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REWARD SYSTEMS AND CAREER PLANNING FOR EXECUTIVES :

a comparative analysis with special reference to the Post  
and Telecommunication industries of Portugal and Britain

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collaborating establishment: CTT-Correios e Telecom.  
de Portugal

( thesis to be submitted to the CNAA in partial fulfil-  
ment of the requirements for the degree of Master of  
Philosophy )

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## ABSTRACT

The subject matter of the thesis is, firstly, the comparison of career planning and pay policies for Postal and Telecommunications Industries of Portugal and Britain. Secondly, to offer some recommendations appropriate to the Portuguese case in the context of re-evaluating career planning and salary policies and practices for senior management staff.

The objective and importance to Portugal of the study is described in Chapter 1. Chapter 2 attempts to characterize the importance of career planning and pay policies for organisations and describe its main elements. Problems related to data collection within organisations and methodology of the study concerning a management survey carried out at the Portuguese organisation about career planning and pay policy and practices are referred to in Chapter 3. The descriptive results of data collection at The British Post Office ( Chap. 4 ), at British Telecom. ( Chap. 5 ) and at CTT, the Portuguese organisation ( Chap. 6 ), are compared in Chapter 7.

SP  
SP  
The results of the management survey at CTT ( Chap.8 ) related with the literature reviewed contribute to the establishment of a conceptual framework for redesigning career planning and pay policies and to identify relevant areas for further research ( Chap. 9 ) before the Portuguese organisation decides in what direction they want to develop a model for career development and pay systems for its Executives and Senior Managers.

The principal research findings from this study must be seen in the context of Portuguese economic development and culture and the absence hitherto of systematic research into management topics including human resource management.

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Explanations have been developed for the understanding of the differences in organisational practices using an integrated model relevant both to an international context and to a national one.

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The study using international comparisons highlights the importance of language and concepts as applied to management ( starting with the difficulty of translating the term "management" in Portuguese ).

SP  
A comprehensive framework was developed in order to re-evaluate Portuguese practices concerning career development and pay systems, not only to the specific case of CTT but also as a general methodology that can be applied to Portuguese organisations in general of similar nature.

Finally, this study is useful in confirming the results of previous research studies conducted in other countries that effective career development and pay policies require an appropriate top management strategy and a strong commitment to Human Resource policy.

## ACKNOWLEDGEMENTS

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At last, my gratitude to Dr. Osorio e Castro ( CTT Postal Personnel Director ), Dr. Bento Duarte ( CTT Senior Consultant ) and Dr. J. Afonso Oliveira ( my former superior) for their constant encouragement, interest in my work and in my career development, and for providing all the support and facilities I had from CTT, which made my research possible.

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## CHAPTER 1 - INTRODUCTION

### 1.1 RATIONAL FOR THE STUDY

Organisations, especially in developing countries like Portugal, are for different reasons facing a critical period, obviously, as a consequence of a "changing world".

The up-to-date companies policy - for managing change - is a major challenge to managers and also an increase in responsibilities to all management areas, with special emphasis on the Personnel Function where in Portugal research has almost become an unknown word.

With this new assumption the personnel function cannot go on being just an inactive result of the change but overall must be adaptive, anticipatory, and specially innovative, a dynamic agent to look at change, identifying areas of concern, research choices, where personnel policies must interact with the organisations's goals and strategies.

Most of the problems for the Portuguese organisations concern their Human Resources, on which are, at the same time, the answers for a dynamic and competitive performance required by organisations.



A rational development and an efficient management of their Human Resources is a basic guideline for the Portuguese Post and Telecommunications Company (CTT), that represents in Portugal the largest workforce organisation with about 30.000 employees. (1)

Their Human Resources, the main potential of the company, has to be well managed, so that motivated personnel and job satisfaction can meet the organisation goals. The quality of the organisation's workforce is critical to the organisation's overall success ( Heneman III and Schwab, 1982 ).

Under this view, personnel function should look for new management systems and attend, among others, the following aspects:

- to innovate and research new management attitudes;
- to have compensation systems based on individual performances ;
- to develop interesting and motivated career development concepts.

So, companies will have to pay much greater attention to career planning and reward systems to meet "...four major pressures which will force organisational changes in the next decade: the emergence of a global marketplace in which successful companies would have to compete; the pervasive influence of information technology; the development of new industries based on science and technology, and the need to

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(1) A full presentation of CTT (Portugal) is presented on Chapter 6.

utilise human resources to the full..." ( Sir Edwin Dixon, chairman of IBM UK, speaking to delegates at the Institute of Personnel Management National Conference, Harrogate, 1987 ).

It is in this context, where career planning and reward systems constitute one of the most important subjects in the field of personnel management, and just when Portugal joins the EEC with raising expectations of an increase in the labour market derived from new investments, and with accelerating technical and social change expectations, that a comparative study of the concepts of pay policy and career development currently used within British Post and Telecommunication Industries can be a relevant approach for the Portuguese Industry concerning the modernisation of its practices in that field, in a mid-term strategy ( Chap.3 - 3.1, refers some similarities and differences between those organisations ).

Another interesting and relevant issue was also found concerning the decision of to include British companies in this study. First, the general organisational model and even the historic context of the Portuguese company provides a sufficient minimum of similarities with the British ones - British Telecom and The Post Office - emphasised with former relationships specially in areas of marketing and operations, since some portuguese managers have previously visited both British companies and attended postal operations and marketing training programmes at the Post Office Management College in Rugby. Just as an illustration of those relations, some British Telecom senior managers were invited in the summer of 1986 to participate in internal conferences in Lisbon and the

Corporate Planning Director of the British Post Office was also invited to attend the annual postal meeting in autumn 1986 in Portugal and has given support to the Portuguese Director concerning the postal strategic plan 1987-89.

Secondly, unlike the situation in Britain since 1981 with the privatization of British Telecom, in Portugal postal and telecommunications services are still provided by the same corporation but in a mid-term horizon it is our point of view that it is quite possible that the Government strategy would follow the British organisational model with two separated companies. <sup>(\*)</sup> Some recent articles published in the Portuguese press begin to show some evidence and consistence on this political option. A relevant one, published in the most important weekly newspaper on 20 June 1987, refers to the conclusions of a report from the Governmental Commission for the Study of the Technological and Organisational Development of the Communications Industries (CEDITC) proposing two separate corporations and to convert the telecommunications services into a public limited company (plc).

Also this issue is reinforced by some statements made by the Chairman of CTT to the company monthly review ( May 1987, No 5 ).

Following the Portuguese Parliament General Elections, in July 1987, the new Government states " ... Postal public service will be modernised and managed by a specific separated company..." ( Programme of the XI Constitutional Government, page 120, August 1987 ).

These main references have influenced the subject research

\* Note: When this research was commenced a decision had not yet been taken

choice and so this study has therefore received a sound and relevant support from the Portuguese organisation, not only accepting to be the collaborating establishment for CNAA registration purpose but also making internal data and other facilities available and requesting official collaboration from British organisations in order to participate in the research.

In addition, and to explain the relevant support received from CTT, it is important to state that the researcher is a member of the management staff of the Portuguese organisation where he works at the Corporate Personnel Department.

## 1.2 AIMS OF THE STUDY

Aims of this study are clarified next, but before going further we want to point out that its main objective is not to reproduce models or practices from British organisations and to recommend them to the Portuguese one, neither to conclude which one is the best company concerning career planning aspects and reward systems for executives and managers, but overall we would feel satisfied if the study could contribute to the establishment of a reference framework for reflecting on which the Portuguese corporation should develop and research their own strategies and practices in order to design adequate programmes of development and rewarding for their high calibre senior staff. Any other objective would be unrealistic.

- Firstly, this study aims to examine career planning and salary policy for executives and managers in Post and Teleco-

communications Industries of Portugal and Britain - two different countries with distinct stages of economic development and within a context of similarities and differences in their organisational cultures and environment ( Chap. 3 refers ). Following the presentation of what are the main practices in Britain - British Telecom and The Post Office case studies - we concentrate our research in a special diagnosis in the Portuguese company in order to identify their relevant aspects of personnel policy and to sort out , concluding the study, recommendations or to indicate possible further developments for re-evaluating career planning and salary policies and practices for high calibre senior executives and managers at CTT (Portugal).

Although conclusions and recommendations for the Portuguese case derived from this study - between different organisations - must be carefully understood because of specific internal and external factors that influence and affect the contingencies and practices of organisations and which are referred later in chapter 3.

- Secondly, this study , due to the areas of investigation covered, also aims to produce usefull contributions on the literature on career planning and pay systems aspects ~~in~~ for large and state dominated organisations in different countries of the European Community.

### 1.3 THE TERMINOLOGY USED

The scope of the sudy covers career planning and salary

policy for executives and managers. It is important to point that one first difficulty on international comparisons is the use of different concepts. This issue was raised during the exploratory work for the definition of the study, either from the literature reviewed either from the early contacts with the UK companies. Due to a complete absence of Portuguese literature on Personnel Management aspects the study was supported, mainly by USA and UK authors where the term "executive" and "management staff" seems to have the same meaning. In Portugal, however, the term "executive" is much more linked with professional or technical staff with a graduate background in large and state dominated organisations ( the popular term used is senior technical staff covering for instance, senior personnel officers, financial specialists or marketing consultants ) and the term "management staff" is linked with a formal management post in the organisational chart ( for instance, Head of Division, Head of Department or Director ).

In the Portuguese organisation ( CTT ) this difference of concepts is expressed through different career conditions of progression and salary structures ( Chap. 6 ).

These important questions - concepts and linguistic differences - will be discussed later in Chapter 3.

## CHAP.2 - CAREER PLANNING AND SALARY POLICY: AN OVERVIEW

### 2.1 INTRODUCTION

This chapter attempts to describe the main developments related to career planning and salary policy in the context of its growing importance to organisations in both the private and public sectors, and because of its relevant contributions within the context of Human Resources strategy linked with the corporate objectives.

The main reasons for this concern are basically justified, first, because the need of effectiveness and productivity of organisations are each more dependent on the performance of their workforce, especially under an economic and technological context characterized by constant changes and markets challenges.

As Heneman III and Schawb ( 1982 ) pointed out, the quality of the organisations's workforce is critical to the organisations's overall success.

Also social values of managerial functions, toward's a view of self-career planning and success, create in organisations the need to establish career development programmes and attractive reward systems in order to offer career fulfilment opportunities.

Shein (1976) stresses that organisations must become concerned about career development of workers and mangers in order to survive economically and so that their human resources become more fulfilled.

To attract, retain and develop human resources are for organisations synonymous with establishing plans for career development and salary policies against stagnation, low motivation, high turn-over or low productivity.

We shall, then, try to describe their main concepts, objectives and current systems, in order to understand in practice how they are related and managed in the organisations included in this study.

## 2.2 CAREER PLANNING

This is an area where linguistic differences are of special importance. This section will therefore cover a number of aspects which need to be preliminary, defined since different authors may vary in usage. For our current purpose these aspects have been defined by different authors as follows:

- the concept of career planning;
- reasons for career planning;
- main elements
  - . career paths
  - . manpower planning
  - . career information and job openings
  - . appraisal and career planning



### 2.2.1 - The concept of career planning

The concept of career planning in this research has the equivalent meaning of career development, although some authors do a distinction between both.

The main authors quoted are Beach, Beam, Schein, Kaye and Geddie & Strickland .

Beach ( 1985 ) argues that the definition of career is more than a sequence of jobs held by a person during his lifetime, "... it also consists of the training the individual follows in preparation for work roles, and the aims, hopes, ambitions and feelings in regard to these work roles...".

Career development means, then, the planning of one's career and implementation of career plans by means of education, training, job search and work experience. According to Beach ( 1985 ) career planning is a subset of career development, it is the personal process of planning one's work-life, it is mainly an individual process where the employing organisation can assist through career counselling. This concept is also used by Beam ( 1984 ) that argues that it is the employee's responsibility to discover and to meet the expectations of those who make the decisions about promotions.

As career planning referred by Schein ( 1976 ), as part of career development concept, has an internal concept that reflects the set of steps that make up an individual's own concept of his own progression and has therefore a broader meaning than employment in one particular organisation, we prefer, in this study, to use the concept of career planning or career development pointed by Kaye ( 1982 ) as a potential

process for developing human resources. Potential that can be increased by linking the needs of both individual and the organisation, a process which encourages a partnership between employees and organisations to translate individual aspirations to organisational goals ( Geddie and Strickland, 1984 ).

This is a very important definition because it links corporate goals with individual development and it will be referred later ( Chapter 9 - Conclusions and Recommendations ) in order to support a model for analysing the relationship between strategic corporate objectives, career development and pay practices.

Because, mainly, the field of this study is to describe how organisations under review meet both needs, in order to establish stages in a progression defined higher rewarded and qualified, and how that has been managed. It would mean a focus more upon plans and activities achieved by organisations (2) rather than the personal process (3).

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( 2 ) - Beach ( 1985 ) refers this concept as "career management".

( 3 ) - For a detailed discussion on this individual process see for instance Van Maanen and Schein "Career Development", chap. 2 in J. Richard Hackman and Lloyd Suttle "Improving life at work", Goodyear Publish. Co, 1977. Also see Van Maanen "Breaking in: a consideration of organisational socialization", in R. Dubim (ed.), Handbook of work, organisation and society, Chicago, R. MacNally, 1975, and Burgoyne and Germain "Self-Development and Career Planning", Personnel Management 16, No 14, April, 1984.

### 2.2.2 - Reasons for career planning programmes

The main reasons that organisations have been adopting career planning is founded by certain assumptions. A study by Eckblad ( 1984 ) shows evidence on the following ones:

- an individual needs to influence his career and equally the organisation needs to assure the succession of qualified people to key jobs;
- the organisation's responsibility to plan for succession programmes must not be undermined because of increase pressure by individuals to develop their own career;
- an employment relationship clarifying individual's responsibility for succession plans will enhance greater openness on the part of both parties; and
- the process requires the joint involvement of individuals, their managers, and training and development resources.

Beach ( 1985 ) describes six main reasons for career planning programmes in organisations:

- career employment opportunities in order to provide better opportunities for minorities and women to move up in their organisations;

- quality of working life in the way employees express desires to obtain greater control over their own careers in terms of job satisfaction and career options;
- competition for high talent personnel since managerial staff often give preference to selecting an organisation for which to work that are supportive of their career aspirations and have career development programmes;
- avoid obsolescence caused by rapid changes in technology, in working methods, in the economic situation and consumer demand, and career development programs can assist individuals to gain new skills;
- retention of personnel in order to reduce turnover caused by frustration of individual career ambitions; and
- improve utilization of personnel through the replacement or rotation in employees jobs which fit their ambitions and equally the organisation's needs.

Also some work by Fletcher and Williams (1985) refers changes in social values, rapid technological advances, government intervention as a wider context for organisation's needs to implement staff development programmes. Drucker (1968) argues

that job requirements and organisation structure will change in the future, to emphasize that staff development programmes must always focus on the needs of tomorrow in terms of organisational needs, qualifications and additional skills.

### 2.2.3 - Main elements of career planning

#### a) Career paths

In modern organisations many writers express the view that career paths are not important anymore as they used to be because the environment is changing so fast that organisations need to have flexible systems not compatible with predetermined career paths. Although we agree with this view, it must be pointed that it depends on the type of organisation we are looking at. In large and state dominated organisations career paths are still an important matter and, specially in Portugal, where Trade Union philosophy during collective bargaining process is too much concentrated on discussions about career paths issues ( i.e. number of grades by type of jobs and conditions of progression).

A career planning system is basically composed by a group of elements capable of contributing to match the individual with organisational needs. The starting point is to identify jobs and different levels of requirements in order to design career paths. This task was mainly provided by a process of studying and analysing jobs in a systematic manner where a job analysis basis seems to be a relevant contribution (A. Cowling, 1981). Each successive job in the path should contain at least

one new skill requirement that was not present in the previous job (Beach, 1985). The jobs in each career path should bear a rational relationship to one another.

Some large organisations with significant numbers of Technical and professional staff have designed career paths for these people that parallel the ranks in the management level. Such professional career paths provide opportunities for progressively greater responsibility and also reward individuals. Riceman (1982) argues that qualified professionals can move to various ranks and need not seek transfer or promotion into line management in order to advance. Parallel promotion steps are provided so that technical and professional staff can advance high in the rank and in the compensation structure.

#### b) Manpower planning

Manpower planning plays an important role on the career planning process, since it involves an inventory of current manpower, a forecast of future needs for various time, an analysis of the gap between needs and supply, and a set of implementation programmes to meet human resource needs (Benison and Casson, 1984). Bell (1974) defined it as a systematic analysis of the company's resources, the construction of a forecast of its future manpower requirements, and the planning necessary to ensure the manpower supply will match the forecast requirements.

So, information derived from manpower planning such as future levels of vacancies to fill, by different types of wastages

is relevant for promotion or rotation policies.

The manpower planning, according to Drucker (1968) must also check on the adequacy of the organisation's career development efforts in the light of tomorrow's management job and their demands. A strong link should exist between manpower planning and the corporate planning, however, this is not an easy task and several attempts, showed by Purcell (1985), has been unsuccessful in determining the future job requirements in a rapid change context where a careful attention should be given to future expectations, in technological and organisational issues.

In addition Bennis and Casson (1984) refers the influence of unpredictable external circumstances in translating the business scenario into manpower terms and the approach to career planning is basically to bring information to help an organisation explore how decisions on career policies must change as the organisation's circumstances change.

#### c) Career information and job openings

The manpower planning process will identify for the organisation some of the characteristics of career paths that past employees have followed and future employees will follow. Since that information becomes available organisations must provide it to employees in terms of job openings, as Beach (1985) refers it should be publicised by means of bulletin board announcements. Those announcements should give a statement of job duties, qualifications needed and indicate the pay grade and location.

As a matter of internal communication policy in the context

of the management of future change, publication of job openings cannot be over emphasized. It should significantly increase the openness and trust among managers and employees alike.

#### d) Appraisal and career planning

Performance appraisal has been considered as the systematic evaluation of individuals with respect to their performances on the job and their potential for development.

Much has been written about how appraisal plays an important role on the career planning process and this study does not pretend to review that literature in deep or to discuss the different techniques used on appraisal programmes. However, it is important to refer the way appraisal performance can be related to career development. Beach (1985) makes evidence that the appraisal process is quite properly viewed as an integral part of the development of people in the organisation. Such development leads to improve job performance and the acquiring of new skills and knowledge by the individual, this can qualify the employee for broader responsibilities, greater reward assignments and promotion.

Schein (1976) identifies as a crucial element that the process should occur at least once a year, where the manager and each of his subordinates should review the entire year's performance, showing evidence on a dialogue based on the following elements:

- the employee's goals, aspirations with regard to his/her own career;



- the manager's view of the opportunities available and the degree to which employee aspirations are realistic or match up with the opportunities available;
- identification of what the employee would have to do in terms of self-development, such as training programs; and
- identification of steps in the form of plans for new development activities that would prepare the employee for further career growth.

Such a process means that career counselling can be conducted during a performance appraisal interview where both parts can discuss the opportunities for career development.

The philosophy of Human Resources Development clearly view appraisal and counselling as complimentary processes. The one needs and implies the other as aspects of personal communication.

A similar concept of both performance and career development having potential for developing human resources is, for instance, also shared by Kaye (1984) that refers the potential can be increased by linking them together to meet the requirements of both individuals and the organisation, emphasizing the preparation required in terms of communication, especially listening and giving feedback to the individual. Another contribution is given by Beach (1985) and by Stewart and Stewart (1981), they consider good practice for managers to do more than simply rate their subordinates. They should also work out, jointly with each of their subordinates, a

plan for correcting deficiencies and building upon strengths. Some authors like Fowler (1984) argues that the most important is not having formalized appraisal schemes and advocates informal individual talks followed by a memo indicating agreed action. Past research (McGregor, 1972; GILL, 1978; Margerisson, 1976) based on surveys about appraisal schemes shows that the current practices gives greater emphasis on relating appraisal directly to the requirements and objectives of the job, a move towards greater openness and a participative approach, and more concentration on improving current performance on the job rather than on the past or distant future.

Deidre GILL (1977) referring to a survey about the purposes of appraisal schemes within 236 companies, mainly to management grades, showed that 81% of the companies used directly the appraisal for career planning decisions. Her main findings concerning the purposes of the appraisal schemes were:

- to assess training and development needs (96%)
- to help current performance (92%)
- to assess past performance (91%)
- to assist career planning decisions (81%)
- to set performance objectives (57%)
- to assess increases or new levels of salary (39%)

Finally, the operation of a career development programme may bring out new issues that some organisations may not have faced before and, so, they must reformulate their personnel

policies and practices. Another fact to take in account is that not every individual who is promoted will succeed in the new position and so the personnel department must work out a policy to take care of those workers. As Beach (1985) refers a career development system works best when there is a genuinely open internal market, this means good communications about career jobs, job qualification, career paths, and job openings. The selection of individuals for promotion is quite relevant and should be made on the basis of matching qualifications with job requirements and not with interference of some external factors, such as favoritism and political connections. This aspect takes more emphasis when concerning public companies where influence in appointments or promotions is felt from Government, specially for top management levels.

### 2.3 - SALARY POLICY

This section will cover four basic aspects on which large and state dominated organisations usually base pay policy. For our current purpose these aspects have been define by different authors as follows:

- aims;
- external competitiveness;
- internal equity;
- individual performance oriented to organisational goals.

The main authors quoted are Beach, Armstrong, Bowley, Cowling, Murlis, Lupton; Lawler, Gill, Heneman and Schwab.

### 2.3.1 - Aims and main elements

Career development can not be seen without an adequate pay policy, since career and remuneration have a strong relationship. When individuals develop their career they also want salary increases. They need to know where they stand - an additional argument for the appraisal/counselling relationship.

So, wages and salaries can be seen to have three main aspects, as a means of providing income for employees, as a reward and motivating force and as a cost item to the employing organisation from which an effective return should be obtained, and constitute one of the most important subjects in the field of human resources management ( Beach, 1985 ).

Recent developments refers the term "corporate salary policies" to emphasize the importance of pay to contribute directly to the company's success and linked, therefore, with its business objectives and staff development policies.

Salary policies are concerned, in general, with the philosophy of the organisation about remuneration, how should people be remunerated, and in particular with salary structures, salary progression, the mix of different types of remuneration and salary control (m. Armstrong, 1974). Many attempts have been made to formulate the objectives of a salary policy, and one can identify in the literature commonly referred to as the systems and procedures which enables the organisation to attract, retain, and motivate staff of the right calibre (Armstrong and Murlis, 1980). A. BOWLEY (1972) defines salary policy as an integral part of personnel policy that should help to:

- attract staff of the right calibre;
- encourage staff to make full use of their abilities and develop their potential in order to achieve the objectives of their jobs and of the company;
- reward staff in accordance with the value of their contribution;
- prevent loss of moral through dissatisfaction with pay levels;
- encourage staff to stay with the company; and
- achieve these aims at minimum cost.

In addition, M. Armstrong ( 1974 ) argues that all organisations must state salary policies, and the philosophy behind them understood if salary systems are to operate effectively. Contributions from A. Bowley and also by A. G. Cowling ( 1981 ) show evidence on key principles of remuneration design related to the correspondence between the characteristics of remuneration systems and the motives and preferences of the staff. Individual aims are to feel that he is being treated fairly and paid according to his own valuation. M. Armstrong and H. Murlis ( 1980 ) argue the individual valuation is based on comparisons with the market rates for similar jobs elsewhere and also with the pay received by other staff in the same organisation. An individual will also expect his/her salary to increase with his/her own improvements of performance and responsibilities and keep pace with inflation. We can then, in a general way, define as relevant elements affecting the salary policy within an organisation, the in-

ternal and external relationship and the individual performance, although other minor factors should not be excluded, such as the nature of the business, location and size of the company, national pay agreements, state laws and government policy , and bargaining power.

### 2.3.2 - External competitiveness

In order to be able to attract and retain their staff, organisations must have competitive pay levels with those of other organisations employing individuals with similar job skills. External surveys provide the basic information to enable an organisation to assess the competitiveness of the remuneration practice. External pay comparisons for managerial staff are frequently performed by having a number of organisations often in a single labour market and indicate the current pay rates for those jobs. However the determination of a market rate for managerial jobs is not an easy task because of the difficulty of assessing whether jobs in other companies are similar in terms of content and qualification, even though job titles may not vary, and so salary surveys are admittedly rather crude indicators of market pay practices ( Heneman III, 1982 ).

However organisations keep in touch with market pay conditions by taking part in those surveys mounted by other companies or by professional organisations ( such as in UK the BIM or the IPM ) and by mounting their own salary surveys. In this case, Lupton and Bowey ( 1974 ), and also M.Conway (1984) provide a relevant approach and useful recommendations to carry out own surveys on a systematic basis, minimizing

common difficulties such as dubious comparisons, meaningless averages, questionable sampling methods and unrealistic results. Lawler III ( 1981 ) refers the negative consequences of surveying the wrong market lead, in some cases, to over-compensation or undercompensation decisions.

The result of own surveys may be a survey with much less data but if it is planned and constructed on the basis of several key questions the results ascertained will provide basic guidelines for management pay policy decisions.

A. Cowling (1981) points out, management is then in a position to decide whether to maintain or establish a position as a relatively high, average or low paying firm, taking in account a recruitment policy, labour wastage, collective bargaining and general employment philosophy of the organisation.

### 2.3.3 - Internal Equity

Since salaries for individual jobs are determined by the employer, unilaterally in most cases, or by collective bargaining, and the results is the establishment of pay rates, pay differentials or pay bands, the concept of internal equity has been involved to reflect a sense of justice and fairness in the pay structure. In other words, it means that pay differentials on salary structures should be related to differences in degree of responsibility and qualification of jobs.

Internal equity in a simplistic definition is of concern to avoid that less qualified jobs be higher paid than higher qualified ones and vice-verse.

Studies by Lee Dyer et al ( 1982 ), and also by Elliot Jacques ( 1970 ), show evidence that the amount of pay a person feels he/she should receive is increased when he/she sees others earning more pay and/or when he/she feels others who are comparably paid are performing less demanding work or bringing fewer qualifications to their jobs. As A.G. Cowling ( 1981 ) refers, while on internal structure of differentials is generally accepted as necessary by most workers, their feelings concerning equity and fairness demand that differentials or pay levels be based upon an rational system or technique. An important approach with the possibility of wider application comes from the operation of staff job evaluation systems which are often seen by management and unions alike as one of the few sources for a rational process to establish the different pay levels or bands.

Job evaluation, derived from a job analysis process aims at providing a more systematic and objective basis for the comparison of the job's contents as an aid to the design of salary structures. It is a technique which seeks to promote the objective of "fairness" by evaluating one job against another to establish their relative worth. Although, as Thakur and Gill ( 1976 ) refer, it is not a scientific technique but a systematic one which aims to measure the skills and knowledge of the job against another, it attempts to analyse the job and not the job holder's capabilities or personality, and so as B. Livy ( 1975 ) points out in his work, "... job evaluation with all its imperfection exists as a major technique for determining pay because it is the best system yet devised which incorporates the concepts of logic,



justice and equity, which can be made acceptable to all parties, which incorporates a high degree of flexibility, and which is capable of modification and updating according to changing circumstances...".

It is not the purpose of this study to discuss the theory of job evaluation and to review all its implications ( what certainly would constitute another research project) or to develop a critique of its several different methods (4).

However, the methods used are basically based on either a quantitative or qualitative assessment, according to pre-determined factors and are not themselves concerned to establish automatically absolute pay levels.

Rather, it is important to summarise two recent researchs related to the use of job evaluation schemes within large organisations.

The first one presented by M. Thakur and D. Gill ( 1976) was carried out in 213 UK companies, of which 168 had job evaluation schemes in operation and 10 about to introduce. The number of organisations in the survey which have abandoned their schemes was small ( 2.3 % ) and their reasons for doing so were because, first, the scheme had generated more conflicts than it resolved, and secondly, the scheme was strongly disliked by unions.

B. Livy ( 1975 ) points out that these schemes need to be

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(4) - For a detailed discussion on different methods, see for instance: B.Livy, Job Evaluation-a critical review, Allen & Unwin Ltd, 1975, and also J. Butterworth, Techniques of job evaluation, in A. Bowey (ed.), chap.7, Gower, 1982.

planned and developed on the basis of consensus, cooperation and concord.

The following points are the summary of the main conclusions of that survey:

- the main reason for introducing job evaluation was to achieve a fair pay structure ( quoted by 94.3 % of the companies );
- others purposes were to establish a system of job hierarchy and to attempt to solve some industrial relations problems;
- some 32 % of the companies had introduced job evaluation more than 10 years ago, indicating that job evaluation has been a firmly established technique in some companies;
- the major difficulty in maintaining a job evaluation scheme was seen to be divorcing jobs from the job holders (quoted by 52.2 % ). The other main problem was the maintenance of differentials in times of high inflation ( quoted by 43.8 % ); and
- about 72 % of the companies with schemes were unlikely to change their current methods of job evaluation in the foreseeable future.

The other contribution comes from K. Bradley ( 1979 ) through a survey about the reasons for introducing job evaluation schemes within 151 UK companies which shows that most of the companies were first concerned with the establishment of a fair pay structure. The summary of the main reasons referred were :

- to establish a fair pay structure ( 89 % of the companies );
- to improve methods of grading jobs (38 %);
- to bring themselves into line with current salary administration practice (34 %);
- to facilitate collective bargaining ( 26 % )
- to deal with company reorganisation ( 19 % )
- to respond to Trade Unions ( 13 % )
- to respond to Government legislation (13 % )
- to respond to current market rates ( 13 % )

Despite the limitations inherent in job evaluation, the contribution which it has to offer as a means for identifying, analysing and assessing the various jobs, organisations seem to find and will go on finding in the job evaluation process a relevant rational basis for the development of the concept of internal equity, in order to provide an efficient rationalisation of pay differentials, and so to give more consistency and effectiveness to their salary policies.

#### 2.3.4 - Individual Performance

Finally, the third element of a pay policy developed in this

study is concerned with the individual performance. Beach (1985) states that the final goal of compensation is to induce and reward better performance.

Since salary structures should reflect, as far as possible, influences of the external labour market and pay differentials based on a rational and systematic process, organisations in determining their pay policies, should then attend that for the same level of the job's qualification the respective job's holders do not have the same performance and so individual contributions for the results as a whole or at departmental level are different.

As we referred earlier in this chapter, annual performance assessment of management staff is desirable not only for career development purposes but also for measuring the effectiveness of individual's performance and so to give consistency to salary policy. Arthur Bowley (1972) refers that in the determination of salary progression policy for management staff the assessment of performance is essential, and so if this could be linked to qualifiable achievements such as management by objectives schemes it will be even more useful. However, as A.G.Cowling (1981) points out appraisal schemes should be carefully performed because the combine pressures of inflation and collective pay bargaining means that the organisation's annual cost of living increase is likely to dwarf merit increases, and also because of the negative effect of high level of income taxes. In addition, Heneman III and Schwab (1982) refer the frequent objection of unions to pay systems incorporating the merit, since generally unions argue that they do not oppose pay for performance

in principle, however they charge for the administration of most pay-for-performance systems is inadequate and that the resulting pay differentials between people are unfair.

This concern, as A.G.Cowling points out, has frequently led to the tendency for progress up, and incremental scale to be automatically based on seniority militates against merit payment schemes. An approach to overcome this usually resistance comes from E.Lawler ( 1982 ) that argues that a well-developed compensation philosophy can provide an important stability to the pay system of an organisation as well as a good communication policy so that all staff can understand the system. As Lawler III refers, it is particularly difficult to get employees to accept the fact that their pay is also based on their performance when this is not a consistently articulated matter of basic compensation philosophy.

Many organisations try to define a reward system that combine a basic salary structure composed of a range of pay levels and incremental scales within each of those levels, with a merit progression policy in order to ensure higher rewards and faster progress for executives and management staff earning good appraisal reports.

M. Armstrong and H. Murlis ( 1980 ) define two basic approaches for flexible salary progressions. First, a fixed incremental system where the individual moves through the salary range by pre-determined steps depending normally on minimum length of service criteria and in addition not giving an increment to staff rated as unsatisfactory, or allowing double increments or a special bonus or fringe benefits package to staff who perform particularly well above standard.

Secondly, the performance-related systems where the progression is a result of the assessment of the individual and his present and future value to organisation. Here the progression is directly based on the typical point scale of the performance appraisal reports with different levels of increases as a percentage of current salary.

Although both systems give scope for rewards adjusted to performance, M. Armstrong ( 1982 ) points out that it is often suggested that performance appraisals should not be automatically related to salary increases because the assessment can be too concerned about the financial results and not overall concentrated with the analysis of strengths and weaknesses on a participative discussion orientated to career development aspects.

In summary, past research by H.Murlis and Wright ( 1985 ) provides some general principles in which reward systems related to merit are held to be significant. Those principles are as following:

- reward systems should be based on fair and equitable methods of measuring performance;
- as consistent as possible;
- easy to understand for both managers and executives;
- straightforward to monitor as operate;
- flexible, good performers have to feel they have been rewarded;
- based on acceptable basic salaries; and

- supported by a clear staff/management development policy.

Finally, concerning the managing of reward systems based on performance it is important to refer that some line managers may also seek to exploit the system as an opportunity to reward staff with excessive arbitrary increases in pay, and in this case as G. Spencer ( 1980 ) refers, abuses can quickly lead to loss of confidence in the "fairness" of a structure. It is so important the management of the systems and their monitoring, as it is important the design and the implementation strategies.

#### 2.4 MAJOR OBSERVATIONS ON LITERATURE REVIEWED

The review of literature is necessary to place the study in context and to help provide the knowledge for comparisons and justification for the conclusions and recommendations ( Chapter 9 ). As next referred (Chapter 3 ), the design of the questionnaire questions for the management survey carried out at the Portuguese organisation ( Chapter 8 ) were largely drawn from this literature search.

The literature is in accord concerning the main aspects of career planning and pay policy at large and state dominated organisations. The type of organisation this study is looking into ( British Post Office, British Telecom and CTT Post and Telecom of Portugal ) have constrained the literature search. Because of this we did not concentrate on references, emphasising

zing some recent developments of reward systems, such as job related, performance related and bonus schemes for executives. The first concern for large and state dominated organisations relies on basic pay structures and the establishment of fair career paths. In this context we point Kaye's definition of career development :

Career development, as a potential process for developing human resources, potential that can be increased by linking the individual needs with organisational strategic objectives

This important definition will be used at the final chapter to support the proposed framework for re-evaluating organisational practices.

Another aspect we have noticed is that most authors do not focus career development and pay policy in a context of international comparisons. Views expressed by different authors are applied to organisations operating in similar environments. As we refer in Chapter 3 UK and Portuguese organisations have similarities and differences on their internal and external environment, and organisational practices are in a complex interrelationship with conditions in the environment. We share A. Williams ( 1981 ) view " ... the essential difference in the thinking of an organisation as an open rather than a closed system is that due emphasis is given to its dependence upon the environment for its continued existence ..." ( see Chap. 3 - Figure 3.1 ).

However we must point Hofstede references on limitations in international studies where we must consider the dominant national values and cultures and so the methods and techniques used to understand the functioning of



organisations in different countries ( see Chap.3 - 3.2 ).  
Finally, the literature search does give some answers but not all of them: it is difficult to measure the effectiveness of organisations with a clear relationship with career planning programmes and pay systems in use.

The next chapter will try to describe the research methodology used and difficulties encountered in data collection within organisations.

## CHAPTER 3 - RESEARCH METHODOLOGY

In the previous chapter we have briefly mentioned some basic treatments in the received literature in the context of the importance of career development and pay policy for organisations.

This chapter attempts to describe the method and limitations of collecting information from the organisations included in this study.

After defining what data we needed we decided that it was important to point out some major aspects that could constrain our work.

### 3.1 SIMILARITIES AND DIFFERENCES BETWEEN ORGANISATIONS

British Telecom (BT), the British Post Office (BPO) and CTT have an external environment and an internal context that influence their personnel policies and systems.

First, the Portuguese organisational model is currently similar to the British one before BT privatisation. CTT provides both services - postal and telecommunications - it is a state corporation where Board Members are appointed by the Secretary of State for Communications for a 3 year period and the Government has to approve the corporate plan. The market context of CTT and BPO is quite similar: they share international rules, agreements and pricing policies ( according to UPU - Union Postal Universal ); both companies have the same type of customers, services; both still have an image of not

necessarily being a profitable activity , partly they are seen as providing a social service. CTT and BT also share international systems, agreements and pricing policies since both are full members of UIT - Internacional Telecommunications Union ; however BT is suffering from competition from private operators using conventional technology and operating in privileged markets with quality of service. In Portugal, CTT does not have such competition at the present. In the short term, however, it is quite possible that CTT must adapt a model to make a conciliation between aims of a social service and the enterprise objectives of productivity. It keeps its social nature - services are accessible to everyone - and, at the same time, tries to achieve its profitability through adjustment of prices, considering the characteristics of each product both in competition and development terms; development of new postal services, supply services in cooperation with other parties.

However, in terms of the labour market, in Portugal an Executive in CTT expects to develop his career within the same company without significant opportunities to move to another one. In England the technological and social growing context affects labour market perspectives in terms of greater mobility and so the own concept of career. This issue is however much more relevant in BT than in BPO.

This difference concerning mobility will certainly affect the individuals expectations that will try to match his aspirations to the opportunities the organisation can provide. In the context of an individual's whole career development, these expectations are affected by factors outside the orga-

nisation ( i.e. labour market ), but also by many inside it (i.e. promotion and pay policy, appraisal systems, etc ).

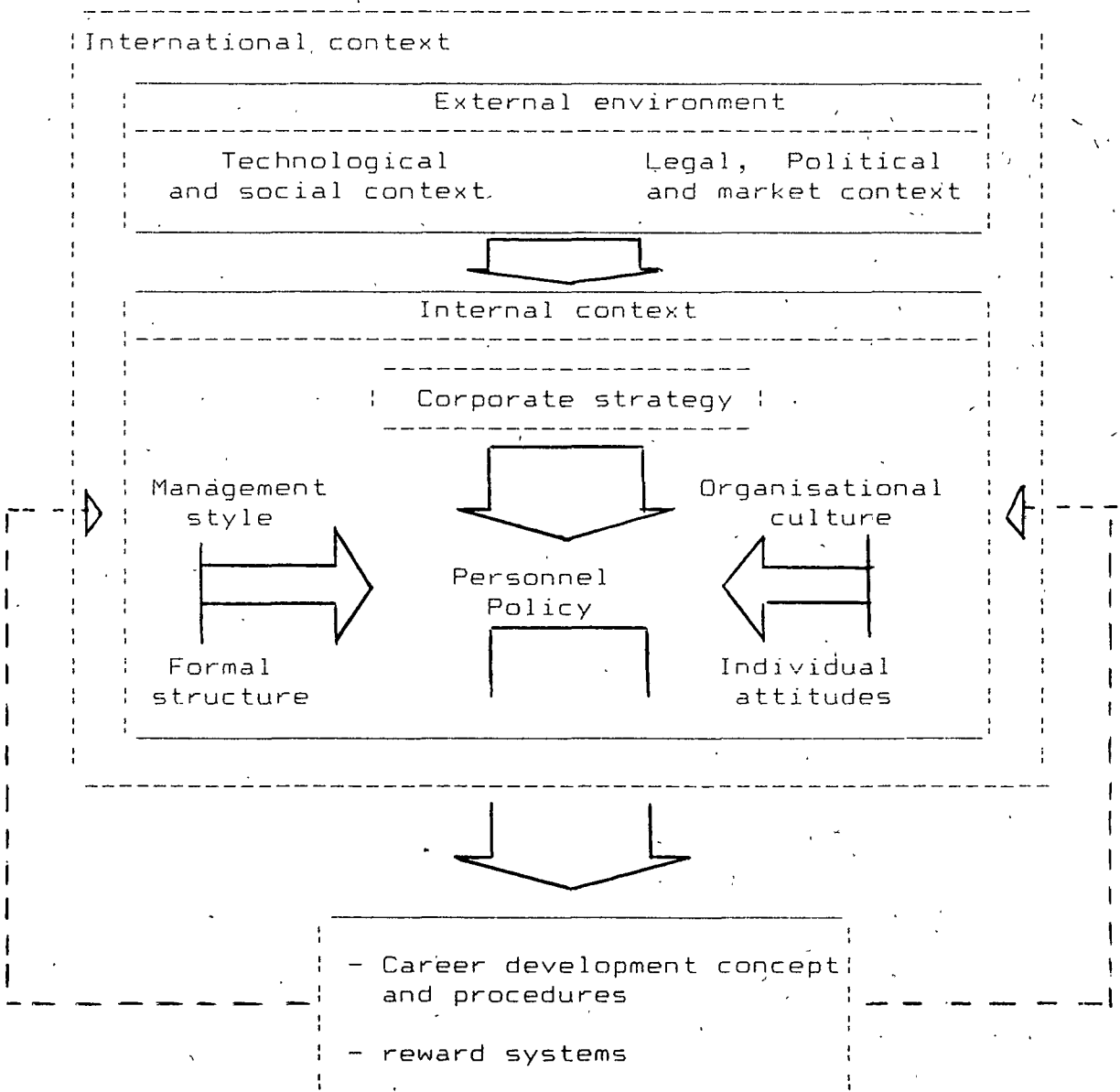
Other important issues such as the difference in management attitude and style; the organisational and the national culture also influence personnel policies and contribute to better understanding of personnel practices in use within organisations under this study.

A study by Hofstede (1984), about international differences in national culture among 40 modern nations showed that organisations are culture-bound. This applies not only to the behaviour of people within organisations and to the functioning of organisations as a whole; even the theories developed to explain behaviour in organisations reflect the national culture of their authors, and so do the methods and techniques that are suggested for the management of organisations. The consequences of this cultural relativity are described in a number of areas : motivation, leadership, decision-making, management by objectives, planning and control, organisation development and management development.

Before presenting descriptions of the case study companies in the next chapters these factors had to be introduced to remind us of their relationships and how important they are to understand satisfactorily how career development practices and pay policy have come to be as they are and how they should or could become different in the future. The diagram below ( Figure 3.1 ) tries to represent the relationship of some of the variables described influencing organisational effectiveness in order to understand some difficulties related to our data collection results within organisations.

This model will be referred to later in the conclusions chapter.

Figure 3.1 - Internal and external variables from a corporate view



SOURCE: Model developed by the researcher

### 3.2 THE INFLUENCE OF THE LANGUAGE IN THIS STUDY

Finally, problems with the use of language in data collection. We mean the concepts available in English and in Portuguese, not only the translation of questions for the interviews but also apparent equivalents sometimes do not express the meaning intended by the researcher. As an example of this limitation in international studies, translators of American literature have noticed that French and many other modern languages have no equivalent for the English "achievement" ( Hofstede G., 1984 ).

In Portuguese it is difficult to translate, without further explanation, the difference between "business studies" and "management studies" or the equivalent for the English "commitment". In other words, our translations filter meanings according to our countries' dominant value systems, it reflect the national culture and so do the methods and techniques used to understand the functioning of organisations as a whole and to suggest modern systems for management of human resources.

It might also be important to mention the lack of Portuguese personnel/management literature, most literature available in Portugal concerning career development and pay policy comes from American, British or French writers.

And so, it is important for one to try to prevent " culture invasion ".

### 3.3 DATA COLLECTION METHODOLOGY

In order to obtain adequate and relevant information for the study, two methods have been explored in the process - " case study " and " survey " .

But before we want to point out that two factors have positively influenced the access to good data. First, Board Members of the Portuguese company ( CTT ) concerned with the field of the research have requested the collaboration of British Telecom and of The Post Office in order to provide all the facilities to the researcher during his visit to England. The answers were positive and both companies have appointed a senior manager to be the liaison member between the researcher and the company, which was very important because they all provided good data facilities and arranged all the interviews needed with other senior managers. Secondly, due to the fact that the researcher is a member of CTT management staff, working over the last 7 years at the Corporate Personnel Department and currently he is Head of Management Development ( a new department created in 1987 by a reorganisational process which affected all the company structure) access to good data and collaboration to the survey for the Portuguese case has been provided in a very useful and friendly way.

#### a) Case Studies

Under the circumstances of a descriptive nature of the material the comparison of current practices in the 3 organisa-

tions are organised as "case studies", where a "non-reactive" method of data collection was used (5) ( such as, companies reports and statistics and statutory documents ) and also a "reactive" one ( interviewing some senior personnel officers and managers with informal discussions ).

Data collected about personnel policies and procedures concerning career development and pay systems for executives within British Telecom and the British Post Office started during our first period in England, between April and July 1986 followed by short visits in October and during 1987.

Data presented as "case study", shows that one limitation encountered is that the results are in a very descriptive mode. All information collected comes from both internal documents and interviews with personnel senior officers and managers.

Unstructured interviews took place during the exploratory phase followed by an analysis of first data collected and by a second visit supported by some pre-coded questions. UK Departments where the researcher has interviewed managers and collected good documentary source are:

British Post Office

Corporate Personnel ( London )

Training Division ( Mr G. Ryalls);

Management Development ( Mr. David Thompset ;)

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(5) - See, Moser & Kalton, Survey Methods in Social Investigation, Gower, 1985.



Recruitment and Promotion ( Mrs Kathy Reason );  
Pay & Industrial Relations ( Mr. Adrian Warren );  
Corporate Planning Director ( Mr Roger Tabor ).  
Management College ( Rugby )  
Personnel & Industrial Relations Training ( Mr R.  
Wright ).

#### British Telecom

Corporate Personnel  
Management Development ( Mr Bob Cole );  
Pay Policy ( Mr Terry Downing );  
Job analysis ( Mr Paul Higson );  
Superannuation policy ( Mr Tony Rodwell );  
BT Telconsult personnel manager ( Mrs Caroline Kelly ).

Unfortunately, part of their views merely provide us with the description of systems and procedures and with the corporate statement about personnel policy. It gives us very little insight into what happens next or more significantly what has caused the situation and what are the results in terms of effectiveness. However the documentary source collected was very good which provided the researcher with relevant material.

The popularly attributed limitations of the case method in research centre around the issues of verification and generalisability (6). Nevertheless, the aim of the case study

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(6) On the limitations of case studies see, for instance, Chris Clegg, Nigel Kemp and Karen Legge, "Case Studies in Organisational Behaviour", Harper & Row, 1985

was just to identify procedures and practices and not to establish relationships and configurations with an eye to generation or testing of a hypothesis.

To overcome this limitation and in order to follow in a more consistent way our research objective - recommendations to the Portuguese Administration - we decided to go further after the CTT case study by conducting a "Management Survey" at CTT.

b) Management Survey at CTT ( Portugal )

The management survey at CTT took the form of a mail questionnaire. Its main objective was to get information from senior management staff about what they think about career development and current pay policy practices at the company and to find out what contributions they could provide concerning recommendations for modernisation of personnel policy in those issues. The questionnaire was designed taking into account the key issues raised from the literature reviewed ( in chapter 2). As internal communications seems to be not quite clear ( managers do not have to much opportunity to be involved in decisions about pay policy and career aspects) and because CTT have been recently involved in a reorganisational process ( January 1987 ) which affected many managers ( some have lost their management positions and have been relocated as senior consultants) it was quite delicate to obtain opinions about those issues.

Due to those factors, and also because it seems a particular-

ly quick method of conducting a survey, we decided for a confidential mail questionnaire, having however in mind some limitations of this method of collecting information, such as distorted answers or misunderstanding the questions (7).

Another important aspect that could constrain the survey was the average rate of reponse in previous questionnaires inside the company ( about 30 - 35 % ) during the last 8 years, which was not very significant.

So, it has been a satisfaction when this survey - the first one at CTT concerning career development and pay policy for senior management staff - showed a rate of 52 % of respondents, in particular if we note that the timing was not the most appropriate ( the traditional summer holiday period ).

The field work which was spread over several weeks, between July and end of September of 1987, was done in two phases:

1) " Exploratory stage " which lasted for a period of four weeks, the reseacher was able to pre-test some questions of the survey through direct interviews with senior managers ( about 5 % of the survey population ).

The researcher has followed Reeves & Harper's (1981) advice taking the draft questionnaire to those senior managers to seek their views about the design of the questions.

This phase was of great significance to the entire survey in that it allowed the researcher to re-examine the whole package of questions. From the results of the exploratory phase

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(7) See, Survey Methods in Social Investigation, Chap.11 - Mail Questionnaires, Moser & Kalton, Gower, 1985.

some irrelevant questions were eliminated and others have been re-written in order to avoid possible misunderstandings. As Reeves & Harper (1981) point out often questions that seem to the researcher to be dealing with distinctly different aspects of an issue, in practice elicit the same answers. As a consequence, from an initial draft of 70 questions, after this phase, the questionnaire was reduced to a total of 57 questions.

2) The modified questionnaire started to be mailed to management private addresses on 87/08/07, with a stamped and pre-addressed envelope and a covering letter which outlined the purpose of the survey and underlined the point that the study was being undertaken for academic purposes. Four weeks later we mailed a second one because during August some of the managers could still be absent from homes on summer holidays. The population of the survey consisted of 200 senior managers from CTT ( the total of senior managers as at 30.July.1987 ), with the following distribution.

Figure 3.2 - Survey population

Management Grades	Telecom. sector	Postal sector	Corporate services	Total
9	9	7	14	30
8	13	6	12	31
7	53	51	35	139
Total	75	64	61	200

The questionnaire was structured in four parts. Part I contained 7 introductory questions as a preparation to the main subject, Career Planning aspects ( Part II - 24 questions ) and Pay Policy ( Part III - 26 questions ). The final part contained factual questions ( management grade, sector, length on service and age ), which were included to enable us to discover effects of these variables on the managers perceptions of the key issues ( see the Questionnaire and the British translation on Appendix VII ).

3) Returns were analysed , at Middlesex Business School, on a DEC 10 computer using SPSS package capable of handling 1000 variables.

Following Moser & Kalton (1983), the survey statistical analysis was started by constructing 90 frequency distribution tables of the answers for each question and converted into percentages and then the average has been calculated. This first approach allowed the researcher to have a general view of what was typical of this sample of respondents. Then, the researcher wanted to test whether there was any relationship between the answers and particular aspects of the population, i.e. if the distribution frequency was influenced by some variables such as the age, the length of service, and the business ( Postal managers could have different point of view from Telecommunications ones ). This was achieved by estimating, for each question, the statistical Chi-Squared test, at 10% of level of significance, which is better suited to management surveys ( Taylor and Dunning, 1985).

4) Survey results and comments are presented in chapter 8.

#### NOTE TO THE FOLLOWING CHAPTERS

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The following chapters present data collected from:

- The British Post Office - Chap.4 ;
- British Telecom - Chap.5 ;
- CTT Post and Telecom of Portugal - Chap.6 ( before the management survey was carried out so that the comparison of practices have the same level of data collected ).

Under the circumstances of a very descriptive nature of the material and because sources were documentary and direct interviews with senior managers it is very difficult to comment on the effectiveness of practices presented.

However Chapter 7 tries to compare and to comment in a systematic presentation main aspects related to career development and pay policy in the three organisations.

## CHAPTER 4 - CASE STUDY I: The British Post Office

### 4.1 INTRODUCTION

The British Post Office is a large organisation, particularly in terms of workforce - 177.200 approximately, of whom 14.300 are Postal Executives and about 1.400 are considered Middle and Senior Managers.

The organisation is also large in terms of cash, turnover, equipment and property owned, and from a market point of view, the main activities of BPO are organised in four business:

- Letters business
- Parcels business
- Counters business (8)
- National Girobank (9)

Like most large organisation, a number of different functions characterize BPO Departments in the structure of the organi

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(8) - Counter services has had its own Managing Director since 1984 and is similarly moving towards constitution as a public limited company, but not until 1988 because of the need for a considerable process of further development.

(9) - Girobank, whose study is not included in this research, became a PLC in October 1985, a move which formalised the existing situation as the bank had already operated for many years largely as a distinct business under a Managing Director.

sation. Many people spend most or all of their careers in these departments or others of the many functions which exist in BPO.

During the period of our research, however some important strategic developments are going to take place. The main one is a strong market oriented strategy which is going to provoke a deep change within the BPO organisational structure. Some exploratory interviews with senior managers, such as with the Corporate Planning Director, gave us information concerning that new issue.

Postal business reorganisation will determine that the three main general business - Letters, Parcels and Counters - will be run under three managing directors. According to the BPO Corporate Planning Director the needs of customers are becoming more specialised and complex, and good service at competitive costs depends on being able to respond quickly and expertly to developing market needs.

These needs will be best achieved by having people organised in a way that enables them to develop the specialist expertise required by each of the very different markets of the Post Office services.

#### 4.2 THE ORGANISATION OF THE PERSONNEL FUNCTION IN BPO

The personnel function at the British Post Office is currently characterized by a decentralized and regionalized structure according to the Corporation organisation.

At central level, personnel departments are responsible for



policy formulation and control which includes definition of recruitment policy, definition of selection procedures, design of selection tests, selection assessment for executives and responsibility for the organisation of all national selection boards.

Special departments have a main role in policy formulation on career development, including promotion, transfers, appraisal and training, and on the industrial relations policy such as salary reviews, working conditions, productivity schemes and national union negotiations.

Another main role of central departments, concerns manpower planning policy integrating the staff needs with the business goals.

At regional level, personnel departments are responsible for policy implementation and development.

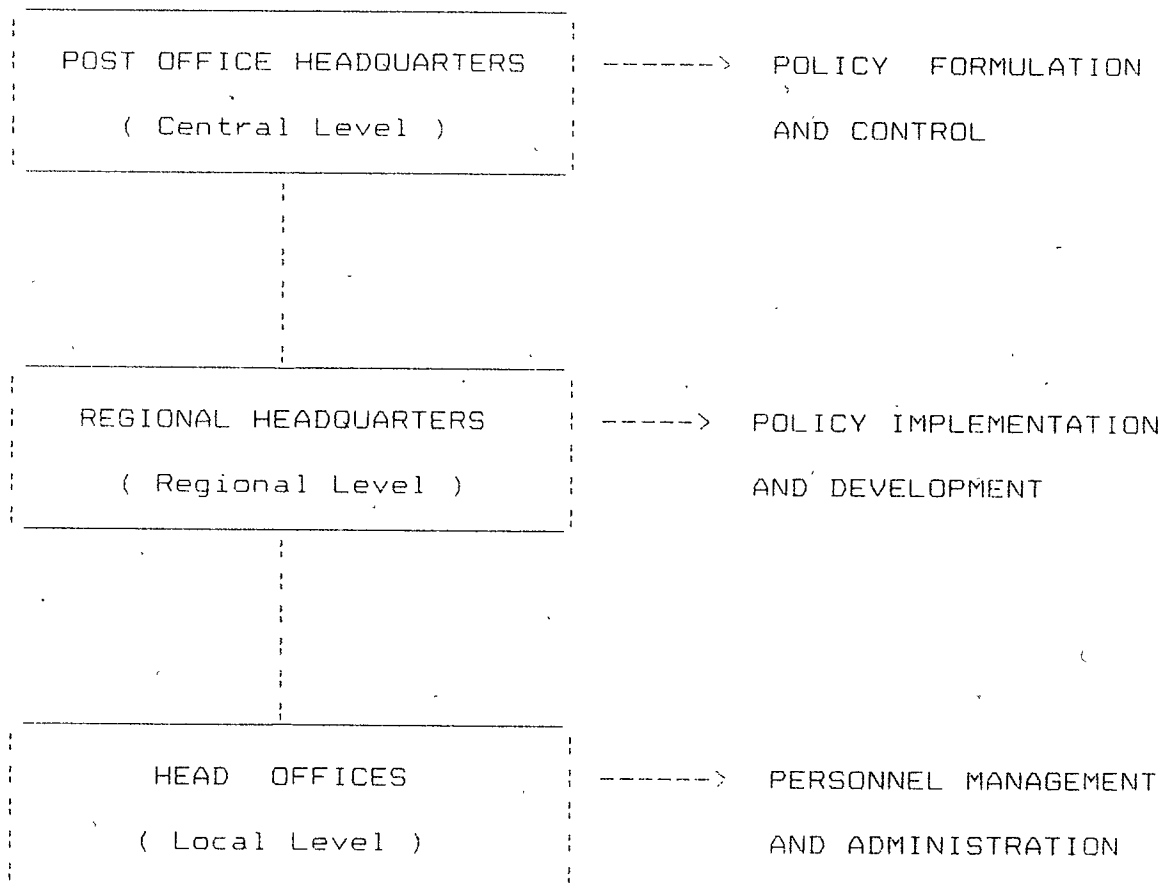
This means, coordination of personnel needs of employees, recruitment planning for postal and clerical grades, effective use of resources, organisation of promotions boards, medical and discipline matters, staff training in basic grades and participation in regional union negotiations.

At local level, personnel units have the function of personnel management and administration.

These activities involves the future career development of staff, local recruitment, promotions boards according to central guidelines, staff records, disciplinary procedures, monitoring sick absence and irregular attendance; attending industrial tribunals; introducing job release schemes; welfare matters; retirements; local staff training; futher

education compensation; claims and participation in local union negotiations.

Figure 4.1 - PERSONNEL CHART



#### 4.3 JOBS AND CAREER PATHS

Career structures have been organised on a basis of different job families according to different levels of qualifications. Each level is a result of a group of jobs with a similar degree of content and has been based on a job analysis process. The current career structure, dated from 1973, repre-

sents three broad tiers of staffing:

- senior management grades
- middle management grades (executives and supervisors)
- basic grades (consisting of postmen; postmen higher grade; postal assistant; postal officer and other minor grades such as cleaners and doorkeepers).

Senior management grades are divided into 9 bands of qualification (see figure 4.2) and each band comprise of different job titles that denotes the managerial position according to management levels (central, regional and local).

Figure 4.2 - Senior management grade

Bands	Job titles
4 to 1	- Directors (national and regional)
5	- Assistant Director or Controller
6	- Head of Branch; Head of Division; Assist. Director or Controller;
7	- Head Section or Assist Controller
8	- Head Section or Head Postmaster
9	- Head of Group; Assist. Head of Section or Postmaster.

Middle management grades are known as the Postal Executives (PE) and supervisors in sorting offices and counters, and Engineer Executives (EE). Basically Executive grades has 3 bands (A/B/C). However, later on in 1975, after trade union disputes another band was created (band D) to give the possibility of progression to high qualified and potential staff from the basic grade, such as clerical and sorting office staff. Generally the access to band D for those grades represents their limit of progression.

Figure 4.3 - Executive grade

Job titles	Executive bands			
Postal or Engineering Executives	A	B	C	D

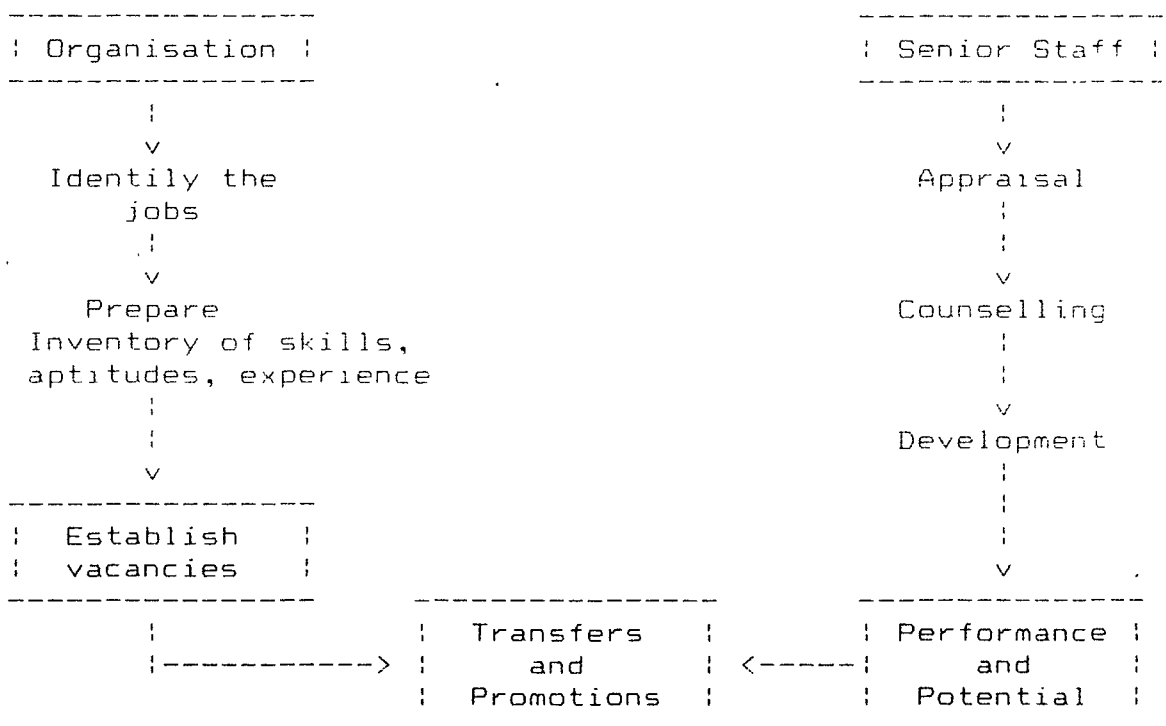
Graduates enter the organisation as Executives - band C or B for Postal Executives according to skills and professional experience, the work of postal executives varies widely depending on where they are based. Head post offices may have large numbers of basic grade staff working for them but in a headquarters unit, where the work is more concerned with policy formulation and development, supervision of staff does not seem to have a greater part of the postal executive's duties.

Graduate engineers normally are recruited as Engineer Executives, band B, and usually remain in the engineering function, which has a Senior Management structure with levels of responsibility similar to general management positions.

#### 4.4 CAREER PROGRESSION AND PROMOTION POLICY

Career progression through executive or senior management grades does not depend on automatic length of service or age criterion. It is characterized by a conceptual philosophy. According to Post Office policy statements it means taking steps to ensure that the organisation is making the most effective use of their senior staff in terms of their ability and potential; the main objective of the concept of career development is to ensure that sufficient human resources of the right calibre meet the present and future needs of the organisation. The diagram below shows the conceptual approach.

Figure 4.4 - Progression Philosophy

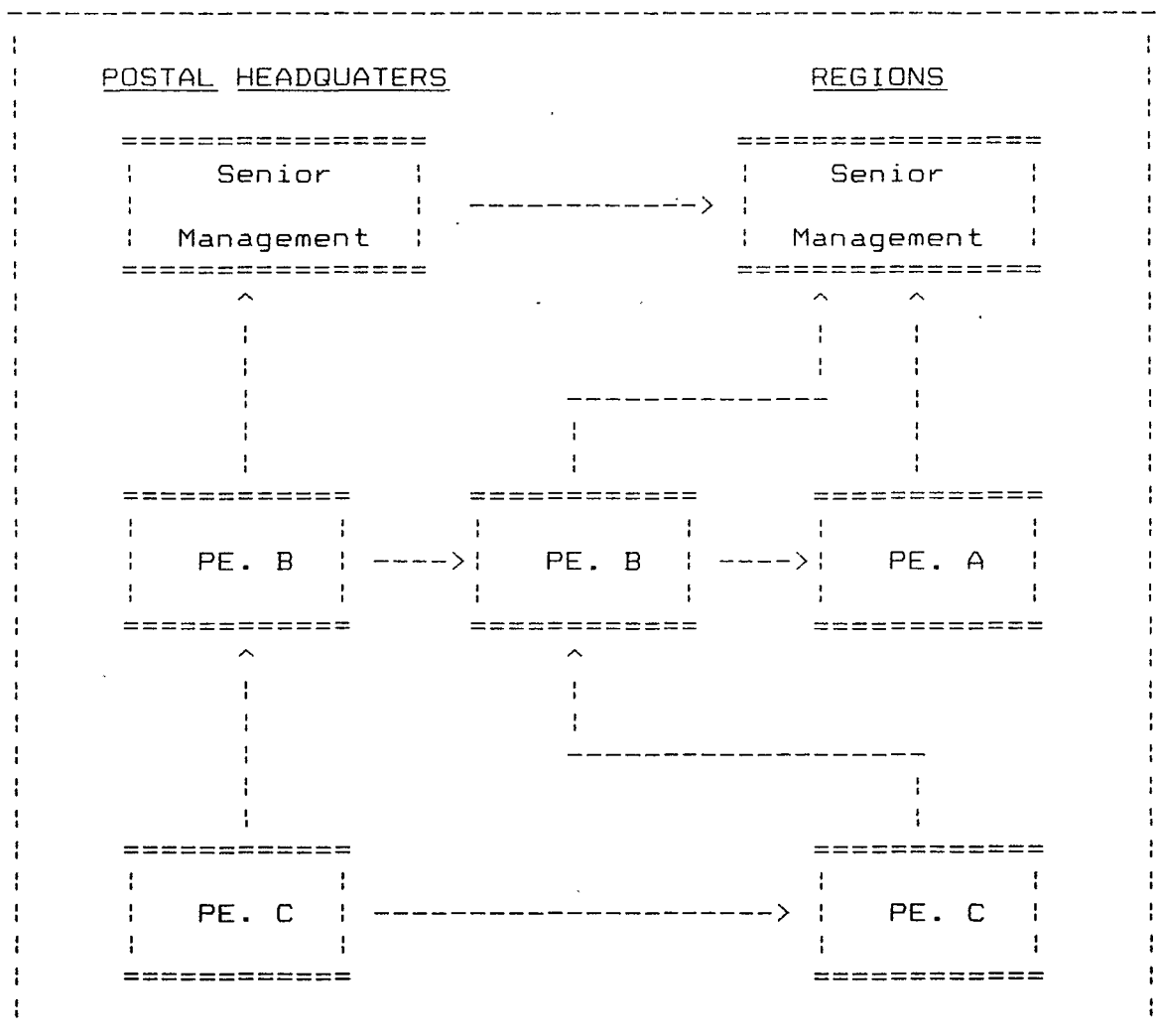


(adapted from Report "Staff Development", Post Office Management college)

Within such system career perspectives for executive grades include transfers from the middle management grades to senior management grades. Usually those perspectives depend up the vacancy levels, and the possibility of progression include either inside Postal Headquarters or with transfers to regional departments.

The following diagram attempts to represent the progressional movements into and out of career grades.

Figure 4.5 - Career progression flows



Before explaining further specific aspects of career progression it will be helpful to note that the determination of vacancy levels is the first step of an integrated promotion policy.

At the British Post Office, vacancies have been determined by two main factors:

- replacement; and
- creation of a new job.

Here line managers play a key role, they are responsible for the prediction of a vacancy, and authority to fill a vacancy depends first on the effectiveness of that specific job according to the objectives of the department where the vacancy is proposed to be filled.

The Personnel Department will assist line managers to ensure that the job meet to the maximum possible extent the needs of the business. In case of a new job a job analysis process will take place to determine the adequate grade level and the appropriate skills.

#### 4.5 FILLING OF VACANCIES

Generally vacancies will then be advertised within the local unit and key posts will be advertised throughout the region or central departments.

In determining the method of filling, the local manager will take account of the availability of suitable internal re-

source - the Post Office policy is to fill the large majority of jobs from internal resource - as indicated by personnel plans and by appraisal evidence as well as of any need to inject new resource from outside the unit.

Among those who could be expected to perform the duties of the job effectively there will also be an eligibility criteria to limit the field of selection, and to ensure that candidates with potential will not be excluded because of arbitrary criteria such as years on the grade or length of service and on the other hand to ensure that these would not be included candidates with qualifications not needed for the effective execution of the job. The appointment policy is to fill each vacancy with the most suitable and meritorious candidate available for the specific job, rather than for the grade as a whole.

This suitability criteria is measured by several factors, such as ability, experience, skills or potential.

Then, short lists of candidates are presented to selection boards that are responsible for selection of the appropriate candidate, taking in account the "Individual Record Form", the "Report on Job Performance", and followed by interviews if necessary.

#### 4.6 CAREER DEVELOPMENT AND APPRAISAL

##### i) Aims of the appraisal system

As we have just noted an important factor in assessment of the suitability for promotion is taking into account the



performance and the potential of the candidate. The assessment of past performance, and therefore the assessment of potential for promotability seems to be some of the aims of the appraisal scheme related to career development for executives and senior management. It is also the aim of the annual appraisal system to provide the Personnel function with information about the skills, strengths and other qualities of senior managers as an aid to individual career counselling and guidance.

As we will see later on, the appraisal scheme is also used to provide a basis for determining salary movements and bonus payments.

#### ii) Staff development and personnel role

As line managers are responsible for appraising, counselling, agreeing objectives and for the development of their staff the personnel function has an important role offering them guidance and direction as well as maintaining the co-ordination of activities within and between all departments.

These include identifying skills in functional areas, preparing and regularly updating succession plans, operating the appraisal system, recognising high potential staff at all levels and give career counselling interviews.

Specifically in relation to the appraisal system the personnel function is responsible for developing and monitoring national appraisal policy including:

- standardisation of appraisal forms
- guidance to the appraisal system
- give training courses for appraisers
- auditing to ensure appraisals are being completed to a satisfactory standard
- ensuring that appropriate action is taken when staff performance falls to an unacceptable level.

iii) Components of the system

Job description is an important part of the appraisal system for executives, setting out the main responsibilities of the individual jobs together with indications of the performance expected.

The other components are:

- the Individual Record Form (IRF); and
- the Report on Job Performance (RJP)

The IRF (see Appendix II ) gives a record of the individual's training, experience and educational qualifications. It is attached to the annual appraisal form so that the appraisers have a comprehensive basis on which they can make recommendations. The IRF is not only designed to be an appraisal record form but also to be used as an aid to manpower and career planning, placement and training plans.

The Report on Job Performance (see Appendix III ) is used during the annual appraisal, generally in April, and is

formed by a section comprising job definition and state of results against agreed objectives, a section for the assessment of Performance of current duties and a promotability section related to the potential.

The overall assessment is then rated ( A to D ) according to levels of performance, where C and D represents the unacceptable levels for eligibility criteria to promotion.

For Senior Managers performance is measured in terms of the achievement of agreed objectives for the year under review. The appraisal system for senior management is not exactly in the same way of executives. Here the assessment of performance takes reference to a table of key objectives agreed, the results obtained and the factors affecting results. At the beginning of each year, the process begins with setting of clearly defined objectives with their superiors according to pre-established guidelines, such as:

- a) objectives must be results orientated, based on expected outputs and on achieving results;
- b) they must be specific, capable of being measured in a qualitative or quantitative way and in the short or long term; and
- c) Achievable in terms that managers agree, and understand that they are priorities where main efforts should be concentrated.

During the appraisal process, normally in April, objectives and results achieved are reviewed, taking into account any

significant changes to the original objectives which may have been agreed during the year. The performance assessment is then made in a form of a Report giving a special attention, in case of shortfall in performance, to the reasons behind them. These may include insufficient precision in defining the objectives or by external factors outside the individuals control.

#### 4.7 COUNSELLING AND CAREER DEVELOPMENT

As we have noted earlier in this chapter on progression philosophy, career counselling plays a consistent role for career development. This takes the form of career interviews and all executives appraised are encouraged to take advantage of the opportunities offered through counselling to discuss relevant matters to their job performance and career development. The Post Office states that the "career counselling interview has the main objective of to secure and or maintain the highest possible level of performance and motivation in an atmosphere of confidence between the individual and his manager". It is centered on the work rather than the personality of the individual and the emphasis is on the immediate future rather than about the recent past.

However the results of the performance assessment are discussed in a way to improve any weaknesses concerning specific future objectives and targets.

During this counselling interview executives are told about their appraisal markings and implications for career deve-

lopment in relation to transfers, promotions and specific training programs. It also includes discussion and agreement of objectives for the coming year.

#### 4.8. SUCCESSION PLANS AND STAFF DEVELOPMENT

Succession planning is the process used to try to fit current resources to future requirements. For this process the annual appraisal system and the counselling interviews provide relevant information about career interest of executives relating to future needs.

A second component of the process is to forecast movements into and out of executive grades taking into account the number of staff in present grades and incorporating it with assumptions of future levels of recruitment, wastage and promotions. This function to the Post Office seems to be not quite developed yet mainly because the predictions of future manpower requirements is closely related with some absence of concrete information on what changes in the nature of the organisation strategy or in the use of new technology might affect executive workforce levels (increase or decrease). However, there are attempts to establish and review at least at 6 monthly intervals succession plans. The system elaborated at regional level is translated by two documents, the Individual Record Card and the Job Replacement Card (see Appendix IV ).

The former is used to contain individual information for all Postal Executives marked qualified for promotion, and later is used for each Postal Executive job containing information

about the present job holder, principal duties and responsibilities and the immediate replacement references.

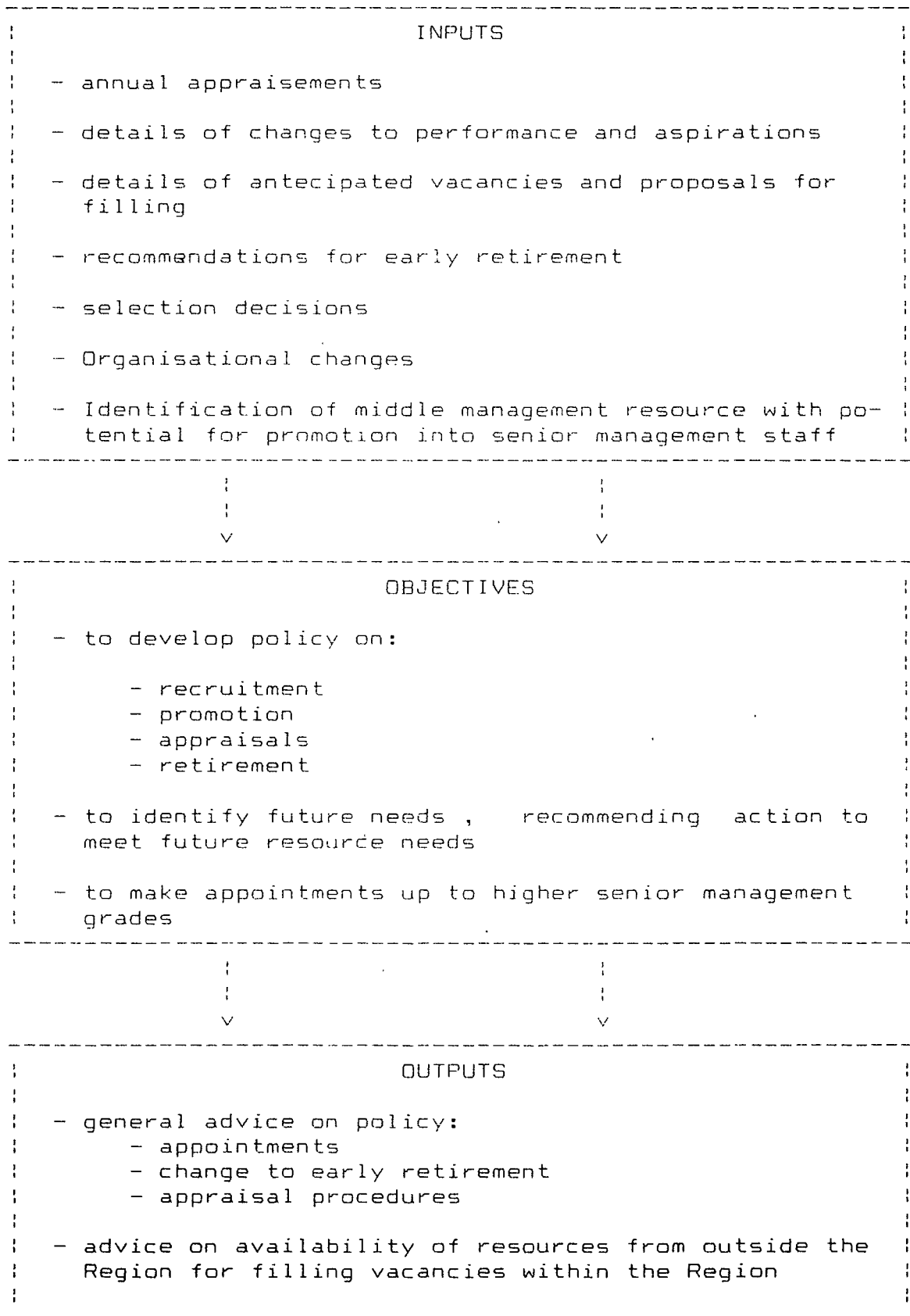
Regional departments co-ordinate their succession plans to ensure that regional staffing needs are met, providing information to Central Department in order to assess the national situation and to provide available information to corporate manpower planning studies, which deal with all levels of staff. The main issues are about:

- future manpower requirements, in terms of skills and qualification for each Postal Executive grade;
- the pattern of future losses, in terms of retirement age, retirement policies and voluntary wastage;
- replacement policies, in terms of proportion of vacancies filled by recruitment or by promotion.

Concerning senior management staff, Regional units also provide information to central personnel department related to appraisal results, counselling interviews, expected retirements; as information is also analysed in order to develop policy on senior management development.

The diagram below ( Figure 4.6 ) tries to represent the main input and output of information relevant to staff development and training.

Figure 4.6 - Information Flows



SOURCE: " Staff Development Report ", BPO





Pay progression from one pay level to another within each grade is dependent upon a fully acceptable performance and a minimum of 12 months continuous service in the current salary band.

#### 4.9.2 Senior Management Salary Structure

Senior Management has two types of pay structure. Between bands 9 to 5 the pay structure for salary band ( see Figure 4.8 ) is composed by three pay levels:

- basic salary
- standard maximum; and
- extended maximum

Which represents the theoretical possibility of pay progression. Pay progression from the Basic to the Standard Maximum will be dependent upon the performance appraisal marking and also a minimum of 12 months in the current salary band at the end of the preceding appraisal year.

Progression to the extended maximum of each salary band is authorised only in very exceptional circumstances, and therefore in a practical way we can say that the average maximum progression is to the standard maximum pay level.

Figure 4.8 - Senior Management Salary Structure

(March 1986)

Bands	Basic	Standard Maximum	Extended Maximum
5	28.820	30.100	31.000
6	26.050	27.250	28.070
7	23.580	24.700	25.440
8	20.960	22.350	23.020
9	Max. 18.470 17.680 16.890 Min. 16.100	19.800	20.390

For Senior Managers between bands 1 to 4, their salary system is based on personal contracts according to the setting of objectives, which includes a basic salary and fringe benefits, such as car for personal use and a bonus scheme.

#### 4.10 PERFORMANCE APPRAISAL AND PAY POLICY

As we have described in the former chapter all senior management staff are appraised annually. The performance appraisal scheme has effects on the annual salary. Maintenance of pay level at the standard or extended maximum depends upon sustaining a fully acceptable performance marking the annual appraisal.

Where unacceptable marks (10) are given (marks D or CD) for the appraisal year immediately preceding a salary review, the salary of the individual will be reduced as the following terms:

- from the extended maximum to the standard maximum if the individual is being paid at the extended maximum of the band;
- from the standard maximum to the basic level, if that manager is being paid at the standard maximum; and
- by no increment in the case of an individual being paid at or below the maximum of the basic range.

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(10) - See 4.6 - Career Development and Appraisal

From October 1986, where a C marking is given for the third consecutive time in the appraisal year preceding a salary review, the salary of that manager will be reduced in accordance to terms described above.

Senior Managers appraised with "AA" or "A" will be eligible for consideration for a bonus payment scheme in recognition of their performance during the immediately preceding appraisal year. The amount of individual bonuses, and the decision to award them, is at the discretion of directors, but normally varies from a minimum of 100.00 to 7.5% of the salary level, and it is paid in October of each year.

#### 4.11 EXTERNAL PAY COMPARISONS

As we earlier noted in respect of the objective of Pay Policy, so that organisations are able to adjust pay levels and a structure that will allow them to attract and retain workforce, their pay policy should attempt three basic elements:

- Pay levels must be competitive with those organisations employing individual with similar jobs;
- the structure must be seen as equitable so that employees find it fair and acceptable; and
- should reward individual performances

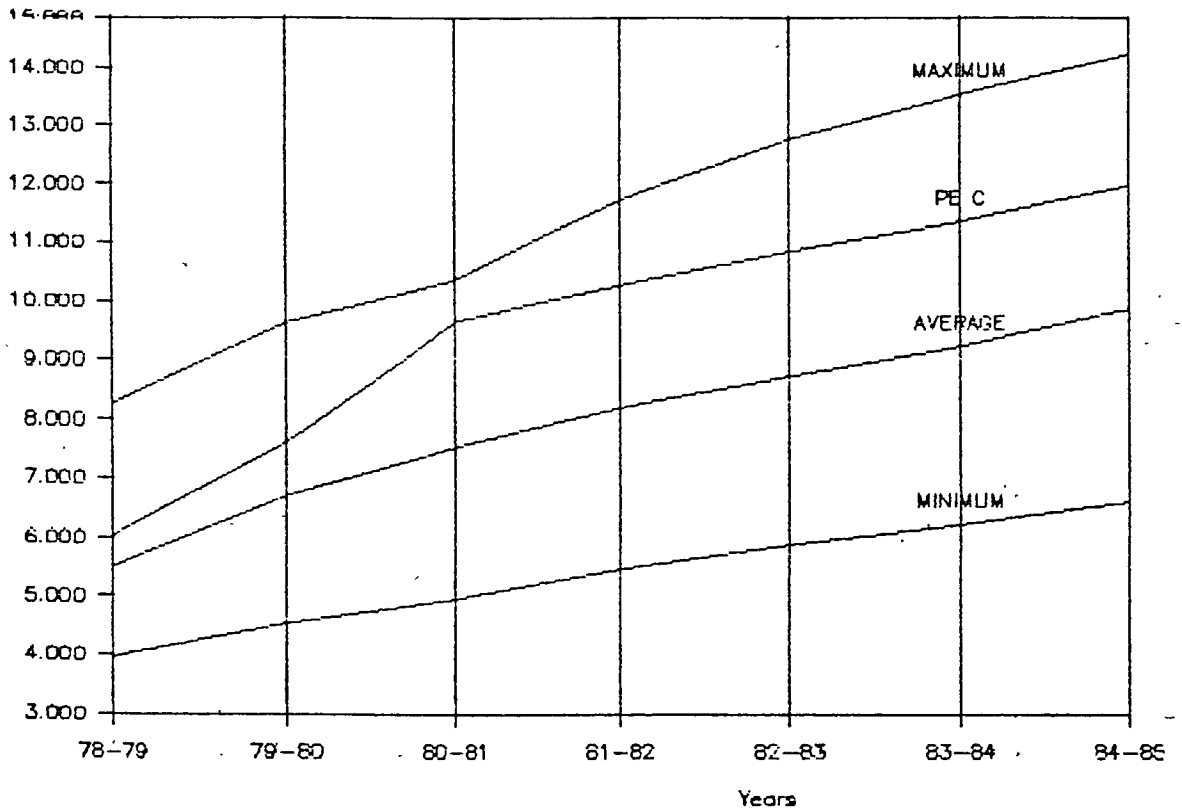
Both the individual performance and the internal equity are recognised in the reward systems since the pay system has been developed from a Job analysis process and related with an appraisal scheme which attempts to eliminate any discrepancy between jobs comparably paid with different performances or demanding less qualifications or different contents.

The external competitiveness of pay policy is annually evaluated through a wage survey for identifying market pay rates. This pay survey is performed by having information about 30 organisations indicating the current pay rates for similar jobs. The main limitation is the identification of job contents because job titles vary from organisation to organisation. However, it gives relevant information to the Post Office and is particularly important during the salary review negotiations with the unions.

The following figure 4.9 shows an example for Postal Executives pay comparison using the information collected from the pay survey (see appendix V).

The external competitiveness for Executives has been improved. However, a specific limitation arising from the pay comparison must be delineated because the information only refers to basic salary and does not reflect the total remuneration which may include several bonus scheme or packages of fringe benefits in the organisations under the survey.

Figure 4.9 - Pay Comparisons with Pay Maximum of Executives C



Number of comparators - 33

Data Source: PAY SURVEY, BRITISH POST OFFICE. March 1986  
 (see appendix V)

## CHAPTER 5 - CASE STUDY II - British Telecom

### 5.1 INTRODUCTION

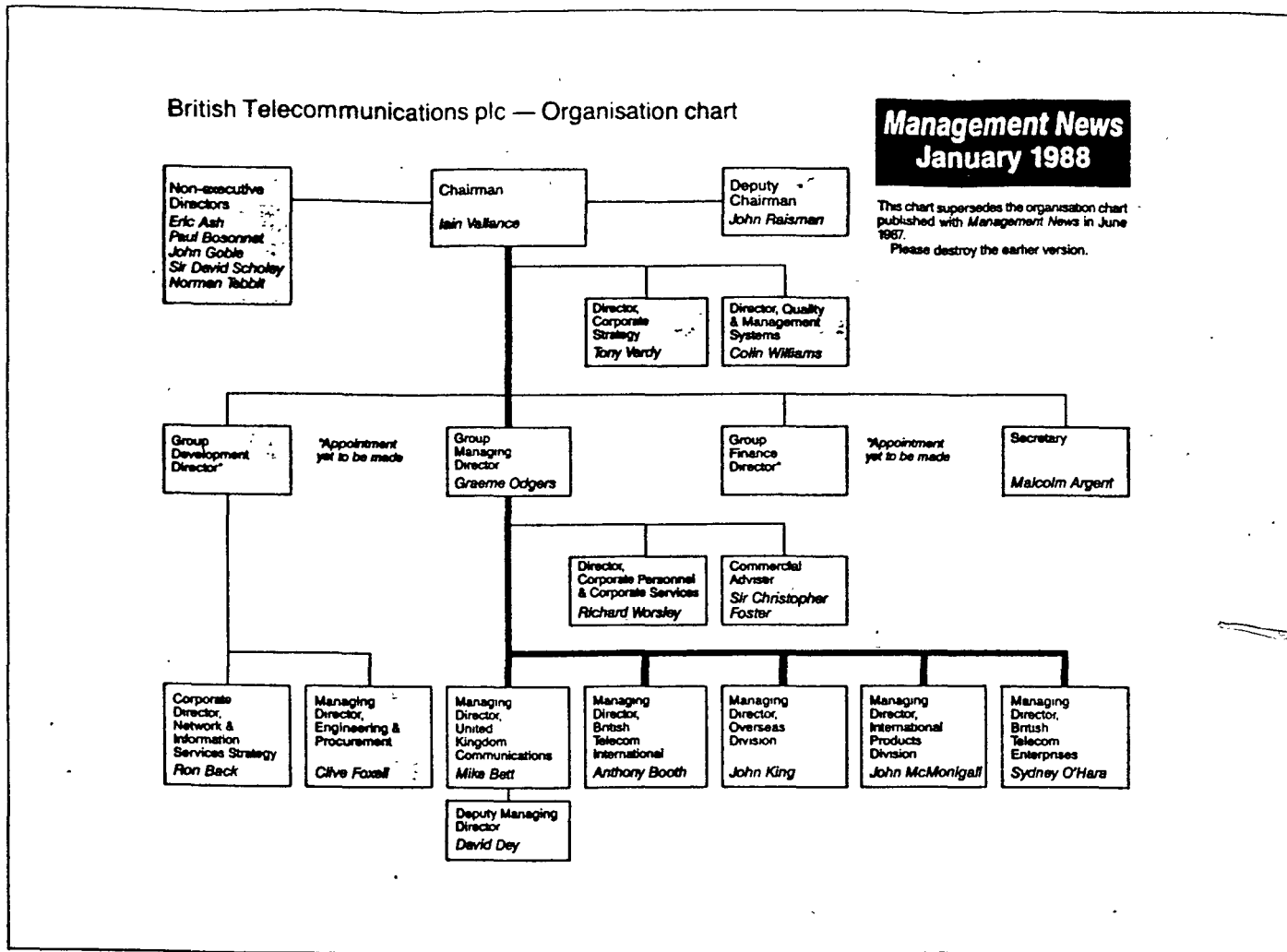
In 1969 the Post Office ceased to be a government department and was established as a state public corporation. Twelve years later, in 1981, the telecommunications services became a separate corporation under the name British Telecom taking over the Telecommunication business. In 1982 British Telecom (BT) was converted into a public limited company but only in 1984 the transfer of property, rights and liabilities to BT was made by Royal Assent. The government was then able to sell shares in the new company. 49.8% of ordinary shares were offered for sale to the public on 16 November 1984, with the government retaining the other 50.2 per cent. The original buyers fell into four main groups: Institutions (47.4%); the general public (34.3%); BT employees and pensioners (4.6%) and buyers in the USA, Canada and Japan (13.7%). Nearly 96% of eligible BT employees became shareholders in the company.

British Telecom company is made up of five main operating divisions, plus a number of functional divisions providing particular professional services to the company.

Company policy is that each division is responsible for its own efficiency and profitability. BT also has a number of subsidiary and associated companies (about 30).

In terms of workforce, BT has about 223.000, at June 1987, of whom approximately 36.870 are considered Middle and Senior Management staff, the universe of our research.

Figure 5.0 - BT Chart





## 5.2 - MANAGEMENT CAREER STRUCTURE

Management career structure have been organised in two broad tiers of staffing:

- Senior Management group (about 870); and the
- Managerial and Professional Structure (about 36.000)

Senior Management group (SMG) do not have formalized career paths or bands. This group is managed under a confidential personal contract basis annually reviewed where is included the basis annual remuneration, company car, telephone, and performance related bonus if appropriate.

Managerial and Professional Structure (MPS) encompasses most management staff in BT and is divided into four levels of management - level 1 to 3 and Senior Band. Each job within the structure is graded from A to J according to the levels of skill, knowledge and responsibility required. A is the lowest band and J the highest (see figure 5.1).





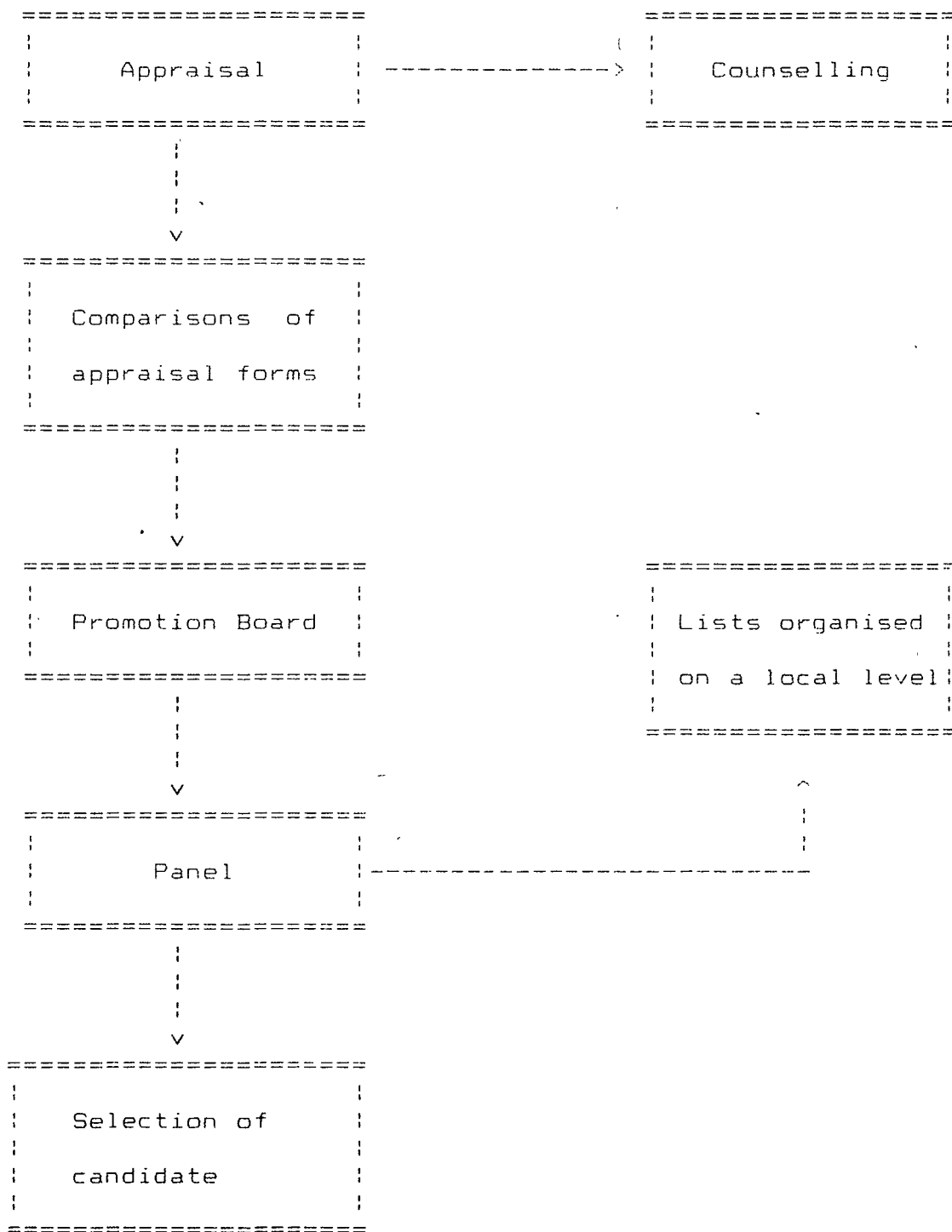
BT Jobs are not supported, at the time of data collection, by formalised Job Evaluation Scheme. So, the level of a vacancy is determined in comparison with similar jobs in BT.

#### 5.4 FILLING OF VACANCIES

When a recommendation for promotion within MPS levels is made or when individual jobs are advertised candidates are assessed by promotion boards. Promotion to Senior Band is open to staff in level 3, here local management appointment units invite eligible staff to apply for specific vacancies. Selection procedure involves normally a personnel specialist and the line manager for that particular vacancy and the selection methods will vary according to the needs of the job. All candidates are interviewed but tests and exercises may also be included if necessary. Promotion to the Senior Management group (SMG) is open to Senior Band staff and is based on succession plans and the potential of the individuals.

Next diagramme tries to represent the conceptual model.

Figure 5.3 - Filling of Vacancy



Announcement of a vacancy is normally only made if there is not a suitable candidate on the panel.

## 5.5 CAREER DEVELOPMENT AND APPRAISAL

As we referred earlier appraisement and counselling are important factors for career development of management grades.

According to BT "Personnel Guidelines" (1985), the appraisement procedures (11) for the Managerial and Professional Structure and the Senior Management group aim to:

- record for the benefit of all concerned how individuals are performing in their present work;
- recommend what is needed for future career development;
- assess potential;
- provide a basis for discussion about performance, progress and prospects;
- set performance objectives.

Appraisal dates varies according to management levels between March (Level 1) and July (Level 3).

Appraisal is followed by a counselling interview in which the appraisee receive feedback on how his performance is viewed, to discuss future management development plans to enhance performance and to discuss career development expectations.

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(11) - See in Appendix VII "Appraisal Forms"

Potential for promotion is also assessed during the performance appraisal process, along with an outline of where the appraisee should be placed in order to best benefit BT and the individual, this information is also relevant for succession plans.

## 5.6 SALARY STRUCTURE AND PROGRESSION

For Senior Management group BT has a pay policy based on confidential personal contract which are reviewed, annually, in July. The personal contract includes a basic salary, free telephone, car, private medical insurance and a bonus up to 10% of the basic Salary if the performance is rated very highly. Pay progression is dependent on a satisfactory performance against objectives.

Because BT is operating in a very competitive environment and needs to have staff performing above standard, the personal contract philosophy is likely to be extended in time to other management levels, since it gives much more flexibility and effectiveness in rewarding performance. BT policy is that pay should reflect the individual effort to the achievement of the company's objectives.

For middle managers (MPS) pay structure consists of 9 Salary Bands. Each Band has a maximum and a minimum value.

Incremental progression within the pay band will be by either 0, 1, 1 1/2, or 2 single incremental steps depending on the recommendations of local management at the time of the annual salary review (January).

At March 1986, the Managerial and Professional Structure was as follows:

Figure 5.4 - MPS Pay Structure

Band	Max.	Min.	Single Step increase
J	18.714	12.223	749
Level 3 H	17.777	13.511	711
G	16.884	12.832	675
F	15.595	11.852	624
Level 2 E	14.814	11.259	593
D	14.070	10.693	563
C	12.996	9.877	520
Level 1 B	12.345	9.382	494
A	11.725	8.911	469

In addition, the bonus scheme that has been working for Senior Management is under adaptation for Middle Management.

### 5.7 FINDINGS OF THE CASE STUDY

During all the interviews carried out in BT, it was clear that Personnel Function was quite concerned specially with



the establishment of a pay for performance philosophy. Career Structure consisting of several bands with incremental progression was not the appropriate flexible systems that BT wanted. Senior Management Group had personal contracts and the higher level of the Managerial and Professional Structure was going to have a similar practice.

Appraisal plays an important role not only for rewarding the merit but also for career development purposes. At the time of our visits to BT, Job evaluation seems not be relevant for the pay policy although the concept of "rate for the job" remains. During an interview, a corporate personnel manager expressed the view that "why to introduce job evaluation if the system has been working well. We don't want to have it just because other companies have it".

An important issue is that Annual Salary review is not dependent directly on appraisal performance rates and so the appraisement can be managed with several outputs ; career development, training, succession.

Line management plays an important role specially on recommendations for promotions and for pay progression.

#### a) Promotion Boards

BT is trying to get away from the system of promotion panels and more towards individual selections to fill vacancies. The later is much more in line with the needs of the business and allows more junior staff who are high performers to progress their careers more quickly. It also gives management more flexibility in filling vacancies.

BT is going through a period of considerable change, needs to be very competitive (another company - Mercury - started to operate in the market) and the company is looking for a different sort of management staff, in particular people with entrepreneurial skills.

b) Career/ Succession Planning

Career planning for Senior Management Group is handled by Corporate Personnel Dept. as this group of staff is viewed as a corporate ( rather than a divisional ) resource. BT's five year Business Plan includes a section of human resourcing implications of future changes in business activities. Management Development needs and career planning flow directly from the Business Plan and in the largest BT Division ( UK Communications ) a Core Programme of training for SMG Management Development has been produced to meet those needs.

For staff below SMG, Divisions are responsible for career planning and management development. The extent to which this is done on a formal basis varies from Division e.g. in some Divisions there are no formal career/succession plans. This is an area of concern to BT and recently a Management Development Committee with representatives from all BT Divisions has been set up to look at the problem and to share information. BT still has some way to go in developing its approach to career planning but the implications are that the matter is being looked at much more seriously than in the past. One reason for this is that BT's wastage rate,

which traditionally has been very low, has been increasing in years and some key staff have been lost because of a lack of career planning, among other things.

c) Recent Pay System Changes

In 1987 pay negotiations with union result in changes to the pay system. The changes maintain a coherent national pay structure and subject to the concept of "rate for the job", they build on existing arrangements flexibilities which are already found in private UK companies. The two main changes are:

i) Introduction of Performance-based pay progression for Bands A - Senior Band

This provides the facility for individual's personal pay progression through the standard pay range to be related to varying levels of overall appraised annual performance. It provides for a standard pay progression increase of 5% for a July acceptable performance. Higher performing staff could achieve increases in the range of 6% - 10% and move through the pay range more quickly. At the other end of the performance scale, staff whose performance was not satisfactory would progress at a slower rate or get no increment.

ii) High Performance Pay Ranges ( Band A - Senior Band )

This extends to all MP&S bands the existing concept of " over standard " payments previously limited to Senior

Band. The aim is to enable more senior company management to reward an outstandingly high level of individual performance beyond the standard band maxima. The High Performance Pay Ranges will be set initially at 8% above the standard maximum of each pay Band A - Senior Band.

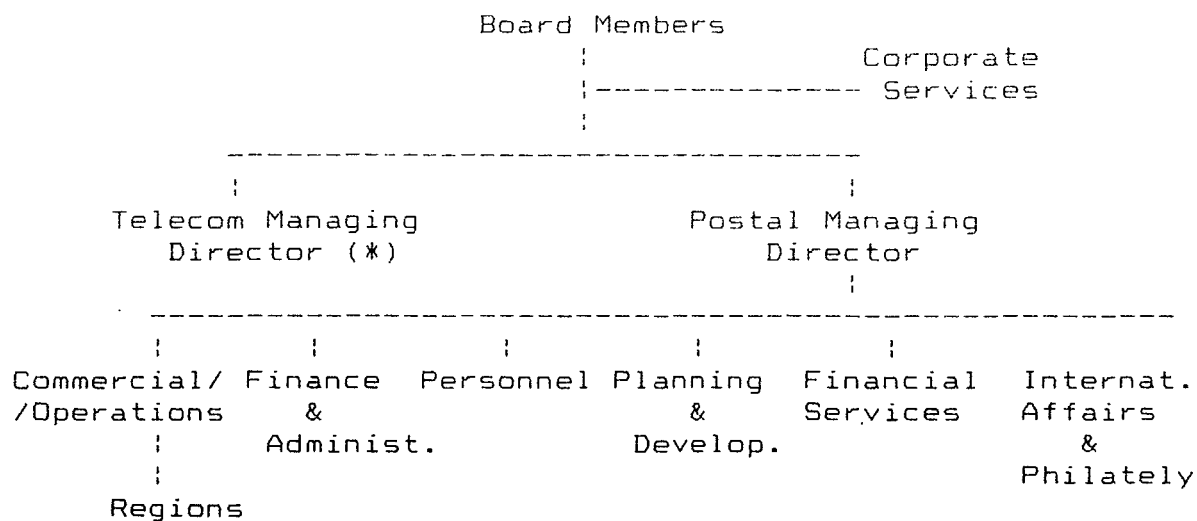
CHAPTER 6 - CASE STUDY III : CTT CORREIOS E  
TELECOMUNICAÇÕES DE PORTUGAL

6.1 - INTRODUCTION

The Portuguese Post and Telecommunications Industry ceased to be a civil service department in 1969 to become a state public corporation under the name CTT-Correios e Telecomunicações de Portugal, EP.

CTT is responsible for postal activities and also for telecommunications activities outside the cities of Lisbon and Oporto. In these cities telecommunications network is run by a separate state company called TLP (Telefones de Lisboa e Porto, EP). However both companies have the same Board Members and some corporate departments provides service for CTT and for TLP.

Figure 6.1 - CTT Chart  
( as at 87/03/01 )



(\*) Telecommunications Sector has a similar structure

In terms of workforce - 29.000 - CTT is the largest organisation in Portugal, of whom about 17.000 belong to the Postal Sector, 10.000 to the Telecommunications Sector and 2.000 to the Corporate Services.

Executives, Middle and Senior Managers are called Upper Staff Group and they represents about 8 % of the total workforce.

All CTT staff are employed under a Company Agreement that rules all conditions of employment and which is submitted to a collective negotiation process every two years with all the unions representative of the different jobs inside the company. So, this Company Agreement, which specifies all rights and liabilities of both parties, is a powerful instrument on personnel management issues, both for management and for unions.

The strongest unions are SINTEL ( Union of Telecommunications Workers ) and the SNTCT ( Union of Telecommunications and Postal Workers ) which have 6.000 and 14.300 members respectively. Because the unions are not professional unions but much more vertical ones we find some jobs represented by more than one union. However, the rate of Executive and Management unionisation is not high, about 30 %, so much pressure during collective bargaining periods is concentrated on basic grades matters or on general ones, such as the annual pay increase.

The Telecommunications services have been a profitable business and the Postal sector a non-profitable. However the Postal strategic plan for 1987-89 attempts to rationalize the post service with a philosophy of a business, reducing costs

, introducing new services and new organisational methods with a strong market orientated strategy.

## 6.2 - THE ORGANISATION OF THE PERSONNEL FUNCTION

The Personnel function at CTT is currently characterized by a decentralized and regionalized structure according to corporate strategy.

So we have at central level of two Personnel Directors, one for the Postal sector and the other for the Telecommunications. They report to the Postal and Telecommunications Managing Directors respectively. There is also a Corporate Personnel Director who provides consultancy services directly to the Board Member for Personnel for both companies ( CTT and TLP ) and is also responsible for conducting the collective bargaining process. This Corporate Personnel Director provides guidance to the formulation of Personnel Policy and Control at the Board Members level, with a special reference to Upper Staff policy.

Since Telecommunications and Postal sectors are organised in separate business regions for each region there are personnel departments responsible basically for policy implementation and personnel administration procedures.

## 6.3 - JOBS AND CAREER PATHS

At CTT employees are organised in 112 different functions. For each one there is a job description in the company Agree-

ment with the specification of the respective career structure. This includes, for each job, the number of bands, the conditions of recruitment and progression. The Upper Staff Group is divided into two broad tiers of staffing:

- Executives ( or the technical group); and
- Middle and Senior Management Group.

The Executives group represents the technical and professional staff ( this includes graduates and staff with a high level of technical experience ) with designed career paths that parallel the ranks in the management level ( see figure 6.2 ).

The current career structure for Executives, dated from 1981, represents three grades of qualification:

- Specialist (the lower)- 76% of executives;
- Assessor - 15% of executives; and
- Consultant (the highest)- 9% of executives.

Normally all graduates join the company at the specialist grade. Each grade is composed by several bands which represent a specific basic salary.

The following diagram represents the career structure for all Executives and the Management Bands at CTT.



Figure 6.2 - Career Structure for Executives and Management Staff

		Executive Staff		Management Staff	
		GRADE	BAND	JOB TITLE	BAND
U P P E R			S	Director	9
	Consultants		R	Director of Services	8
			Q P	Assist.-Director	7
S T A F F	Assessors		O O N	Head of Division	6
	Specialists		N N M L K J	Head of Departm.	5
				Head of Under- -Departm.	4
				Head of Section ( first level)	3
				Head of Section ( second level)	2
				Head of First Line	1

Management positions at CTT are organised in 9 bands of qualifications (see figure 6.2) , but only from bands 5 to 9 the managers are considered middle and senior management staff (Upper Staff).

According to the Company Agreement appointments for management positions they are always made under a non permanent basis. This means that, for example, if a Specialist or an Assessor is appointed for Band 6 and his Superior is not satisfied with his performance, at any time, he can be disappointed and returned back to his Executive band position, in this case there is some effect on his salary that will be described later on in Salary Structures.

#### 6.4 - EXECUTIVE AND MANAGEMENT BANDS DISTRIBUTION

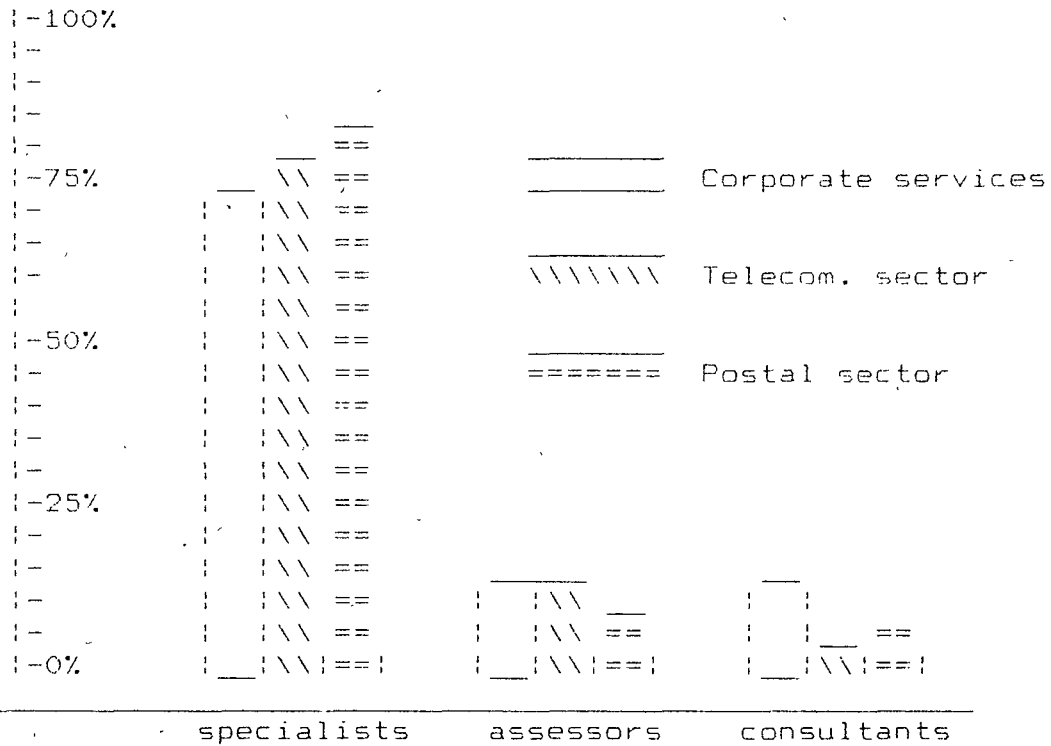
##### i) Executive Grades

At December 1987, the distribution of Executives by sector of activity denotes a concentration on the Telecommunication sector, 50 % against 20 % of the Postal sector and 30 % of Corporate Services.

Although if we compare the total of employees between sectors the result is the inverse. The Postal sector has 58% of the total employees, against 35 % of Telecommunication.

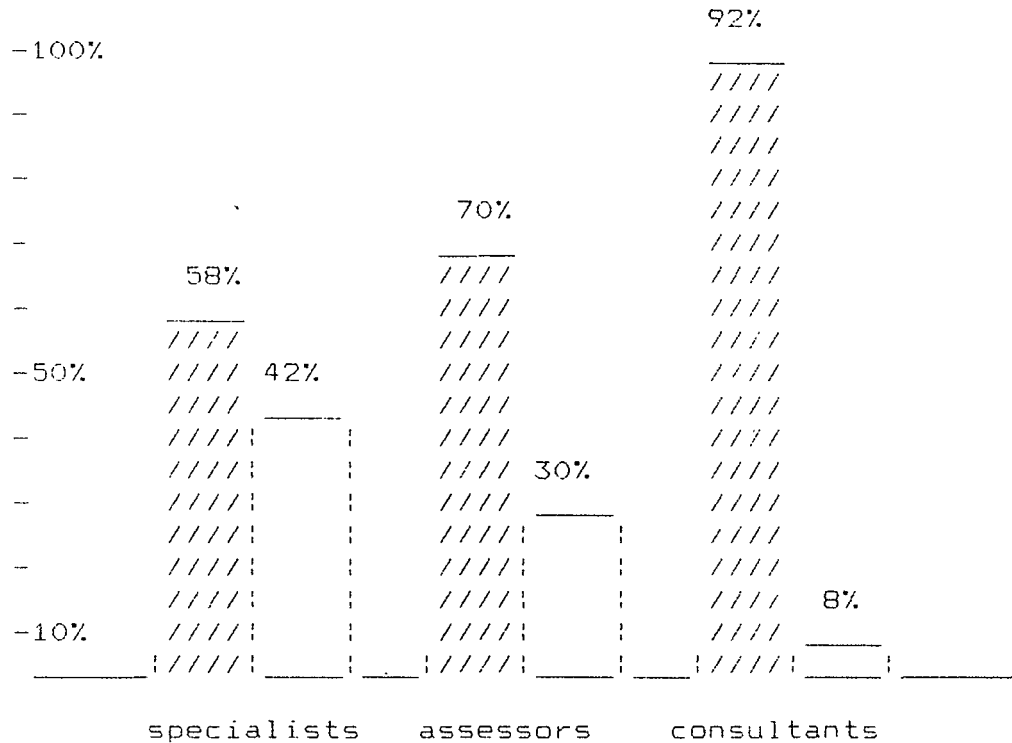
This means that the Postal sector is a much more labour intensive activity with a greater number of non executive jobs, as postman (56% of the sector) and administrative staff (34% of the sector).

Figure 6.4 - Executives distribution



A geographical analysis between the comparison of executives working at Central Level and Regions shows a strong concentration on Headquarters (based in Lisbon) 60%. This may mean that the decentralization strategy of the company is not, yet, quite well implemented concerning the types of work that are done at Regions and the capacity of attracting executives to work there.

Figure 6.5 - Geographical distribution

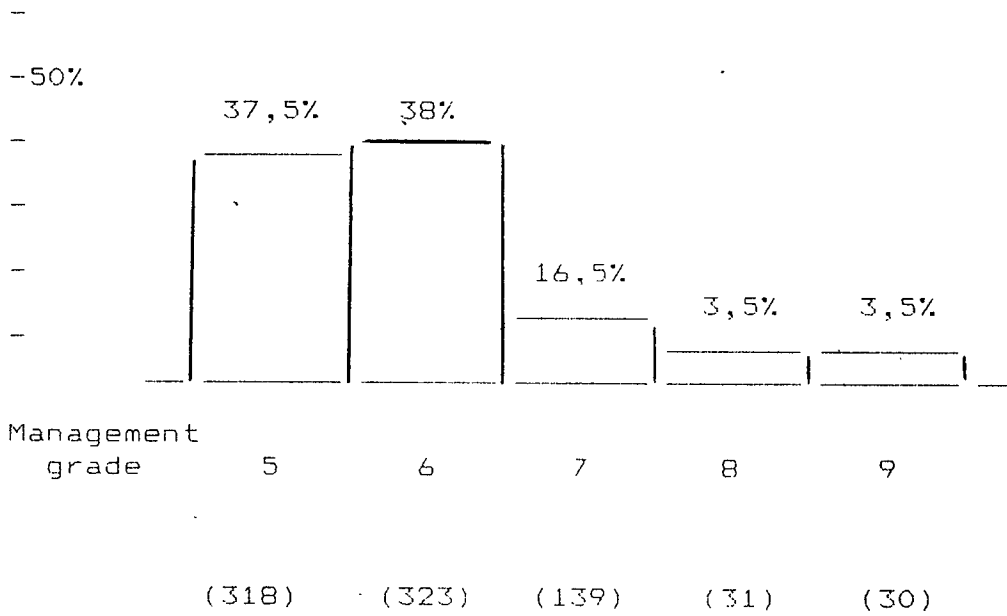


////////// Central level     
          Regional level

ii) Middle and Senior Management Grades

The distribution of management grades is directly related to the organisational chart, the current one is dated from January 1987. Available data at November 1987 shows at a global level about 43% of middle and senior managers working at Headquarters ( in Lisbon ) against 57% at regional structures.

Figure 6.6 - Management Grades



#### 6.5 - CAREER PROGRESSION

On a formal approach career conditions for progression are specified on the Company Agreement.

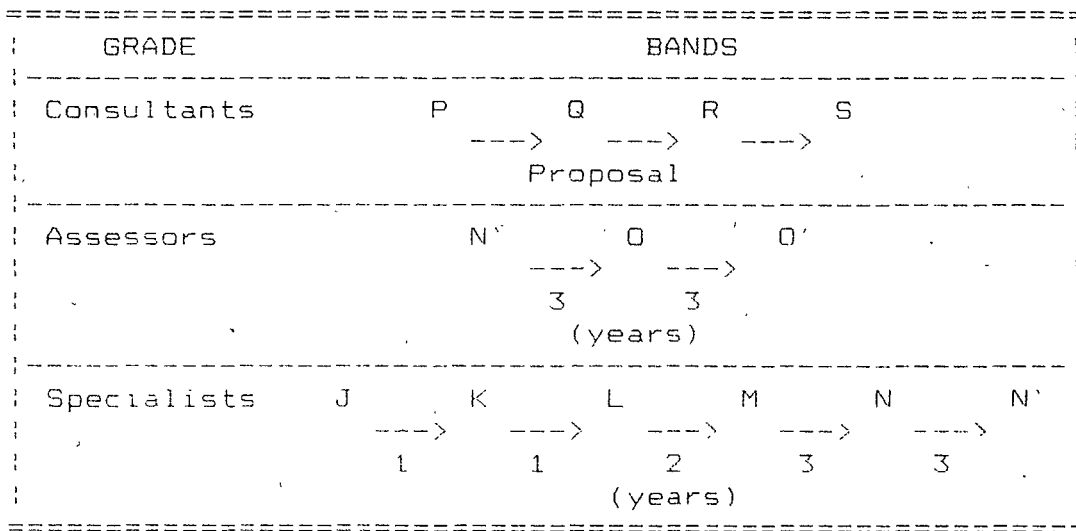
As reported earlier, Executives have 3 Grades of qualification (Specialist Assessors and Consultants) and within each grade there are bands that represents a specific salary.

Progression within the first two grades depends automatically on length on service (12). The diagram below shows the basic conditions for progression.

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(12) The progression in the highest level (consultants) depends on relevant work done and the decision for progression is made by Board Members under the proposal of Directors.

Figure 6.8 - Executive conditions of progression



Progression for a higher grade (specialist to Assessor and to Consultant) is not automatic and depends on a Directors' proposal based on a subjective assessment of the performance and potential of candidates, normally when they reach the top band of each grade.

So, the concept of promotion at CTT is the automatic progression through the bands or the progression from Specialists band N' to Assessors band N' or from Assessor band O' to Consultant band P.

But promotion may not mean an increase in salary since remuneration of the top band of Specialists is the same as the first band of Assessors, and top band of Assessors is the same amount as the first band of Consultants.

### 6.6 - SALARY STRUCTURE

The Executive salary structure is composed of a range of pay grades and incremental scales within each of the career grades.

Pay progression from one pay level to another within each grade is mostly dependent upon a promotion based on length of service.

Figure 6.9 - Executive Salary Structure (November 1987)

- monthly basic salary -

S	-	:	:	192.500\$
R	-	:	:	172.000\$
Q	-	:	:	161.950\$
P	-	:	:	150.150\$
O'	-	:	150.150\$	
O	-	:	134.450\$	
N'	-	124.850\$	124.850\$	
N	-	114.250\$		
M	-	100.800\$		
L	-	88.800\$		
k	-	79.300\$		
J	-	70.150\$		

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	Specialists	Assessors	Consultants
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In addition to the basic salary, the pay package includes a daily meal allowance and a length of service allowance for each five years of seniority.

Management positions are rewarded within an independent structure where each management level has a basic salary and increases depend on promotion in his Executive career path.

In addition to the basic salary there is a fixed amount, according to each management level, that is annually reviewed

with the same proportion of the basic pay increase. It is this amount that makes the salary distinction between a Manager and an Executive if they both belong to the same band.

Only top Directors with very special responsibilities have an individual salary not included in the Company Agreement and reviewed annually by Board Members under the suggestion of the Corporate Personnel Director taking in account the increase of the basic salary structures negotiated with the unions. If a Manager is disappointed and returns to his Executive position his salary will be frozen until he reaches a band with a higher salary than the one he had as a Manager.

## 6.7 - FINDINGS OF THE CASE STUDY

### 6.7.1 Introduction

From the documentary source available and from the unstructured interviews carried out in CTT (before the management survey, as referred in section 3.3 ), it was quite clear that Personnel Policy for Executives and Managers was not supported by an integrated Management Development Model. The reasons for this are presented below.

#### a) Effect of inflation

Some external variables such as a high inflation rate (between 20 and 30% during the last 10 years - 1977/86) has influenced the internal promotion and pay policies.



b) Automatic progression

The emphasis of career development and salary progressions have tended to be on compensation issues through automatic progressions through the incremental bands in order to compensate the increase in the cost of living.

c) Appraisal and Collective Bargaining

The merit philosophy, with pay for performance supported by appraisal systems has not been implemented on a consistent basis.

In 1981, under the pressure of a collective bargaining process, an appraisal scheme was implemented just to support the introduction of new pay bands which were required by the unions.

d) Absence of an "Appraisal Culture"

Only employees located on specific bands were appraised directly for pay progression purposes. Most of them, have been in the company for twenty to twenty five years and were not satisfied to be appraised almost at the end of their careers. Secondly managers were not appraised. Without a previous sufficient preparation and a coherent training programme for those involved and without attending some specific aspects of the company culture and management style, the scheme has been naturally abandoned, two years later with satisfaction from management and from the unions.

#### e) Number of management positions

During, the last ten years there has also been a great increase in management positions. Mainly because appointment practices only reflected the search for a higher salary and quicker advances on career paths. There was no other way to recognize and reward the performance of Executives.

#### 6.7.2. Effect of external economic variables

In 1986, however, the inflation rate (11,8%) and other external economic variables (as GDP) began to show a different evolution. In 1987 inflation is expected to drop to 9% and in 1988 the government forecasts refers 6%. These economic variables, together with an internal climate of pressure from Executives and Managers for redefining personnel policy by introducing a true concept of promotion and rewarding the performance, the company has started to establish some basis for formulating career development policy integrating individual expectations and organisational needs.

#### 6.7.3. Findings of the interviews with senior managers

As a contribution for such formulation, a diagnosis of career aspects and pay structure that the researcher has been involved during 1987 with the collaboration of other executives from the Corporate Personnel Department and from the Postal and the Telecommunications Personnel Departments seems to be

a relevant start. It reflects an analysis of what has been personnel practice during recent years and attempts to define the present situation. The main findings from the interviews are:

i) Career paths

Executives think that their career paths based on three grades of qualification is not the problem. The main attention is on the way progressions within each grade has been managed.

ii) Historical perspective

a) In 1981 almost 80% of the total of Executives have been advanced in their bands by the decision to reduce the period fixed by the Company Agreement without any link to performance. Mainly this decision came from collective bargaining pressures, because the basic salary increase was not sufficient to minimize the increase in the cost of living .

b) In 1982, the same decision took place, without any performance appraisal related too. Those two decisions were made just as a result of pay negotiations with the unions. It is important to remember that pay negotiations are controlled by the Government through recommendations to state companies about a maximum pay increase.

c) In 1984, it was decided that any reduction of time for progression should be based on good performance, and only 20% of Executives could be advanced in their bands. The process

has been developed under the discretion of Directors without any appraisal scheme to clarify the criteria for progression.

d) Between 1984 and 1987 there was no decision for reducing the necessary length of service and all progressions have just been made automatically by achieving the legal period of time fixed at the Company Agreement.

iii) The present situation

To summarise, the main issues raised up from the informal interviews with senior managers are :

- rewards are not perceived as being related to job performance;
- rewards are not related in timing to the achievement of performance;
- performance goals are unclear;
- trust and openness concerning performance and rewards are low;
- rewards are given to placate employees rather than to recognize good performance;
- promotion for a higher level of qualification is not clear concerning potential assessment;
- training programmes are not clearly oriented for career development.

These issues are analysed further on in chapter 8 ( Results of the Management Survey ) due to the fact that they are similar to the survey results.

The next chapter attempts to summarize the main descriptive findings of the 3 case studies.

CHAPTER 7 - A COMPARISON OF CAREER PLANNING AND PAY STRUCTURES IN THE 3 ORGANISATIONS

At this stage of the study and before going further to an approach to the Portuguese case in order to sort out some recommendations, we think it is useful to summarize the main aspects of identification possible through the case studies presented. The information is organised according to the main issues identified through the literature reviewed ( Chap.2 - Career Planning and salary policy: an overview ).

7.1 MANAGEMENT POPULATION

Figure 7.1 - Comparison of Management Population

organisation	total of employees	management distribution compared with total
BPO	177.200	- Senior Management 0.8% - Executives 8%
BT	223.000	- Senior Management 0.4% - Managerial and Professional staff 16%
CTT ( Portugal )	29.000	- Upper Management staff 3% - Executives 4.5%

Main issues:

- Upper Management staff, at CTT, seem to have a high weight ( 3% ). However, the company definition for Upper Staff Group includes not only Senior Management but also Middle Management. This last group in the UK companies is included either in Executives (BPO) or in Managerial and Professional staff ( BT ).

- If by hypothesis, there was a concept of Senior Managers at CTT which included just Directors and Assistant Directors , the rates presented on Figure 7.1 would be as following:

Senior Managers	0.7%
Executives (including middle managers)	7%

This distribution is now identical to the one at the British Post Office.

## 7.2 CAREER PATHS

Figure 7.2 - Comparison of No of bands

organisation	staff groups	no. of bands
BPO	- Senior management	9
	- Executives	4
BT	- Senior management ( personal contract )	
	- Managerial & Professional	4
CTT	- Upper management	5
	- Executives	3

**Main issues:**

- Senior management group at BT do not have formalised career paths. This group is managed under a confidential contract basis annually reviewed. BT is studying the way this philosophy can be extended to other management groups.

- Career paths at BPO and at BT are designed in a system as described by Cowling & Mailer ( 1981 ) and by Beach ( 1985 ). Each successive job should contain at least one new skill requirement that was not present in the previous job and with a rational relationship to one another. The career progression perspective for Executives ( BPO ) and for Managerial and Professional staff ( BT ) is to move up into senior management bands which have a higher salary level.

- Career paths at CTT, take the form referred to by Riceman ( 1982 ). Executives ( the professional staff ) have designed career paths that parallel the ranks in the management level. Executives at CTT can move to various ranks and need not seek transfer into management group in order to advance. There are also two parallel steps in the compensation structure. This means that the top basic monthly salary of an Executive is similar to the salary of a Director ( 192.500 "escudos" against 197.850 "escudos" ).

### 7.3 - CAREER PROGRESSION

Figure 7.3 - Comparison of progression criterions

organisation	progression criterion
BPO :	Progression between grades depends first on availability of vacancies. Promotion policy is based on several factors, such as ability, experience, skills and potential.
BT :	Promotion is, first, dependent on availability of vacancy and, second, upon a manager's recommendation based on the individual's appraisals and eligibility is restricted by grade according to the types of posts being filled, taking into account a specified length of service.
CTT :	Progression within each grade depends automatically on length on service. Only within the top grade is a progression decision made by Board Members under the proposal of Directors. Progression between grades depends on Directors proposal based on a subjective assesement of performance and potential.



Main issues :

- The relevant difference between UK companies and CTT is that the basic condition for progression, at BPO and at BT, is the existence of a vacancy. At CTT since most of the progressions are automatically made through the incremental steps there is no concept of filling a vacancy associated to progression practices. Furthermore at CTT, since 1984 executives have been promoted on the length of service basis with no mobility or risk associated, since with a promotion an executive just keep on doing the same work he was doing before and in the same workplace.

- The existence of Selection Boards at BPO and at BT means special attention is paid to monitoring the procedures and to consolidate internal equity regarding criterias for promotion.

- At CTT internal equity may be an area of concern since managers make recommendations for progression between grades based on a subjective assesement of potential and performance. So there is no rational mechanism to minimize differences in subjective assesements or to avoid some inconveniences of managers' discretion and to guarantee that there are effective posts that need to be filled according to the business objectives.

#### 7.4 MANPOWER PLANNING

Following the definition by Bennison and Casson (1984)

Manpower Planning involves an inventory of current manpower, a forecast of future needs and supply, and a set of implementation programmes to meet human resources needs. It involves several activities such as forecasting of future levels of vacancies to fill by different skills. According to Drucker (1968) HR planning must also check on the adequacy of the organisation's career development efforts in the light of tomorrow's management jobs and their demands.

Figure 7.4 - Comparison of HR planning practices

organisation	manpower planning practice
BPO :	Absence of a consolidated practice. However, some studies are being carried out to forecast, in a quantitative view, the vacancy levels in executive grades taking in account age profiles and the legal retirement age. No connection with the business needs.
BT :	Not a relevant practice. Forecasting of management vacancies to fill is just based on a wastage analysis of the predictable short coming retirements.
CTT :	Absence of systematic forecast of management vacancies by levels and needed skills in the context of future expectations in technological, services, and organisational issues.

## 7.5 - CAREER INFORMATION AND JOB OPENINGS

Figure 7.5 - Comparison of career information

organisation	career information practice
BPO:	Vacancies are advertised within the local unit and key posts are advertised throughout the region in central departments.
BT:	Local management appointment units invite eligible staff to apply for specific vacancies. Announcement of a vacancy is normally only made if there is not a suitable candidate.
CTT:	No formal information. Only for transfers are proposed posts advertised but with a transfer there is no effect on career advancements.  Since promotion within each grade is based on length of service there are no announcement of vacancies to be filled with career progression associated.

## 7.6 - APPRAISAL AND CAREER PLANNING

Figure 7.6 - Comparison of appraisal practice

organisation	appraisal practice
BPO :	Formal annual appraisal scheme. It is formed by a section comprising job definition and state of results against agreed objectives, a section for the assesement of performance of current duties and a promotability section related to the potential.
BT :	Formal annual appraisal scheme. It is formed by a section comprising comments on general performance, progress towards objectives and specific achievements. a section for the assesement of abilities and a section for the indication of the potential of the individual for wider responsibility.
CTT :	Absence of a formal appraisal scheme.

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### Main issues :

-Both schemes, at BPO and at BT, are based on a state of results against agreed objectives where Executives and Management staff have the possibility to clarify what is expected from their performances. However both systems

need to be well managed and monitored since performance assessment makes reference to a table of key objectives; it requires that those objectives must be clearly defined and results oriented. This is not an easy task for some departments where activity is difficult to measure in a quantitative way and has to be supported in a qualitative basis.

- What seems to be relevant is that these system must be developed under an important management by objectives culture in order to be effective.

- Stewart and Stewart (1981), point out that it is good practice for managers to do more than simply rate their subordinates. They should also work out jointly with each of their subordinates a plan for correcting deficiencies and building upon strengths.

## 7.7 CAREER COUNSELLING

Career counselling can be conducted during or following a performance appraisal interview where both parts can discuss the opportunities for career development. It may include working out a transfer plan or a specific training programme, which is a relevant input for a training needs analysis process. Recent developments of career counselling are focused towards greater openness and a participative approach, and more concentration on improving future performance on the job rather than on past performance.

Figure 7.7 - Comparison of career counselling

organisation	counselling practice
BPO :	All Executives appraised are encouraged to take advantage of the opportunities offered through counselling to discuss relevant matters to their job performance. A Counselling Preparation Form is offered for voluntary completion by appraisees who wish to make a written contribution to their appraisal.
BT :	Appraisal is followed by a counselling interview in which the appraisee receive feedback on how his performance is viewed, to discuss future management development plans to enhance performance and to discuss career development expectation. The appraisal form includes a section for the counselling interview.
CTT :	Absence of a counselling practice. This will prove to be significant for final recommendations.

Main issues:

- Career counselling at British organisations following performance appraisal seems to be a consistent procedure for career development concept. However it needs to have managers with skills enough to conduct an effective interview and a great climate of confidence between the individual and his manager.

7.8 - SALARY STRUCTURE

Figure 7.8 - Comparison of salary bands

organisation	staff group	no. of bands	no. of steps within each band
BPO :	Executives	4	4 or 5
	Senior Management	9	band 5 to 9 - 2 steps band 1 to 4 personal contract
BT :	Managerial and Professional	9	6
	Senior Management	( personal contracts )	
CTT :	Executives	3	band 1 - 5 steps band 2 - 2 steps band 3 - 3 steps
	Upper Management	5	band 5 to 7 - 2 steps band 8 to 9 - 1 step

Main issues:

- At BPO, for Senior Managers between bands 1 to 4 their salary system is based on a personal contract according to the setting of objectives, which includes a basic salary and fringe benefits, such as company car for personal use and a bonus scheme.

The salary structure is the result of a job evaluation process based on the HAY system.

- At BT, Senior Management group also has a pay policy based on a confidential personal contract which is reviewed, normally in July, according to the setting of objectives, which includes a basic salary, free telephone, company car, private medical insurance and a bonus up to 10% of the basic salary if the performance is rated fully acceptable. Because BT is operating in a very competitive environment and needs to have staff performing very well above standard personal contract philosophy is likely to be extended in time to other management levels since it gives much more flexibility and effectiveness to personnel policy. BT wants to consolidate a pay for performance policy.

- At CTT, the Executive salary structure date from 1981 with no significant changes. Management group from band 5 to 9 have free telephone. From bands 8 to 9 managers have a company car for personal use.



Figure 7.9 - Comparison by types of structures for Executives and Professional staff

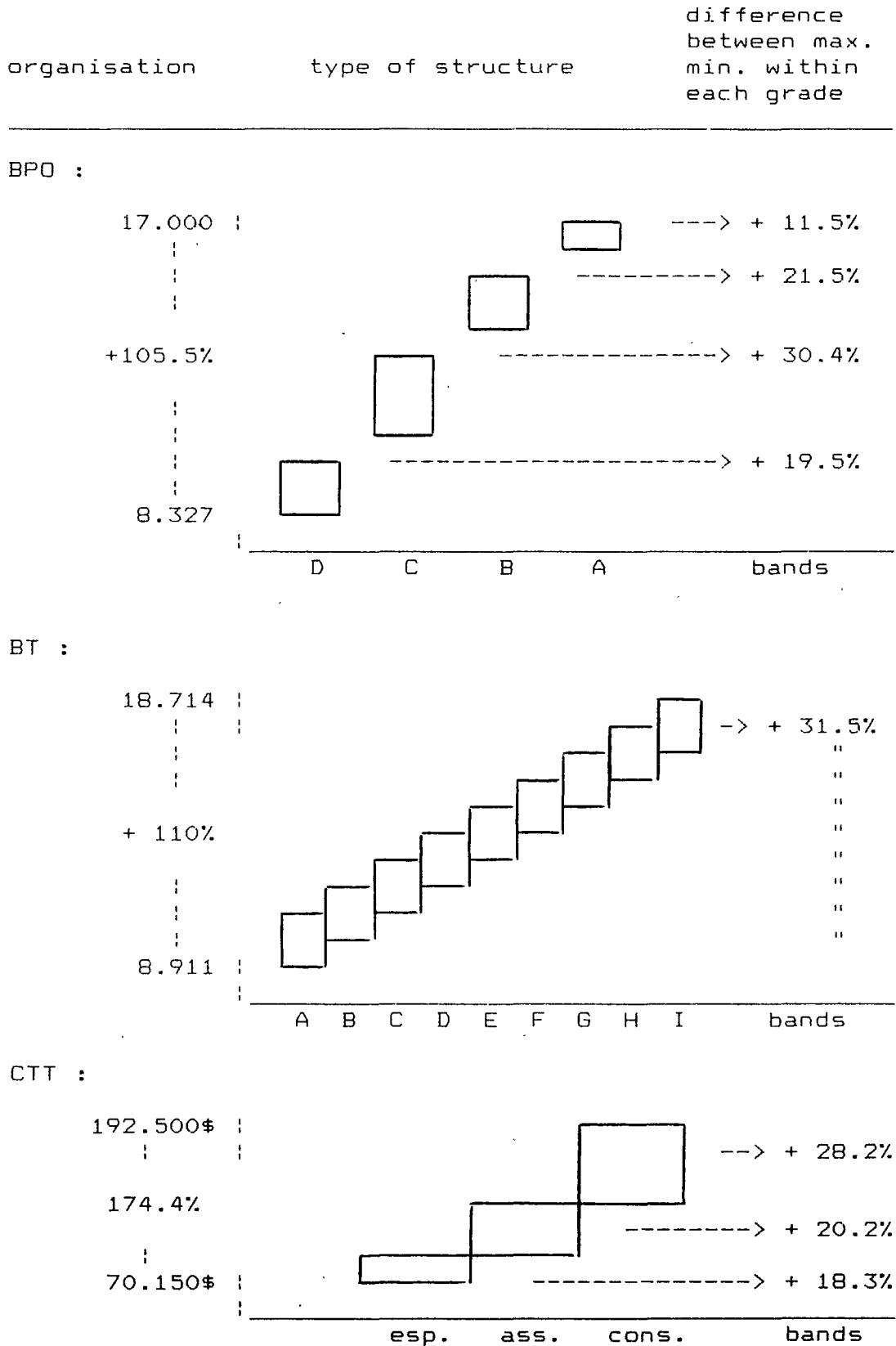
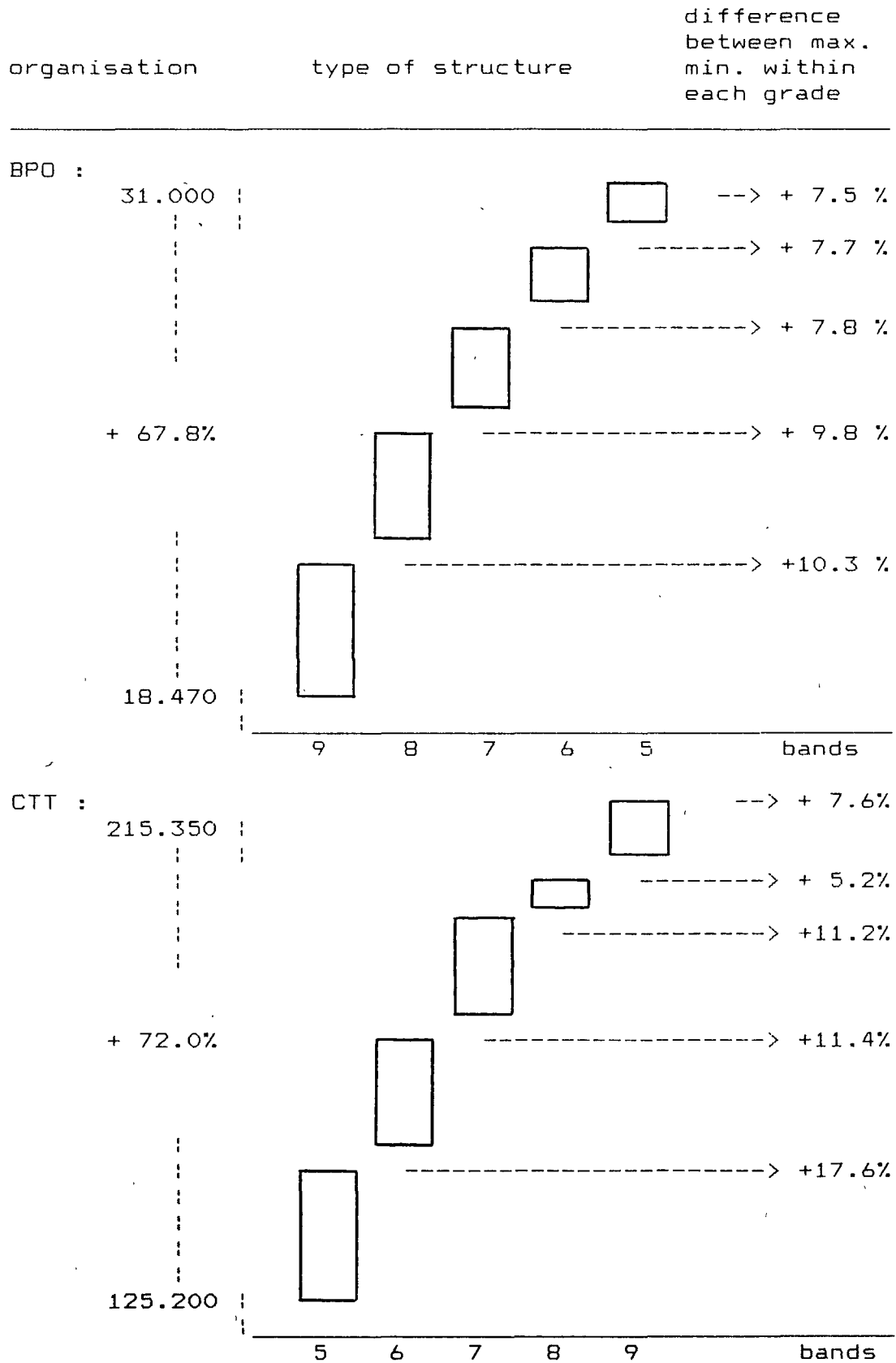


Figure 7.10 - Comparison by types of structures for Management Group



Main issues :

- As Cowling and Mailer (1986) point out, three fundamental decisions in developing a structure concern the number of pay grades, the range within each grade, and the amount of overlap between each grade.

- Figures 7.9 give us the picture of those elements for Executive ( BPO and CTT ) and Managerial and Professional staff ( BT ). Figure 7.10 refers to Senior Management staff at BPO and CTT since at BT Senior Managers have confidential personal contracts.

- At BT ( Figure 7.9 ), the range within each band is also the same ( 31.5% ). Incorporating a large number of grades may lead to less pressure for promotion since managers have perspectives of salary progression ( for each band it is possible 6 incremental steps ). It seems also to be possible to control progression through the pay grade in order to ensure higher rewards and faster progress for staff earning good appraisal reports.

- BPO and CTT have opposite tendencies on pay progression (figure 7.9). At BPO Executive staff in the higher level of their careers have less perspective of pay progression, for instance an Executive C ( a young graduate ) has a perspective of 30.4% of pay increase without being promoted to Executive B. An Executive B being promoted to Executive A has a perspective of just 11.5% of pay increase.

- At CTT the tendency showed through BPO pay structure is the inverse. The lower Executive level have a perspective of just 18.3% of pay increase against 28.2% in the higher level. However this may lead to a strong pressure for pay increases and if progression is not controlled may devalue the significance of promotion. This issue seems to be an area of concern for CTT. Further more as referred to earlier there is not a rational appraisal system in use that could give a consistent basis for pay progression. The tendency for progress up an incremental scale to be automatic also militates against merit payment schemes.

- At CTT, the type of pay structure is a consequence of historical pressures and various outcomes of often haphazard pay bargaining with unions. The incremental steps do not reflect a rational structure of differentials within each band. BPO pay structure is based on a job evaluation process. BT pay structure is not yet based on a job evaluation technique, but in 1987 an internal group was formed to study the implications of the introduction of a job evaluation scheme on salary structure.

- Identification of market pay conditions, through its own surveys, is a current practice for BT. It may mean that organisations operating in a very competitive labour market and in an external context of growing technology demands a very competitive pay policy in order to recruit and retain the most appropriate staff to meet corporation objectives.

## 7.9 - PAY POLICY AND PERFORMANCE

-At CTT, pay progression within each grade is made automatically based on length of service criterion. With this practice it is not surprising that executives feel they are not being paid for performance, rewards have not in fact been related to the achievement of results. There is no mechanism to reward performance except to be appointed for a management position. But if this practice worked in the past it is hard to believe that it will stand in the future. It leads to "inflation of managers", difficult to manage in terms of cost in a short term period and requiring impossibly frequent changes in the organisation structure in order to create more management positions. Most important, it is not the best way to think of career development for those who remain in executive careers, perhaps good performers but without having leadership skills.

- At BT and BPO systems available allow pay to be linked with individual effort in terms of the achievement of the corporation objectives. Both organisations have developed salary systems with basic salary bands with incremental steps according to performance. However we note that at BPO salary increases are much more dependent on the results of the performance appraisal scheme than in BT. This strong relationship may not create the ideal atmosphere for the appraisal and counselling interview to be conducted in terms of career development

purposes, since individual and manager may be concentrating too much on rewards outputs.

However it is important to point out that this direction to career development is recent; in the past this concern was not relevant, most of the appraisal attention was just concentrated on reviewing past performance.

#### NOTE TO THE FOLLOWING CHAPTER

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After the review of the main issues identified through the case studies, the next chapters are oriented to the Portuguese organisation.

Since one of the objectives of this study was to produce some useful recommendations to CTT, after the analysis of the preceding descriptive material we decided to conduct a management survey at CTT in order to obtain the view of senior managers about career and pay aspects. Chapter 8 will describe the results.

CHAPTER 8 - RESULTS OF THE SUBSEQUENT MANAGEMENT  
SURVEY AT CTT (PORTUGAL) WITH RELEVANT COMMENTS

The previous chapter has summarized the descriptive findings of the case studies and tried to point out some major aspects on which are based the concepts of career development and pay policy at the 3 organizations.

As we noticed before at CTT (Portugal) the concept of career development is not quite clear and pay policy does not incorporate a merit philosophy since reward system is based on fixed incremental scales with automatic progression dependent on a length on service criterion.

In order to present some recommendations to the Portuguese company it was important to have the perceptions of senior managers about the present personnel policy and opportunity to indentify important contributions leading to the modernisation of career development and pay policy issues.

The survey carried out during 1987, with the methodology described on chapter 3, was divided into two groups of questions :

- the perception about the present situation; and
- contributions for redesigning career development concept and modernisation of pay policy.

## 8.1 - SURVEY RESPONSE

### 8.1.1 Response rate

- Total senior management in sample	= 200
- Completed usable questionnaires	= 101
- Questionnaires returned uncompleted	= 3
- Non-respondents	= 95
- Total response rate ( 104/200 )	= 52.0%
- Data Base response rate ( 101/200 )	= 50.5%

### 8.1.2 Respondents Profile by Grade

Grade 9/8 ( Directors )	= 28.8 %
Grade 7 ( Assistant Directors )	= 71.2 %

### 8.1.3 Respondents Profile by Sector

Telecom. managers	= 41.3 %
Postal managers	= 26.9 %
Corporate Services managers	= 28.8 %

### 8.1.4 Respondents Profile by Length of Service

Less than 4 years	= 2.9 %
4 - 9 years	= 41.3 %
10 - 14 years	= 20.2 %
15 - 19 years	= 16.3 %
More than 20 years	= 19.2 %



8.1.5 Respondents Profile by Age

Between 25 and 34 years old	= 20.2 %
35 - 44	= 47.1 %
45 - 54	= 24.0 %
More than 55 years old	= 8.7 %

8.1.6 Respondents Profile by Geographical Area

Central Departments	= 63.5 %
Regional Departments	= 36.5 %

8.1.7 Non-Response Bias

It is important to investigate if the group of respondents who replied is representative. The following table shows the percentage of respondents by grade and sector of activity compared to the percentage of the whole sample by grade and activity.

Figure 8.1 - Comparison of the grade and sector of activity profiles for the original sample and the respondents

grade	sector of activity	original sample ( N = 200 )	respondents ( N = 104 )
9/8 Directors	Telecom	11 %	11.8 %
	Postal	6.5 %	3.0 %
	Corporate Serv.	13 %	13.4 %
.....			
7 Assistant Director	Telecom	26.5 %	29.8 %
	Postal	25.5 %	24.0 %
	Corporate Serv.	17.5 %	15.4 %

The results of the comparison indicate that the profile of the respondents and the whole sample are almost a perfect match. It was therefore felt that the respondents were representative of the whole sample.

## 8.2 - SUMMARY OF THE MAIN POINTS ARISING IN THESE RESULTS

### 8.2.1 - THE PRESENT SITUATION: GENERAL ISSUES

- 86% of respondents think the performance of employees has been important to the development of the corporation
- 60% think that the company has not been vulnerable to undermotivated managers as it became more advanced economically and technologically;
- 85% think the company has not create enough opportunities for career development;
- 55% think that managers do not assume very well the responsibility of managing the personnel as a function of their job.

The main reasons for that were:

- \* 28,6% think personnel management is too centralized at Personnel Departments;
- \* 24,8% point out the absence of specific training on personnel management for managers;

- \* For 49% of them the major reason is the absence of incentive and reward instruments to help managers to manage ( this reason was pointed by 63% of Telecom Managers);
- \* 20% point out the absence of an appraisal scheme.

#### 8.2.2. CAREER DEVELOPMENT ASPECTS - THE CURRENT PRACTICE

About the question how well the company plan career development for managers, the answers were:

- 36% moderately well and 60% not very well or not at all
- 83% of respondents think that career development as a matching process between organisational needs and individual expectations and aspirations, is implemented in the company moderately well or not very well.
- 58% of respondents think that management development programmes have not been focused on the needs of tomorrow in terms of qualifications and additional skills.
- About the importance that certain factors have been assumed for career planning programmes the answers are presented in Figure 8.2

Figure 8.2 - The importance of career planning elements:  
the present practice

	++	+-	--
-Job description and analysis	8,5%	30,5%	59%
-Manpower planning linked with corporate plan	14%	32,4%	52,4%
-Career information and job openings	17,1%	38,1%	43,8%
-Performance appraisal results oriented	3%	6,7%	81,9%
-Career counselling in connection with performance appraisal	2%	9,5%	83,8%
-Potential assessment and promotion policy	3,8%	24,8%	68,5%
-Training programmes	20%	46,7%	31,4%
-Sucession plans and replacement policy	6,7%	21%	70,4%

++ very much and much

+- moderately

-- little and not at all

From Figure 8.2, it is possible to note that :

- Job description and analysis have not been relevant

for career development purposes. Maybe this response is related to promotion practice, because as referred to earlier it is based on automatic progression. Executives are promoted and keep on doing the same work they were doing before ( see 7.3 - career progression );

- Most managers think manpower planning has not assumed an important role for career development . As we pointed out before there is an absence of systematic forecasting of management vacancies ( see 7.4 - manpower planning );
- 81.9 % of respondents point out that performance appraisal has not been important for career planning programmes. Neither potential assesement for promotion policy nor career counselling. These responses are coincident with the results from the case study, where through the informal interviews with senior managers it sorts out that CTT do not have an appraisal practice ( see 7.6 - appraisal and career planning );
- the absence of sucession and replacement plans is shown by a high percentage of managers ( 70.4% ).

### 8.2.3. PAY POLICY - THE CURRENT PRACTICE

#### RELATIONSHIP BETWEEN PAY POLICY AND CORPORATE OBJECTIVES

- 63,8% of respondents think that pay policy and

current remuneration systems have contributed not very well or not at all to the company profitability. In addition 77,1% think that pay policy is not linked to other policies, such as commercial and market. Therefore 70,5% of respondents feel that pay policy is not linked to corporate objectives.

- 54,3% of respondents think that pay policy has not contribute to retain good performers in the company.

#### EXTERNAL COMPETITIVENESS

- In terms of external competitiveness, managers think they have been paid at an average level of the market ( although 53.5 % Telecom Managers refer to a low level ).
- Concerning the frequency of difficulties in recruitment due to salary levels, the answers were:

34,3%	often or very often
47,6%	sometimes
14,3%	only few times

#### INTERNAL EQUITY

- 33,3% of respondents think there are significant differences between the remuneration of jobs in their departments and the remuneration of jobs with

similar qualification in other departments.

The main reasons they pointed were:

- jobs in their departments are underqualified
  - significant differences on performance levels.
- However 66,7% of respondents think that pay policy is not clear and understandable in all aspects that may result in differences of remuneration.

#### THE MERIT FACTOR

- 87,6% of respondents think that the company pay policy does not reward individual merit.
- Only 38% of respondents think that Executive and Managers are not motivated due to salary reasons.
- 53,3% of respondents expressed that they would have a lot of difficulties if they were asked to select immediately a collaborator for consideration for a bonus payment scheme. Asked about the main reasons for those difficulties the answers were:
  - . absence of an effective appraisal instrument (43,8%)
  - . unknowledge of the criterion used by other managers (27,6%)

- . selection of one would produce negative effects on the department climate (13,3%)

#### PAY STRUCTURE

- About 56,2% of respondents think that management pay structure is not very suitable. Asked about reasons for that, the answers were:
  - . Low values for each progression and salary progression do not reflect the merit (41,9%)
  - . Insignificant value differences between each level (27,6%)
  - . Salary progressions with no selective criterion (20%)
  - . Difficult salary progression (17,1%) and few steps in the incremental progression for each management level (14,3%)



#### 8.2.4 - MANAGERS RESPONSES ABOUT REDESIGNING PRACTICES

The second part of the survey managers were asked to express opinion about not only the importance of a career development philosophy but also about main aspect of pay policy. The answers should reflect the importance of specific elements and not be about the current practice.

##### 1. Career Development aspects

- It is important to notice that 92,4% of respondents consider it important or quite important that career development concepts for Executives and Managers involve a matching of organisational needs with individual aspirations and expectations.
- 90.5% of respondents think that it is important that managers, at all levels, assume personnel management as a responsibility of their job and the role of the Personnel Department is to advise and to assist them.
- Concerning the establishment of career development programmes for managers, the respondents express their opinion about the importance of each of the following factors:

Figure 8.3 - Career Planning: the importance of its elements

- ++ Important or very important
- +/- Moderately important
- Unimportant or very unimportant

FACTORS	++	+/-	--
Performance appraisal for Executives and Professional grades	83.8%	12.4%	3.8%
Performance appraisal for Senior Management	85.7%	10.5%	3.8%
Potential appraisal for Executives and Professional grades	77.1%	18.1%	4.8%
Potential appraisal for Senior Management	80.9%	12.4%	6.7%
Automatic career paths progression based on length on service	1.9%	57.1%	41.0%
Balance in terms of career progression between Executives and Managers	58.1%	29.5%	12.4%
High selective access on promotion policy for Executives	73.3%	23.8%	2.9%
High selective access on management appointments	91.4%	6.7%	1.9%
Promotion Boards for Executive grades	44.8%	31.4%	23.8%
Promotion Boards for Senior Management grades	35.2%	29.5%	35.3%
Transfers plans	41.9%	33.3%	24.8%
Reward the merit through pay policy and not through career advancements	78.1%	16.2%	5.7%
Implementation of a formal appraisal scheme	40.0%	38.1%	20.9%

The main issues raised from Figure 8.3 are:

- It is quite clear that senior managers think it is very important to introduce a systematic appraisal system to assess performance and potential. However only 40% think it is important to introduce a formal scheme.

- Concerning the importance of automatic career progression based on length of service, it is curious to note that 57.1% think it is moderately important and only 41% think it is very unimportant. This response distribution may reflect the absence of an appraisal culture.

- Selective promotion and appointment practices are very important to the respondents. However asked about the importance of Promotion Boards managers' responses show an absence of a convergent opinion.

- Only 41.9% of respondents think that transfers plans are important to career development programmes. It seems that managers are not too sensitive to mobility. It may reflect the current promotion practice which does not have any mobility associated.

## 2. PAY POLICY ASPECTS

- 92.4% of respondents express opinions that salary progressions must reflect the individual performance

results oriented. In addition, 86.7% would strongly agree with a salary structure composed by a minimum and a maximum amount for each management level and the individual remuneration depending on the performance.

- The most important factors to the determination of the individual remuneration for management grades were:

- . the qualification of the job ( for 92.4% of the respondents );
- . the job's holder qualification ( 70.5% );
- . the individual effectiveness ( 93.4% );
- . the career path position ( 18.1% );
- . length of service ( 12.4% ).

- 62.9% of respondents think that good results achieved by a department should be consequently reflected on the individual remuneration.

- 70.5% of respondents consider that it is important to introduce an incentive scheme for management in order to maintain high motivation.

- 78.1% of them express the view that it is important to involve managers in decisions about pay policy.

### 8.3 - COMMENT ON THE RESULTS

From the comparison of the evaluation of current practices with contributions for redesigning them, some areas of concern for the Portuguese organisation can be identified :

a) A concept of career development must be clearly defined- and easy to understand for both managers and executives;

b) An appraisal culture through the introduction of a systematic assessment of managers and executives with respect to their performances results oriented and their potential for development;

c) A promotion policy based on the match between organisational needs and individual performance and potential.

This leads us to a basic question related to the link between promotion policy and the organisational need to fill a vacancy.

In practice organisations will have to appraise individual performance and potential but in addition must have a clear information system about posts to be filled in terms of effectiveness to the company objectives.

d) A compensation philosophy composed by a basic salary structure with a merit progression policy in order to ensure higher rewards and faster progression for staff being good performers, which have to feel they have been rewarded.

e) An incentive scheme should be developed since management pay basic structure have few incremental steps, in order to create a high motivation climate.

Next chapter will try to articulate the main results of the three case studies presented with the survey main results with the purpose of design some recommendations to the Portuguese organisation.

### Note

Further analysis was carried out by the author of age, length of service, and by business sector. Results have only been presented in the dissertation where directly relevant to the aims.

## CHAPT. 9 - GENERAL CONCLUSIONS ON AND RECOMMENDATIONS TO THE PORTUGUESE CASE

### 9.1 - Career Development and Pay Policy: a summary link with the literature search

The concept of career development we found at The British Post Office and at British Telecom do not have significant differences. Both companies share the philosophy expressed by Kaye (1982) as a potential process for developing Human Resources. Potential that can be increased by linking the needs of both the individual and the organisation. A process, referred to by Geddie and Strickland (1984) that encourages the translation of individual aspirations to organisational goals.

At CTT, career development concept is not clear.

As Beach (1985) points out the importance for organisations to develop career planning programmes is that such programmes can contribute to assist management to be more effective, to avoid obsolescence caused by rapid changes in technology or in the economic environment and to reduce turnover caused by frustration of individual career ambitions.

For CTT with the perspective of changes that will occur in the future concerning mainly the reorganisation of the Portuguese Communications Industries, it is a relevant, Drucker's (1968), recommendation that management development programmes must always be focused on the

needs of tomorrow in terms of organisational needs, qualifications and additional skills.

Because career development and pay policy have an internal relationship and both are critical for organisation success, rewards systems must be carefully designed in order to be linked to business objectives and as Bowley (1972) state pay policy should help to attract staff of the right calibre, to encourage staff to make full use of their abilities and potential, and to reward staff in accordance with the value of their contribution.

It seems that BPO and specially BT are following this perspective, since both companies have introduced pay structures with progression dependent on good and effective performance. At CTT pay policy is an area of concern too, because progressions are made through automatic length of service criterion.

Furthermore, at CTT there is a misunderstanding of what is a promotion and what is a salary progression, since within each career bands a salary progression is called a promotion, and so when executive or management staff are promoted they keep on doing the same work they were doing before without any change of job content.

So, BPO and BT have a pay policy different from CTT. Its salary structures are similar to what have been described by Armstrong and Murlis (1980) as flexible salary progressions. A fixed incremental system where



executives and managers move through pre-determined steps depending on the annual performance appraisal scheme or allowing double incrementals ( as at BT ) or in addition a special bonus to staff who performed well above standard ( as at BPO and at BT ).

To change the situation at CTT, as Lawler (1982) points it is important to develop first a compensation philosophy with a good communication policy so that all staff can understand the objectives of a pay policy. It is particularly difficult to get management staff to accept the fact that their pay is also based on their performance when this is not a consistently articulated matter of basic compensation philosophy.

Finally, as a report from IDS Top Pay Unit (1985) points out, nobody should think that merit pay is a substitute for good management: a new pay policy cannot simply be introduced to an existing set of corporate values, without a good deal of work in terms of communication, education and discussion. So Personnel Departments must try to ensure that the company culture is ready for merit pay systems (and this cannot only be confirmed just because managers ask for a merit pay system as it sorted out from the results of the CTT management survey), if and when the decision is taken to introduce overall change to existing systems to provide a pay for performance philosophy. This in turn will often require a vigorous management approach, well devised and realistic appraisal methods and realistic goals, standards and

measures which are quantifiable and understood and preferably accepted and agreed.

In summary, as A. Bowey ( 1982 ) points, there are five major issues which organisations need to consider when plans are made to change current practices:

1. The strategy for change;
2. The criteria new systems aim to meet;
3. The characteristics of systems which are to be changed;
4. The changes in other control procedures or activities which will be necessary to support or to be compatible with new systems;
5. The implications of the changes for other groups of employees not directly involved.

## 9.2 - A Change Strategy for CTT

### 9.2.1 - The organisation environment

One cannot look at three organisations and expect to see all the varieties of career development and pay policy problems which exist.

CTT is experiencing substantial business, technology, structural and manpower change that the other organisations, British Telecom and the British Post Office, have experienced before. The main choices CTT have for the future include to centralise or decentralise career management and pay systems in an environment of separation of business - telecommunications and postal services - run by two distinct corporations.

This will certainly raise the question of also designing to distinct career development programmes and remuneration systems according to the objectives of the business and linked with commercial and technological policies.

None of the case studies had done all the analysis which was relevant to the determination of an effective framework to the formulation of a sound policy to the Portuguese organisation, specially the background of the British organisations during the period of separation of business and consequently what were the main effects on personnel policy.

However, the main positive finding to the Portuguese organisation is that a clear conceptual model for development and reward for their Executives and Senior Managers should be formulated.

Some basic principles can be drawn even if the future in terms of organisational structure is not yet clear. It

was important however if Personnel function could be involved in the strategy for the development of the corporation and therefore could act in a proactive way being an active element to the preparation of, expected changes, preparing not only the most appropriate "climate" for a market oriented policy but also facilitating the introduction of an "appraisal culture" and a management by objectives philosophy.

These three issues are basic influences to the development of career development and pay policies and to the determination of organisational practices in the context of both scenarios ( separation or not the business ).

#### 9.2.2 - Choices of systems and exploratory work

Once the organisation have decided in what direction they wish to change career and pay policies the next step involves the identification of links between policy goals and the systems which will have to change to achieve those goals. But not all the systems which, in theory, would be beneficial to change are accessible to implement in the Portuguese organisation, mainly because of the cultural dimension and the unknowledge for Personnel function of what the changes will cause to occur in the future concerning the reorganisation of the communications industry ( separation of business? privatisation of telecommunications services? ).

Although this limitation is present we propose an approach for exploratory work:

- to identify career and pay policy goals appropriate to the present business;
- to compare the current systems with those goals;
- to gain a shared view of policy goals with all senior managers and how they can be achieved.

These tasks have necessary implications for a personnel department, for the links they need with other functions and for how the personnel function is organised.

### 9.2.3 - Change of culture

When public sector organisations are privatised ( even when Government retain 51% of shares ) corporate objectives may be redefined or undergo a change of emphasis. A key part of the change is a " change of culture ", from a public service to a commercial organisation, restructuring the pay systems for senior managers from incremental structures to merit payments and restructuring their own concept of career development according to individual potential and performance and business needs.

#### 9.2.4 - Pay for performance

Management is generally in favour of merit pay and the survey carried out at CTT showed it clearly. Managers have the view that performance-related payments provide a genuine link between work performance and responsibilities. In addition, financial incentives combined with good management involvement and communication can lead to greater understanding of business realities.

Senior managers wish pay within the company to be more closely related to performance both in corporate and individual terms.

However, it is important to notice in the Portuguese organisation that executive and management unions would present some resistance to a change in systems. Traditionally public unions, faced with proposals to introduce a merit system have tended to view these moves as a part of a general strategy to weaken their collective bargaining strength. However they are not opposed, at least in theory, to the process of performance appraisal, provide the process is clear and used for assessing promotional potential and training/development needs.

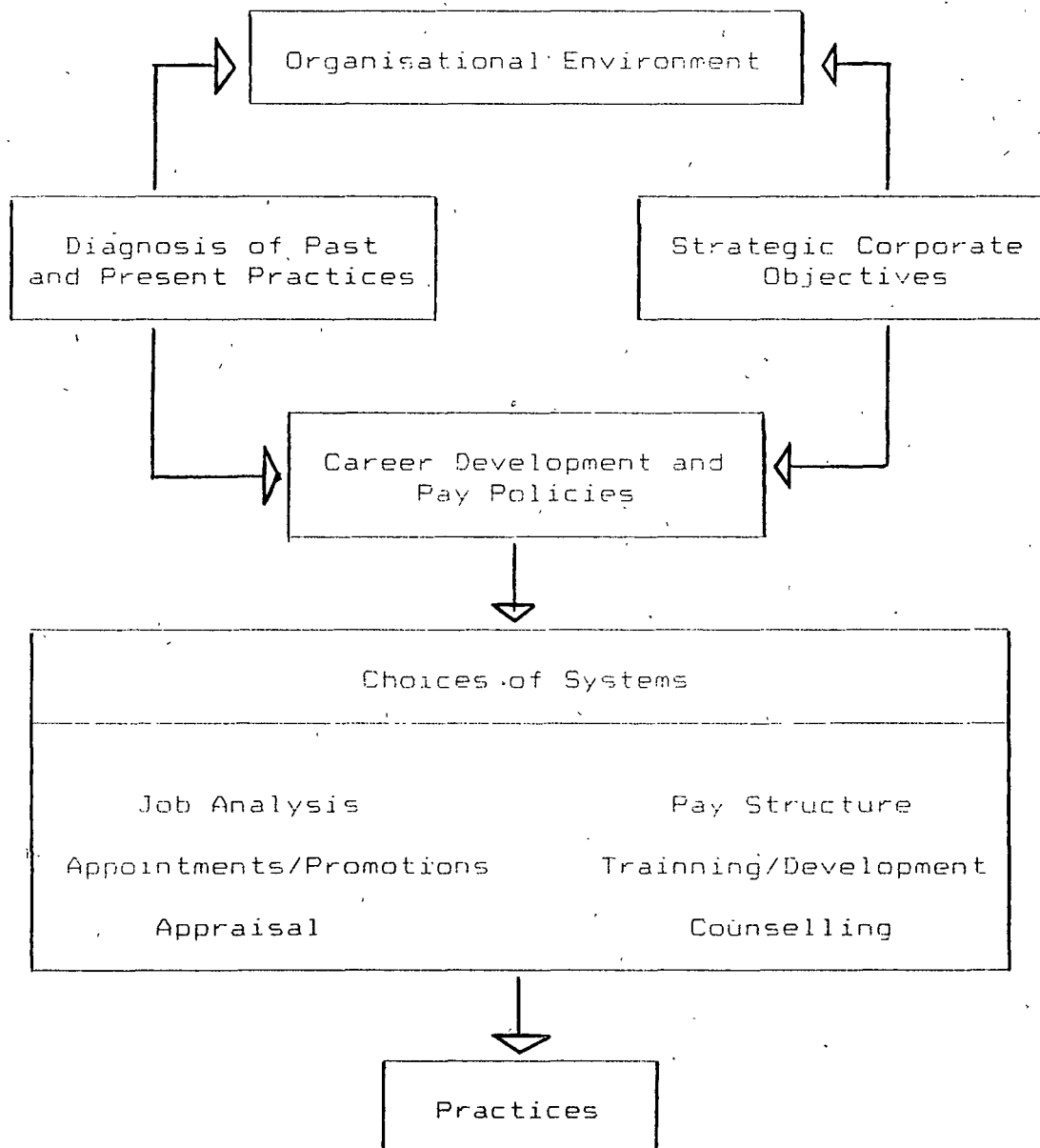
#### 9.3 - Recommendations: areas for further research

In an attempt to produce useful recommendations for further analysis, many areas need an adequate knowledge before the Portuguese organisation decides in what

direction they want to develop a model for career development and a pay system for its Executives and Senior Managers.

To contribute to the development of such a model a framework can then be drawn.

Figure 9.1 - Framework of career development and pay policy



SOURCE: Model developed by the researcher

Based on the preceding framework in conjunction with Figure 3.1 ( Internal and External variables from a corporate view - Chap.3 ) and on a systematic approach (13) outlined by the Institute of Manpower Studies, we propose as a start that the organisation should attend the following aspects.

#### 9.3.1 - The organisational environment

Is the organisation changing ? How might it change in the future ? Are changes apparent in markets, products, technology or organisational structure ? How might such changes affect the Executive and Senior Managers group ? Is the Portuguese labour market for this group, or for part of the group, changing or vulnerable to change ?

#### 9.3.2 - Strategic corporate objectives

If the organisational structure will change, how might it affect the corporate objectives? Are changes apparent in Postal strategic objectives or in Telecommunications ones ? Which aspects of strategic objectives will need changes in management skills ? What kind of management skills will in future be more appropriate to business needs?

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(13) IMS Report No 96, Career Management in the Organisation, 1984



### 9.3.3 - Diagnosis of present practices

How did present career paths, with three levels of qualifications and several incremental pay steps, respond to environmental changes? How would possible business scenarios, separation or no separation of business, affect desired career paths and wastage levels? How would the current distribution of Executives and Senior Managers imply possible problems under some future scenarios? Which aspects of the future organisational environment will change skills needs? Can new skills be developed using the present career paths? Which skills do the organisation want to encourage?

- technical/functional skills?
- planning/organising?
- problem solving/decision making?
- interpersonal skills?

### 9.3.4 - Identifying career development and pay policies

What apparent contradictions are between aspects of career and pay policies? Which aspects of the future environment appear in conflict with current practices? Where policies are changing, do these changes appear to conflict with future organisational environments? Which career development and pay

policies are appropriate to the future organisational environment ?

#### 9.3.5 - Choices of systems

Which systems have to change or be introduced to achieve the new policies' goals ? Can the desired outcomes of new systems be clearly specified, in terms of impact on career structure, skills and pay structure ? What particular actions affecting individuals will result from the systems ? Which methods and criterion best fit the outcomes desired ? How will the systems be simple and acceptable to use ? If the systems generate information, such as from an appraisal system, how will this be analysed and used in decision making ?

#### 9.3.6 - Strategies for changes

Can change be brought about by redesigning systems or does it require direct influence on the views of senior managers ? Are the plans for change blocked by access to people, systems or information ? Are strategies needed to improve links with people or access to information ? How will the appropriateness of the strategy be monitored ? Who will be responsible for monitoring the systems ?

## CHAP. 10 - FINAL COMMENT

### 10.1 - About international comparisons

The purpose of this study was, first, the comparison of current practices and procedures concerning career planning and pay policy aspects in 3 organisations operating in similar business activities but in two different countries of the European Economic Community.

In order to understand those practices the study started with a literature search where we took the knowledge of basic theory and recent developments. None of the authors quoted, with an exception to Hofstede, emphasized the relevant influence of the national cultures in organisational effectiveness and so the choices of systems and personnel management procedures.

In this context of international comparisons we must underline some major related areas that arose from the study and need special attention:

1. Language problems;
2. Different concepts within organisations;
3. Different Personnel Management levels of Training and Research ( at Portuguese Universities or Polytechnics there is an absence of specific Personnel Management courses ; absence in Portugal of relevant institutions as IPM in UK )
4. Different levels of national Personnel literature.

With the literature reviewed we started the data collection process within organisations and, if we look back, we feel that the information is presented in a very descriptive way but there was no other way to present it due to the fact that main sources were company documents and interviews with senior managers with a strong difficulty to validate procedures in terms of effectiveness without conducting another research project aiming to design a system to measure the inter-relationship between personnel practices and organisational results ( this is a good argument for further research ).

Although this, the results of the comparison between The British Post Office , British Telecom and CTT (Portugal) , shows that UK organisations pay more attention to the " professionalism " of Personnel Function than in Portugal. And this, certainly, reflects different roles of Personnel at Corporate level, but the question is : in Portugal, do Personnel Specialists have the right skills or on the other hand is anybody listening to the Corporate Personnel ?

However, even in the UK, Human Resources strategy still needs a stronger link with corporate planning and more research must be developed towards the assessment of personnel procedures.

In Portugal, an important start should be taken by Government Education Authorities concerning the teaching of Human Resources Management at college level.

If Henemenan III and Schwab point out that "... the quality of the organisations' workforce is critical to the organisation's overall success..." we should also point out that the quality of personnel specialists is critical to the Personnel Function's overall effectiveness.

#### 10.2 About the recommendations to the Portuguese organisation

The second purpose of the study was to sort out some recommendations or to indicate possible further developments for re-evaluating career development and pay practices at CTT. The model presented in Figure 3.1 ( Chap.3 ) shows the relationship between internal and external variables from a corporate view. This model in conjunction with Figure 9.1 ( Chap.9 ) gives a good framework for re-evaluating those practices.

However, we recommend that the following areas ( see 9.3 ) for further research :

- organisational environment;
- strategic corporate objectives;
- diagnosis of current practices;
- identifying career development and pay policies most appropriate to the business;
- choices of systems; and
- strategies for changes,

should be developed as a corporate project of high priority with a "task force" composed of elements from

Corporate Personnel and Planning Departments, Postal and Telecom Personnel and Planning Departments, and with total commitment of Board Members and Managing Directors.

The future separation of business ( Postal and Telecommunications ) in 1991 will have a tremendous impact on Human Resources strategy linked with a business philosophy, not only in terms of future personnel practices but also in terms of employees' expectations.

A change process must be clearly evaluated ,planned and organised in order to minimize the negative effects that may occur and to facilitate the corporate strategy.

### 10.3 The significance of the research in the Portuguese context

"...with special emphasis on the Personnel Function where in Portugal research has almost become an unknown word..." ( in Chap.1 - 1.1 Rational for the study ).

This statement referred to in the beginning of the study is highly relevant in the Portuguese context. Although, this study is a contribution to a better understanding of the role and importance of Human Resources strategy within Portuguese organisations.

The following points summarize the principal research findings from this study.

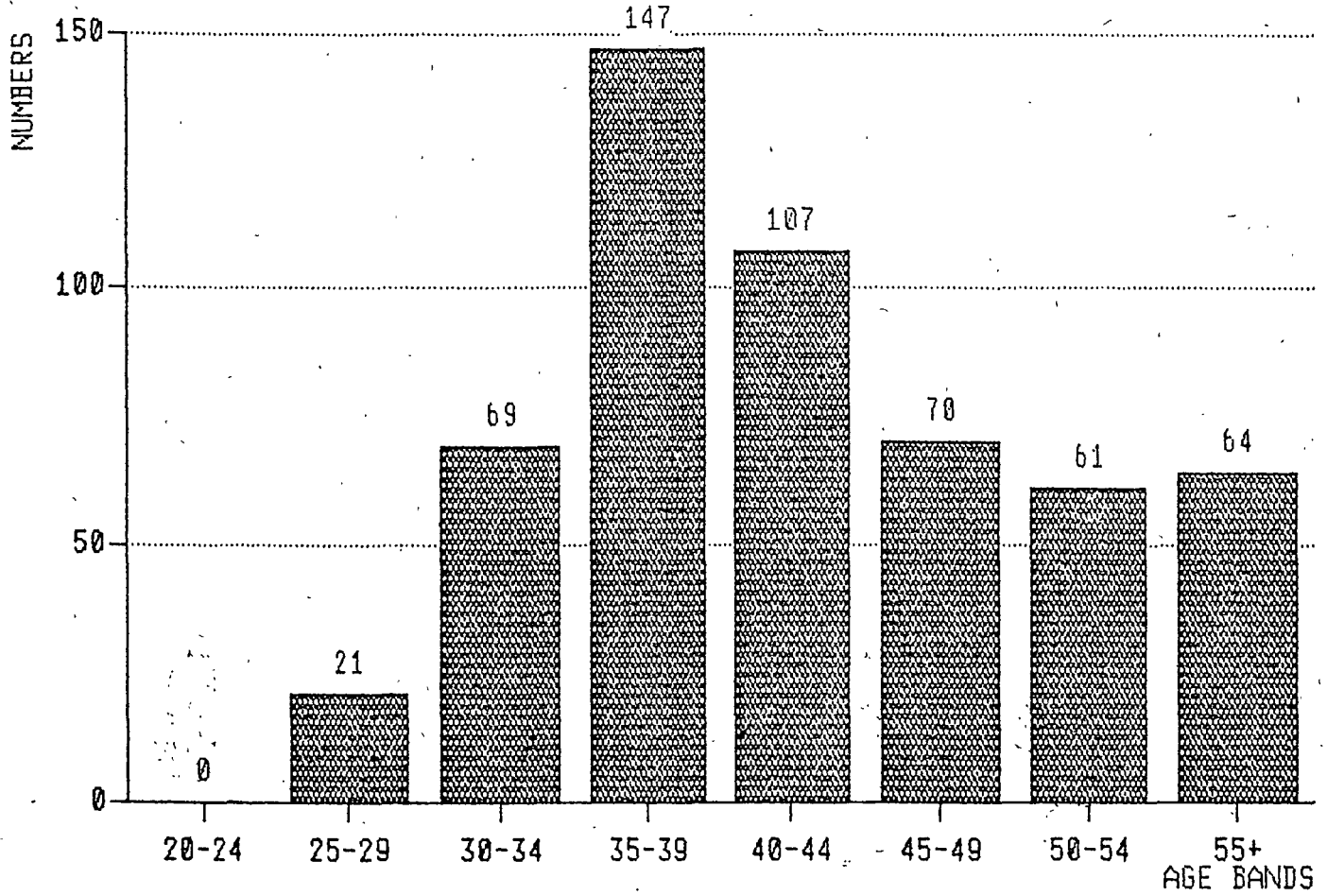
1. The main contribution to research and literature must be seen primarily in the Portuguese context.
2. Explanations have been developed for the understanding of differences in organisational practices using an integrated model relevant both to an international context and to a national one.
3. The study using international comparisons highlights the importance of language and concepts as applied to management ( starting with the difficulty of translating the term " management " in Portuguese ).
4. A comprehensive framework was developed in order to re-evaluate Portuguese practices concerning career development and pay systems, not only to the specific case of CTT but also as a general methodology that can be applied to Portuguese organisations in general.
5. The management attitude survey about career development and pay policy carried out at CTT claim to be a relevant contribution to Portuguese literature and research. \*
6. Finally, this study is useful in confirming the results of previous research studies conducted in other countries that effective career development and pay policies require an appropriate top management strategy and a strong commitment to Human Resource policy.

\* Note: This must be read in the context of the dearth of research hitherto in Portugal. The findings of this survey will be publicised through appropriate channels in Portugal.

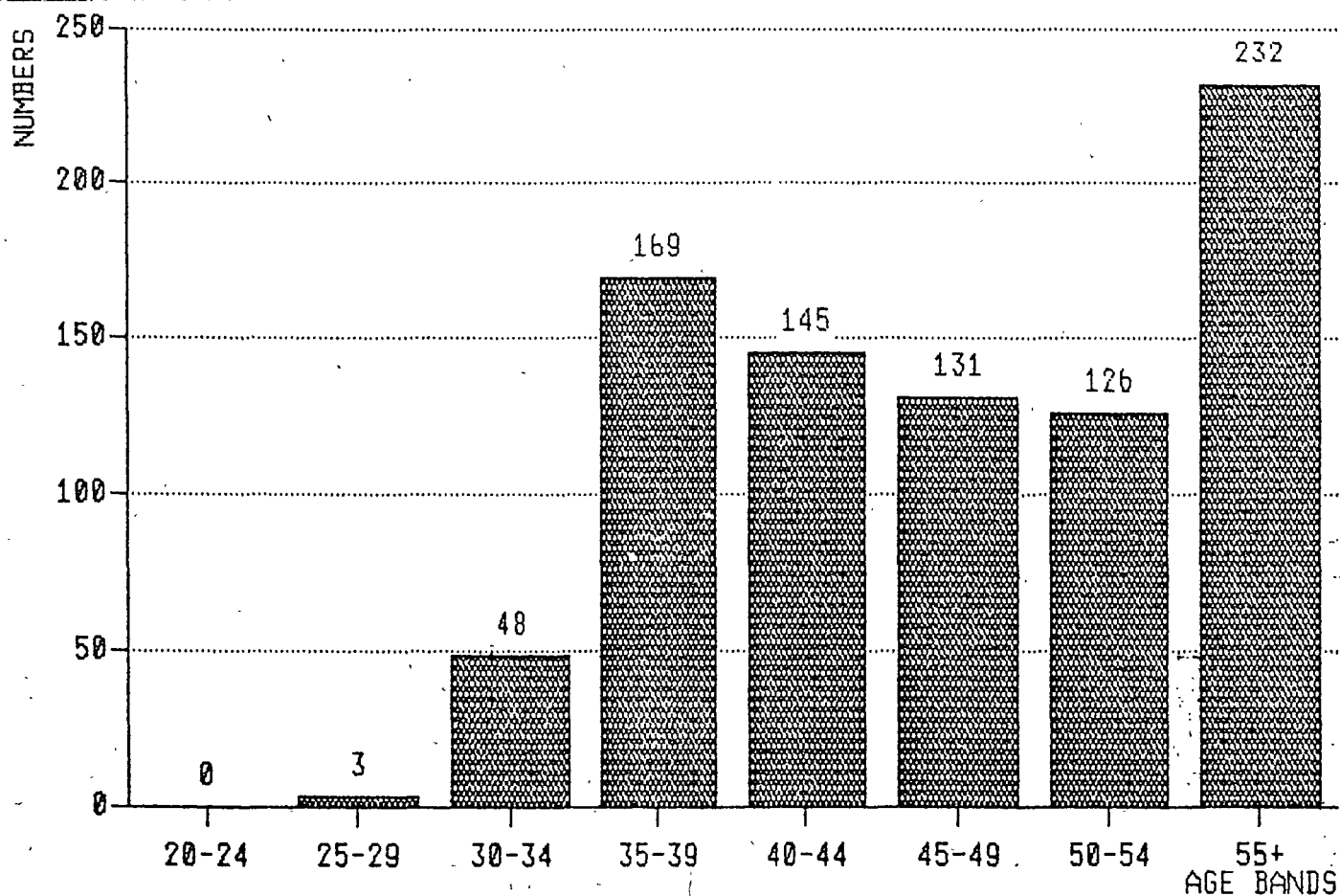
APPENDIX I - BPO AGE PROFILES



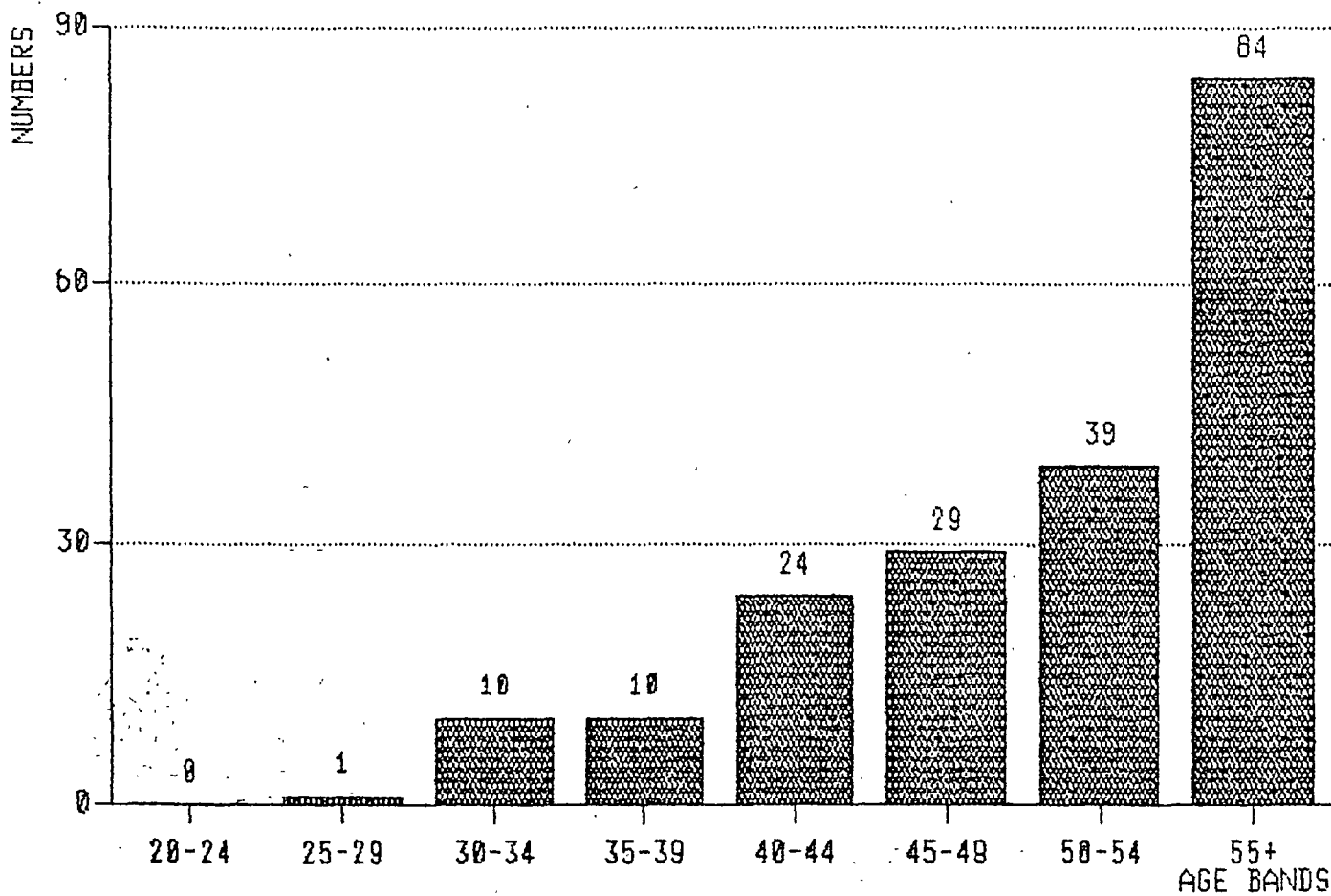
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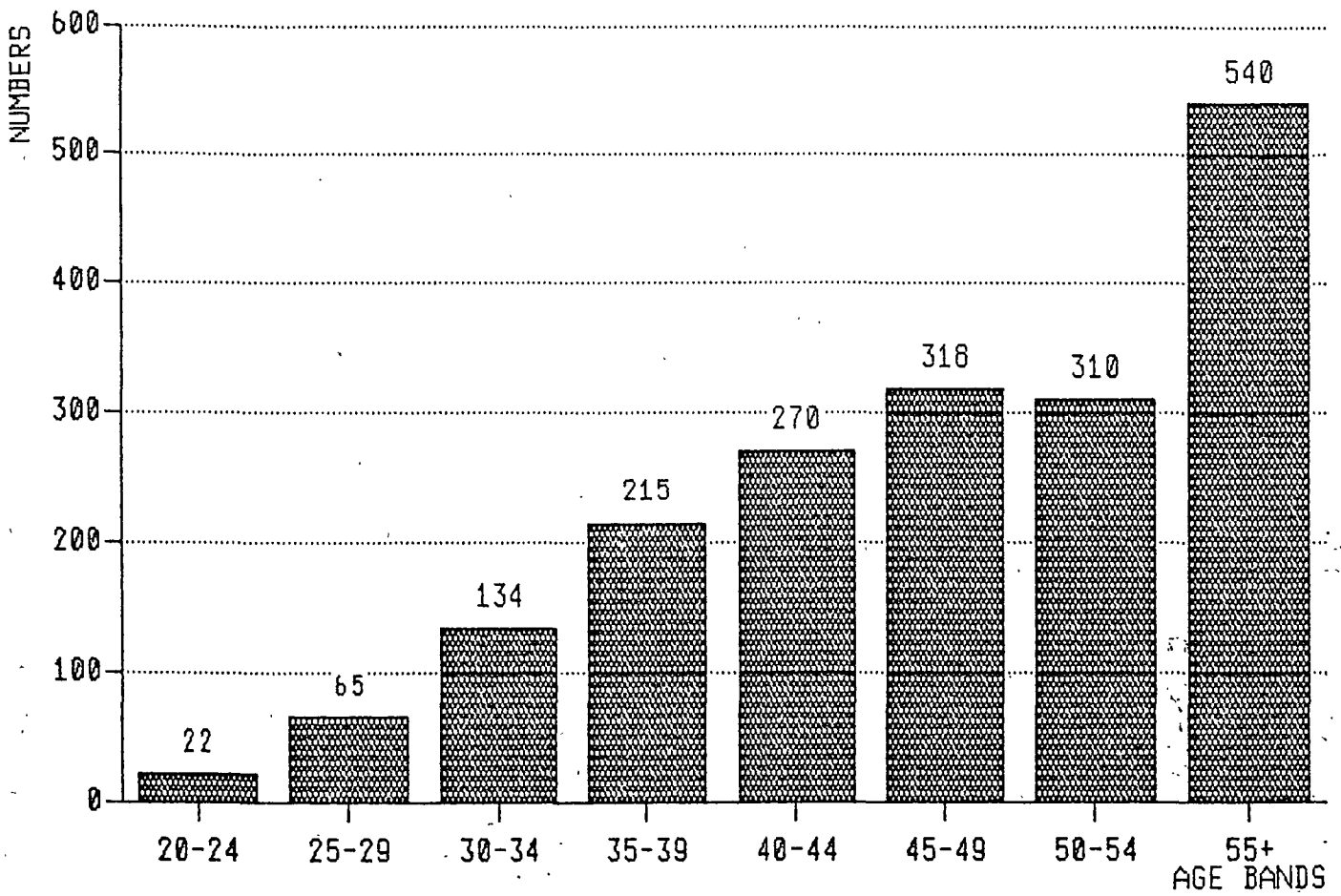
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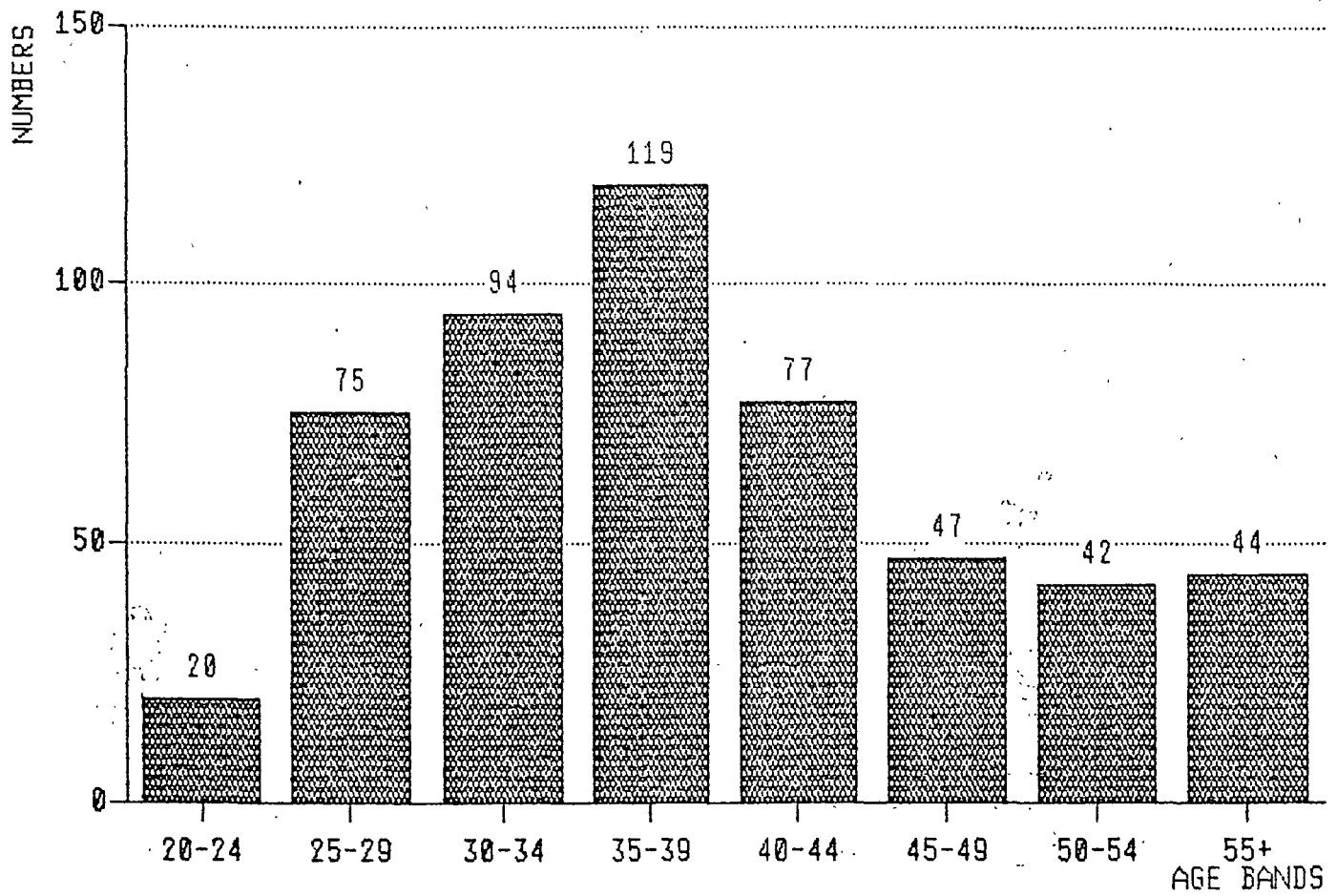
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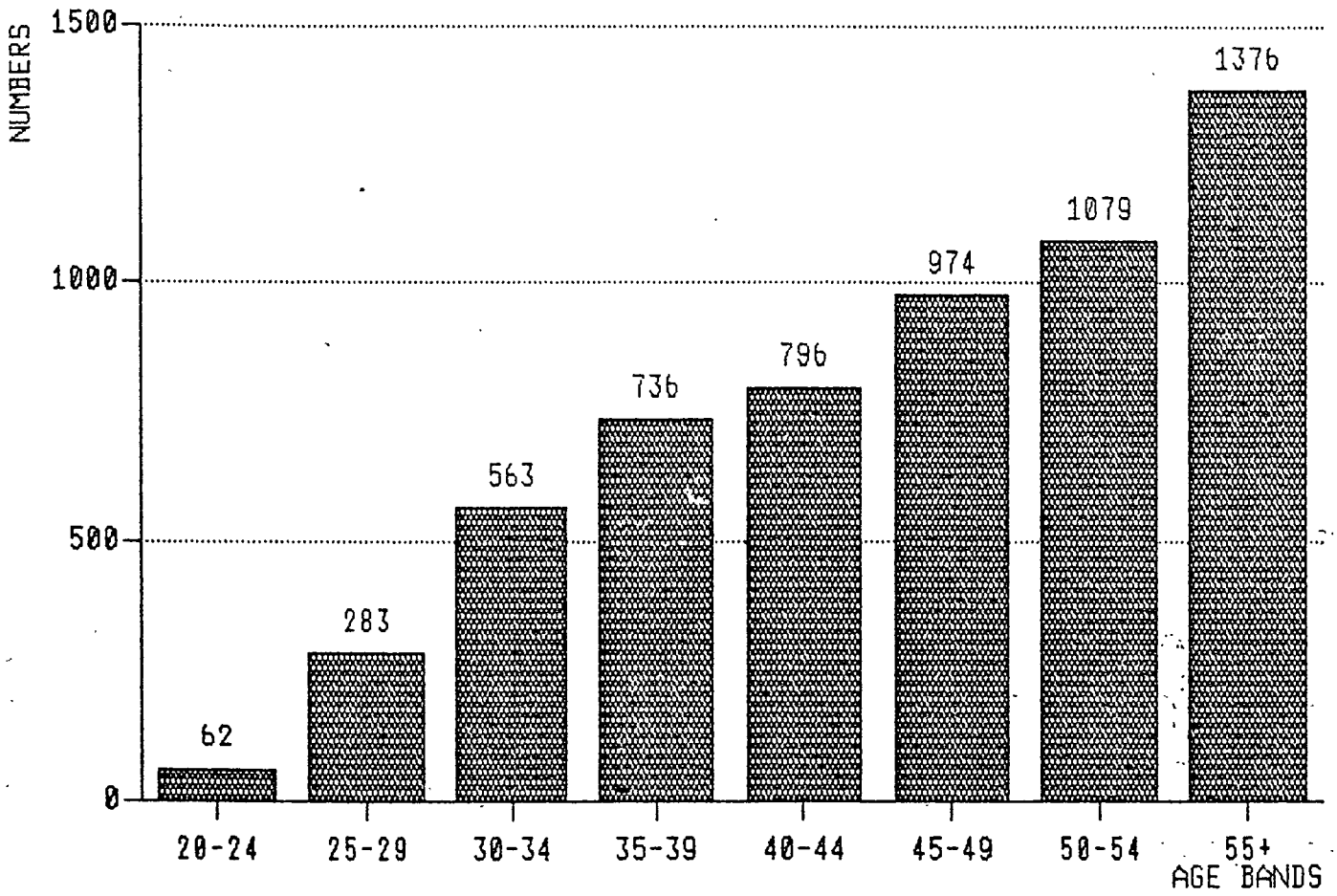
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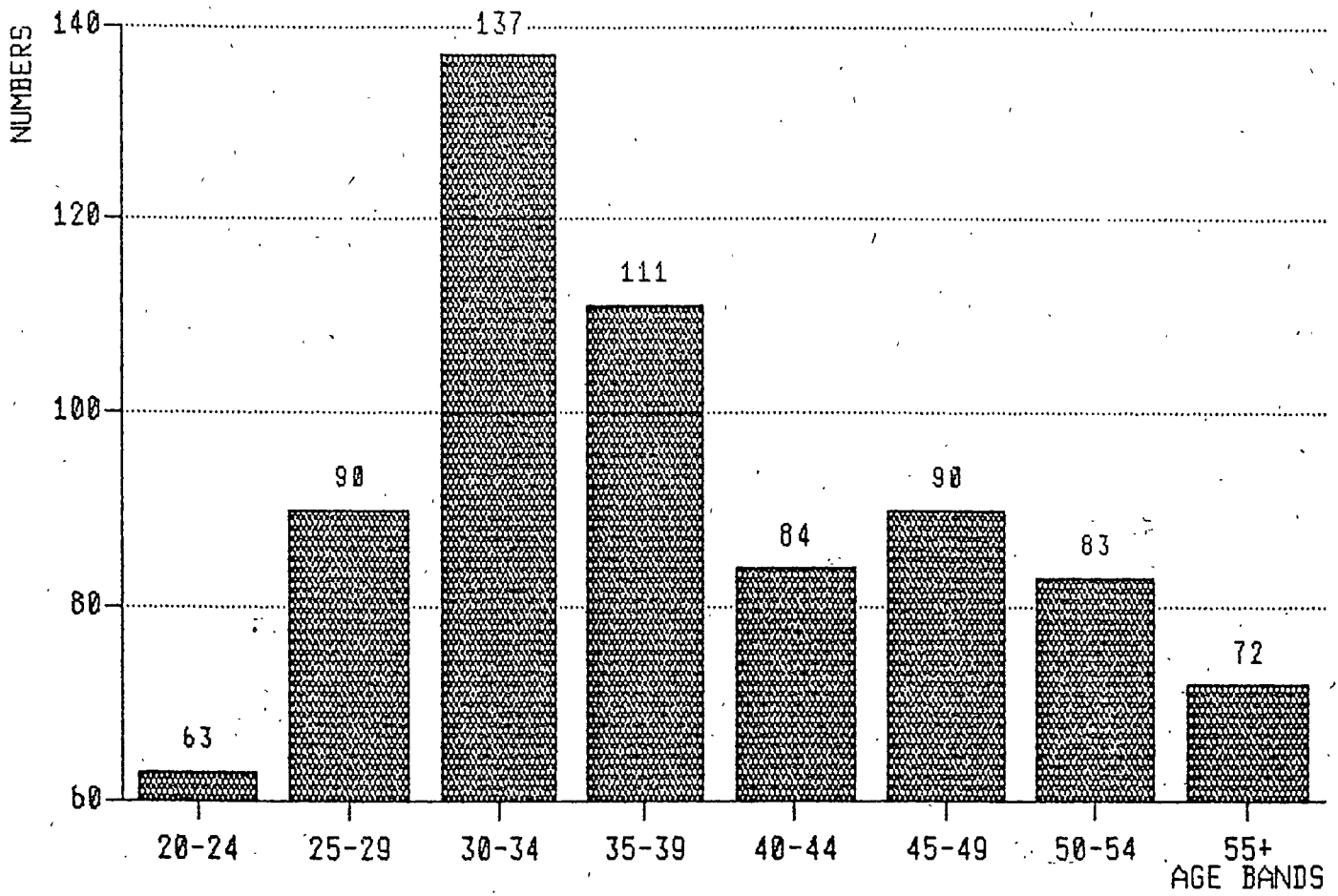
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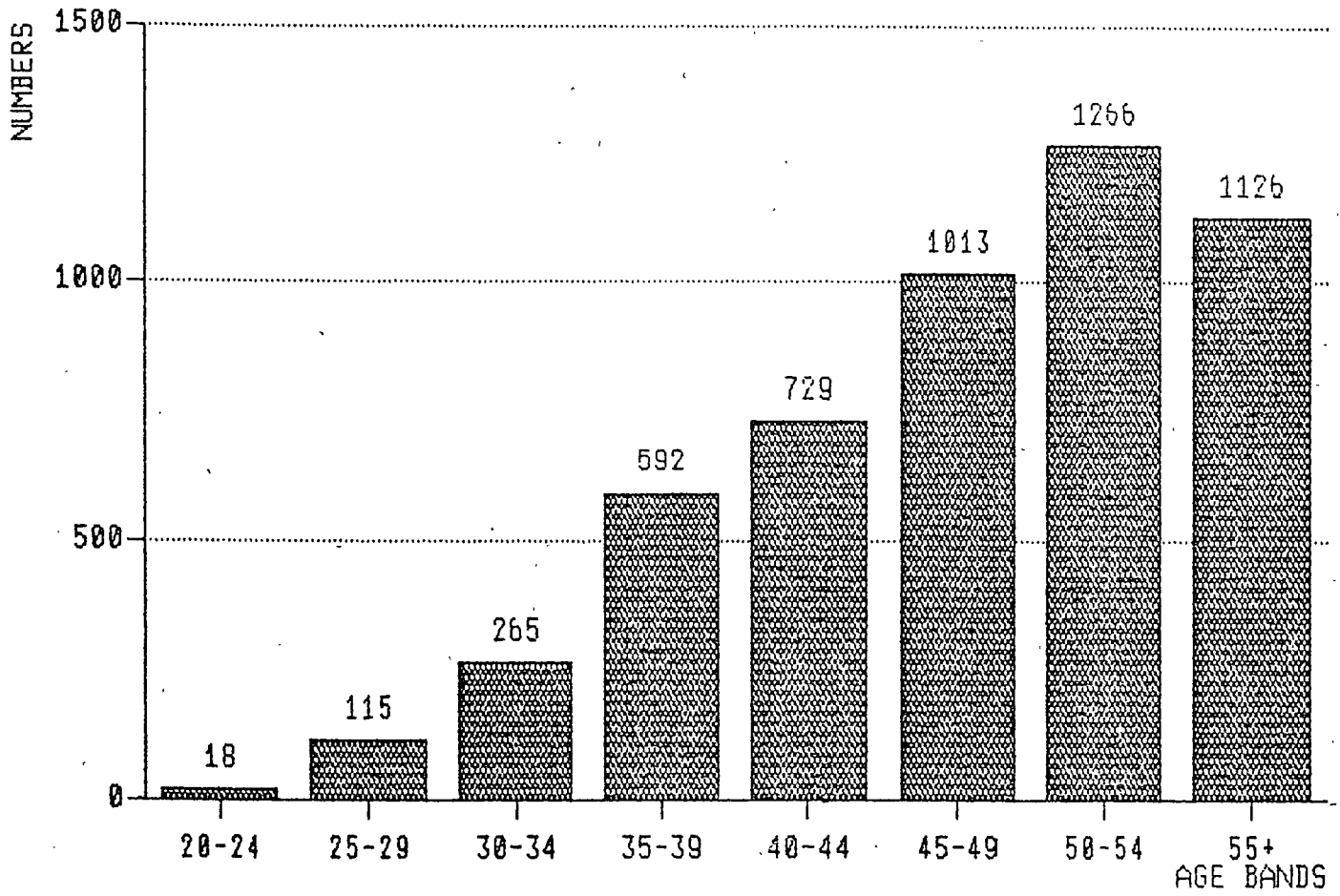
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APPENDIX II - BPO INDIVIDUAL RECORD FORM

# Individual Record Form

This form is a record of training, qualifications and experience and has been designed to assist in the assessment of individual training and development needs. It should be completed in black ink.

The information on this form can be completed either by the Personnel Branch or the individual, as appropriate. It should be verified for the accuracy and updated by the individual annually.

Name

DOB

---

## Part one

### Training and qualifications

List training courses attended (include internal and external training) and Educational and Professional Qualifications

---

## Part two

### Post Office employment

If Post Office experience is five years or less, include details of the last job held prior to joining the Business.

Grade and date of appointment (include substantial periods of temporary promotion)

Location of duty and type of work performed

APPENDIX III - BPO REPORT ON JOB PERFORMANCE

In confidence

# Report on Job Performance

Notes for guidance are available for Personnel units, appraisees, Marking Officers, Reporting Officer and Countersigning Officers. They must be consulted prior to completion (in black ink) of this form.

Name	Grade
Date of birth	Location
Function	Date of appointment to present grade
Report for period ending	

## Part one

### Job Definition and Current Objectives – by Marking Officer

Note here the main areas of responsibility of the current duty – or alternatively attach a copy of the Job Definition – and list the agreed objectives set for the year under review.

## Part two

### Declaration of interest in promotion – by Appraisee

I wish/do not wish\* to be assessed for my suitability for promotion  
 I reserve the right to reverse by decision annually. \*delete as applicable

## Part three

### Achievements for the year – by Marking Officer

#### Achievement against Job Definition and Agreed Objectives

State the results achieved overall including those against specific objectives.  
 State those factors which were beyond the appraisee's control and affected performance.

## Part four

### Assessment of Performance of Current Duties – by Marking Officer

Using the following scale assess the appraisee's performance in terms of the whole job (including the specific objectives).

Note If any abilities are marked Not Applicable (N/A) you must say why when you give reasons for your marks

- AA = Outstanding performance in all respects
- A = Better than normally expected performance
- B = Fully acceptable performance
- C = Generally acceptable performance
- C/D = Performance shows significant weaknesses
- D = Performance not acceptable

	AA	A	B	C	C/D	D	N/A
1 Job Knowledge							
2 Broad Knowledge							
3 Reliability/Dependability							

Give reasons for your marks

**Summary of appraisee's ability**

1 Give a rounded and objective picture of the individual as a person. How does the way he does the job (his degree of enthusiasm, motivation, self confidence, willingness) affect his performance?

2 What are the appraisee's strengths?



Q Are strengths in major areas?

3 What areas could be improved?



Q Are weaknesses critical to the Job?

4 Bearing in mind your assessment of performance of current duties, consider how the appraisee's performance on his current job could be improved? Consider any 'on the job' development and/or training courses that may be useful.

**Overall mark on current performance**

Consider the officer's performance against the total responsibilities of the job and the objectives: use the scale on page 2 to give a mark for performance on current duties

AA	A	B	C	C/D	D
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In my opinion the officer's performance is as reported above

I have supervised him/her for \_\_\_\_\_ years \_\_\_\_\_ months

Signature of Marking Officer

Grade

Date

**Part six**  
**Promotability section – by Reporting Officer**

Note Not to be completed if the appraisee has said he does not wish to be considered for promotion this year

Consider the officer's potential for higher duties.

1 How is he likely to cope with the increased responsibilities (workload responsibilities, more decision making)? How are current strengths and weaknesses likely to affect performance, at a higher level? Is potential best realised, at this time, in a specific area? If so, specify.

2 Assess any periods of temporary promotion, acting or substitution

Suitability for promotion (insert grades in chosen boxes)

1 Qualified and could achieve further promotion

2 Qualified

3 Shows potential but not yet qualified\*

4 Shows no potential at present

\*When do you think the officer will be suitable for promotion?

Length of time the officer has worked under Reporting Officer's control \_\_\_\_\_ years \_\_\_\_\_ months

Signature of Reporting Officer \_\_\_\_\_

Grade \_\_\_\_\_

Date \_\_\_\_\_

APPENDIX IV - BPO JOB REPLACEMENT CARD

JOB REPLACEMENT CARD

- 1 TITLE OF POST:
- 2 GRADE:
- 3 PRINCIPAL DUTIES/RESPONSIBILITIES:
- 4 JOB-HOLDER SPECIFICATION - Any special aptitudes, skills, qualifications, or personal qualities needed to do the job:
- 5 ADDITIONAL INFORMATION

PRESENT HOLDER			IMMEDIATE REPLACEMENT			REMARKS
Name	Date of Birth	Date of Appt	Name	Date of Birth	Marking (ie HQ, FQ, Q)	(including details of possible long-term replacement)



APPENDIX V - BPO PAY SURVEY

PAY MAXIMA OF PEB COMPARATORS

ARRANGED BY PERCENTAGE INCREASES BETWEEN

ORGANISATION	GRADE	1974-75	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
		£	£	£	£	£	£	£	£
NATIONAL GIROBANK	HEO	5276	8064	10544	12756	13932	15155	15953	16912
BRITISH TELECOM	HEO/M&P BAND D	5276	8064	10544	12756	14070	14922	15698	16797
PRUDENTIAL ASSURANCE	G6	5785	8146	11434	12847	14004	14845	15736	16586
SAINSBURY	G11		7550	9580	11095	12340	13240	14310	15870
NATIONAL WESTMINSTER	A4	6072	8746	10785	11865	12875	13519	14231	15157
CADBURY-SCHWEPPE	G15		8337	10250	11170	12875	13519	14263	15012
POST OFFICE	PEB	4905	7570	9516	12073	12858	13557	14181	14961
J LYONS	M12		8235	9635	10355	11700	12285	13545	14225
NATIONAL WESTMINSTER	A3	5568	8076	9913	10905	11833	12425	13080	13931
PRUDENTIAL ASSURANCE	G5	4954	6995	9509	10684	11646	12345	13086	13793
LLOYDS BANK	GVI		7321	8974	9871	10710	11246	11963	12741
UNILEVER	G15/K		6980	8640	9920	10515	11141	11587	12450
GENERAL ACCIDENT	G12	4287	6330	8004	9006	9726	10311	10905	12408
G L C	EXEC 4	5076	7344	8901	9720	10254	10695	11646	12236
LONDON TRANSPORT	CONTROL GRADE BAND 3	4413	6350	7620	8458	9740	10474	10992	11531
UNILEVER	G14/L		6320	7934	9105	9650	10233	10642	11470
LLOYDS BANK	GV		6585	8080	8855	9608	10088	10760	11460
GENERAL ACCIDENT	G11	3897	5787	7290	8202	8859	9390	9954	11325
BBC	MP2/BAND 2W	4419	7160	8235	9035	9643	10137	10644	11283
CIVIL SERVICE	HEO	4700	6519	8555	9184	9758	10218	10729	11265
AUTOMOBILE ASSOCIATION	G7		6384	7278	7970	8839	9494	10064	10668
G L C	EXEC 3	4407	6420	7797	8514	8982	9369	9906	10416
GENERAL ACCIDENT	G10	3522	5256	6594	7419	8013	8493	9003	10251
LONDON TRANSPORT	RLY OPS DEPT CLASS 1		5748	6898	7657	8368	8803	9468	9932
AUTOMOBILE ASSOCIATION	MS05/SCS3		5423	6183	6945	7640	8206	8961	9838
BBC	AS4/A4	3552	5775	6645	7310	7785	8542	8969	9507
AUTOMOBILE ASSOCIATION	G6		5489	6258	6853	7477	8031	8513	9024
LONDON TRANSPORT	ADMIN ASSISTANT	3526	5130	6156	6833	7457	7999	8395	8806
AVERAGE		4684	6861	8491	9549	10398	11024	11685	12495
PEB AS % AVERAGE		104.7	110.3	112.1	126.4	123.7	123.0	121.4	119.7
NUMBER COMPARATORS		17	28	28	28	28	28	28	28
PEB POSITION IN LEAGUE		8	8	9	4	6	4	7	7

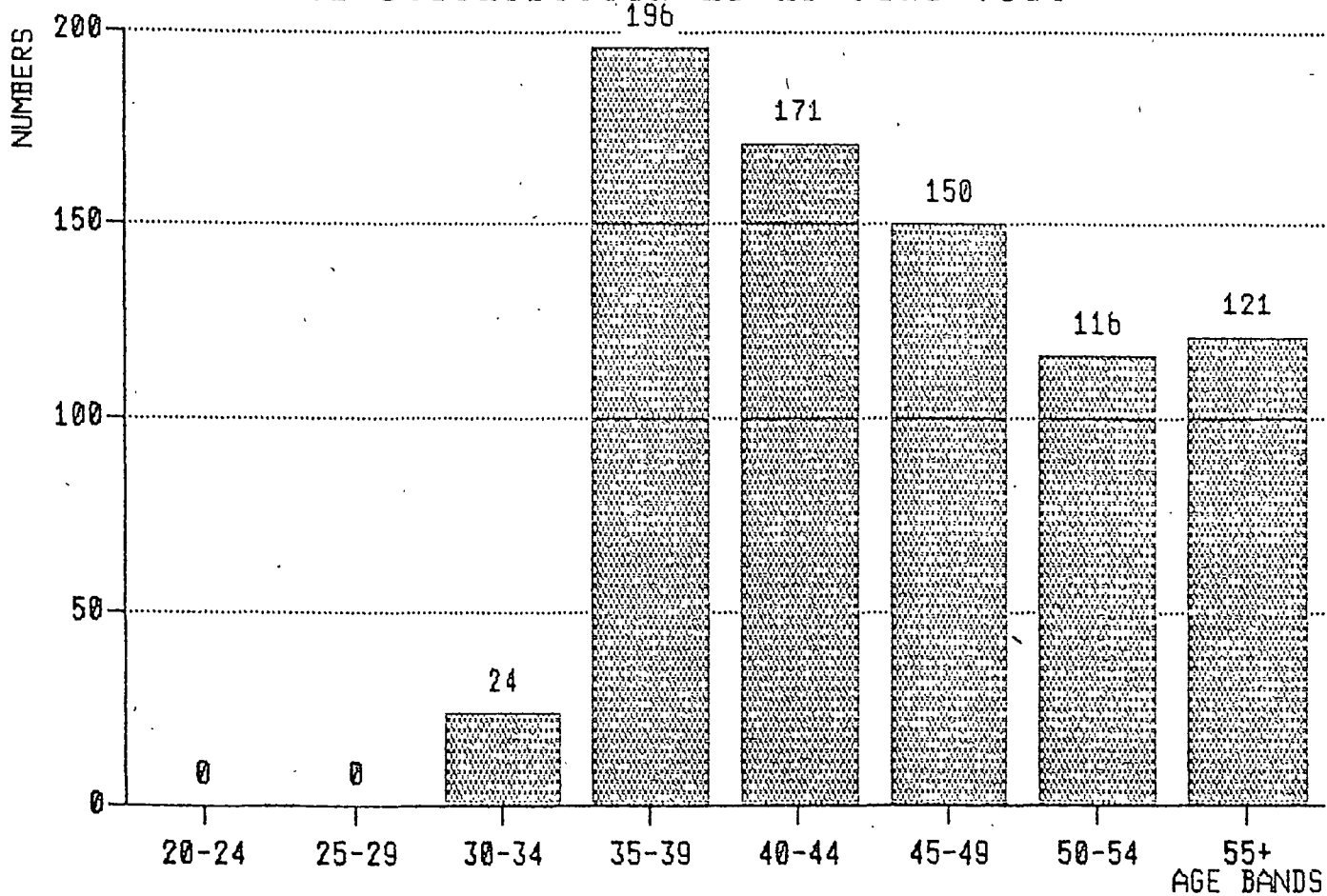
## PAY MAXIMA OF PEC COMPARATORS

## ARRANGED BY PERCENTAGE INCREASES BETWEEN

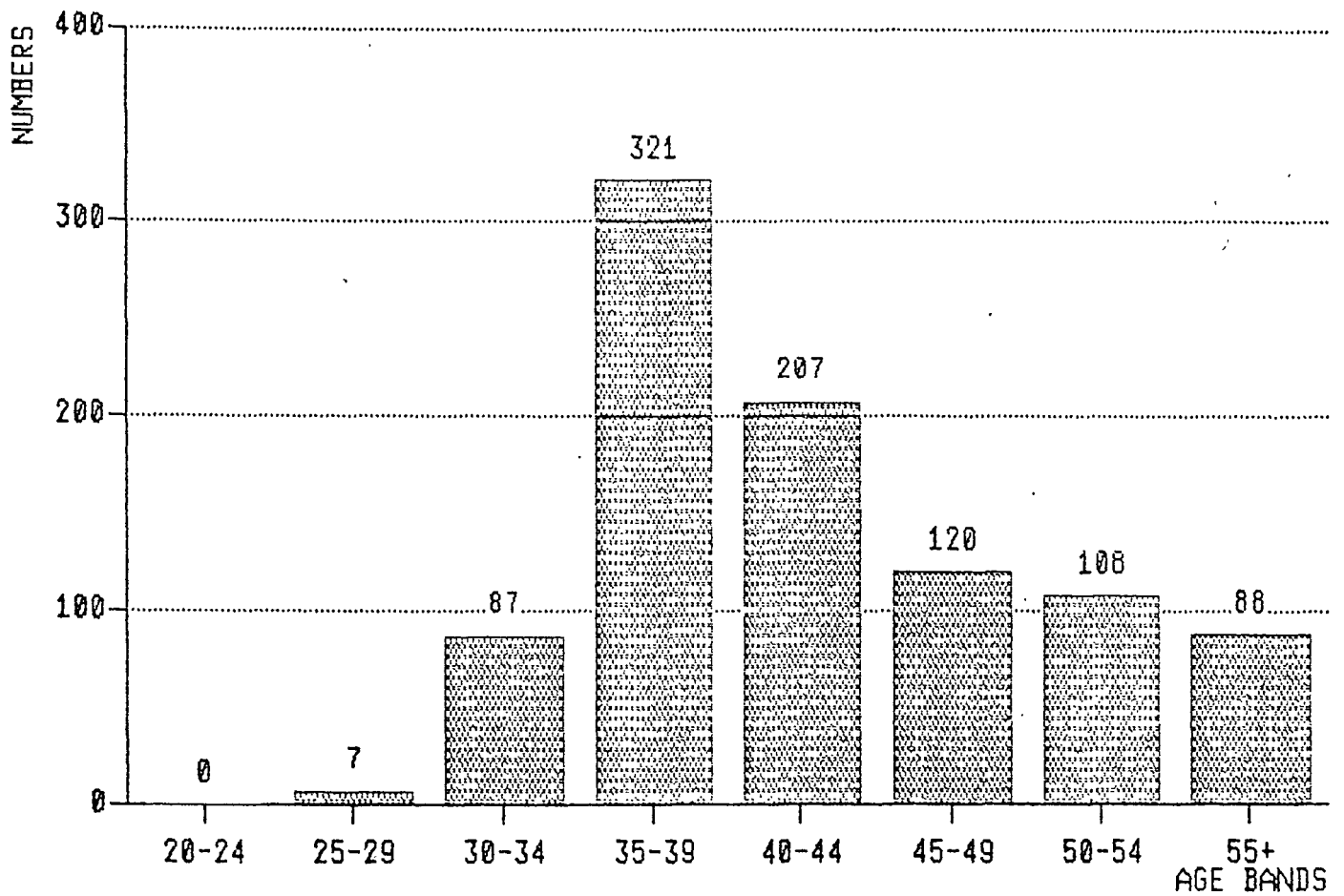
ORGANISATION	GRADE	1974-75	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
		£	£	£	£	£	£	£	£
NATIONAL GIROBANK	E0	4060	6448	8432	10201	11730	12759	13430	14238
J LYONS	M12		8235	9635	10355	11700	12285	13545	14225
BRITISH TELECOM	EO/M&P BAND A	4060	6448	8432	10201	11725	12434	13081	13997
IMPERIAL GROUP	GRADE H	4748	6887	8264	9844	10632	11270	12003	12771
NATIONAL WESTMINSTER	A2	4818	7018	8572	9430	10232	10744	11309	12045
POST OFFICE	PEC	3779	6021	7609	9655	10283	10841	11356	11981
IMPERIAL GROUP	GRADE G	4397	5863	7510	8954	9670	10250	10916	11615
CADBURY-SCHWEPES	G16		6368	7825	8525	9675	10159	10718	11281
NATIONAL WESTMINSTER	A1	4425	6501	7864	8651	9387	9857	10375	11050
J LYONS	M10		6340	7420	7975	9010	9645	10440	10965
PRUDENTIAL ASSURANCE	G4	4465	6281	7423	8341	9092	9638	10217	10769
UNILEVER	GM		5755	7282	8350	8850	9393	9769	10550
G L C	EXEC 2	3918	5739	6921	7557	7974	8316	8871	10416
SAINSBURY	G8		5565	6785	7500	8400	8970	9550	10180
LLOYDS BANK	GIV	3602	5343	6426	7301	7922	8319	8756	9726
CADBURY-SCHWEPES	G17		5447	6700	7300	8275	8689	9167	9649
SAINSBURY	G7		5060	6225	6900	7665	8190	8730	9245
GENERAL ACCIDENT	G9	3165	4734	5892	6657	7192	7623	8079	9189
BRITISH AIRWAYS	D8	3844	5558	6993	7552	7552	8383	8718	9154
CIVIL SERVICE	E0	3670	5272	6745	7247	7700	8078	8492	8917
LONDON TRANSPORT	ADMIN.ASSIST.	3526	5130	6156	6833	7457	7999	8395	8806
PRUDENTIAL ASSURANCE	G3	3301	4681	6013	6756	7365	7807	8276	8723
AUTOMOBILE ASSOCIATION	MS04/SCS2		4795	5466	6100	6710	7207	7870	8493
SAINSBURY	G6		4682	5710	6300	7000	7475	7945	8400
BRITISH AIRWAYS	D7	3485	5086	6399	6911	6911	7671	7984	8383
GENERAL ACCIDENT	G8	2859	4281	5286	6000	6480	6870	7281	8277
G L C	EXEC 1	3300	4908	5883	6528	6900	7203	7608	8238
LONDON TRANSPORT	GARAGE INSPECT.	3140	4840	5808	6447	6898	7384	7750	8156
BRITISH AIRWAYS	D6	3148	4651	5852	6320	6320	7015	7328	7694
AUTOMOBILE ASSOCIATION	G5		4691	5348	5859	6368	6842	7255	7693
BBC	AS2/A2	2769	4615	5310	5861	6244	6864	7207	7639
LONDON TRANSPORT	HCA	2704	3964	4757	5280	5741	6136	6440	6756
AUTOMOBILE ASSOCIATION	G4		3981	4538	4971	5470	5876	6231	6605
AVERAGE		3690	5491	6712	7535	8198	8733	9245	9874
PEC AS % AVERAGE		102.4	109.7	113.4	128.1	125.4	124.1	122.8	121.3
NUMBER COMPARATORS		22	33	33	33	33	33	33	33
PEC POSITION IN LEAGUE		10	10	8	5	5	5	5	6

APPENDIX VI - BT AGE PROFILES

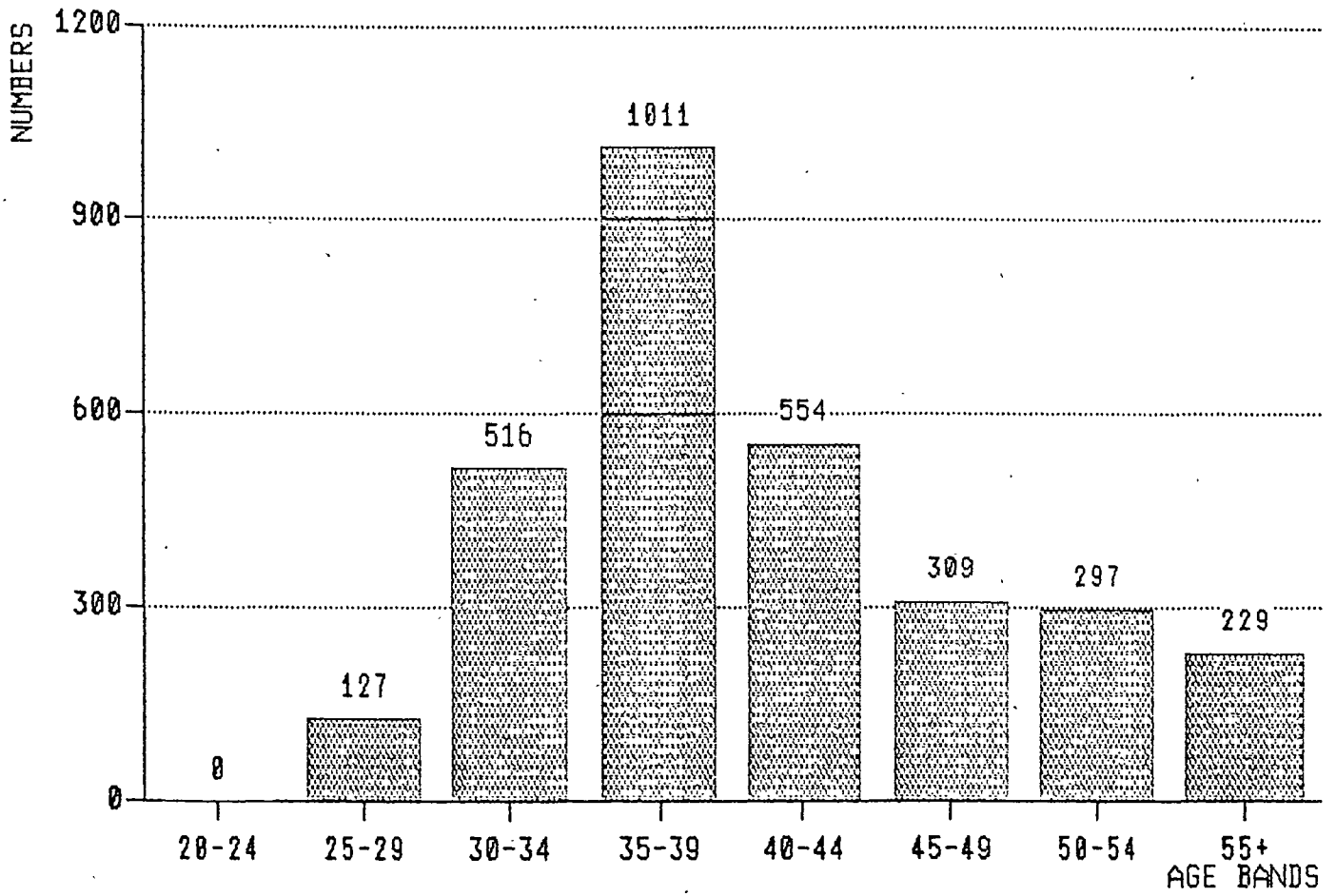
BT - SENIOR MANAGEMENT GROUP  
AGE DISTRIBUTION AS AT JUNE 1986



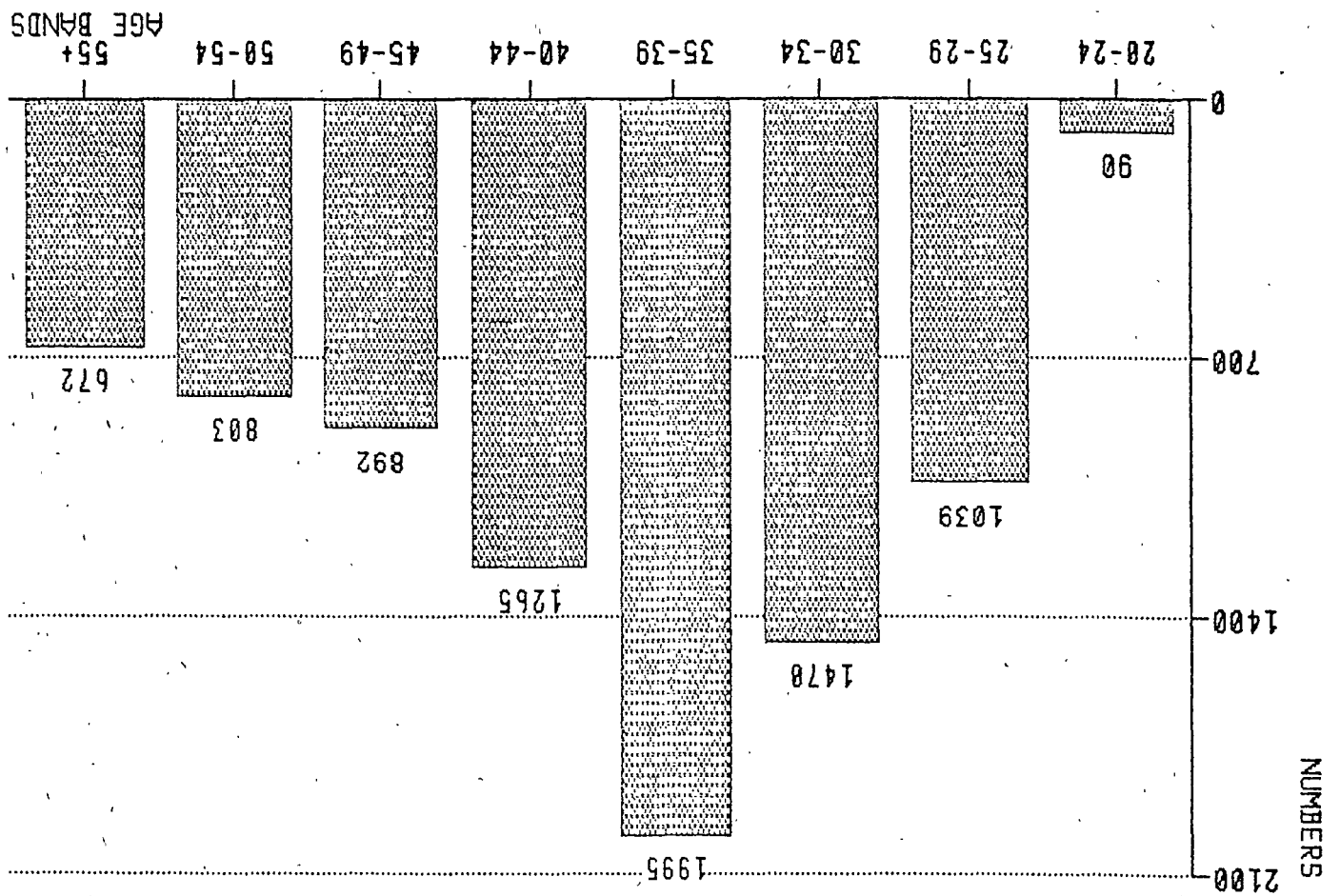
BT - SENIOR BAND  
AGE DISTRIBUTION AS AT JUNE 1986



BT - LEVEL 3  
AGE DISTRIBUTION AS AT JUNE 1986

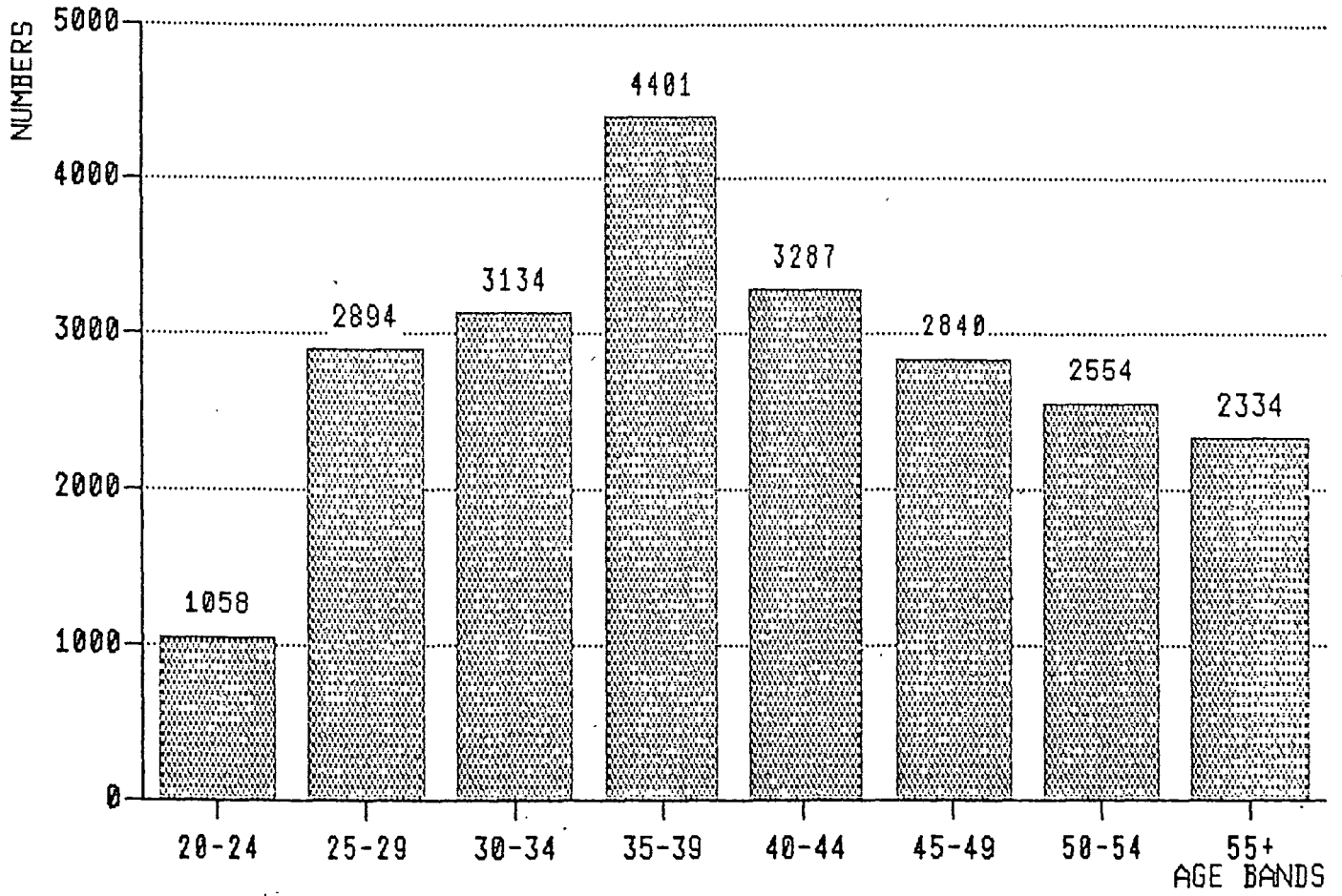


BT - LEVEL 2  
 AGE DISTRIBUTION AS AT JUNE 1986





BT - LEVEL 1  
AGE DISTRIBUTION AS AT JUNE 1986



APPENDIX VII - BT APPRAISAL AND DEVELOPMENT REPORT

APPRAISAL AND DEVELOPMENT REPORT M&PS BANDS G AND ABOVE

Job title ..... Name .....

Job reference ..... Date of birth .....

Date appointed to grade ..... Salary band ..... Personal band .....

Report covers period ..... Date appointed to job .....

To be completed IN BLACK TYPE

PERFORMANCE: Comment on general performance, progress towards objectives, specific achievements, changes in job content and any special factors during the review period.

- A - Outstanding
- B - Above Standard Expectation
- C - Meets Normally Expected Standard
- D - Mostly Acceptable
- E - Unsatisfactory

PERFORMANCE RATING

Note: A high level of performance is the normal standard for managers at this level. In an average distribution most managers would normally fall into category C. Those not meeting the expected standard should be assessed appropriately ie D or E.

ABILITIES: Assess abilities under the two headings below with reference to specific features such as:

- analytical powers
- decisiveness
- breadth of outlook
- commercial awareness
- leadership
- interpersonal skills
- ability to undertake and manage change
- performance under pressure

Strengths:

Weaknesses:

---

DEVELOPMENT: In light of the above, specify the development required to improve present performance and/or prepare the person for future responsibilities. This may include functional skills training or the development of greater awareness of the business environment.

NEXT AREA OF RESPONSIBILITY: Indicate the areas of work for which the appraisee should be considered in order to benefit BT and the individual. Should this be on transfer or promotion?

---

POTENTIAL: Indicate the timing of the individual's suitability for wider responsibility. Give reasons for this assessment.

- 1 - Capable of higher work now
- 2 - Has capacity for higher level work but needs further development
- 3 - Unlikely to become capable of higher level work

RATING

COUNSELLING INTERVIEW: Record below the main points arising from the discussion of present performance, development action, recommendations and personal career ambitions.

MOBILITY:

COUNTERSIGNING MANAGER'S REMARKS (if any):

APPRAISER

Signature .....

Name .....

Ref ..... Date .....

APPRAISEE

Signature .....

Name .....

Ref ..... Date .....

OTHER MANAGERS CONSULTED

.....

.....

COUNTERSIGNATURE

Signature .....

Name .....

Ref ..... Date .....

**STAFF IN CONFIDENCE**

**BANDS A-F APPRAISAL AND DEVELOPMENT REPORT**

TO BE COMPLETED IN BLACK INK

FULL NAME .....  
 DATE OF BIRTH .....  
 LOCATION .....  
 JOB TITLE/DUTY CODE .....  
 REPORT COVERS FROM .....  
 TO .....

JOB BAND .....  
 DATE APPOINTED TO JOB .....  
 DATE APPOINTED TO BANDS A-C OR EQUIVALENT,  
 BANDS D-F OR EQUIVALENT\* .....  
 (\*DELETE AS APPROPRIATE)

**THE ASSOCIATED 'NOTES FOR GUIDANCE' MUST BE READ BEFORE THIS REPORT IS COMPLETED**  
 Description of present duties (include special projects/assignments and the number of staff supervised)

**ASSESSMENT OF PERFORMANCE OF PRESENT DUTIES**

The individual's performance in the areas listed should be assessed by placing a tick in the box on each scale  
 Scales should be interpreted as follows -

- A Well above normally expected performance
- B Better than normally expected performance
- C Good — meets normally expected performance
- D Generally satisfactory performance — but development required to overcome some minor weaknesses
- E Performance shows some significant weaknesses
- F Performance well below an acceptable level

**Knowledge/Expertise:**  
 Comments

A	B	C	D	E	F

**Approach to Work**  
 Comments

A	B	C	D	E	F

3 Results  
Comments

A	B

C	D

E	F

4 Management of Staff:  
Comments

A	B

C	D

E	F

5 Interpersonal skills:  
Comments

A	B

C	D

E	F

6 Written and Oral Communication:  
Comments

Written  
Oral

A	B

C	D

E	F

7 Numerical/data skills.  
Comments

A	B

C	D

E	F

**OVERALL ASSESSMENT:**

Is the individual fully acceptable on present performance?

(Give a reasoned explanation of the overall marking, taking account of factors affecting performance and particular strengths /weaknesses. Indicate any special areas of expertise)

Yes - performance is well above that normally expected

Fully acceptable

Not quite good enough on present performance

Definitely unsatisfactory on present performance



Identify any development action which the individual and/or business should take to maximise contribution

Consultation - Name any other managers who have contributed significantly to this assessment.

Appraising Manager's Signature

Appraising Manager ..... Signature .....

Duty Reference ..... Date .....

POTENTIAL

Pick one box

Ready for higher level work now	
---------------------------------	--

Has potential for higher level work but needs further development	
---	--

Unlikely to become capable of higher level work	
---	--

Give the principal factors leading to this assessment

Field of work -

Indicate where appropriate the areas of work for which the appraisee is considered suitable

**COUNTERSIGNATURE**

NAME ..... 19 .....

Further comments may be added here before counselling takes place

Countersigning Manager .....

Signature .....

Duty Reference .....

Date .....

**SUMMARY OF COUNSELLING INTERVIEW**

This interview should cover present performance, any development required to improve it, and potential. Be specific about action to be undertaken. Where appropriate the need for a change of duty should be discussed with location and job preferences noted. When development action was agreed at the last counselling interview, indicate to what extent this has been followed up. Explain any performance rating/assessment of potential. If an interview is declined state the appraisee's reason(s)

Appraisee's Signature - I have been offered the facility to see this report and I agree that the above is an accurate record of the views exchanged in the counselling interview

Signature ..... Date .....

APPENDIX VIII - CTT MANAGEMENT SURVEY

- TRANSLATION OF THE SURVEY
- THE ORIGINAL SURVEY

TRANSLATION OF THE SURVEY CARRIED OUT AT CTT (PORTUGAL)

=====  
(August-September 1987)

CAREER DEVELOPMENT  
AND PAY POLICY

Career development and pay policy for management staff, in a changing organisational context, are strategic issues for personnel management.

Your opinion to the following questions, will enable us to weight those factors in an organisational perspective.

I-INTRODUCTORIES QUESTIONS

Question Number

- |  |      |
|--|------|
| 1. How important has the performance of employees been to the growth of the company.   | (4)  |
| 2. How vulnerable has the company been to undermotivated managers as it became more advanced economically and technologically.                                 | (5)  |
| 3. How well has the company created opportunities for career fulfilment in order to avoid unmotivated managers.  | (6)  |
| 4. How important is it that career development for managers involves a matching of organisational needs with individual aspirations and expectations.          | (7)  |
| 5. How important is it that managers assume the responsibility of personnel management with Personnel Department having a role of advising and assisting them. | (8)  |
| 6. Do managers in practice assume personnel management as a responsibility of their job.   | (9)  |
| 6.1 If your answer was " NOT VERY WELL" or " NOT AT ALL " please indicate some reasons:  |      |
| - personnel management is too centralized at Personnel Department.   | (10) |
| - absence of specific training on personnel management for managers.   | (11) |
| - absence of incentive and reward instruments to help managers to manage.  | (12) |
| - absence of appraisal instruments to help managers to manage.   | (13) |
| - others ( please specify ).   | (14) |

## II - CAREER PLANNING

7. How well does the company plan for career development of managers. (15)
8. How well do career planning processes match organisational needs with individual expectations and aspirations. (16)
9. How well do management development programmes focus on the needs of tomorrow in terms of qualifications and additional skills. (17)
10. How well does the company support career planning programmes for managers with the following aspects:
  - 10.1 Job description and analysis (18)
  - 10.2 Manpower planning linked with the corporate plan (19)
  - 10.3 Career information and jobs openings (20)
  - 10.4 Performance appraisal results oriented (21)
  - 10.5 Career counselling in connection with performance appraisal (22)
  - 10.6 Potential assessment in connection with promotion policy (23)
  - 10.7 Training programmes in connection with futures requirements (24)
  - 10.8 Succession plans in connection with replacement policy (25)
11. Please indicate in each of the following aspects the importance do you consider they have for the establishment of career development programmes for managers:
  - 11.1 Systematic performance appraisal for executives and professional grades. (26)
  - 11.2 Systematic performance appraisal for senior managers (27)
  - 11.3 Systematic potential appraisal for executives and professional grades (28)
  - 11.4 Systematic potential appraisal for senior managers (29)
  - 11.5 Automatic career progression based on length on service (30)
  - 11.6 Balance in terms of career progression between professional grades and senior managers. (31)

11.7 High selective processes on promotion to higher qualified grades	(32)
11.8 Clear and high selective procedures on management appointments	(33)
11.9 Promotion Boards for Executives and Professional grades	(34)
11.10 Promotion Boards for senior managers	(35)
11.11 Transfers plans	(36)
11.12 Reward the merit through pay policy	(37)
11.13 Implementation of a formal appraisal system	(38)

## II - PAY POLICY

12.How well pay policy and remuneration systems have contributed to the company profitability.	(39)
13.How well is the company pay policy linked to others policies ( such as, commercial, market, financial, and so on )	(40)
14.How well pay policy is linked to the corporate objectives	(41)
15.How well is the influence of pay policy to mantain motivation and good performance	(42)
16.How do you find the general pay conditions compared with those in similar industries:	
16.1 For Executive and Professional grades	(43)
16.2 For senior managers	(44)
17.Has your department experienced dificulties in recruiting management staff which could be attributed to uncompetitive salary levels	(45)
18.Has your department experienced dificulties in retaining management staff due to salary reasons	(46)
19.Do you consider that there are significant differences between the remuneration of jobs in your department and the remuneration of jobs with similar qualification in other departments	(47)
19.1 If your answer was " QUITE A LOT " or " A LOT ", please indicate some reasons:	
-the jobs in my department are overqualified	(48)
-the jobs in my department are underqualified	(49)
-significant differences on performance levels	(50)
-others ( please specify )	(51)

20. Do you consider that in your department there are jobs  
unsufficiently remunerated for their level of qualification (52)

21. How well the company pay policy incorporates the merit factor (53)

22. Do you consider that salary progressions should reflect  
individual performances (54)

23. Do you agree with a salary structure composed by a minimum and  
a maximum amount for each management level and the remuneration  
just depending on the performance (55)

24. The individual remuneration for management staff should depend  
on:

- the qualification of the job

- the job's holder qualification

- the length on service

- the attitude to his superior (56)

( PLEASE MARK THE 3  
MOST IMPORTANT FACTORS ) - the individual effectiveness (57)

- the professional category (58)

- the internal personal status

- others (please specify)

25. Do you consider that there is low motivation due to  
salary reasons:

- in Executive and Professional grades (59)

- in Senior management grades (60)

26. How well is pay policy clear and understandable in all aspects  
that may result in differences of remuneration (61)

27. Do you consider that good results achieved by the department  
should be reflected on individual remuneration (62)

28. Do you consider that the implementation of an incentive scheme  
for management in the company is a significant instrument of  
motivation (63)

28.1 If your answer was "NOT VERY WELL" or "NOT AT ALL" please  
indicate some reasons:

- absence of an instrument for merit appraisal (64)

- it will produce conflicts with non management  
staff (65)

- it will produce conflicts between management staff (66)

- it was better to implement a job rotation  
programme (67)

- most of performance levels are low (68)
- it was better to give more responsibility (69)
- it was better to design a training programme (70)
- other ( please specify ) (71)

29. Do you consider important that managers should be involved concerning salary policy decisions (72)

30. How suitable is the salary structure for Senior Managers (73)

CARD 2

30.1 If your answer was "NOT VERY WELL" or "NOT AT ALL" please specify some reasons:

- few steps in the incremental progression for each management level (1)
- low values for each step (2)
- insignificant values differences between each management level (3)
- difficult salary progression (4)
- salary progression do not reflect the merit (5)
- less attractive then the salary structure for Executives and Professional grades (6)
- salary progressions with no selective criterion (7)
- other (please specify) (8)

31. As a manager if you were asked to select immediately a collaborator for consideration for a bonus payment scheme do you have any difficulty (9)

31.1 If your answer was "QUITE A LOT" or "A LOT" please indicate some reasons:

- all collaborators were eligible (10)
- none of them were eligible (11)
- absence of an effective appraisal instrument (12)
- selecting one would produce negative effects on the department (13)
- unknowledge of the criterion used by others managers (14)
- other (please specify) (15)

END OF THE QUESTIONNAIRE.....THANK YOU FOR YOUR CO-OPERATION



SURVEY

Desenvolvimento de Carreira  
e Política Salarial



O desenvolvimento da carreira e a política salarial de Quadros e Gestores, numa empresa em fase de mudança organizacional, constitui-se em factor essencial da Gestão dos Recursos Humanos. A sua opinião em resposta às questões seguintes, vai permitir-nos dimensionar o peso daqueles factores na optica empresarial.

**I-QUESTOES INTRODUTORIAS**

1. Qual a importância que considera ter tido o desempenho dos trabalhadores em geral para o desenvolvimento da Empresa.

- bastante importante  1
- importante  2
- moderadamente importante  3
- pouco importante  4
- nada importante  5

4

2. Em que medida a evolução económica e tecnológica da Empresa a tem tornado vulnerável à desmotivação de Quadros e Gestores.

- totalmente  1
- muito  2
- moderadamente  3
- pouco  4
- nada  5

5

3. Em termos gerais, como classificaria a actuação da Empresa na criação de condições de realização profissional de modo a evitar a desmotivação dos Quadros mais eficazes.

- bastante boa  1
- boa  2
- razoável  3
- má  4
- péssima  5

6

4. Em que medida considera importante que o desenvolvimento de carreira de Quadros e Gestores interligue as aspirações individuais com as necessidades empresariais.

- bastante importante  1
- importante  2
- moderadamente importante  3
- pouco importante  4
- nada importante  5

7

5. Em que medida considera importante que os Gestores, a todos os níveis, devem assumir a gestão dos seus recursos humanos como função própria cabendo a Função Pessoal o papel de estudo e aconselhamento.

- bastante importante  1
- importante  2
- moderadamente importante  3
- pouco importante  4
- nada importante  5

8

6. Considera que na pratica, os gestores tem vindo a assumir a gestao do seu pessoal como uma responsabilidade inerente as funcoes de gestao.

totalmente	<input type="checkbox"/>	1	
muito	<input type="checkbox"/>	2	
moderadamente	<input type="checkbox"/>	3	9
pouco	<input type="checkbox"/>	4	
nada	<input type="checkbox"/>	5	

6.1 Se respondeu FOUCO ou NADA indique quais dos seguintes aspectos podem ter originado a sua resposta:

- |   |                          |  |    |
|---|--------------------------|--|----|
| 1 | <input type="checkbox"/> | a gestao do pessoal esta excessivamente centralizada na Direcção de Pessoal;             | 10 |
| 2 | <input type="checkbox"/> | ausencia de formação especifica em gestao de recursos humanos para gestores;             | 11 |
| 3 | <input type="checkbox"/> | ausência de sistemas de incentivo e recompensa do merito que habilitem o gestor a gerir; | 12 |
| 4 | <input type="checkbox"/> | ausência de instrumentos de avaliação dos quadros e gestores;                            | 13 |
| 5 | <input type="checkbox"/> | outro (especifique) _____<br>_____<br>_____  | 14 |

## II-PLANEAMENTO DE CARREIRAS

7. Como classificaria a actuação da Empresa no planeamento do desenvolvimento da carreira de Quadros e Gestores

bastante bem	<input type="checkbox"/>	1	
bem	<input type="checkbox"/>	2	
razoavel	<input type="checkbox"/>	3	15
má	<input type="checkbox"/>	4	
péssima	<input type="checkbox"/>	5	

8. Em que medida o processo (ou a pratica) de desenvolvimento de carreiras tem resultado da convergência entre necessidades da Empresa em postos de trabalho mais qualificados e expectativas e aspirações individuais.

totalmente	<input type="checkbox"/>	1	
muito	<input type="checkbox"/>	2	
moderadamente	<input type="checkbox"/>	3	16
pouco	<input type="checkbox"/>	4	
nada	<input type="checkbox"/>	5	

9. Em que medida os programas (ou a pratica) de desenvolvimento dos Quadros e Gestores tem sido orientados para as necessidades futuras da Empresa em cada nivel de qualificação ou de gestão.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

17

10. Assinale em cada um dos seguintes aspectos abaixo indicados o grau de importância que tem tido relativamente a programas ( ou pratica ) de desenvolvimento de Quadros e Gestores.

totalmente muito moderadamente pouco nada

10.1 Analise e Descrição de Funções	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	18
10.2 Planeamento de RH derivado do Planeamento estrategico da Empresa	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	19
10.3 Informação sobre possibilidades de carreira e anuncios de vagas	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	20
10.4 Av. de Desempenho orientado para resultados	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	21
10.5 Aconselhamento de carreira em ligação com avaliação de desempenho	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	22
10.6 Avaliação de Potencial em ligação com politica de promoções	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	23
10.7 Programas de Formação adequados a necessidades empresariais	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	24
10.8 Planos de Sucessão em ligação com politica de substituições	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	25

11. Indique em cada um dos seguintes aspectos qual o grau de importância que no seu entender deve ser considerado para o estabelecimento de programas de carreira para Quadros e Gestores.

totalmente muito moderadamente pouco nada

11.1 Avaliação periódica do desempenho dos Quadros Técnicos.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	26
11.2 Avaliação periódica do desempenho dos Gestores.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	27
11.3 Avaliação periódica do potencial dos Quadros Técnicos.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	28
11.4 Avaliação periódica do potencial dos Gestores.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	29
11.5 Antiquidade e automatismo nas progressões entre níveis de carreira.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	30
11.6 Equilíbrio em termos de tempos médios na evolução da carreira dos Quadros Técnicos e dos Gestores, com o mesmo nível de desempenho.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	31
11.7 Acessos bastante selectivos na promoção a níveis profissionais mais qualificados.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	32
11.8 Critérios objectivos e rigorosos na nomeação de Gestores.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	33
11.9 Juris de selecção para promoção a níveis profissionais superiores.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	34
11.10 Juris de selecção para nomeação de Gestores Médios e Superiores.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	35
11.11 Planos de rotação de funções e/ou serviços.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	36
11.12 Recompensas de mérito para Quadros e Gestores através da política salarial e não através de acelerações na carreira.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	37
11.13 Existência de sistema de avaliação formal.	1 [ ]	2 [ ]	3 [ ]	4 [ ]	5 [ ]	38

### III-POLITICA SALARIAL E SISTEMAS DE REMUNERAÇÕES

12. Considera que a politica salarial e os sistemas de remunerações em vigor tem contribuido ainda que indirectamente para o aumento da eficacia da Empresa.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

39

13. Considera que a politica salarial tem estado adequada as restantes politicas empresariais (comerciais, tecnologicas, operacionais, etc).

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

40

14. Considera que de um modo geral a politica salarial tem estado adequada aos objectivos empresariais.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

41

15. Em que medida considera ter sido importante a influencia da politica salarial para manter na Empresa Quadros e Gestores motivados e com bons desempenhos.

bastante importante	<input type="checkbox"/>	1
importante	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco importante	<input type="checkbox"/>	4
nada importante	<input type="checkbox"/>	5

42

16. Como considera de um modo geral as condições remuneratorias da Empresa quando comparadas com outras empresas similares:

16.1 Para Quadros Tecnicos

bastante boas	<input type="checkbox"/>	1
boas	<input type="checkbox"/>	2
razoaveis	<input type="checkbox"/>	3
mas	<input type="checkbox"/>	4
pessimas	<input type="checkbox"/>	5

43

16.2 Para Quadros Gestores

- bastante boas  1
- boas  2
- razoaveis  3
- mas  4
- péssimas  5

44

17. Considera que tem havido dificuldades no recrutamento de Quadros por razões de falta de competitividade dos níveis salariais oferecidos.

- bastantes vezes  1
- com alguma frequência  2
- algumas vezes  3
- poucas vezes  4
- nenhuma  5

45

18. Considera que tem tido dificuldades em reter Quadros no seu Departamento por razões unicamente salariais.

- bastantes vezes  1
- com alguma frequência  2
- algumas vezes  3
- poucas vezes  4
- nenhumas  5

46

19. Considera que existem diferenças significativas entre a remuneração de postos de trabalho de Quadro no seu Departamento e os de similar exigência noutras áreas da Empresa.

- muitíssimas  1
- muitas  2
- algumas  3
- poucas  4
- nenhumas  5

47

19.1 Se respondeu MUITÍSSIMAS ou MUITAS indique quais dos seguintes aspectos podem ter originado a sua resposta:

- 1  os postos de trabalho do meu Departamento estão sobrequalificados 48
- 2  os postos de trabalho do meu Departamento estão subqualificados 49
- 3  existem nitidas diferenças de níveis de desempenho 50
- 4  outro ( especifique ) \_\_\_\_\_ 51  
 \_\_\_\_\_  
 \_\_\_\_\_

20. Considera que no seu departamento existem postos de trabalho que estão a ser remunerados insuficientemente atendendo ao nível de qualificação exigido.

bastantes	<input type="checkbox"/>	1
muitos	<input type="checkbox"/>	2
alguns	<input type="checkbox"/>	3
poucos	<input type="checkbox"/>	4
nenhuns	<input type="checkbox"/>	5

52

21. Considera que a politica salarial da Empresa tem tido uma nitida componente de reconhecimento do merito.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

53

22. Segundo o seu ponto de vista, é desejavel que as progressões salariais devem reflectir os resultados dos desempenhos individuais.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

54

23. Concordaria com uma estrutura salarial em que para cada nivel profissional ou nivel de gestão existisse um valor minimo e um valor maximo e o posicionamento individual em cada intervalo dependesse unicamente do desempenho.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

55

24. A remuneração individual dos Quadros na Empresa deverá prioritariamente atender:

1	<input type="checkbox"/>	à qualificação do posto de trabalho	
2	<input type="checkbox"/>	à qualificação da pessoa que o ocupa	
3	<input type="checkbox"/>	à antiguidade	
( ASSINALE OS 3 FACTORES PARA SI MAIS IMPORTANTES)	4	<input type="checkbox"/>	à atitude para com os superiores
	5	<input type="checkbox"/>	à eficácia pessoal
	6	<input type="checkbox"/>	à categoria profissional
	7	<input type="checkbox"/>	ao status pessoal interno
	8	<input type="checkbox"/>	outro (especificar) _____

56

57

58



25. Considera de um modo geral os Quadros desmotivados por meras razões salariais.

	totalmente	1	2	3	4	5	
25.1 Quadros Tecnicos		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	59
25.2 Quadros Gestores		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	60

26. Considera que a politica salarial da Empresa é perceptivel e clara em todos os aspectos que podem originar diferencas de remuneração.

totalmente	<input type="checkbox"/>	1	
bastante	<input type="checkbox"/>	2	
moderadamente	<input type="checkbox"/>	3	61
pouco	<input type="checkbox"/>	4	
nada	<input type="checkbox"/>	5	

27. Considera que a obtenção de bons resultados pela Direcção ou Departamento onde exerce as suas funções deveria repercutir-se na sua remuneração de forma significativa.

totalmente	<input type="checkbox"/>	1	
muito	<input type="checkbox"/>	2	
moderadamente	<input type="checkbox"/>	3	62
pouco	<input type="checkbox"/>	4	
nada	<input type="checkbox"/>	5	

28. Considera que a criação de um sistema de incentivos monetarios de atribuição selectiva, na Empresa seria um instrumento muito significativo de motivação dos Quadros.

totalmente	<input type="checkbox"/>	1	
muito	<input type="checkbox"/>	2	
moderadamente	<input type="checkbox"/>	3	63
pouco	<input type="checkbox"/>	4	
nada	<input type="checkbox"/>	5	

28.1 Se respondeu POUCO ou NADA indique quais dos seguintes aspectos podem ter originado a sua resposta.

- 1  ausência de instrumento de apreciação de merito 64
- 2  geraria conflitos com os trabalhadores não Quadro 65
- 3  foco de conflitos entre os proprios Quadros 66
- 4  preferivel a criação de um programa de rotacao de funcoes 67
- 5  os niveis de desempenho sao de um modo geral insatisfatorios 68
- 6  preferivel dar mais responsabilidades aos Quadros 69
- 7  preferivel um programa de formação adequado 70
- 8  outro ( especifique ) \_\_\_\_\_ 71

29. Considera importante que os Gestores sejam envolvidos nas decisões acerca da politica salarial.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
moderadamente	<input type="checkbox"/>	3
pouco	<input type="checkbox"/>	4
nada	<input type="checkbox"/>	5

72

30. Em relação a estrutura salarial em vigor para Quadros Gestores considera-a satisfatoria.

totalmente	<input type="checkbox"/>	1
muito	<input type="checkbox"/>	2
razoavel	<input type="checkbox"/>	3
insatisfatoria	<input type="checkbox"/>	4
bastante insatisfatoria	<input type="checkbox"/>	5

73

CARD 2

30.1 Se respondeu insatisfatoria ou bastante insatisfatoria indique quais dos seguintes aspectos podem ter originado a sua resposta.

- |   |                          |   |   |
|---|--------------------------|---|---|
| 1 | <input type="checkbox"/> | poucos escalões salariais para cada nivel de gestão                 | 1 |
| 2 | <input type="checkbox"/> | valores baixos atendendo a responsabilidade exigida                 | 2 |
| 3 | <input type="checkbox"/> | diferenças salariais entre os niveis de gestão pouco significativas | 3 |
| 4 | <input type="checkbox"/> | dificil progressão salarial   | 4 |
| 5 | <input type="checkbox"/> | progressão salarial não reflecte o merito individual                | 5 |
| 6 | <input type="checkbox"/> | menos aliciante que a estrutura salarial dos Quadros Tecnicos       | 6 |
| 7 | <input type="checkbox"/> | progressões salariais sem selectividade                             | 7 |
| 8 | <input type="checkbox"/> | outra (especifique) _____<br>_____<br>_____                         | 8 |

31. Como Gestor se imediatamente tivesse que escolher alguns colaboradores para atribuição de um premio monetario por merito teria dificuldades na selecção

bastantes	<input type="checkbox"/>	1
algumas	<input type="checkbox"/>	2
nenhumas	<input type="checkbox"/>	3

9

31.1 Se respondeu BASTANTES ou ALGUMAS indique quais dos seguintes aspectos podem ter originado a sua resposta

- 1  todos têm elevado merito
  - 2  nenhum tem merito elevado
  - 3  ausência de instrumento eficaz de avaliação do merito
  - 4  a selecção de alguns provocaria efeitos negativos na eficacia global do departamento
  - 5  desconhecimento dos criterios utilizados noutros departamentos
  - 6  outro (especifique) \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

10  
11  
12  
13  
14  
15

FIM DO QUESTIONÁRIO ..... OBRIGADO PELA COLABORAÇÃO.

----- VERIFIQUE SE RESPONDEU A TODAS AS QUESTOES -----

PARA EFEITOS ESTATISTICOS DE ANALISE DOS RESULTADOS  
MARQUE COM X

NIVEL DE GESTAO: 9/8  1  
7/6  2

DEPARTAM.: central  1  
regional  2

SECTOR: correios  1  
telecom  2  
apoio  3

ANTUIGUIDADE NA EMPRESA: 0-4  1  
5-9  2  
10-14  3  
15-19  4  
> 20  5

IDADE : 25-34  1  
35-44  2  
45-54  3  
> 55  4

16  
17  
18  
19  
20

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