether I need to make any changes or action for the future’

Table 1

Strongly Agreed	Agreed	Undecided	Disagreed	Strongly Disagreed
13%	24%	47%	16%	Nil

There is a strong positive response to the first statement, although unfortunately nearly half of the respondent group felt undecided towards this question. All in all 36% of the respondent group perceive the Balanced Scorecard as a useful method of determination their progression towards meeting the requirements of the job.

Statement 2

‘The Balanced Scorecard method helps me determine my developmental needs in terms of work experience and training’

Table 2

Strongly Agreed	Agreed	Undecided	Disagreed	Strongly Disagreed
Nil	13%	45%	24%	18%

Again there is a large proportion of the respondent group undecided towards this statement, however in a reverse response to the previous statement there is a stronger negative feeling towards the perception of the Balanced Scorecard in determining development needs in terms of work experience and training.

Statement 3

‘The Balanced Scorecard method helps me to identify my potential to take on wider responsibilities’

Table 3

Strongly Agreed	Agreed	Undecided	Disagreed	Strongly Disagreed
Nil	11%	38%	31%	20%

Surprisingly this statement resulted in the strongest negative response from the respondent group regarding the effectiveness of the Balanced Scorecard. Over half of the respondent group have a negative perception of the ability of the Balanced Scorecard process in identifying ones potential to take on wider responsibilities.

Statement 4

'The Balanced Scorecard provides a clear basis for assessing and allocating salary increases and profit share bonuses'

Table 4

Strongly Agreed	Agreed	Undecided	Disagreed	Strongly Disagreed
Nil	9%	35%	38%	18%

Again there is a high proportion of the respondent group with strong negative perceptions of the Balanced Scorecard process. The majority of the respondent group feel that the Balanced Scorecard does not provide a clear basis for assessing and allocating salary increases and profit share bonuses. However the trend amongst the 'undecided' responses continues through the results.

Statement 5

'The Balanced Scorecard method improves communication between managers and their staff'

Table 5

Strongly Agreed	Agreed	Undecided	Disagreed	Strongly Disagreed
Nil	33%	31%	24%	13%

A relatively common objective of any performance management review system would be to improve communication between both parties involved. However again over a third of the respondent

group felt that the Balanced Scorecard process did not improve communication between managers and staff.

So despite the 'central tendency' of the respondent group in this section of the questionnaire the results have provided excellent data for analysis and discussion. It is clear how improvements in the process can be recommended through research such as this.

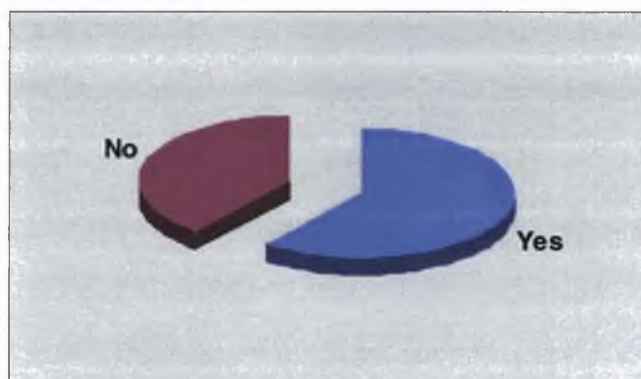
5.5 Results from Section 4 of the questionnaire

Section 4 of the questionnaire was designed to gather data on the respondent's knowledge and experience of the performance management review process within the company. Respondents were asked to answer 10 'closed' questions regarding their experiences of the internal performance management review processes, and 1 'open' question on suggestions for improvement. The results from this particular section should provide very interesting data for discussion relating to internal procedures.

5.5.1 Respondents that have been given a job description

Question 1 asks if *respondents have been given a current job description, which outlines their duties and responsibilities*. 39% of the respondent group said that they have not been given a current job description. This may be on account of an individual who has been recently hired or promoted, or could be a symptom of organisational change where job responsibilities have changed and job descriptions are out of date or have not been developed. However 39% represents a large proportion of the respondent group who feel they do not have in possession a current job description. The pie chart below illustrates the breakdown:

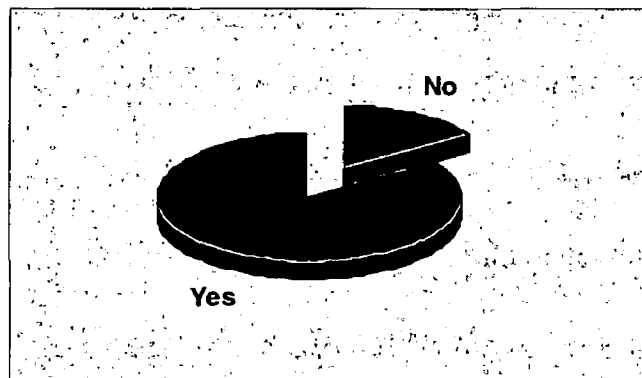
Chart 1



5.5.2 Respondents that have received feedback on their performance

Question 2 asks if *respondents have ever received verbal or written feedback on their performance*. The objective in asking respondents this question was to rule out any assumptions about individuals not receiving verbal and written feedback. 84% of the respondent group said that they had received either verbal or written feedback on their performance. This data result is reflective of an earlier section of the questionnaire, which asked respondents if they had ever had a performance management review, 86% said that they had a performance management review. This is a key element in validity of results. The results are illustrated in pie chart 2 below:

Chart 2



5.5.3 Respondents that have had a probation review

Question 3 asks if *respondents have ever had a probation review*. A probationary period of 6 months forms part of the terms and conditions in the initial offer of employment contract, unless waived by mutual consent of both parties. So therefore a new employee would be subject to a probationary review on a monthly basis for 6 months before their employment is deemed 'permanent'. Earlier results showed that 12 of the respondents had joined the company within the 0-6 months timescale, of these 12 respondents only 5 have a had a probation review. This has implications on the performance management review process, and shows a disparity of intended and realised performance management review practices. Chart 3 below illustrates the results of the group:

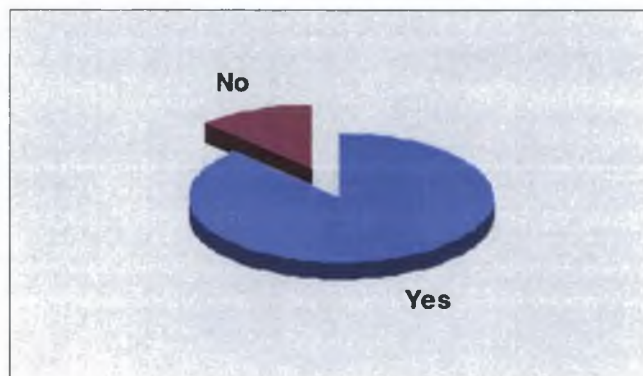
Chart 3



5.5.4 Respondents that have a Balanced Scorecard

Question 4 asks if *respondents have been given a 'Balanced Scorecard' listing their current objectives*. This is essentially one of the most revealing questions of the questionnaire. Each individual has a 'menu' of objectives to achieve within one financial year; the outcome of the achievement of these objectives is represented by a performance rating ranging from 1-5 (see Appendix 3 for criteria of ratings), which directly relates to their annual pay increase, profit share bonus, and share options. In monetary terms there is a lot at stake for the individual, as well as their overall motivation and job satisfaction, the resultant performance rating has an effect on their future prospects for promotion and opportunity for progression. The results revealed that a staggering 12.5% of respondents have not received a Balanced Scorecard listing their current objectives. This result is illustrated in chart 4 below:

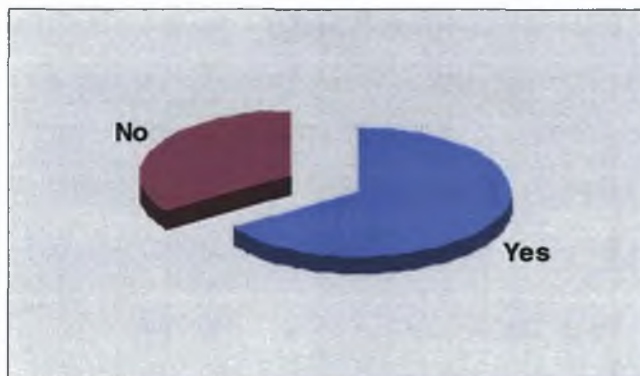
Chart 4



5.5.5 Respondents that understand how their role contributes to the overall achievement of corporate objectives.

Question 5 asks if *respondents understand how their role contributes to the overall achievement of corporate objectives*. The aim of this question was to probe respondent's knowledge of the strategic thinking ambition and whether they can see how their contribution is important. The results show that only 65% of the respondent group felt that they understood how their role contributes to the overall achievement of corporate objectives. This is a fundamental assumption for the Balanced Scorecard process; individuals must see how they fit into the strategic plans of the organisation, and how they can help to achieve them. Results of this perception is illustrated below in Chart 5:

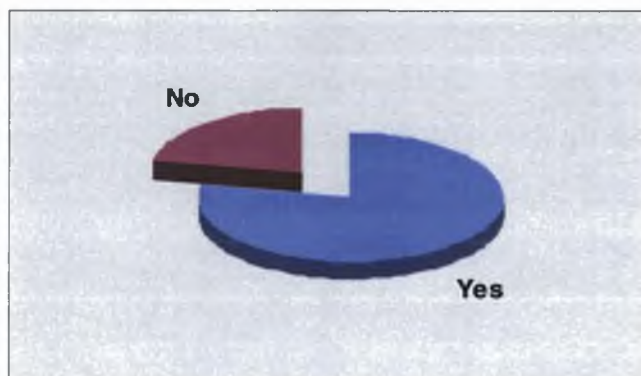
Chart 5



5.5.6 Respondents that understand the function of their department

Question 6 asks if *respondents understand the function of their department*. The principle behind asking this question was aimed at gathering information related to the previous question. If respondents didn't understand how their role contributed to the overall achievement of corporate objectives then I wanted to establish at what point do they connect the purpose of their role and the purpose of the organisation? Therefore this question asks respondents if they understand the function of their department, as a starting point. The results show that 22% of the respondent group felt that they do not understand the function of their department. This result is illustrated in Chart 6 below:

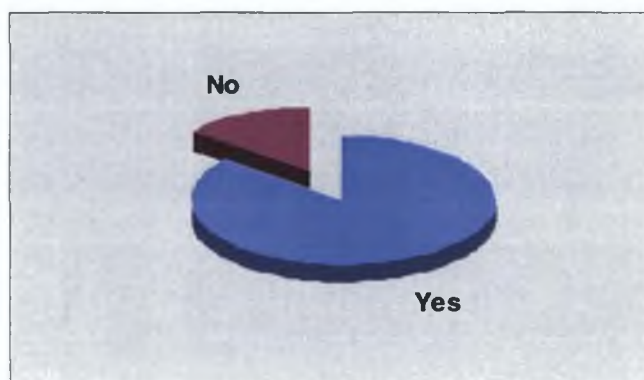
Chart 6



5.5.7 Respondents that understand the business strategy of the Dublin office

Question 7 asks *if respondents understand the business strategy of the Dublin office*. This question is again linked directly to the previous line of probing regarding the respondents understanding of strategic thinking. This time the question is more specific and some respondents may begin to link the purpose of their role with the 'Dublin office' rather than with the 'corporate objectives of the organisation'. The strategy of the Dublin office has changed significantly in the last 3 years with the introduction of diversification of products, and a focus on 'tailoring' clients needs on a case by case basis, rather than a 'service level agreement' type scenario, similar to a boutique style service. This time the results showed that only 14% of the respondent group felt that they didn't understand the business strategy of the Dublin office, as illustrated in Chart 7 below:

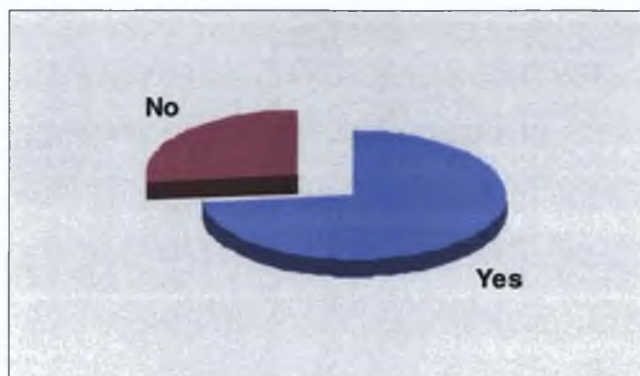
Chart 7



5.5.8 Respondents that understand the corporate objectives of the organisation

Question 8 asks *if respondents understand the corporate objectives of the organisation*. Although this is similar to a question asked previously in the same section, and staying with the flow of questioning in the last two questions, it is coming from a different angle; regardless of understanding how their role is important. So without linking oneself with the organisational objectives, in theory one should understand the corporate objectives of an organisation one is employed with? The results show that 73% of the respondent group felt that they understand the corporate objectives of the organisation, as illustrated in Chart 8 below:

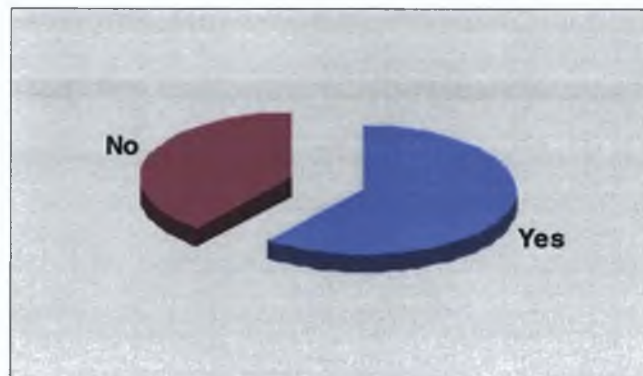
Chart 8



5.5.9 Respondents that understand how the Balanced Scorecard process works

Question 9 asks *if respondents understand how the 'Balanced Scorecard' process works*. This aim of this question is to gather data on the confidence of knowledge of the Balanced Scorecard among employees. Obviously ones understanding may vary in depth to another, but generally speaking there should be a foundation level of understanding how the system works. The results show that 39% of respondents felt that they did not understand how the Balanced Scorecard process works, Chart 9 below illustrates this result:

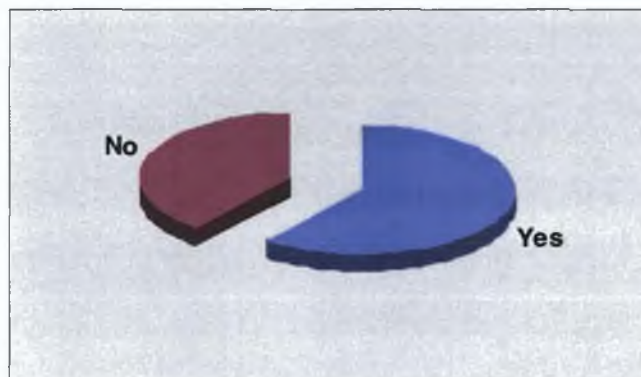
Chart 9



5.5.10 Respondents that are satisfied that they have been given enough information regarding the performance management process

Question 10 asks *if respondents are satisfied that they have been given enough information regarding the performance management process*. Communication and adequate training forms a very important part of the introduction of a new performance management system. So this question is directly aimed at gathering the level of satisfaction among employees that enough information has been provided to them. The results show that 66% of the respondent group feel that they have been provided with enough information regarding the performance management process, as illustrated in Chart 10 below:

Chart 10



5.5.11 Feedback from respondents for suggested improvements

Question 11 is an open question geared at generating some feedback from the respondents on providing suggestions for improvement of the process. This data is valuable in the completion of this type of questionnaire as not only am I gathering information on the respondents opinions and experiences but also on their genuine suggestions for improvement. Most of the responses were resonant of the type of questions that they had just completed. Out of the 64 respondents, 19 gave their suggestions for improvement. Rather than documenting each individual suggestion I have grouped them into categories as show below:

Suggestion	% of Group
More frequent performance feedback	37
IT system for Balanced Scorecard documents	16
Forced distribution should be abandoned	11
More communication from management regarding business updates	21
Opportunity to discuss performance before rating is assigned	16

Chapter 6

Discussion

6.1 Discussion of Results

Most individuals have a general view of how well they have performed and can form an assessment of their contribution without the aid of sophisticated performance management systems. Employees should not suddenly discover at the end of the year that they have failed to achieve the defined performance target. Continuing performance data should be made available, and potentially unsatisfactory performance should be addressed at the earliest opportunity.

The research question asked what is the perceived value of a performance management process amongst employees of a Fund Administration Services company, using the Balanced Scorecard method? And so the aim of the questionnaire was to gather the perspective of employees on their awareness, understandings, experiences, knowledge and especially their perception of how the performance management review process in this case the Balanced Scorecard functions as a performance management review tool.

Throughout the results many patterns and trends emerged, mainly reflecting a lack of clarity amongst a minority group regarding the functioning of performance management review processes.

The response to the questionnaire from each of the 3 groups was good; the majority of the responses came from the Operational group.

However the majority of the respondent group came from the bottom 4 layers of the organisation; there was a small response from the senior level positions in the company, and there was no response from the most senior level in the organisation.

The results seem to imply that the majority of respondents are either in the position of having been promoted recently or have joined the company recently.

I was surprised that such a large proportion of the respondent group (30%) felt that they do not fully understand what the term performance management means taking into consideration that 14% of the respondent group have never had a performance management review!

13 individuals felt that they do not have a clear understanding of their performance objectives, however further analysis would be required to gather data on levels of understanding amongst these individuals.

But the results seem to indicate a minority group with a lack of understanding and awareness of the performance management review process.

The questionnaire then went further in examining the respondent's knowledge of performance management by asking them if they understand the application of performance measures in this case weightings associated with specific objectives. An alarming 29% of the respondent group felt that they are not aware of the weightings

associated with specific objectives, this is really significant. Weightings attached to specific objectives have a dramatic affect on the performance management review rating associated with profit share and annual salary increase.

Communication and feedback on performance on a continuing basis is a fundamental way of motivating an individual whether or not feedback is positive. 33% of the remaining respondent group felt that they are not informed of their performance on a continuing basis. Therefore it was not surprising that 45% of the remaining respondent group felt that their performance management review rating was not an accurate reflection of their contribution to the achievement of corporate objectives.

It was pleasing to discover that only 7% of the respondent group felt that their performance management review was not carried out in a fair and professional manner. Of course the result should be 0%, and the reasons why the respondents felt this way should be analysed further, so it was disappointing that they did not take the opportunity to outline the reasons why. I can only assume they are personal feelings that individuals may have and not through lack of professionalism on the part of the appraiser.

A large proportion of the respondents (31%) said that they did not give documented feedback to their appraiser. Management does not support this practice and although it is a voluntary exercise it is the responsibility of management to encourage documented feedback. It would be interesting to analyse the use of feedback received to date. Most of the respondents who answered 'No' in

this case outlined the reasons why they didn't give documented feedback to their appraiser, and in my view the results seem to indicate a general lack of presence, in other words the appraisee's don't feel like they are participating.

Results from the third part of the questionnaire regarding the application of the Balanced Scorecard were disappointing. I felt that the results were slightly contaminated by a swing of central tendency, and evaluation of these results will bring a nominal amount of information to the project. However earlier results show that 39% of respondents felt that they did not understand how the Balanced Scorecard process works so this central tendency may be a result of ill-informed group.

However the results from the third section of the questionnaire, which asked respondents to give their personal response to five statements regarding the effectiveness of the Balanced Scorecard, provided an excellent insight into the perception of the process among the respondent group. When asked if the Balanced Scorecard method enables an individual in the organisation to meet job requirements there was a clear positive response in agreement, which amounted to 36% of the respondent whom perceive Balanced Scorecard as a useful method of determination their progression towards meeting the requirements of the job.

However results from the following next two statements revealed differing perceptions of the value of the performance management review method. In determining ones training needs a large proportion of the respondent group felt undecided, and in

identifying potential the strongest negative response resulted regarding the effectiveness of the Balanced Scorecard. Interestingly over half of the respondent group have a negative perception of the ability of the Balanced Scorecard process in identifying ones potential to take on wider responsibilities.

From another angle the last two statements were centred on performance related pay issues, and organisational communication, and again the results showed a high proportion of the respondent group with strong negative perceptions of the Balanced Scorecard process. The most contentious result was that the majority of the respondent group felt that the Balanced Scorecard does not provide a clear basis for assessing and allocating salary increases and profit share bonuses. Another interesting result was that over a third of the respondent group felt that the Balanced Scorecard process did not improve communication between managers and staff.

A large proportion of the respondent group said that they do not have in possession a current job description. This could be reflective of changes in structure.

The results imply a disparity of intended and realised performance management review practices centred around the probation review process, 7 of the respondents who have joined the company within the 0-6 months timescale have not had a probation review yet.

I was surprised to find that 12.5% of respondents have not received a Balanced Scorecard listing their current objectives,

obviously this is not a practice intended by the theory of the system and management practice should be stepped up to ensure each individual has a current list of their objectives set out in a Balanced Scorecard.

A positive 65% of the respondent group felt that they understood how their role contributes to the overall achievement of corporate objectives, and this is a very important assumption for the Balanced Scorecard process; individuals must see how they fit into the strategic plans of the organisation. However on the other side of the coin the results imply that 35% of the respondent group do not understand how their role contributes to the overall achievement of objectives. Results also show that 66% of the respondent group feel that they have been provided with enough information regarding the performance management process.

Recommendations to management for more training and information on the subject of performance management review processes will be made following this project.

Results show that 22% of the respondent group felt that they do not understand the function of their department, 14% of the respondent group felt that they didn't understand the business strategy of the Dublin office, and 27% felt that they do not understand the corporate objectives of the organisation. However this result is not surprising given the complexity of the Fund Administration industry, and given the volume of new graduate recruits with no previous relevant work experience. This is an expected result as the communication of local business objectives and changes is more frequent than 'corporate' communication.

Feedback from respondents on making suggestions for improvement of the performance management review process resulted in a large number of suggestions. The suggestions were categorised into similar themes, respondents felt that they would like more frequent feedback on their performance. Many suggestions were made for the improvement of the physical documentation of the Balanced Scorecards. A small number of respondents suggested that the practice of forced distribution on performance management review ratings should be abandoned. And a general suggestion for more communication and participation opportunities should be provided.

6.2 Recommendations

There should be consistency throughout the performance management review process with no exceptions. Every employee should have a job description, a list of their Balanced Scorecard objectives, provided with training and accessible information sources. A feedback process should be built into the system for discussion and analysis on a regular basis.

Poor performance should be addressed immediately and not at annual performance management reviews, this provides opportunity for improvement and increases communication instead of building a relationship of resentment and high control.

A competency framework should be built into the performance management review system to narrow the possibility of subjective judgements and increase the use of key performance behaviours.

HR should conduct internal audits of performance management reviews to manage consistency. Ratings should not be applied through a forced distribution method, I would even suggest reducing the current review ratings from 1-5 to 1-3.

Appraisers should receive regular training on how to conduct professional performance management reviews, and they should not feel inadequate in having to do so, we are all learning and increasing ones knowledge of the system can only be of benefit to all parties involved.

I would highly recommend an IT system being developed to manage Balanced Scorecard documents for easy reference and accessible to both appraiser and appraisee. Perhaps this is coming from a HR perspective where approximately 300 8-10 page documents land in our office every 6 months – not an ideal information management system for any model of operations.

Levels of interdepartmental communication should be increased so that each employee understands the function of the business as a unit, and not just their own area. The company is rapidly expanding and with the recent acquisition there are plenty of opportunities at hand.

Excellent performance should be rewarded intrinsically at the appropriate time, as well as extrinsically. Many employees have said at their exit interviews that their reasons for leaving are not related to pay or conditions; (even though they may have found a job that pays better), their initial reason for job hunting in the first place was because of an incident or incidents of feeling undervalued and not important. Praise is a cheap commodity and used in the right context and at the appropriate time is more valuable in motivating an employee than the promise of profit share bonuses.

Performance related pay should be re-examined; is it the best method of motivation? Year after year bonuses are distributed as a reward for ones contribution towards the success of the company. However no research has been conducted into the motivational outcomes of this and the trends have been that most staff will leave after receiving their bonus anyway.

Internal employee satisfaction survey should be distributed to generate information on areas which are lacking in 'hygiene' factors so that motivation can take place for example working conditions, flexibility of working arrangements, environment, salary and administration etc.

6.3 Conclusion

Performance management systems are not universally successful. nor are they universally unsuccessful. However the introduction of a performance management system requires more than an 'off the shelf' solution. Many variables must be taken into consideration first. The most important question is probably the organisation asking itself what is the performance management system is aiming to achieve?

By defining the reason for introduction of a performance management system, the implementation process should follow suite with proper planning, communication and training where necessary. Feedback is central to continual successful implementation, and an integrated feedback system will provide valuable information necessary for process excellence.

The value of the performance management review process is only as good as the quality of input from the individuals involved, the performance management system as a product alone cannot achieve anything.

On paper the Balanced Scorecard system looks state-of-the-art, up to the minute and flawlessly strategic. However throughout the results of the questionnaire it is clearly lacking in some fundamental basic requirements. Admittedly the gaps seem to exist mainly in the process and not in the theory of the system.

Sound business ethics must be practised in order to build the relationship of trust between managers and staff. Throughout the performance management review process there must be an abundance of good will, transparency and ethical behaviour regardless of how sophisticated the system claims to be.

I suggest that a code of ethics should be included in the perspective of the balanced scorecard, or that an ethical business culture should be added as a fifth perspective where appropriate.

Chapter 7

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Chapter 8
Appendices

Appendix 1 - GENERAL ATTITUDE SURVEY

Please answer each question by ticking the relevant box. The information provided will generate group attitude results; no individual responses will be published.

Are you satisfied with:

- | | | |
|---|------------------------------|-----------------------------|
| 1. Your working conditions | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. The challenge in your job | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. How well your job uses your skills & abilities | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Your pay | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5. How much time you have for social activities | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 6. The information you get from your manager | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 7. The co-operation you get from other depts | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 8. The level of responsibility you have in your job | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 9. The opportunities for training | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 10. The opportunities for promotion | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 11. The feedback on the quality of your work | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 12. The co-operation you get from colleagues | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If you answered 'No' to Qs. 4, please answer each of the following questions:

4.1. Are you satisfied that you are paid fairly for the amount of effort you put into your job?

Yes No

4.2. Are you satisfied that you are paid fairly compared with what you could earn for doing a similar job in a different firm?

Yes No

4.3. Are you satisfied that you are paid fairly compared with what others earn in this company?

Yes No

Appendix 2 QUESTIONNAIRE – PERFORMANCE MANAGEMENT

SECTION 1.

Please complete all relevant questions, the information provided will generate group results, no individual responses will be published.

All responses will be treated confidentially.

Please complete the following classification details to help in the comparison and analysis of data, none of this information will be linked back to individuals.

1. Which of the following areas do you work in? (Please tick one box)

- | | |
|---|--------------------------|
| Operational (revenue generating) | <input type="checkbox"/> |
| Support services (non-revenue generating) | <input type="checkbox"/> |
| Executive | <input type="checkbox"/> |

2. How many years of service do you have? (Please tick one box)

- | | |
|---------------------|--------------------------|
| 0-6 months | <input type="checkbox"/> |
| 6 months to 1 year | <input type="checkbox"/> |
| 1 year to 2 years | <input type="checkbox"/> |
| 2 years to 4 years | <input type="checkbox"/> |
| 4 years to 6 years | <input type="checkbox"/> |
| 6 years to 8 years | <input type="checkbox"/> |
| 8 years to 10 years | <input type="checkbox"/> |
| More than 10 years | <input type="checkbox"/> |

3. What is your current position? (Please tick one box)

- | | |
|-------------------------------|--------------------------|
| Administrator (band B) | <input type="checkbox"/> |
| Senior Administrator (band B) | <input type="checkbox"/> |
| Supervisor (band C) | <input type="checkbox"/> |
| Officer (band C) | <input type="checkbox"/> |
| Assistant Manager (band D) | <input type="checkbox"/> |
| Manager (band D) | <input type="checkbox"/> |
| Senior Manager (band E) | <input type="checkbox"/> |
| Director (band F) | <input type="checkbox"/> |

4. How long have you been in your current position? (Please tick one box)

- | | |
|---------------------|--------------------------|
| 0-6 months | <input type="checkbox"/> |
| 6 months to 1 year | <input type="checkbox"/> |
| 1 year to 2 years | <input type="checkbox"/> |
| 2 years to 4 years | <input type="checkbox"/> |
| 4 years to 6 years | <input type="checkbox"/> |
| 6 years to 8 years | <input type="checkbox"/> |
| 8 years to 10 years | <input type="checkbox"/> |
| More than 10 years | <input type="checkbox"/> |

SECTION 2.

The following questions are aimed at revealing your general perception of performance management practices. Please tick one box in each question.

1. Do you fully understand what is meant by the term 'performance management'?

Yes No

2. Have you ever had a performance management review?

Yes No (If answer is 'No' please skip directly to Section 4)

3. Do you have a clear understanding of your objectives?

Yes No

4. Are you aware of the weightings associated with specific objectives?

Yes No

5. Have you been informed of your performance against your objectives on a continuing basis?

Yes No

6. Do you feel that your performance management review rating was an accurate reflection of your contribution to the achievement of corporate objectives?

Yes No

7. Are you satisfied that your performance management review was carried out in a fair and professional manner?

Yes No (If answer is 'No' please give reasons why)

8. Did you give documented feedback to your appraiser regarding your performance?

Yes No (If answer is 'No' please give reasons why)

SECTION 3.

The following section is aimed at revealing your perception of the 'Balanced Scorecard' system. Please tick one box for each statement.

1. The Balanced Scorecard method enables me to determine how far I am meeting the requirements of the job and whether I need to make any changes or action for the future.

- Strongly agree
- Agree
- Undecided
- Disagree
- Strongly disagree

2. The Balanced Scorecard method helps me determine my developmental needs in terms of work experience and training.

- Strongly agree
- Agree
- Undecided
- Disagree
- Strongly disagree

3. The Balanced Scorecard method helps me to identify my potential to take on wider responsibilities.

- Strongly agree
- Agree
- Undecided
- Disagree
- Strongly disagree

4. The Balanced Scorecard provides a clear basis for assessing and allocating salary increases and profit share bonuses

- Strongly agree
- Agree
- Undecided
- Disagree
- Strongly disagree

5. The Balanced Scorecard method improves communication between managers and their staff.

- Strongly agree
- Agree
- Undecided
- Disagree
- Strongly disagree

SECTION 4.

1. Have you been given a current job description, which outlines your duties and responsibilities?

Yes No

2. Have you ever received verbal or written feedback on your performance?

Yes No

3. Have you ever had a probation review?

Yes No

4. Have you been given a 'balanced scorecard' listing your current objectives?

Yes No

5. Do you understand how your role contributes to the overall achievement of corporate objectives?

Yes No

6. Do you understand the function of your department?

Yes No

7. Do you understand the business strategy of the Dublin office?

Yes No

8. Do you understand the corporate objectives of the organisation?

Yes No

9. Do you understand how the 'Balanced Scorecard' process works?

Yes No

10. Are you satisfied that you have been given enough information regarding the performance management process in the company?

Yes No

11. If you had any suggestions for improving the process what would they be?

Appendix 3 – Performance Review Ratings Criteria

FAR EXCEEDED OBJECTIVES	EXCEEDED OBJECTIVES	MET OBJECTIVES	PARTIALLY MET OBJECTIVES	DID NOT MEET OBJECTIVES
Achieved results that consistently and significantly surpassed objectives	Achieved results that frequently exceeded objectives	Achieved results that consistently met and may have occasionally exceeded objectives	Achieved results that generally met objectives but with some significant shortfalls	Achieved results that consistently and significantly fell short of objectives
5	4	3	2	1

Our overall performance standards are that: We expect that most of our employees will perform at the 3 rating level while fewer will perform at the 2 rating or 4 rating levels and an even smaller number will perform at the 5 rating and 1 rating levels.

We explain this more fully below, in relation to each rating.

3 rating:

This is a solid rating based on the consistent achievement of results that meet and may occasionally exceed objectives. We expect all of our employees to strive to meet and exceed their objectives and we expect our managers to set challenging objectives. It follows then, that if managers are setting objectives in a sufficiently challenging way, a significant part of our population will achieve a 3 rating.

4 and 5 ratings:

It should be very challenging to obtain a 4 rating, and even more challenging to achieve a 5 rating. As performance is measured by results against objectives, the 4 and 5 ratings are meant for those who produce the best results in the company. It follows then that the number of 4 and 5 ratings approved is limited in comparison to the 3 ratings approved.

2 ratings

Where employees produce results that generally meet objectives but with some significant shortfalls, they should receive a 2 rating. It is key to developing our employees' level of performance that areas for improvement are clearly identified in the appraisal process and that employees accept full responsibility for improving their performance.

1 ratings

1 ratings should be assigned where the employee produces results that consistently and significantly fall short of objectives. We would expect a very small part of the population to receive this rating as this level of performance is below minimal acceptable standards.

Appendix 4 – Example of a Mission Statement

Human Resources Mission



Be a strategic partner and leader in HR solutions that enable the Bank's strategies . Our commitment is to ensure these solutions contribute to shareholder value through efficient and effective delivery. HR will be the guardian of corporate culture, and a facilitator of change, while creating an environment focused on attracting, developing and retaining a committed global workforce.

Appendix 5 – Example of a Strategy Map

HUMAN RESOURCES STRATEGY MAP



To succeed financially, how should we appear to our shareholders?

To achieve our vision, how should we appear to our customers?

To satisfy our customers and shareholders, at what business processes must we excel?

To achieve our vision, how will we sustain our ability to change and improve?

Sep 25/01

Financial	Manage Global HR Efficiently and Effectively			
	Productivity 1. Continue to create operational HR efficiency improvement			
Customer / External	Be a Client-Centric Division with an Adaptive and Focused Approach to Organisational Needs			
	Customer Intimacy Strategy 1. Develop and sustain quality relationships through deep understanding of organisational needs 2. Offer client facing value added & innovative HR solutions to meet organisational needs		Operational Excellence Strategy 1. Enhance HR employee communication and accessibility through e-HR Solutions 2. Deliver HR solutions efficiently	
Internal	Excel in Global HR Processes			
	Innovation 1. Assess & select 3 rd party products and services as appropriate	Increase Client Value 1. Present consistent, streamlined global HR policies and procedures	Operational Excellence 1. Execute operational HR processes seamlessly and efficiently 2. Implement HR Operating Model 3. Maximise HRIS capabilities	Reputation management 1. Support audit and compliance procedural enhancement 2. Comply with local HR legislation
People & Environment	Develop and Maintain HR Practices which Attract, Develop and Retain the Best Possible Global Workforce			
	Corporate Culture 1. Continually inform and educate staff 2. Communicate Corporate core values 3. Provide supportive work environment 4. Develop leadership culture	Develop Employee Competencies • Adaptability/flexibility to respond to change • Communication and interpersonal skills • Customer relationship management • Problem solving/analytical skills		Technology 1. Provide enabling technology and tools

**Financial Perspective
(Human Resources)**

*To succeed financially, how
should we appear to our
shareholders?*



Bank of Bermuda

Manage Global HR Efficiently			
Objectives	Performance Measures		Initiatives
	Current (2001)	Future (2002)	
Productivity			
1. Continue to create operational HR efficiency improvement	1. Decrease HR budget by 7% from \$9,259 m to \$8,610 m	1. Adhere to 2002 HR budget as approved	

**Customer/External Perspective
(Human Resources)**

To achieve our vision, how should we appear to our customers?



Be a Client-Centric Division with an Adaptive and Focused Approach to Organisational Needs			
Objectives	Potential Performance Measures		Initiatives
	Current (2001)	Future (2002)	
Customer Intimacy Strategy			
<ol style="list-style-type: none"> 1. Develop and sustain quality relationships through deep understanding of organisational needs 2. Offer client facing value added & innovative HR solutions to meet organisational needs 	<ol style="list-style-type: none"> 1. Implement Balanced Scorecard (Dec 01) 2. Design and implement PC incentive plan (Dec 01) 2. Revise and implement improvements to Treasury bonus plan (Sep 01) 2. Implement changes to the Profit Share scheme (Nov 01) 2. N/A 	<ol style="list-style-type: none"> 1. Revise and implement improvements to the Balanced Scorecard tool (Dec 02) 1. Global HR Directors assigned to 100% of BoB Divisions (Mar 02) 2. Design and implement Investments incentive plan (Mar 02) 2. Research and design Corporate Cash Management incentive plan as appropriate (Mar 02) 2. Introduce flexible benefits plan for Dublin bank (June 02) 2. Align to Division-specific HR training needs (Dec 02) 	<ol style="list-style-type: none"> 1. Implement Balanced Scorecard as a tool to create improved strategy communication 1. Structure global HR to align to BoB divisions 2. Determine Corporate standards for designing division-specific incentive schemes and other Compensation related activities 2. Re-design and implement changes to Profit Share scheme to provide greater transparency between organisational goals and individual performance 2. Support effort to be the employer of choice in Dublin as key operational centre 2. Partner with Divisions to implement training solutions to division-specific needs as identified through the respective scorecards
Operational Excellence Strategy			
<ol style="list-style-type: none"> 1. Enhance HR employee communication and accessibility through e-HR Solutions 2. Deliver HR solutions efficiently 	<ol style="list-style-type: none"> 1. Identify opportunities to improve HR Intranet and other communication mediums (Nov 01) 2. Meet timelines for Total Compensation Reviews (Appraisals, Salary Review, Profit Share and Share Options (Oct - Dec 01) 	<ol style="list-style-type: none"> 1. Implement improvements to HR Intranet (Dec 02) 2. Meet timelines for Total Compensation Reviews (Appraisals, Salary Review, Profit Share and Share Options (Jan/Feb 02 & Oct - Dec 01) 	<ol style="list-style-type: none"> 1. Design and implement HR Website improvements 2. Meet organisational timelines for Total Compensation Reviews

Internal Perspective (Human Resources)

To satisfy our customers
and shareholders, at what
business processes must
we excel?



Excel in Global HR Processes			
Objectives	Performance Measures		Initiatives
	Current (2001)	Future (2002)	
Innovation			
<ol style="list-style-type: none"> 1. Assess & select 3rd party products and services as appropriate 	<ol style="list-style-type: none"> 1. Outsource Option Plan administration (Nov 01) 1. Identify opportunities for outsourcing HR services (Dec 01) 1. Identify 3rd party provider for Sterling Area defined benefits pension plan & Europe defined contribution plan (Dec 01) 1. Select 3rd party provider for global job evaluation/ rating modification (Dec 01) 1. Select 3rd party provider for global access of online salary data (Dec 01) 	<ol style="list-style-type: none"> 1. 100% of Option Plan participants receive communication of plan administration changes (Feb 02) 1. Ensure EquiServe meets SLA targets (Dec 02) 1. Outsource at least one HR service (Dec 02) 1. Implement Sterling Area defined benefits pension plan and Europe defined contribution plan (April 02) 1. Implement job evaluation / rating modifications (July 02) 1. Implement globally accessible on-line salary data (Apr 02) 	<ol style="list-style-type: none"> 1. Manage relationship with EquiServe through SLA's 1. Leverage outsourcing opportunities to increase HR efficiency 1. Leverage Europe network to negotiate reduced pension administration fees 1. Align with key organisational need to modify job evaluation/ rating to provide global consistency and greater transparency 1. Create global process and expense efficiencies for salary data/market matching
Increase Customer Value			
<ol style="list-style-type: none"> 1. Present consistent, streamlined global HR policies and procedures 	<ol style="list-style-type: none"> 1. Globalise Training & Professional Development policy 	<ol style="list-style-type: none"> 1. Globalise 8 HR policies (Dec 02) <ul style="list-style-type: none"> • Relocation • Long Service (Recognition) • Housing Allowance/ Loan provisions • Perfect Attendance • Redundancy / Severance • Substance Abuse 1. Review and implement opportunities for global benefits consolidation (Dec 01) 	<ol style="list-style-type: none"> 1. Globalise HR policies and procedures 1. Leverage Bank network to reduce global benefits costs
Operational Excellence			
<ol style="list-style-type: none"> 1. Execute operational HR processes seamlessly and efficiently 2. Implement HR Operating Model 3. Maximise HRIS capabilities 	<ol style="list-style-type: none"> 1. Create Recruitment SLA's (Dec 01) 2. N/A 3. Develop PeopleSoft proposal for implementation priorities (PIE - Oct 01) 	<ol style="list-style-type: none"> 1. Meet Recruitment SLA targets 1. Create Employee Relations SLA's (Mar 02) 1. Meet SLA targets (Mar-Dec 02) 1. Terminate 2nd ESPP (Mar 02) 1. Introduce at least one process improvement initiative in the following HR processes: <ul style="list-style-type: none"> • Payroll • 3rd ESPP • Profit Share 2. Implement HR Regionalisation (Dec 02) 3. Implement PeopleSoft priorities (PIE dependent) 	<ol style="list-style-type: none"> 1. Create and meet expectations as identified through recruitment and Employee Relations SLA's 1. Introduce process improvements for key HR processes 2. Ensure Bermuda, Dublin and HK HR are structured identically to support global Regionalisation effort 3. Implement PeopleSoft capabilities to create operational efficiencies
Reputation Management			
<ol style="list-style-type: none"> 1. Support audit and compliance procedural enhancement 2. Comply with local HR legislation 	<ol style="list-style-type: none"> 1. 75% of audits achieve satisfactory rating 	<ol style="list-style-type: none"> 1. 100% of audits achieve satisfactory rating Ex: Bde - CURE, Employment Act and Immigration 2. All HR jurisdictional Management must identify and align to the objective of compliance with appropriate legislative bodies 	

**People & Environment Perspective
(Human Resources)**

To achieve our vision, how will we sustain our ability to change and improve?



Develop and Maintain HR Practices which Attract, Develop and Retain the Best Possible Global Workforce			
Objectives	Performance Measures		Initiatives
	Current (2001)	Future (2002)	
Corporate Culture			
<ul style="list-style-type: none"> 1. Continually inform and educate staff 2. Communicate Corporate core values 3. Provide supportive work environment 4. Develop leadership culture 	<ul style="list-style-type: none"> 1. 100% of employees have balanced scorecard performance objectives (Dec 01) 2. Validate core values (Nov 01) 3. Develop and Communicate 25 global EOS Action Plans (Sept 01) 4. N/A 	<ul style="list-style-type: none"> 1. Provide quarterly updates on HR's progress toward Balanced Scorecard objectives (quarterly) 2. Roll-out core values (June 02) 3. Provide quarterly EOS Action Planning progress reports for 25 teams (quarterly) 3. 90% response rate - EOS 2002 (Nov 02) 4. Complete leadership skills assessment to identify required development areas (July 02) 	<ul style="list-style-type: none"> 1. Individual balanced scorecard roll-out 2. Ensure alignment of core values to HR Processes 3. Implement EOS 2000, 2002 4. Leadership skills assessment and identification of development areas
Develop Employee Competencies			
<ul style="list-style-type: none"> • Adaptability/flexibility to respond to change • Communication and interpersonal skills • Customer relationship management • Problem solving/analytical skills • Deep understanding of bank business • Continuous learning • Initiative • Teamwork • Community involvement • Technical awareness 	N/A	<ul style="list-style-type: none"> • Research and consider implementing Human Capital Strategy (Dec 02)to: • Complete gap analysis with respect to existing and required employee competencies • Undertake the following to close the gap: <ul style="list-style-type: none"> • Design training curriculum for existing/new employees • Recruit employees with required competencies, and transition out employees who do not meet profile • Align job evaluation system with required competencies • Align reward programs with performance and competencies 	<ul style="list-style-type: none"> • Consider implementing Human Capital Strategy to align with balanced scorecard
Technology			
<ul style="list-style-type: none"> • Provide enabling technology and tools 	N/A	<ul style="list-style-type: none"> • Partner with ISD to roll out eLearning (PMB and PIE dependent) 	