

# **Career Progression in the Irish Civil Service**

**CPMR Discussion Paper  
20**

**Career Progression in the  
Irish Civil Service**

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## Foreword

This paper is the twentieth in a series undertaken by the Committee for Public Management Research. The Committee is developing a comprehensive programme of research designed to serve the needs of the future developments of the Irish public service. Committee members come from the Departments of Finance, the Environment and Local Government, Health and Children, the Taoiseach, and Public Enterprise, and also from Trinity College Dublin, University College Dublin and the Institute of Public Administration.

This series aims to prompt discussion and debate on topical issues of particular interest or concern. The papers may outline experience, both national and international, in dealing with a particular issue. Or they may be more conceptual in nature, prompting the development of new ideas on public management issues. They are not intended to set out any official position on the topic under scrutiny. Rather, the intention is to identify current thinking and best practice.

We would very much welcome comments on this paper and on public management research more generally. To ensure that the discussion papers and wider research programme of the Committee for Public Management Research are relevant to managers and staff, we need to hear from you. What do you think of the issues being raised? Are there other topics you would like to see researched?

Research into the problems, solutions and successes of public management processes and the way organisations can best adapt in a changing environment has much to contribute to good management, and is a vital element in the public service renewal process. The Committee for Public Management Research intends to provide a service to people working in public organisations by enhancing the knowledge base on public management issues.

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General information on the activities of the Committee for Public Management Research, including this paper and others in the series, can be found on its world wide web site: [www.irlgov.ie/cpmr](http://www.irlgov.ie/cpmr); information on Institute of Public Administration research in progress can be found at [www.ipa.ie](http://www.ipa.ie).



## Executive Summary

Human Resource Management (HRM) reform is central to the current public service modernisation programme or Strategic Management Initiative (SMI). A new approach to HRM is a priority in the Irish civil service due to difficulties in recruiting and retaining the best staff. In particular there is evidence that the civil service is failing to meet the aspirations of its staff in a number of key areas: including earnings, career progression, responsibility, reward and recognition. The need to address staff concerns in these areas is highlighted in the *Programme for Prosperity and Fairness* (2000) which argues that ‘the civil service has to respond better to the aspirations of staff for more fulfilling work and improved career paths and create workplace conditions and relations which are conducive to increasing job satisfaction, motivation and commitment of staff’ (p. 19). Even with the recent downturn in the economic cycle and the decreased demand for labour in certain areas of the private sector, there is little room for complacency among public service employers. Regardless of the prevailing economic conditions, it is critical that the aspirations of civil servants with respect to career progression and development are met.

It is within this context that this paper provides a critical overview of career progression arrangements in the Irish civil service. Throughout the report, career progression is discussed in its broadest sense. Rather than simply describing an individual’s progress up the ranks of an organisation, career progression and development is argued as being relevant to all staff. This approach is consistent with that found in the literature, where career development is described as focusing on the individual and the skills, training and experience they acquire, through their own effort and with the assistance of their employer in the course of their working life. Therefore, while promotion arrangements are of course important, the report also considers other developments essential for effective career progression including induction procedures, performance management, transfer/mobility, training and development.

A review of current HRM arrangements indicates that in practice there is a considerable degree of diversity across departments with regard to the range of approaches adopted in relation to career progression. While some of this divergence is due to the size and nature of work of departments, there is also variation in the degree of progress made to date in modernisation. However, consultations with a range of key informants indicate a general consensus that the civil service needs to do

more to be perceived as an ‘employer of choice’ by potential quality employees. In addition, it is clear that opportunities for career progression and development play a critical role in this regard.

In order to gain an appreciation of how career progression arrangements might be improved, this paper examines the international public sector experience. Most OECD countries are currently pursuing strategies and policies to enhance the professional quality of HRM in the public service. In many countries this is coupled with concerns in relation to recruitment and retention as well as the public service’s competitiveness as an employer compared to the private sector. In response to this situation, public service employers have sought to benchmark salaries against those available in the private sector and increase performance pay, particularly for staff with highly sought after skills.

A number of countries have also recognised the important role to be played by career development strategies in attracting and retaining quality personnel. In Denmark and the United Kingdom there is also a growing awareness that career development opportunities should apply not only to ‘high flyers’ but to all staff, including those who may have a civil service ‘career’ of only a few years. Furthermore, it is recognised that not just the individual, but also the organisation can benefit from investment in employee career development.

Overall, the international evidence suggests that the implementation of systems of performance management, mentoring schemes, as well as training and development programmes are central to improving career progression for all staff. However, for such policies to be effective, ongoing monitoring of their implementation and evaluation of their effectiveness is required.

The paper also examines HR practices in the private sector, in particular focussing on innovations in the area of career progression and development. It is noted that, as in the public sector, employers in commercial organisations face many challenges with respect to HR modernisation and the implementation of effective career progression initiatives. Moreover, it would appear that the calibre of management and their ability to implement change across an organisation on an ongoing basis is also critical in the private sector. However, by way of addressing these difficulties, a number of companies are recognising that career development is a business issue requiring strategic management. In all cases where companies are seeking to enhance career progression arrangements, the need to overhaul performance management and mobility policies is regarded as essential. The importance of putting in place a range

of processes and tools in relation to career progression, and ensuring that these are used effectively by management, is also emphasised.

A review of a number of key studies shows that career progression and development are widely regarded as important retention and motivation tools. Increased awareness and interest in knowledge management has served to highlight the impact on profitability of retaining the skills, experience and intellectual capital of an organisation's employees. However, research suggests that determining effective policies in relation to career development is not the sole responsibility of the personnel unit; rather, it is for senior management to determine, taking into consideration the needs and objectives of the business, what their career development message is. The research evidence indicates that such a message must be more than rhetoric. In particular, processes and interventions that will deliver on this message need to be designed, and appropriate resources assigned to the task.

Finally, the paper draws overall conclusions and, based on best practice evidence, highlights a number of key issues which the Irish civil service should actively consider. In particular a number of over-arching issues need to be addressed if the civil service wishes to use career progression and development as a tool in the attraction and development of quality employees. In respect of the following areas, the engagement of senior management is absolutely critical.

*(i) Organisation culture*

In many cases it would appear that improving career progression arrangements for all staff requires a change in organisational culture in a number of respects:

- an appreciation that career progression is about more than just promotion;
- an understanding that career progression arrangements should be determined in partnership with staff;
- a recognition that all employees should benefit from career development, regardless of grade or length of time in the civil service;
- innovation in developing career progression arrangements that meet the needs both of the department and individual employees;
- more engagement by line managers with staff and recognition by managers that they have a responsibility in the development of their staff.

*(ii) An appropriate and honest career development message*

The civil service's approach to career progression and development needs to be determined by senior management, in order to best reflect business needs and

objectives. Consideration must be given to whether the organisation has a universal career development message, applying equally to all staff, or if the message is segmented, varying for different groups or grades of employees within a department. Finally, consideration should be given to whether career development initiatives are consistent with other HR policies and practices. For example, grading and pay structures may actively discourage staff development, while career development processes are trying to encourage it.

*(iii) Monitoring and evaluation*

Ensuring that initiatives in the area of career progression, for example programmes in relation to induction, mentoring, mobility, promotion, performance management and training, are operationalised on a daily basis requires ongoing monitoring and evaluation. Monitoring is necessary to ensure that initiatives are being implemented in all departments and for all grades and to ensure that appropriate performance indicators are being set. Evaluation ensures that policies are achieving their intended objective.

This paper argues that developing effective career progression arrangements matters. It is a critical factor in the recruitment, retention and motivation of staff. For the Irish civil service, the importance of attracting and retaining quality employees further emphasises the importance of having career progression arrangements that are both effective and universally implemented.

## Introduction and Background

### 1.1 Setting the scene

In 1996, *Delivering Better Government* (DBG) recognised that the modernisation programme being introduced in the Irish civil service would require reform in a wide range of areas, including human resource management (HRM). In order to inform the debate on the key HRM issues and challenges facing the Irish public service as part of this modernisation programme, the Committee for Public Management Research (CPMR) has undertaken a series of research studies.

The first of these studies, *Key Human Resource Management Issues in the Irish Public Service* (Humphreys and Worth-Butler, 1999, CPMR Discussion Paper No. 10) provided a strategic overview of the main HR-related issues facing public service managers in delivering on the commitments made in DBG. In evaluating the rate of progress, the authors commented ‘...although some real progress has been made, a considerable journey remains to be travelled to achieve a strategically planned approach to human resource management, which will ensure best fit between needs, and the skills and competencies of staff.’ Humphreys and Worth-Butler concluded by identifying a number of aspects of HRM where further research was required in order to inform the next phase of the change process. These areas were:

- effective approaches to the decentralisation and devolution of HRM
- professionalisation of the HR function and development of line management
- gearing the recruitment, selection and placement of new staff to the needs of the organisation
- improving the arrangements for the development, retention, promotion and mobility of existing staff
- the development of flexible and innovative working arrangements.

Since that time, the CPMR has undertaken a number of studies exploring these issues from a management perspective. Studies completed include: *Flexible Working in the Public Service* (2000) by Humphreys, Fleming and O'Donnell (CPMR Research Report No. 4); *From Personnel Management to HRM: Key Challenges and Issues* (2000) by Fleming (CPMR Discussion Paper No. 16) and *The Effective Use of Competencies* (2001) by Butler and Fleming (CPMR Discussion Paper No. 19).

The need to continue to look critically but constructively at HRM systems in the civil service remains, and the CPMR decided to focus its next study on career progression arrangements. Against the background of a competitive labour market, this issue became critical in recent years. During this time, the civil service could no longer take for granted its position as an employer of choice and was obliged to compete to recruit and retain high calibre staff. Even with the most recent downturn in the economic cycle and the decreased demand for labour in certain areas of the private sector, there is little room for complacency among public service employers. In order to recruit and retain the best staff, whatever the prevailing economic conditions, it is critical that the aspirations of civil servants with respect to career progression and development are met.

## **1.2 Rationale and context for the study**

It is over five years since DBG (1996) highlighted the need to promote a positive image of the civil service as providing challenging, rewarding and flexible jobs, with real career development potential. This theme was revisited in the *Programme for Prosperity and Fairness* (PPF, 2000) which notes that “the public service has to respond better to the aspirations of staff for more fulfilling work and improved career paths and create workplace conditions and relations which are conducive to increasing the job satisfaction, motivation and commitment of staff (p.19).”

However a staff survey, undertaken by consultants Goldsmith Fitzgerald (1999), found that career progression is still a central factor influencing resignations from the civil service (see Chapter Three). In particular, the survey found that the top six employment related issues for civil servants are: earnings and career progression, task responsibility, reward and recognition, job security, progressive work arrangements and training/development. The top three of these are classified as major factors driving resignations, with the consultants noting that ‘there is a yawning gap between individuals’ aspirations [in respect of these issues] and what the civil service is perceived as delivering’ (p. 4).

It is within this context that the CPMR requested that terms of reference be drawn up in relation to a research project on *career progression*. While promotion arrangements represent an important aspect of this study, the committee was keen that the research would also consider other developments essential for effective career progression including, induction procedures, performance management, transfer/mobility and training/development. As will be seen in Chapter Eight, the concept of career progression is closely related to the terms ‘*career management*’ and

*'career development'*, frequently referred to in HRM literature. However, it should be noted that while career development and career management are largely similar concepts, their focus does appear to differ. *Career development* can essentially be regarded as a 'bottom-up' approach, focusing on the individual and the skills, training and experience they acquire, through their own effort and with the assistance of their employer in the course of their working life. In contrast, *career management* is organisation and management focused, emphasising what the employer does to try and develop its employees in line with business needs (Jackson, 1996, p 5).

Finally, it is anticipated that the outcome of this research will provide a useful input to the assessment of progress to date under the public service modernisation programme.

### **1.3 Research terms of reference**

Accordingly, the committee requested that this study on career progression would include:

- (a) a critical overview of current arrangements within the civil service
- (b) an evaluation of relevant international experience
- (c) an analysis of the challenges faced by departments/offices seeking to adopt more strategic, effective and equitable career progression arrangements
- (d) the identification of possible ways forward to inform discussion in relation to the key issues involved.

### **1.4 Research approach**

To deliver on these terms of reference, the study would draw upon the following research approaches:

- a review of relevant national and international literature, research and other evidence
- consultations with key personnel in the Irish civil service – including senior management, personnel managers and trade union officials
- an examination of change in selected departments
- a review of developments and changes in the civil service in other countries
- an examination of relevant career development and promotion procedures in the private sector.

In addition to in-depth discussions with key staff in central agencies (the Department of Finance, Department of the Taoiseach and the Office of the Civil Service and Local Appointments Commissioners) and representatives of national trade union organisations, a survey of personnel managers was undertaken in a cross-section of departments/offices<sup>1</sup> in order to identify diversity of practice in relation to career progression arrangements as well as issues and challenges for the future. These departments were selected in order to reflect a range of experiences from large/small, operational/policy and centralised/decentralised areas of the civil service. To provide a comparative perspective, the arrangements and experiences of a leading-edge private sector company were also considered. Finally, in considering ways forward for the Irish civil service, current practice and planned improvements to career progression arrangements are assessed within the wider context of international research evidence and experience.

## 1.5 Report structure

After this introductory chapter, the following structure has been adopted for the report:

- *Chapter Two* establishes in broad outline the size and diversity of the Irish civil service. It sets out the current economic and labour market context within which it seeks to recruit, develop and retain staff and reviews the current HRM change agenda for the public service.
- Within this organisational labour market and policy context, *Chapter Three* looks at recent research evidence which explores the extent to which the civil service can currently be seen as an employer of choice and establishes the importance of enhancing current career progression arrangements in order to improve and maintain its attractiveness as an employer.
- *Chapter Four* maps out current HRM policies as they impact upon career progression in the Irish civil service. These policies include induction and mentoring, performance management, promotion, transfer and mobility, as well as staff training and development.
- *Chapter Five* examines how the HRM policies set out in Chapter Four are operationalised in practice. The experiences of a cross section of departments and the attitudes of staff representatives are presented.
- Having established the policy and practice of career progression in the Irish civil service, *Chapter Six* reviews international experiences in this area. In addition to



drawing upon cross-national studies, experiences in a number of individual countries are also examined.

- *Chapter Seven* provides a comparative perspective on career progression arrangements from the private sector, outlining some key HRM developments in the private sector, as well as profiling the approach adopted by a financial sector organisation.
- *Chapter Eight* reviews relevant research and HRM literature to help identify an appropriate framework within which to take forward consideration of improvements in career progression arrangements in the Irish civil service.
- Finally, *Chapter Nine* discusses some of the key issues and challenges to be addressed to modernise career progression arrangements in the Irish civil service in line with national and international best practice.

A full Bibliography together with detailed Notes and Appendices is provided at the end of this Report.

## **The Civil Service in a Period of External and Internal Change**

### **2.1 Chapter outline**

This chapter outlines key features of the Irish civil service. It also sets out the changing economic and labour market context within which the civil service, as an employer, must recruit, develop and retain staff. It reviews the current HRM change agenda for the public service and sets out why an examination of career progression in the civil service is both timely and necessary.

### **2.2 The Irish civil service: an overview**

Within the context of the national labour market, the Irish civil service is an important employer. In January 2001, total civil service employment amounted to over 32,000 staff (CEN-SIS, 2001) or approximately 2 per cent of all those at work in the country. While this total represents considerably less than those employed in the civil service in the early 1980s, numbers have increased in recent years from a low of under 29,000 at the beginning of the 1990s. The civil service is a significant employer not just in volume terms but also geographically, with almost 50 per cent of all civil servants employed outside the capital (Boyle and Humphreys, 2001). The vast majority of civil servants enjoy security of tenure.

The size of civil service departments varies, with some smaller offices employing less than one hundred people, thereby offering comparatively limited opportunities for career progression within their organisations. In contrast, the four largest departments, Agriculture, Food and Rural Development; Justice, Equality and Law Reform; the Office of the Revenue Commissioners and Social Community and Family Affairs, each employ over 4,000 staff (see Appendix One). However, as will be seen in Chapter Three, despite this diversity in terms of size and also nature of work, the civil service operates in many respects as a single employer. This is particularly true for General Service (GS – non professional/technical) grades, which together account for over 50 per cent of total civil service employment (see Appendix One). The present study focuses primarily on career progression issues for the GS grades.<sup>2</sup>

Pay in the Irish public service is traditionally determined through collective bargaining at central level. Since 1988, agreements regarding pay have occurred in

the context of national 'social partnership' agreements. In addition to the standard pay increases, the current agreement, *Programme for Prosperity and Fairness (2000)*, links the payment of a proportion of the increment due to civil servants to the achievement of demonstrable progress in a number of areas relevant to this study, for example the 'roll-out and implementation of a range of human resource management initiatives including, among other things, recruitment, induction, promotion, tenure, values and ethics, work practices and the refocusing of the human resource management function' (p.26).

Pay rates for top management in the civil service are determined through a process of independent review. In its most recent report, the Review Body on Higher Remuneration in the Public Sector (2000) referred to the extent to which top-level salaries had fallen behind the private sector, adding that 'the days when the public sector automatically had its pick of the brightest and best are long since past and are unlikely to return' (p. 24). As a result it recommended that top civil service salaries be benchmarked at 85 per cent of the lower quartile pay rates for equivalent private sector jobs.

### **2.3 National economic context**

In recent years, the civil service has been operating within a very dynamic economic context. For much of the past decade economic growth has exceeded 7 per cent per annum. The most significant effect of this high level of growth has been the dramatic decline in unemployment, which fell below 4 per cent towards the end of 2000. While economic growth is forecast to remain moderate in 2001 (ESRI, Dec., 2001), concerns generated by the confirmation of global recession (OECD, 2001) and a number of high profile company closures have significantly increased the level of uncertainty in relation to Ireland's short-term economic prospects.

The dynamic nature of the economy in recent years has presented a variety of challenges. Until mid-2001, the primary focus was the management of growth. Rising consumer expenditure, in conjunction with a range of external factors pushed up inflation. The increase in consumer prices and employment shortages in key sectors of the economy fuelled wage demands and towards the end of 2000 brought the *Programme for Prosperity and Fairness (PPF)* under pressure. While renegotiation of the pay element of the PPF in December 2000 did ease the pressure on the national agreement, wage drift in certain areas of the private sector, together with the ongoing threat of industrial action in the public sector, led to continuing fears that wage inflation could seriously erode competitiveness.

The sharp deceleration of the Irish economy throughout the latter part of 2001 has significantly altered the economic situation. The fall-off in the economy's growth prospects means that the decade-long trend in declining unemployment has ended. According to the ESRI (2001), the reality of the Irish economy entering a new phase of lower growth must be matched by revised expectations about wage growth and the potency of budgetary policy. Inevitably, this more uncertain economic and labour market environment will impact on labour turnover, as opportunities and choices available to employees decrease. However, despite concerns in relation to loss of competitiveness, Ireland remains attractive as a location for foreign direct investment (*Irish Times*, 21-11-01) and it is forecast that unemployment will remain around 4 per cent in the coming year (ESRI, Dec., 2001). This factor, coupled with some suggestions that the global economy is likely to recover towards the end of next year or the start of 2003 (OECD, 2001), is likely to ensure that competition to recruit and retain quality staff will remain high.

#### **2.4 A HRM agenda for change in the civil service**

As indicated in Chapter One, the HRM agenda for modernisation of the civil service can be traced to the launch of the Strategic Management Initiative (SMI) in 1994. In operationalising the SMI, the Co-ordinating Group of Secretaries General identified six key areas: delivering a quality customer service; reducing red tape; delegating authority and accountability; a new approach to human resource management; ensuring value for money and supporting change with information technology. Specifically, DBG (1996) identified an ambitious agenda for human resource management reform in the civil service, recognising that major reform of existing HRM structures and approaches was required to deliver on the goals of the SMI. According to DBG (1996), 'the creation of a results-driven civil service with government priorities and focused on quality of service is not possible within existing personnel structures'.

The HRM reform agenda outlined in DBG included

- reducing the degree of central regulation and control of the HR function and devolving greater autonomy and responsibility to departments/offices
- transforming the existing personnel units to become more strategic and professional in their approach to HRM
- developing and rolling out effective performance management, measurement and appraisal systems

- reforming arrangements for the recruitment, promotion and development of staff, as well as diversifying the types of employment arrangements offered by the civil service, and
- tackling the persistent gender imbalances in employment within the service.

While important policy developments have taken place since 1996 (see Chapter Four), the relatively slow pace of change is a cause for serious concern. Having effective and modern HRM practices is essential in attracting and retaining the very best staff available, offering the prospect of a fulfilling and rewarding career, and promoting the civil and public service as the employer of choice. As Fleming (2000, p. 78) noted, ‘In order to move from personnel management to HRM, there is a need for wider recognition that HRM itself is a valuable lever for change. Furthermore, this recognition must be translated into visible action if the civil service is to keep pace in the rapidly changing external environment in which it operates’.

A number of recent surveys have emphasised that, in an environment of employee demand, the civil service can no longer take for granted its position as an employer of choice. These findings are reviewed in Chapter Three.

## **The Irish Civil Service: An Employer of Choice?**

### **3.1 Recent research evidence**

Given the changing character of the labour market, it is essential that the civil service positions itself more effectively as an employer of choice. Available evidence indicates that in this regard there is little room for complacency. In order to explore appropriate responses to a situation whereby the civil service had to compete both to recruit and retain staff, the Civil Service and Local Appointments Commission (CSLAC) in 1999 commissioned two important consultancy reports: a staff retention survey and a survey of awareness and perceptions of the civil service.

### **3.2 Staff retention survey**

The research on staff retention carried out by Goldsmith Fitzgerald (1999) examined trends in turnover across the service. It found that the increase in the turnover rate in 1999 to 3.75 per cent was due to a doubling of the resignation rate between 1996 and 1999. The survey further found considerable variation across grades, with clerical grades having the highest level of resignations. This was followed by staff engaged in specialist work, where increases in turnover can be linked to high demand in the labour market for information technology (IT), financial and legal skills. Of further concern was the increasing rate of resignations among new entrants to the civil service. Level of earnings and the incremental salary scale, barriers to promotion, limited opportunities for development and advancement and the mundane nature of some work were cited as reasons why young ambitious staff are unlikely to remain in the civil service, if better opportunities present themselves elsewhere.

However, Goldsmith Fitzgerald also found that the retention of staff at senior levels was not an issue. At assistant principal (AP) level and above, the staff turnover rate is minimal. It is suggested that this is because such positions are, in general, more varied and carry greater responsibility and are therefore more satisfying. In addition, individuals at AP level or above will of necessity have several years' service, have settled in to their careers, and therefore be less inclined to move. Analysis of the CEN-SIS (2001) data shows that the vast majority of staff at AP level have at least fifteen years service.

Goldsmith Fitzgerald concluded that in general, turnover rates across the service remain below those found in the private sector, but that the rate of increase in certain areas was a matter for concern. Furthermore, it was noted that the civil service faces a major challenge in recruiting and retaining high quality employees, particularly graduates, who join the civil service at the executive officer (EO) and administrative officer (AO) entry grades. Yet, ensuring good leadership at senior levels of the civil service in the future is dependent on recruiting able and committed staff in present times. The role of the civil service in formulating and directing policy makes this essential. Furthermore, there are hidden costs of high levels of staff turnover in the form of loss of skills, and high recruitment, selection and induction costs. There is consequently a strong business case for developing an effective retention policy.

It was against this background that the Goldsmith Fitzgerald (1999) study also examined the aspirations of staff which need to be prioritised in formulating a response to the new environment of employee choice. The consultants identified eleven factors relevant to civil service employees. In order of importance, these are:

1. earnings and career progression
2. task responsibility
3. reward and recognition
4. job security
5. progressive working arrangements
6. training and development
7. commuting time
8. management practices
9. systems and innovation
10. social dynamics, and
11. public service commitments.

The top three factors are described as ‘major factors driving resignations’ and according to the consultants ‘there is a yawning gap between individuals’ aspirations [in respect of these factors] and what the civil service is perceived as delivering’ (Goldsmith Fitzgerald, 1999, p.4).

While these eleven factors apply across the civil service, it is possible to distinguish some variation in responses according to grade. Clerical officers (CO) have the highest gaps between their aspirations and what their current role delivers. However, there is a good deal of satisfaction with job security and flexible working hours for this group and this acts as a factor supporting retention. Staff at more senior levels

(i.e. above AP) perceive least difference between their aspirations and the reality of their job. Consequently, it is in respect of EO and higher executive officers (HEO), the two middle management grades, that the perceived shortfall between aspirations and reality can be regarded as a factor driving resignations. Staff in these grades are generally younger, with a shorter period of service, and consequently dissatisfaction with career progression is more likely to result in them looking for alternative employment.

The identification by Goldsmith Fitzgerald of factors that lead staff to resign from the service assisted them in making recommendations in relation to an overall retention policy. Key points in this regard were:

- To differentiate and promote the civil service's unique selling points (according to their research these are: job security, progressive working arrangements, social dynamics and public service commitment).
- To identify appropriate structures for mapping career development from clerical level.
- To ensure that performance management has credible links to career development for all staff.
- To ensure that training is linked to individuals' work goals.
- To delegate staff responsibility in a manner that reflects individuals' experience.
- To take into consideration an individual's skills, interest and experience in making placements.
- To address commuting issues in making placements.
- To tailor aspects of an overall retention policy to address the needs of specialist staff.
- To find structures which facilitate personal recognition.
- To explore ways to address anomalies in relocation policies across departments.
- To design and implement a user-friendly HRM information system.

### **3.3 Survey of awareness and perceptions of the civil service**

The findings of the Goldsmith Fitzgerald research are also reflected in a parallel study carried out by MRC Ireland (1999) on awareness and perceptions of employment and career opportunities in the civil service. Focus groups with new recruits to the civil service found that they were, by and large, content with their choice of career. They cited the congenial working atmosphere, the fairness of the system and of the



organisation overall, conditions of work, opportunities to study and, in the longer term, the facility to take career breaks as important features of the job. However, the civil service was regarded as significantly inferior to foreign multinationals and major Irish companies in offering competitive salaries (pp. 30-31).

While salaries are not the sole criterion by which people evaluate employment options, they do, of necessity, play an important role and civil servants surveyed strongly criticised their level of pay. It is therefore vital that pay scales remain competitive when compared to those available elsewhere. As competition among employers increases, any widening of the gap between public and private sector salaries can only serve to reduce the attraction of the civil service. In this regard the outcome of the benchmarking process, established to compare salaries in the public to the private sector, will be critical. Complementary research, carried out by MRC among non-civil service employees and young people, yielded some further useful evidence in respect of general public attitudes and perceptions of the civil service compared to the private sector. While it is acknowledged that the civil service provides secure and flexible employment, it is regarded as inferior to the private sector in its capacity to:

- offer promotion based on ability and performance
- provide interesting and varied work and a happy working environment
- look after the welfare of its staff
- pay competitive salaries.

These findings are critical given the importance of the quality rather than the quantity of candidates considering the civil service as a career option. According to MRC, the research suggests ‘that more able candidates are increasingly lured away into the private sector either immediately on graduating or after a number of years in the service (p.29).’ In this respect, MRC Ireland (1999) recommend the need to raise awareness of the civil service, to improve its image and to position it alongside other employers as a provider of rewarding and fulfilling careers.

### **3.4 Career progression: a key issue**

In its efforts to position itself as an employer of choice it is clear, from evidence currently available, that improved arrangements for career progression are an important area to be addressed by the civil service. It is evident, from the research carried out by Goldsmith Fitzgerald and MRC Ireland, that career progression and

development are the most important work aspirations of civil servants. It is therefore important that the need among all employees to experience both personal and career development is recognised. This requires, within the context of the overall modernisation of HRM, that resources be assigned to the development and implementation of appropriate structures and initiatives around career progression.

## **Overview of HRM Policy and Career Progression Arrangements in the Civil Service**

### **4.1 Chapter outline**

Traditionally in the civil service, promotion has been the main form of reward and recognition available and this has normally been awarded on the basis of a combination of suitability, performance and seniority. There has been no real mechanism for dealing with underperformance and lack of motivation, or a structure to ensure that an individual, who may not be promoted in the short to medium term, can still benefit from career development. Yet, research has shown that opportunities for career progression are a major aspiration of civil service employees – consequently there is a need to explore these issues in further detail. The purpose of this chapter is to examine HR policy in the civil service, in particular in relation to career progression. Chapter Five, which mirrors the structure of this chapter, will examine the implementation of policy in practice.

### **4.2 General HRM arrangements in the civil service**

Within the civil service, pay as well as terms and conditions of employment are normally determined centrally, with the Department of Finance having sectoral responsibility for these issues. Similarly, in relation to other key HR areas such as recruitment, tenure and promotion, policy and practice are determined for the civil service as a whole. However, in recent years, and in part in response to the changing labour market, line departments have slowly begun to play a more active role in some of these areas.

#### *4.2.1 Recruitment*

The CSLAC undertakes most recruitment centrally on behalf of the civil service. However, forthcoming recruitment legislation (the *Public Service Management, Recruitment and Appointments Bill*) is likely to allow for the independent recruitment of staff under licence by individual departments, while also updating recruitment arrangements that primarily date from 1956. In addition, departments requiring new staff are seeking to be more directly involved in recruitment and selection procedures e.g. through representation on interview panels.

Provisions in relation to the appointment of senior civil servants represents the one area where there have been changes in recent years. Since 1984, the Top Level Appointments Committee (TLAC) has been responsible for the vast majority of appointments at assistant secretary (AS) level and above. TLAC was established to ensure objectivity in making and filling senior posts as well as to encourage interdepartmental competition and mobility. Secretary general (SG) appointments are made by government from a short-list provided by TLAC and are for a fixed term of seven years maximum.

#### *4.2.2 Devolvement of HRM responsibility*

In parallel with the trend whereby increased responsibility in respect of HR matters is being devolved to individual departments, it is also increasingly the case that line managers are being asked to play a greater role in personnel management. The SMI has for a number of years proposed, as part of the overall reform of HRM in the civil service, that line managers should have greater authority and responsibility in respect of their staff. This approach was confirmed in PPF.

#### *4.2.3 A strategic approach*

The PPF further identifies the development of integrated strategies addressing all aspects of human resource management as an important priority. This initiative provides an opportunity to pull together the breadth of personnel policies and practices relevant to the department and its staff, while also linking these policies with the department's strategy statement and business plans.

#### *4.2.4 Performance management and staff development*

*Delivering Better Government* identified performance management as the key to enhanced service delivery in the Irish public service. Following on from the development of strategy statements and business plans, the Performance Management and Development System (PMDS) represents the third pillar of the new approach to strategic management being adopted by government departments. The implementation of performance management represents a structured response to the challenge of managing an individual's performance, career and development needs. While the initial focus of PMDS will be the alignment of individual and team objectives with those of the organisation, ultimately policies on mobility, promotion, training and development and reward may also be based on a consistent approach to human resource management, supported by PMDS.

#### *4.2.5 Equality of opportunity*

The final area of HR policy where significant changes have occurred in recent years is with respect to equality. The 1998 Employment Equality Act precludes discrimination with respect to all aspects of recruitment, selection and employment on the basis of nine grounds: gender, marital status, family status, age, disability, race, religion, sexual orientation and membership of the Traveller community. It is now recommended that all HR policies are 'equality proofed' to ensure compliance with the legislation. In addition, strategic equality objectives should be incorporated into all HR policies.

### **4.3 Career progression in the civil service**

In its vision for the civil service, DBG (1996) recommended that more effective use be made of human resource management systems to ensure that 'each person who works in the civil service can develop to their maximum potential, in contributing to the attainment of stated goals' (p.8). The importance of having an effective system of career progression is therefore recognised as being critical to achieving the goal of a modern, dynamic and high performance civil service.

The following sub-sections outline general policy and procedure in relation to the seven key areas of career progression: induction, mentoring and coaching, performance management, reward and recognition, promotion, transfer/mobility and training and development.

#### *4.3.1 Induction*

Induction procedures refer to the manner in which staff members who are new to either the civil service or a particular department are introduced to the work and culture of that organisation. A carefully planned approach during the early stages of a new recruit's career can be essential if the individual is to develop a commitment to the organisation and remain with the civil service for a reasonable length of time. However, two key issues are recognised with respect to the operation of induction systems: firstly, ensuring the effectiveness of systems for assessing new staff and secondly, ensuring that the experience of new staff is a positive one and that it encourages them to stay within the organisation.

Critical to a more effective induction process is ongoing review and feedback, which obliges management to form a realistic assessment of the new recruit. This is desirable as it may highlight issues that could lead to individuals leaving their job.

For example, the particular role or area to which they have been assigned might be unsuited to them; also it ensures that where performance is not satisfactory, employees are given the opportunity to improve.

#### *4.3.2 Mentoring and coaching*

Mentoring, that is the regular giving of advice and general ‘keeping an eye out for’ a new member of staff by another more experienced employee, represents an important aspect of the induction process, though it is also possible at any stage in an individual’s career and in particular may be desirable on promotion. There is currently no standard approach to mentoring across the civil service, nor any obligation on departments to implement such an initiative. Individual personnel units are therefore at liberty to determine the type of mentoring scheme, if any, they wish to implement.

Coaching is the term generally used to describe on-the-job learning or instruction. The prevalence or emphasis placed on this across the civil service depends primarily on the culture of each department.

#### *4.3.3 Performance management*

Performance management is a broad term to describe the way an individual’s work performance, career and development needs are managed. Traditionally, there has not been a structured approach to performance management in the Irish civil service. As a result, objective setting and related performance measurement have not driven the work of staff to a sufficient extent. In 1997, Hay Management Consultants were commissioned by the civil service to carry out a survey of staff attitudes to performance management and also to make recommendations in relation to the design of an appropriate system.

The consultants found a high level of support for many of the features of performance management, including:

- 71 per cent in favour of regular performance review
- 92 per cent in favour of a competency based approach
- 82 per cent in favour of a performance appraisal system that focused on improvement and development.

On the basis of these findings, and reflecting international best practice, the consultants designed a performance management system that would incorporate the following key features:

- the establishment of a shared understanding of the objectives of the organisation
- a clear link between the objectives and goals of both the organisation and the unit and the job of each employee
- a recognition that performance management is based on the active and ongoing monitoring of performance
- a recognition that the process must establish a sound balance between the needs of the organisation and those of its employees
- a motivating reward climate
- an adequate system to remedy performance problems.

In May 2000, following on from the development of departmental strategy statements and business plans, the government launched the Performance Management and Development System (PMDS) – the third pillar in the new approach to strategic management being adopted by the civil service. Departments, on the basis of guidelines produced by the performance management sub-committee of the Civil Service General Council and individual implementation plans, are now in the process of implementing PMDS.

The initial focus of PMDS is directed at the introduction of a framework of role profiles and competencies. This will involve clarifying the contribution that each role makes to the achievement of organisational objectives, and identifying the knowledge, skills and behaviour needed to perform the role effectively. The successful operation of PMDS requires the active involvement of line managers. It is therefore highly appropriate that the reorientation of the HR function, which aims at giving line managers greater authority and responsibility in the management and development of their staff, should be happening at the same time as the implementation of performance management.

#### *4.3.4 Reward and recognition*

Remuneration in the civil service is based on grade and length of service and, with the exception of top-level management, is not linked to performance. Within this overall context, however, a number of specific provisions have been made in recent years, including:

- allowing new recruits with experience to enter the civil service above the bottom of their scale
- the introduction of additional long service increments for those at the maximum point of their grade
- special provisions for IT personnel coming up to the year 2000
- the introduction of exceptional merit awards, the term given to an initiative whereby departments can allocate 0.2 per cent of their administrative budget to pay in respect of exceptional performance.

However, notwithstanding these developments, the tradition of standard contracts and equal pay has been maintained. There is no central policy or standard in relation to non-monetary reward and recognition in the civil service. Procedures in this regard depend on the culture of each department and the approach of individual line managers.

#### *4.3.5 Promotion*

The primary purpose of promotion is to select the most suitable person for a post that is vacant. Across the civil service there are three methods through which an individual may achieve promotion. About two thirds of promotions are filled internally within departments with the remaining one third accounted for by interdepartmental panels. These latter competitions provide opportunities for staff to compete for promotion to posts across the civil service, thereby introducing a degree of mobility into the system. In addition, special arrangements apply to the most senior positions.

Procedures for assessing the suitability of candidates for internal promotion vary somewhat across departments. While in recent years there have been moves away from the consistory approach (based upon seniority and suitability), the extent to which this approach has been entirely replaced by competitive processes varies by department. In general, a combination of performance at interview, manager assessment and success in meeting the requirements of the candidate's current job are all taken into consideration to varying degrees. It is envisaged that the implementation of PMDS could have a significant impact on promotion within the civil service. The development of job profiles and competencies will be of assistance in assessing the suitability of candidates and in matching the skills and experience of individuals to the requirements of the job. In the case of Public Service Executive Union (PSEU) grades, assessments will also be directly used in determining suitability for promotion.<sup>3</sup>



An expanded role for line managers in the area of human resource management should also impact on the area of promotion, with unit managers being encouraged to play a more significant role in the selection of staff for their areas. Increasingly, there should be an onus on line managers to take greater responsibility in respect of staff promoted both to and from their section.

*Delivering Better Government* identified equality of opportunity as central to the development and implementation of effective human resource policies in the civil service. However, in respect of gender equality, research evidence has shown that women traditionally have entered the service at a lower level and progressed more slowly through the grading structure (see Humphreys, Drew and Murphy, 1999). In response to these findings, a new policy approach to gender equality in the civil service has now been agreed with the trade unions. It is clear from these findings that as part of integrated HR strategies, it will be important to ensure that women are both encouraged to put themselves forward for promotion competitions and where necessary that relevant training and re-skilling is provided. With regard to people with disabilities, the Equality Unit of the Department of Finance has commissioned research to explore further their career progression prospects and barriers to promotion.

The Top Level Appointments Committee (TLAC) is responsible for promotion to senior executive (assistant secretary and above) positions in the civil service. TLAC was established to improve the quality of top management across the civil service and to open up posts at the highest level. It is generally regarded as having been successful in achieving the former. However, since its inception in 1984, only a very small number of TLAC posts have been filled from outside the service.

#### *4.3.6 Transfer and mobility*

The issue of staff mobility is multi-faceted and encompasses movement within a department or office; across the civil service; within the wider public service; between the civil service and the private sector as well as between the civil service and other national administrations.

The extent of mobility within and between departments depends on the value placed on such initiatives by senior management in each organisation and the extent to which a pro-active approach is adopted. However, it is generally recognised that job changes, whether permanent or temporary, can prove highly beneficial from both a management and a staff perspective provided that mobility takes place within the

context of an overall system of career planning associated with performance management.

While an active mobility policy for staff at all grades does raise a number of difficulties, in particular in relation to specialist posts and structures, it should not be the case that because of the nature or area of their work that staff lose out on opportunities to gain a broader range of experience which would enhance their promotion prospects. Departments could plan for the replacement of such specialist staff as part of their overall career-planning strategy. In this respect, a more extensive use of overlap periods might be desirable.

#### *4.3.7 Training and development*

The SMI process has sought major changes in the management of human resources within the civil service. Properly targeted training and development are essential in helping to equip staff at all levels to carry out their work to best effect and to respond efficiently and effectively to new challenges. From a personal development perspective, training is central to career progression and as such is an important resource in motivating and retaining employees. As part of the process of modernising HR, and in parallel with the implementation of PMDS, departments have been asked to produce training strategies during 2001. In addition, they are required to progressively increase expenditure on training and development to achieve a target of 4 per cent of pay roll costs by the end of 2003.

In devising training strategies, emphasis should be placed on ensuring that the skill requirements of departments are met, while also reflecting the training needs of individuals, grades and units. While this implies the carrying out of a training needs-analysis to determine each organisation's specific requirements, it is likely that a substantial training input will be required in all departments to ensure the effective implementation of the following key initiatives:

- the reorientation of the personnel function, including devolution of day-to-day personnel functions to line managers
- the introduction of PMDS
- the implementation of the gender equality policy
- the introduction of new financial management systems
- furthering Quality Customer Service
- the introduction of Regulatory Reform
- Information Technology changes.

#### **4.4 Implementing policy**

Given the variety in size and nature of work of civil service departments, it is important to review the practical application of HR policy at individual department level. While there is consistency across the civil service in relation to general HR terms and conditions, how these arrangements are implemented in practice varies. These issues will be explored in Chapter Five.

## Overview of HRM Practice in the Civil Service

### 5.1 Chapter outline

This chapter explores how the human resource policies outlined in Chapter Four operate in practice across the civil service. While pay and service-wide conditions are in general centrally determined, there is considerable diversity across departments with respect to the application of other aspects of HRM policy. This degree of diversity in practice is partly due to the wide variation in department size and considerable differences in the nature of work undertaken. However, it is also the case that departments differ in terms of the progress made to date in relation to the SMI modernisation programme and the extent to which a culture of change has become embedded within the department.

The structure of this chapter mirrors that of Chapter Four, which provided an overview of HRM policy. The first section outlines the current situation with respect to the implementation of HR policy in general, while the second section considers the aspects of HR policy particular to career progression. The final section provides a summary of key points arising from the discussion of current practice. This chapter draws upon information obtained from interviews in key central departments (Civil Service and Local Appointments Commission, Finance and Taoiseach), as well as a series of in-depth discussions in relation to HR practice in a cross-section of departments. These departments were selected to reflect a range of different organisational sizes; departments that are primarily Dublin based versus those that are more widely decentralised; and finally those engaged mainly in policy making as well as those concerned with direct service delivery. The departments were:

- Arts, Heritage, Gaeltacht and the Islands
- Education and Science
- Enterprise, Trade and Employment
- Health and Children
- Public Enterprise
- The Office of the Revenue Commissioners
- Social, Community and Family Affairs.

In addition, consultations were held with representatives from the principal trade unions representing general service grades: the Association of Higher Civil and Public

Servants (AHCPS), the Public Service Executive Union (PSEU) and the Civil and Public Services Union (CPSU). Finally, it was also possible to draw upon the attitudes of some civil servants to different career progression arrangements as expressed in recent survey-based research (Humphreys, Drew and Murphy, 1999 and Thomas 2001).

## **5.2 Developments in human resource management policy in the civil service**

As Chapter Two indicated, the civil service has expanded in recent years due to a range of political and economic developments. This expansion in the overall size of the service, combined with a competitive labour market, means that all departments currently carry vacancies. Vacancy rates are particularly significant at CO, EO and HEO levels and, according to some personnel officers, given the current rate of replacement there is little prospect of filling all positions in the near future.

However, while all departments surveyed reported vacancies, there was evidence of some variation between them in the extent to which high rates of staff turnover are regarded as the primary cause. In some departments, staff retention is not a concern, with job security, favourable employment conditions and varied and interesting work given as reasons why staff are happy to remain in the civil service. However, other departments surveyed referred to difficulties with respect to the retention of clerical, executive and higher executive officers, particularly those with specialist skills. Higher salaries and a perception of better and more rapid career prospects in the private sector were cited as the reasons why such individuals tended to leave.

While attitudes varied as to the extent to which retention is perceived as a difficulty, there was universal agreement among personnel officers interviewed that the civil service faces a major challenge in attracting quality new recruits. As the following comments indicate, it is widely felt that the calibre of new staff entering the service, in particular at CO and EO level, has declined.

*The problem is not so much retention as attraction – attracting quality people. The calibre is not the same as ten years ago.*

*There's very poor recruitment at EO level; the majority of our EOs are internal promotions and in some cases they were promoted too soon.*

These comments point to a further key issue, widely acknowledged by personnel officers interviewed, that the civil service must improve its image among potential

recruits, particularly graduates, and, as part of an overall initiative in this area, that career progression arrangements at all levels must be improved.

Personnel officers in the departments reviewed recognise that an important priority in this process will be the development of departmental HR strategies which will result in a more integrated and strategic approach. The devising of HR strategies will also help to link personnel practices and policies with objectives contained in departmental strategy statements and business plans. However, with most departments concentrating resources on the rolling out of performance management, the devising of HR strategies has been somewhat delayed.

Together with the development of HR strategies and the implementation of performance management, the PPF emphasises the need for line managers to become more involved in personnel issues. However, to varying degrees the departments surveyed are concerned about the further responsibility and workload being placed on managers. While it is recognised that the introduction of PMDS reflects a general trend towards giving managers greater responsibility, and indeed is likely to act as a catalyst in this regard, it was felt that the re-orientation of the personnel function in departments would, of necessity, be a gradual process:

*There will need to be lots of consultation; we will need to sell it to managers slowly. Managers want resourcing, training and support – these are genuine concerns.*

In some cases, departments have initiated this process by devolving responsibility with respect to flexi-time and annual leave, and in one instance, some elements of training. Departments with decentralised offices, where perhaps there is no personnel officer locally, have also traditionally involved line managers in a number of personnel matters. However, other departments surveyed are only at the initial consultation stage. Two of the departments reviewed particularly highlighted the importance of implementing a comprehensive and user-friendly computerised personnel system, prior to devolving personnel matters to line managers. The PAS system traditionally used in departments is now being replaced. A new human resource management system (HRMS), which has been piloted in Revenue and Social, Community and Family Affairs, is to be implemented on a service-wide basis.

Personnel officers further commented on the significance of the cultural change required in order to encourage managers to engage with their staff.

*Managers need to learn that a problem with one of their staff is their problem.*

The importance of consultation was also emphasised by the public sector trade unions, which are concerned at the extent to which the direct involvement of line managers in industrial relations matters may be envisaged. It was claimed that staff have a reasonable degree of confidence in personnel units to deal with sensitive issues, but would be more suspicious of direct involvement by line managers, who would be perceived to lack sufficient expertise and therefore be less likely to reach fair and consistent decisions.

In relation to equality issues, while there would appear to be a good level of awareness around the impact of recent legislation on personnel practice, the extent to which departments have followed through with pro-active responses remains limited. According to one personnel officer the approach to equality issues is one of 'benign neutrality' – that is tacit support for the principle of equality but nothing concrete done to ensure its promotion. The implementation of the gender equality policy, which obliges departments to develop strategic objectives in this area, and a review, commissioned by the Equality Unit of the Department of Finance, on the career progression of people with disabilities in the civil service, may improve the situation in respect of these two areas.

### **5.3 Career progression in practice in the civil service**

In the departments reviewed, opportunities with respect to career progression and development were widely regarded as critical in the attraction and retention of quality staff. However, the opinions of those consulted varied significantly in relation to how well they felt both the civil service and specifically their department were meeting this challenge. The following sub-sections set out developments with respect to the various aspects of career progression discussed in Chapter Four.

#### *5.3.1 Induction*

The induction procedure represents an important element in the career progression of new recruits, as frequently the initial impressions of the culture and workings of an organisation will determine whether or not an individual decides to remain in the medium to long-term. Of the departments surveyed, most have gradually become more formalised in their approach to induction procedures for new staff. In general, policies appear to be quite similar. Often, the first day is spent with the personnel unit and includes the signing of all necessary documentation, which it was suggested

represents an unnecessarily bureaucratic first experience of the service. While personnel officers would like to have regard to the background and experience of new recruits in placing staff, the current high vacancy rate generally implies that a pragmatic approach is taken with staff being placed in the area where the demands are most pressing.

On placement, new recruits are typically assigned to an experienced member of staff, usually a HEO, who is expected to act as a 'minder' during their initial weeks. The effectiveness or otherwise of this experience for the new member of staff is largely dependent on the goodwill and initiative of those to whom they are assigned. Some departments require that the 'minder' use an induction checklist where they cross off items, as the new recruit is shown/learns various facts or processes. Monitoring and evaluation of the effectiveness of these arrangements in departments is limited.

In principle, approximately six weeks after commencing employment, new employees will, in general, participate in a formal induction programme organised by their department. This is usually of one to two days duration and encompasses sessions on the work of the department and recent initiatives, such as freedom of information and performance management. One department surveyed uses the formal induction sessions as an opportunity to check back in a general way with new employees as to the helpfulness of their 'minders'. If any issues are raised in this regard, the information is used in designing the management component of future training programmes, e.g. at HEO level.

Attitudes varied among personnel officers surveyed as to whether they regarded the current induction arrangements as satisfactory. In most departments it was claimed that new recruits appeared happy with the approach and therefore it was considered sufficient. However, it was also suggested that the formal induction training should be extended to three days and that perhaps there should be some form of standard civil service wide induction to introduce new staff to the service as a whole, what it does and the work of other departments. It should not arise, as is currently the case, that someone could be several months in a department yet remain unaware, for example, of sections based at other locations or the nature of the work carried out by other departments.

The ongoing integration of new members of staff in both their department and unit is generally perceived as important and is supported in principle at least. However, it was acknowledged that in practice such activities are patchy, as the following comments indicate:



*Induction falls down when the individual is assigned to their area.*

*We need to help managers to recognise how important the candidate's experiences in the first few weeks are when they're learning the culture of an organisation and unit. At the moment it's too much of a lottery.*

There also appears to be a degree of uncertainty in departments as to where induction finishes and ongoing development begins. However, it was suggested that the formal induction process should perhaps be extended to six months or one year and follow a structured approach, whereby all new staff would benefit from certain prescribed courses and training, combining departmental and service-wide elements.

### *5.3.2 Mentoring and coaching*

In general, informants drew a distinction between mentoring, which they regarded as part of the induction process, and coaching which they believed should happen on the job. The role of the mentor is seen as different to that of the 'minder' to whom a new member of staff is assigned on their first day. The role of the mentor is to explain the culture of the organisation – 'how things are done around here'. A small number of the departments surveyed have formal mentoring schemes for new recruits. However, it was commented in one department that in the past their scheme was compulsory but that new recruits found it to be unnatural, and at times unnecessary. As a result, the mentoring policy was restructured and it is now voluntary, with a variety of arrangements allowed – essentially the mentor and the individual decide themselves how they want to operate it.

The importance of maintaining the civil service tradition of good, informal, on-the-job coaching was recognised by all personnel officers. However, it was also suggested that due to increased workloads that this practice was in decline. One department which, due to pressure of work, admitted to being weak in this area commented in relation to new clerical staff:

*People are no longer taught the basics on entering, filing, record management etc.*

Another department again referred to experienced staff not having time for on-the-job assistance:

*Coaching isn't really happening, people are too busy; training is seen as the function of the training unit, yet often all someone needs is someone to sit down with them and go through something for an hour.*

While a small number of departments surveyed were conscious of shortcomings with respect to mentoring procedures, most professed to be reasonably satisfied with current arrangements.

### 5.3.3 Performance management

Attitudes to the Performance Management and Development System (PMDS) are generally favourable, with both personnel officers and union officials claiming that staff are in general supportive of its introduction. All departments surveyed had commenced training, with a majority having completed phase one. In the main, a just-in-time approach has been adopted in relation to training. It is felt that PMDS when fully operational will impact positively on a wide range of personnel issues, with the effectiveness of training in particular likely to improve. The development of role profiles is also regarded as a positive development with comments including:

*For once staff can talk about their jobs; they know what their objectives are.*

*The response to PMDS does seem to be generally positive; it ensures effective conversation between management and staff. People are fully understanding what they're doing for the first time.*

*People will know on an ongoing basis what their strengths and weaknesses are, this will help to redress current sensitivities in relation to assessment forms ('why are you only telling me now...').*

Difficulties in relation to the ongoing implementation of performance management ranged from the general challenge of maintaining momentum and goodwill to more specific concerns expressed in some departments in relation to the training and resourcing of managers.

*The challenge will be in maintaining momentum; goodwill may get us through the first year or two, but after that it has to be seen to be having an impact.*

*It will be important to keep enthusiasm high for wanting to do it – not personnel telling people the reviews are overdue but having a situation whereby managers will take responsibility.*

Concerns were also expressed in relation to the time reviewing will take, in particular in larger, decentralised regional offices where managers may have between twenty and thirty staff reporting to them. Practical concerns, such as the difficulty of finding a private meeting room in open-plan offices and fears that the operation of PMDS may mitigate against frank and open discussions in relation to work, were also expressed. In order to deal with some of these issues, one department has established local PMDS quality assurance schemes in all branches. According to the personnel officer, while this approach may seem overly bureaucratic, the response from staff has been positive as they regard it as a safeguard.

Among the departments reviewed, it was widely agreed that PMDS should have a very positive impact on training and development. It is expected that PMDS, once up and running, will strongly influence training needs assessments though, in some cases, there is concern that training units will be unable to cope with the volume of training needs being identified as a result of all staff outlining their development needs.

Thus while remaining enthusiastic, both personnel officers and union officials strike several notes of caution in relation to PMDS. These are effectively summarised in the following quote:

*It [PMDS] must be seen to work, to be implemented consistently, to have an impact on training and to result in development opportunities for all involved.*

Finally, there are on-going discussions regarding upward feedback, regarded as an integral part of the performance management process.

#### *5.3.4 Reward and recognition*

In discussions with departments in relation to alternative or innovative approaches to reward and recognition, it emerged that there have been few initiatives in this area. Departments have adopted varying approaches to the distribution of merit money with some using it for social activities which all staff benefit from and which they claim are popular with staff. Others have stuck to the originally envisaged purpose of using it to reward individuals and groups for exceptional performance. Where exceptional merit awards money has been used in this way, allocating it to teams appears to be more favourably regarded by staff. One department recently reviewed the system and produced guidelines for managers in relation to nominating staff. It is hoped that this initiative will also serve to raise awareness of this means of recognising outstanding performance or contribution.

It was generally believed that varying work assignments, increasing responsibility, opportunities to go on certain training courses and other similar ideas were not appropriate as rewards within the civil service. It was suggested that these opportunities represent development experiences and therefore should be available by right to all staff, as opposed only to a small number as a reward. Finally, it was commented in a number of departments that the civil service is generally poor at celebrating achievement and that often the form of reward that is most appreciated is an acknowledgment that the job they did mattered and a 'thank you'.

### *5.3.5 Promotion*

The review of procedures in the seven case study departments highlighted the fact that promotion systems operating across the civil service remain complex and varied. A certain proportion of promotion places (typically one in three), in all departments, are reserved for individuals who have been successful in interdepartmental competitions. This helps to promote mobility and transfer of skills across the service. The remainder of positions are filled internally through a variety of approaches.

Generally, departments are conscious of the benefits of interdepartmental panels. The most significant problem currently appears to be difficulty in obtaining individuals from panels, as the high level of movement in the system ensures that panels are quickly used up. However, one trade union did suggest in relation to the larger departments, where proportionately promotion opportunities are more limited, that the requirement that one third of all promotions must come from outside the department should be reduced.

A further concern raised by staff representatives was that the extent to which an individual advances within the civil service may depend on the department in which they are placed on their first day of employment. It was claimed that the level of promotion opportunities within departments and offices varies considerably and also that the staff in certain departments are more likely to prove successful in interdepartmental competitions. Those in small offices or decentralised branches in particular may have limited internal promotion opportunities and it may therefore be of greater importance for them to do well in inter-departmental competitions.

Within departments, the most significant trend in recent years has been moves towards competitive procedures, in particular interviewing. While some smaller departments have moved entirely to this format, in most departments promotion based solely on competition applies only in respect of senior grades, while for all other

grades a proportion of promotions are still made according to the traditional civil service approach of senior suitable, that is, staff who senior management determine to have performed well for a number of years in their current position.<sup>4</sup> A recent survey of its members undertaken by AHCPs showed that 72 per cent of respondents had been promoted to their current grade internally, with 42 per cent of all respondents having progressed through the consistory (senior/suitable) process (Thomas, 2001).

While most departments ultimately envisage moving towards a situation whereby all promotion is by competition, there is a recognition that the changeover needs to be gradual and that a pragmatic approach is required in order to gain acceptance from staff. It was also claimed that there was merit, from a motivational perspective, in retaining a small number of promotion opportunities for senior suitable staff, who for a variety of reasons, are unlikely to prove successful in a competitive interview. Furthermore, all trade unions surveyed support maintaining the status quo with respect to the proportion of positions available on a senior suitable basis. The AHCPs survey referred to above also indicated a majority in favour of current promotion arrangements. A total of 42 per cent reported being either 'very satisfied' or 'satisfied' with these arrangements, compared to 23 per cent that were either 'unsatisfied' or 'very unsatisfied' and 35 per cent who expressed no opinion (Thomas, 2001). Equivalent data would clearly be valuable for other grade groups.

Among the departments surveyed in this study, there is a degree of variation in approach to internal interviews for promotion. Most departments surveyed use competencies, adapted from those used by the CSLAC. However, in some cases concern was expressed at the ability of staff to prepare for such interviews. In practice the procedure most commonly used is one of semi-structured interviewing, combining general questioning of the candidate together with a review of their ability to meet the requirements of the job. In most cases, managers' assessment sheets are also examined and there have been a number of initiatives to improve the reliability of these forms. A further area where progress has been made is in relation to the training of interviewers and in most instances this now takes place.

If the current trend towards interview-based promotion competitions is to continue, the biggest challenge, aside from industrial relations issues, is likely to be logistical problems that could arise in coping with large volumes of candidates applying. This problem is likely to be most critical in bigger departments, where running several competitions simultaneously, each involving several hundred staff at various locations throughout the country, has major resource implications that will need to be examined. The option of pre-screening has been considered, but departments

surveyed have to date been reluctant to adopt this approach because of concerns not to alienate staff during a time of considerable change.

### 5.3.6 *Transfer and mobility policy*

All departments regard mobility and secondment as being good in principle and as critical from a developmental perspective. A few of the departments reviewed have formal mobility policies, setting out the advantages of such initiatives, how the policy might be implemented and how frequently staff members might change jobs. However, while departments do in general allow staff to change if they have been a number of years in their current position, none of the case-study departments had formally implemented their mobility policy. Furthermore, despite potential to develop links, secondment to other departments, the broader public or the private sector remain extremely rare.

According to a number of personnel officers there is no significant demand among staff for a formal system to be introduced:

*In the past we had a policy whereby all staff could move every three years, but this caused havoc, also there wasn't particularly the demand for it.*

It was also widely commented that the current reality in the civil service is that the levels of staff changes generated by expansion and staff turnover have significantly reduced the degree of voluntary mobility which can be regarded as practical.

*We want stability not more mobility. There is general support for mobility but a practical approach will always be taken.*

*Mobility is a luxury.*

It was suggested by personnel officers that staff changes do impact significantly on work. It may take several months for a newly transferred individual to get up to speed on the work of a unit. Moreover, in cases where the majority of staff have been there for only a short period, the effect on productivity will be exacerbated.

While personnel officers to varying degrees, as indicated by the first comment below, are conscious that perhaps the developmental benefits to individuals should take precedence, in reality departments have adopted a pragmatic approach.

*There's no reason why we shouldn't have an active mobility policy, perhaps its about comfort zones. In particular people should be moved on promotion.*

*What exists these days is a sort of natural mobility – if someone wants a move they'll get it, maybe not immediately – this seems to work, no automatic policies but no life sentences.*

Conversations with personnel officers in departments therefore suggest that there is likely to be a degree of ongoing debate as to whether mobility policies should be mandatory or optional. Attitudes in this regard are likely to be influenced by another debate in relation to whether we should have a civil service of generalists or specialists.

### *5.3.7 Training and development*

Most departments during 2001 are engaged in producing training strategies, which will outline how links between training and PMDS are to be forged. As part of the HRM modernisation process, the target expenditure for departments on training and development was raised to 4 per cent of payroll, to be reached by 2003. The need to spend more on training and development was a point strongly reiterated by trade union officials. In particular, in relation to clerical grades it was claimed that expenditure was inadequate.

Among the departments reviewed, formal training-needs analysis tend not to be carried out. It was claimed in one department that this was primarily because of lack of resources – it was considered inappropriate to identify training needs that the department knew, due to lack of resources, could not be met. This department instead has used an approach whereby the general training needs of groups of staff (e.g. HEOs) are examined and training programmes designed, in consultation with staff representatives, around these. However, another department, which in the past did canvass the views of staff and arrange focus groups as a means of determining training needs, abandoned this approach as it was felt that identifying the needs of individuals as opposed to groups was the way forward and that the operation of PMDS would serve this purpose.

In general PMDS is expected to have a positive impact on the identification of training needs and the development of staff. It is regarded as significant that for the first time staff will have personal development plans. However, in the departments surveyed, there is a degree of concern in relation to the volume of training needs likely to emerge from PMDS and, critically, whether departments will be able to meet

these. In this respect a number of considerations have emerged. Firstly, the importance of communicating to staff that development needs emanating from the performance management process must be prioritised – that is, that training units should only become aware of a small number of training requirements for individual staff during any one year and secondly, the importance of non-classroom training. Staff are being encouraged to explore opportunities with respect to on-the-job training and self-managed learning. A further approach being considered in order to improve the co-ordination of training needs is to nominate training co-ordinators in all divisions of a department. These individuals would be responsible for collating training needs, identified by managers carrying out PMDS assessments, prior to forwarding them to the training unit.

Finally, in relation to monitoring the impact of training, filling out evaluation sheets immediately on completion of a course is generally regarded as inappropriate. While one department did mention having developed workplace impact assessment which takes place a few weeks after training, there was general agreement that the impact of training could only be assessed when trainees have an opportunity to implement what was learnt back in their work area and that managers are best placed to review this through PMDS.

It was widely commented that external training frequently does not meet with the specialist needs of the civil service. For this reason, even departments without large training units have moved towards the delivery of their own training packages. This was particularly the case with PMDS, where several departments trained up staff from a variety of areas to deliver the required package. The importance of having trainers who understood the nature of the work in certain areas was particularly critical in getting staff to understand and accept performance management.

#### **5.4 Key findings identified**

The above review of HR policy and associated career progression arrangements in the Irish civil service reveals a varied picture. Interviews with key informants in centre and line departments, as well as with staff representatives, show that departments are at different stages with respect to HR modernisation and also hold a variety of views in relation to both the need for and the nature of change.

To varying degrees departments have experienced difficulties with respect to the retention of staff. However, there is universal agreement among all informants that the



civil service has an image problem among young people, and that attracting and retaining quality new recruits at EO and AO level represents a major challenge.

There are a variety of approaches in relation to induction, mentoring/coaching, reward/recognition, promotion, mobility and training/development. Perhaps the most positive finding, among the departments surveyed, was that attitudes to PMDS remain generally favourable and it is generally believed that the implementation of performance management will have a positive impact on all aspects of personnel policy.

While it was widely acknowledged among the departments surveyed that opportunities for career progression are critical in attracting and retaining quality staff, there was a lack of consensus as to what this means in practice. Furthermore, there is little evidence that departments, and in particular HR units, regard themselves as having any significant obligation with respect to the career development of employees. Typically HR Units are under pressure, with large volumes of administrative tasks, and do not have the resources to consider career progression arrangements or to encourage line managers to give this area priority.

## **The International Public Sector Experience of Career Progression**

### **6.1 Chapter outline**

This chapter sets out some of the challenges being faced by public services internationally with respect to the recruitment and retention of quality personnel. Following this introductory section, the first part of the chapter will comment on general trends across the OECD. The second section will examine in greater detail current arrangements with respect to career progression in the public sector of four countries whose experiences closely mirror that of Ireland: Canada, Denmark, Sweden and the United Kingdom. Conclusions in these sections are based on interviews with senior representatives of the department or agency with responsibility for the central personnel function. Each of these countries has, in recent years, become aware of the need to improve the competitive position and image of the public sector in order to attract and retain qualified personnel and be perceived as an employer of choice.

### **6.2 OECD trends**

Most OECD countries are currently seeking to develop strategies and policies in relation to the enhancement of the professional quality of their public services. Initiatives to improve the competitiveness of the public service as an employer are widespread and are regarded as critical in attracting highly qualified staff to public organisations. Competition in the labour market, in particular for highly skilled personnel, a diminished image of the public sector and difficulties in providing staff with the competencies and skills needed to operate in a changing working environment, are all cited as reasons why governments across the OECD are concerned about recruitment and retention.

In recognition of these trends, the OECD, in early 2001, established an Expert Working Group to examine issues in relation to the competitiveness of public employment. Debate is centred around three themes:

- how to recruit and retain qualified personnel
- how to increase professionalism in the public service
- how to improve the competitiveness of the public service.

Across the OECD, concerns with respect to the ageing of the civil service, the quality of public leadership and management and difficulties in attracting young graduates and highly skilled employees are universal. A number of countries (e.g. Norway, Germany, Austria, Sweden, Canada, Denmark) are also particularly concerned in relation to the competitive position of the public sector vis-à-vis the private sector. Lower wages, the quality of management and limited opportunities for training and skill development are suggested as reasons why the public sector is finding it harder to attract staff in competitive labour markets.

In addition to salaries on a par with those available in the private sector and increases in performance pay, especially among staff with highly sought after skills, several countries have recognised the important role to be played by career development strategies in attracting qualified staff to the public service. Initiatives with respect to induction training, ongoing on-the-job learning, varied work experience, skill sharing, performance management, competency and leadership development, as well as special programmes to improve the proportion of female managers, have all been introduced in an effort to improve the competitiveness and attractiveness of the public sector as an employer (OECDa, 2001). The following section will examine in greater detail the experience of four of these countries: Canada, Denmark, Sweden and the UK.

### **6.3 Country case studies**

#### *6.3.1 Canada*

Canada's political structure is based on a federal system composed of a central level of government and ten provinces, each with their own government and public service. The federal civil service employs about 180,000 people and is highly unionised. Pay is determined through collective bargaining for all except senior management (i.e. about 90 per cent of staff). A central element associated with Canadian civil service careers is the merit principle. This has two important implications. Firstly, appointments to, and within, the public service are based on merit, in the sense that the person appointed is the one who is best qualified. Secondly, there will only be external recruitment when no one can be found to fill a position internally. In effect this happens rarely.

In the mid 1980s, significant reform of the public service was initiated. This involved personnel reductions, a privatisation programme and other measures to improve efficiency. Following on from almost two decades of downsizing, it is only recently

that an appreciation has emerged of the need for the public service to improve its image if it is to continue to attract quality staff in an increasingly competitive labour market.

The Canadian public service recognised during the 1990s that it was faced with the challenge of a rapidly ageing workforce. The problem was particularly acute in respect of executive staff, with 70 per cent set to retire by 2002. An external advisory committee (the Strong Committee) was established to examine these questions. Its recommendations, principally in relation to salary revisions and performance related pay at executive level, were directed at attracting and retaining top quality staff. The vast majority of the recommendations of the Strong Committee were accepted by the Canadian government (Government of Canada, 2000c).

Performance management in the Canadian public service is most relevant at executive level, where staff are paid, in part, on the basis of their performance. For other grades, while managers should in principle monitor and review performance, in practice there is considerable inertia. Some departments have sought to place renewed emphasis on performance management for all staff by making it a senior management objective; however, there is considerable variation in practice across departments. Similarly, while mobility and varied experience are regarded as important in principle, in reality opportunities are limited outside of Ottawa.

In several respects the Canadian civil service is still emerging from a culture associated with almost two decades of downsizing. Traditionally, there has been an understanding that individuals would manage their own careers. It was suggested that a career management system instigated by employers would, in the past, have been regarded by civil service trade unions as contrary to the merit principle<sup>5</sup>. Consequently, the Canadian civil service lacks consistent and integrated policies in relation to career progression. Where there have been specific initiatives, for example specialised training programmes, they have tended to be aimed at high flyers.

However, in late 1999, the publication of the results of a widespread public service employee survey highlighted the need for renewed emphasis on human resource management priorities. In response, the head of the public sector (the Clerk of the Privy Council)<sup>6</sup> established three Committees of Senior Officials (COSO) to examine recruitment, retention and learning issues across the public service. The committee dealing with retention addressed issues of 'work-place well-being' and highlighted four key areas for immediate attention: workload, fairness in selection procedures, harassment and discrimination and career development and learning. In relation to

the latter, two key recommendations emerged. Firstly it was suggested that departments should implement an approach to career planning as soon as possible and, more specifically, that they would ‘work together with their employees to develop individualised career development plans, reflecting the commitment of the organisation to the individual and the commitment of the individual to developing his or her career potential’ (Government of Canada, 2000b). It is understood that progress has been made in this area.

### *6.3.2 Denmark*

Denmark has a decentralised public service. Traditionally, most social services are organised and delivered by the municipalities/counties and financed through local taxes. Similarly, government departments have a large degree of autonomy as regards management issues. The Ministry for Finance is responsible for personnel policy and the coordination of management development. This section of the department is divided into negotiation and development branches. The former is responsible for negotiations with unions in relation to salaries and employment conditions, while the latter is responsible for management and organisation development and promoting best practice. However, individual departments have considerable autonomy with respect to management and HR issues.

While collective bargaining is a feature of the Danish public sector, the objective is to set basic pay rates. In 1997, a new pay system was introduced for the civil service. This provides for greater flexibility locally, with departments able to pay in excess of the amounts agreed collectively on the basis of qualifications, function or performance. The manner in which these supplements are negotiated varies from workplace to workplace.

Recruitment and retention is not currently a major problem. However, the Department of Management and Personnel are conscious that it is increasingly becoming so, particularly in relation to highly skilled staff in IT and finance. There is also evidence of difficulties in attracting young people. A recently completed major attitudinal survey highlighted the fact that young people have a poor perception of career opportunities in the public service.

Career progression is regarded as a partnership or dialogue between the employer and employee. Since the early 1990s, annual performance management reviews are supposed to have career development as a central focus. A review, in 1997, showed that in practice this was happening in just under half of all cases. In response, it was

decided that targets concerning the development of an employee's competencies should be set in all performance reviews and subsequently evaluated.

It is increasingly recognised that often the reason why staff are poorly motivated is because management is ineffective. Therefore, in some instances the performance pay of managers is based on how well they are meeting the objective of developing their staff. Renewed emphasis has also been placed on providing managers with skills and training to assist them with their leadership and performance management functions. Mobility is strongly encouraged across the civil service and above executive level it is compulsory to have at least three changes in every ten-year period.

There is increasing awareness in the Danish civil service of the importance of meeting employee expectations. The Employer Authority of the Department of Finance is currently carrying out research in this regard. The aim is to improve communication in relation to development opportunities, perhaps through suggesting certain work or career paths as a way of encouraging people. A further element of this process is the need to organise work and people better and if necessary restructure. It is accepted that young people entering the civil service today may only remain a number of years. However, it is still possible for both individuals and their departments to benefit from this experience. This implies helping them to work more effectively and efficiently, while also letting them use their skills, in particular those more common to young graduates such as team working. Comprehensive policies in relation to mentoring and coaching are critical in this regard.

The biggest challenge in achieving a more proactive approach to career progression according to the State Employer's Authority is the need to improve both communication and leadership. Operationalising objectives in relation to career progression on a daily basis will create success. However, in order to achieve this there is a need for cultural change. The establishment, during 2000, of a new Centre for the Development of Human Resources and Quality Management to coordinate existing activities and provide advice to government institutions will help in this regard.

### *6.3.3 Sweden*

The Swedish public service is extensively decentralised with considerable responsibility at regional and local level. In relation to the civil service, there is a dual

administrative structure consisting of small policy making ministries and numerous independent executive agencies.

The Ministry for Finance incorporates the central personnel function. The National Agency for Government Employers (NAGE), under the Ministry for Finance, is responsible for collective bargaining and the implementation of new personnel policies. The NAGE was restructured as an agency in 1994 and is directed and financed by other government agencies. This ensures that the government and parliament are no longer directly involved in determining the content of collective agreements and other general terms of employment. Collective bargaining with respect to pay sets minimum salary increases. About 90 per cent of employees have personal contracts with pay based on performance and competence. However, while in principle agencies are independent with a high degree of autonomy, in reality there is considerable cooperation between them and it is unlikely that salaries in any one area would considerably exceed those in another.

Since the early 1990s, agencies have been almost completely autonomous in employer policy related matters. This development was evaluated in 1996 and it was found to have improved the efficiency of personnel management. However, it was recognised that some form of centralised monitoring system was required. Each agency is therefore required to annually submit a report to the government on its personnel practices. In effect, Sweden now has a system of decentralised personnel management with centralised monitoring.

Towards the end of the twentieth century, as the Swedish public sector emerged from a period of downsizing, recruitment and retention were not regarded as significant problems. However, recently difficulties have been experienced with respect to the recruitment of people with specialist skills and young people. In relation to young graduates, it appears to be more difficult to retain than recruit them. One reason that has been suggested for the high turnover rate among new recruits is young peoples' expectations with respect to development.

Traditionally in Sweden, in part a legacy of downsizing, career progression has been regarded as the responsibility of the individual. However, increasingly the potential for both the agency and the individual to benefit from greater involvement by the employer in career management is being recognised. In order to improve the initial experience for new recruits, a generic civil service induction programme has been established and is available to all new personnel during their first year of employment. While a performance management system is in place, it has proven difficult to ensure

that all managers meet their obligations in this respect and in practice there is a lot of variation across agencies. Considerable resources have been devoted towards management training and leadership in order to improve the effectiveness of the management-staff relationship.

The development of Total Quality Management models has also proved significant. The objective of this approach is to systematically improve work practice, assist in the setting of long-term goals, enable benchmarking against best practice and also to bring about a gradual change in culture across the public service. In 1999 a new agency, the National Council for Quality and Development, was established with the objective of actively influencing and developing public administration in strategically important areas. It is envisaged that the council will be a forum for the building up of skills and competences and promoting best practice, while also offering seminars and development programmes and forming links with academics and researchers.

In moving forward and improving career progression arrangements, the Council for Quality and Development regard the putting in to practice of policies in this area as critical. However, in a highly decentralised context this is difficult to guarantee. The need to encourage managers to regard the development of their staff as an important aspect of their job will ensure that the next ten years are critical in maintaining the Swedish public sector's position as a competitive employer.

#### *6.3.4 The UK*

The civil service in the UK employs almost half a million people. There is a high level of delegation to individual ministries, with departments having responsibility for their own recruitment, promotion and other personnel policies. Pay systems are also decentralised and performance related pay is widespread. In respect to HRM, the role of central departments, in particular the Cabinet Office, is non-interventionist mainly seeking to develop, pilot and promote best practice.

The civil service in the UK is operating in a highly competitive labour market especially for graduates, where it is no longer regarded as an employer of choice. Career progression and development are important aspects of a job in the civil service and it is recognised that the promotion of these factors should represent a key instrument in attracting and retaining staff.

In recent years, departments have been encouraged to regard career progression as the shared responsibility of the individual and the employer. Furthermore, there is a



recognition of the need to improve the equitability of career progression arrangements by ensuring that the objective of all initiatives is ‘to bring on the talent of the many as opposed to the few’. An example of an initiative in this area is the Public Service Leaders Scheme, a training and mobility programme aimed at non-fast-trackers. Furthermore, it was suggested that in many departments, because of difficulties in obtaining staff at certain levels, managers have adopted a pragmatic approach and have decided to train up their own personnel.

Mobility, transfer and secondment are a central aspect of the UK civil service’s career progression arrangements. While changing department/function is neither an entitlement nor an obligation, for middle grades and upwards, there is an absolute expectation that an individual would have had a variety of experience across the civil service. This approach is regarded as highly desirable from a policy as well as an individual perspective as it encourages the transfer of knowledge and improves synergies on cross-cutting issues. Greater integration across the public sector, to improve effectiveness, is an important element of the current Labour government’s policy.

Performance management, that is objective setting and performance review, is in principle widespread in the UK civil service. However, there is a degree of cynicism in relation to how the system operates in practice. Essentially, it is regarded as overly bureaucratic, time-consuming and to have very little impact on poor performance. Performance reviews are linked in to salary through performance related pay. However, it was suggested that for the UK civil service to sustain itself as a good employer, they need to look further than pay, and in particular at issues related to the psychological contract.<sup>7</sup>

The UK Cabinet Office is confident that their civil service does provide employees with a range of advantages not to be found in the private sector. However, there is an appreciation that creating a more positive image of careers in the public sector is a major challenge.

#### **6.4 Key findings identified**

Across the OECD, public sectors in a number of countries have begun to recognise some key challenges that have also emerged as critical in Ireland:

- the importance of maintaining the competitive position of the public service within the labour market

- difficulties in recruiting and retaining quality personnel, in particular young people and highly skilled personnel
- the need to improve the image of the civil service.

In meeting these challenges it is recognised that opportunities for career progression and development are critical. There is also some evidence of a move away from the traditional approach whereby individuals are responsible for the management of their own careers. In Denmark, for example, there is increasing recognition of the need for career progression to be based on dialogue and partnership between the employer and employee, who can both benefit from initiatives in this area. Furthermore, in all countries reviewed significant emphasis has been placed on the importance of managers becoming more involved in the development of their staff.

The context in which these developments are taking place does however differ significantly from that found in Ireland. Denmark, Sweden and the UK all have decentralised public sectors with individual ministries and agencies having considerable autonomy with respect to management issues. Canada, despite being a federal state, is perhaps most similar to Ireland with respect to the extent of centralised control.

In improving career progression arrangements, better communication, people management and leadership are regarded as critical. Among the countries reviewed a renewed emphasis has been placed on providing managers with the skills and training they require to more effectively manage their staff. Furthermore, best practice indicates that operationalising objectives in relation to career progression on an ongoing basis, that is, adhering to policies with regard to the management of staff and their performance, training, mobility etc., can help in addressing some of the personnel issues faced by civil services internationally.

## Lessons from the Private Sector Experience

### 7.1 Introduction

The purpose of this chapter is to review, for comparative purposes, relevant developments in HR practice in the private sector. In particular, private sector innovations in the area of career progression and development will be highlighted. In many respects, comparisons between the private and public sectors are complex, with some private companies, for example retail banking or the insurance industry, appearing to have more in common with the public sector than many 'new economy', high-tech companies or multinationals.

Roche (1998) highlights the considerable differences between the two sectors in the decision-making process. He comments that 'in commercial organisations, strategies are developed by senior managers, sanctioned by boards and implemented by managers at different levels, sometimes in partnership with trade unions and sometimes in consultation with employees. [In contrast,] in the public service, this model is seriously incomplete. Strategies must be subject to democratic political clearance and their implementation may also be subject to political involvement of a kind seldom witnessed in commercial companies' (p 7). Furthermore, many private sector employers operate within very different industrial relations contexts and have more flexible grading and pay systems, which allow for individual contracts and performance related pay. Yet, increasingly private sector organisations are recognising that maintaining salaries above the market average will not guarantee that staff will remain with them. Opportunities for career progression, training and development, in addition to 'emotional reward' factors<sup>8</sup>, are also critical (Prickett, 1998). In this respect, the private and public sectors are not dissimilar and, in particular in a competitive labour market, the private sector will face very similar challenges to the public service in respect of the recruitment and retention of top quality staff.

Following this introductory section, section two of this chapter will examine some features of HR practice in private sector companies that provide management with greater flexibility with respect to employment terms and conditions. Section three will focus more specifically on trends with respect to career progression and development arrangements. Some general experiences of a leading Irish financial

sector organisation, traditionally with similar structures to the civil service, which has reformed HR practices in recent decades, will be discussed in section four. Finally, the concluding section will set out some general lessons for the public service from the experiences of private sector organisations.

## **7.2 Trends in relevant private sector HR practice**

The SMI broadly promotes the application to the public domain of HR policy innovations originating mainly in the private sector. Foremost among these policies are:

- reform of the grading structure to enable greater flexibility in work performances
- performance management and performance related pay
- the delegation of responsibility for day-to-day personnel matters to line management, with personnel units adopting a more strategic role.

Developments in respect of these areas have been made in private companies for many years. However, as noted by Roche (1998, p. 10), ‘effective reform along these lines should not be seen purely in terms of developing the will to implement such policies,’ rather, the implementation of innovative human resource policies in the private sector has frequently proven problematic, requiring considerable managerial skill and organisational supports.

### *7.2.1 Grading and pay structures*

In their *Review of Public Service Pay Determination*, (Fitzpatrick Associates 1999, p. 43), claim that ‘traditional pay systems no longer fit with modern HR strategies ... with few linkages to business strategy, such systems are restrictive, reinforce hierarchy and bureaucracy and inhibit the organisation’s ability to be flexible and respond to market changes’. In contrast, pay and reward systems in many leading private sector companies are tied to business goals and performance. This type of approach to pay supports ‘flatter’ organisational structures, which are generally perceived, from an organisational perspective, to enhance flexibility with respect to reward.

One example of such a grading system, typical in many multi-nationals, is ‘broadbanding’. This approach involves the use of a grading structure with significantly fewer grades (or bands) but allowing for much wider salary ranges. Consequently, the entire spectrum of salaries in an organisation could be

accommodated by four or five grades, with the maximum salary at each grade as much as 150 per cent greater than the minimum.

Broadbanding has the advantage of reducing the emphasis within an organisation on grades as an indication of status and contribution and furthermore encourages employees not to regard promotion as the sole means of career progression available. It also allows for greater flexibility in drawing up role profiles, which gives the organisation greater responsiveness in meeting the needs of customers and more easily enables individuals to benefit from a varied range of experiences and lateral career moves. This is particularly desirable in organisations with large numbers of 'knowledge workers' who add value to the company through the application of particular experience or skills. A broadband structure also offers flexibility in the payment and reward systems for such individuals. Instead of promoting the expectation that salaries will increase on the basis of length of service and rank, as is the case with traditional pay and grading systems, broadbanding leaves greater resources available to reward on the basis of experience and performance, without the need to consider promotion.

However, as discussed in the Fitzpatrick Associates' report, broadbanding is difficult to implement, as frequently it involves a complete change in organisational culture, from a traditional approach where promotion is regarded as an important means of reward and recognition. It also implies that line managers are involved not just in performance reviewing but also in the salary determination process, which may result in objections from staff due to concerns that decisions will be made on a subjective basis. For some organisations the disadvantages of completely restructuring the grading system have outweighed the benefits of broadbanding. However, other companies have still managed to introduce a degree of flexibility through, in as far as possible, decoupling pay from the grading structure and the implementation of performance related pay, which allows for pay on the basis of contribution, experience or skills.

### *7.2.2 Performance management and performance related pay*

Performance management – the setting, measuring and rewarding of performance – is regarded as central to modern HR practice in the private sector. A well-developed system that ensures the ongoing setting of appropriate objectives and reviewing of performance, together with the identification of training and development opportunities, is widely regarded as the key to effectively managing employee performance.

Performance management need not entail the use of performance related pay (PRP), but the two tend to go together in the private sector. PRP is a system of linking pay to some form of performance appraisal. The prime objective of PRP is to convert the remuneration package from the traditional basis where pay is based on grade and length of service to 'a more finely-tuned mechanism, which is responsive to the needs of the organisation and its workforce' (McMahon, 1998, p. 248). At its heart, the prime objective of PRP is frequently to improve productivity, based on the premise that employers should seek the commitment, loyalty and increased work effort of staff by rewarding them according to their individual and, ultimately, company performance.

It would appear that there has been a significant swing towards PRP schemes in Ireland in recent years (Gunnigle et al, 1994). However, much international evidence exists to suggest that performance management schemes, and more particularly PRP, frequently fall well short of their objective of enhancing individual or organisational performance on any significant scale (Roche, 1998). The successful planning, implementation and management of PRP would appear to be particularly challenging. Roche effectively summarises the potential pitfalls:

Poor systems fall prey to misuse by executives seeking to retain staff under threat from other organisations or to recruit people to categories subject to labour market pressure; to inconsistent ratings across raters and organisational divisions; to poorly formulated objectives; to crude objective setting focused on the quantifiable; to short-termism; to inadequate findings; to competition between staff, where teamwork is important; and sometimes simultaneously to most of these complications (1998, p 14).

### *7.2.3 Line management responsibility for HRM*

The reform of grading structures and the introduction of performance management in private sector companies, to be effective, requires the implementation of related processes. This involves the drawing up of role profiles, objective setting and provisions for ongoing appraisal and feedback. Prominent in private sector HRM thinking is the idea of line management leadership in these areas and line responsibility for the day-to-day implementation of HRM policies. This enables personnel units to concentrate more effectively on strategic and developmental issues.

However, as discussed in Fleming (2000), in companies where this has not been the traditional culture, such reforms have proven particularly challenging to implement.

Line managers frequently regard involvement in HRM policies as adding to an already burdensome list of accountabilities and as detracting from their primary responsibility of delivering a service. Furthermore, middle-line management in particular, may resist new HRM policies aimed at encouraging employee involvement or commitment if such innovations are perceived as likely to diminish their authority or status.

### **7.3 Trends in private sector career progression arrangements**

In addition to reforming pay and grading systems, many private sector firms are also increasingly examining their approach to career progression. This is in part in recognition of the considerable evidence which shows that opportunities for development and varied work experience are a critical determinant for individuals in deciding whether to remain with an organisation.

According to research conducted by Holbeche (2000), for many employees, in particular younger people, opportunities to enhance employability, defined as a mix of experience, track record and key skills, is replacing promotion and job security as key considerations in choosing an employer. As Holbeche (1998) reports in research carried out on behalf of the Roffey Park Institute, many employers may be wary of investing in employees they regard as highly mobile. However, based on her knowledge of career progression arrangements in a wide range of private sector firms, Holbeche concludes that employees in general prefer to pursue their career in the same organisation provided they are given meaningful opportunities for career development.

Where private sector companies have sought to enhance career progression arrangements, the need to overhaul performance management and mobility procedures is always seen as critical. It is only through the ongoing reviewing of an employee's ability to perform their current job that development opportunities will become evident. In many instances acquiring this experience will involve a lateral move within the organisation which must be sufficiently flexible to allow for this.

In an effort to formalise initiatives of this kind, a number of private sector firms, particularly those with an ambitious and mobile workforce, have sought to develop job families or devise career frameworks or paths, which map out opportunities and choices open to employees at different stages within the organisation, and the skills required to support them. The objective is to emphasise roles not jobs, to develop an approach to career progression and reward that is based on contribution rather than

grade and to treat all staff equitably, as opposed to equally. However, delivering on such objectives has not been straightforward. In particular, it requires that a range of processes and tools in relation to career progression are put in place and that these are used effectively by management.

#### **7.4 Financial sector case study**

Challenges with respect to recruitment and retention of quality staff strongly influence HR policy in the financial sector company reviewed for the purpose of this report. While there was some slowdown in staff turnover during the latter half of 2001, reflecting revised economic forecasts, attracting key resources remains a major challenge. In formulating a response to this situation, an important milestone was the acknowledgment by the directors of the company that the recruitment and retention of quality staff was a strategic business issue requiring pro-active management. This prioritising of career management resulted in specific processes and initiatives being identified to encourage staff to remain with the company. Furthermore, it highlighted the responsibility of managers with respect to the development of their own staff.

Encouraging managers to identify key staff members whose departure would represent a significant loss to the organisation has been facilitated by the performance management system and also by the devolution of the majority of personnel issues to local managers. Appraisals, coaching and training, in addition to the more administrative aspects of personnel management, are all regarded as the responsibility of line managers, with the central HR unit concentrating on more strategic issues.

The emphasis on retention within the organisation has resulted in succession planning and management development strategies being instigated. This involves the identification of groups of employees at both graduate and management level whom the company are anxious not to lose. In addition to excellent remuneration packages, these individuals are mentored on an ongoing basis and given specific training and development opportunities, all of which it is hoped will encourage them to remain with the organisation. At senior levels, retention strategies focus on mentoring and coaching for individuals regarded as likely to progress to top-level management. This is regarded as having been very successful, both in improving management performance and in encouraging loyalty. Central to the success of initiatives at this level has been their personalised nature and, while based on 360-degree feedback, which has proven particularly helpful, the fact that reviews are confidential and conducted by external, independent consultants.



It would appear that retention strategies and initiatives around succession planning within the organisation are primarily focused on 'high flyers' and particularly valued members of staff. However, there is a degree of recognition within the HR unit that career progression initiatives cannot be regarded as relevant only to those likely to progress up the management ladder but must also be linked to the development needs of all employees at all levels. The existence of 'a strong performance management ethos' was suggested as critical in this regard.

Within the company concerned, performance management applies to all employees, with goals and objectives set and reviewed on at least a six-monthly basis. The inclusion of performance management as a criterion under which managers are assessed ensures that there is a 100 per cent completion rate. For the majority of staff the performance management system is linked to pay, with salary increases and bonuses determined on the basis of an individual's success in meeting their objectives. The tradition of performance related pay ensures that promotion is not generally regarded as the only form of reward and recognition, with suitability in this regard being judged according to broader criteria. All promotions are determined competitively through semi-structured interviewing (partly based on competencies).

In principle, the performance management process has a career review element built into it. However, it was suggested that in some cases the pay related aspects may dominate at the expense of a career management focus, resulting in development opportunities not being prioritised. Similarly, implementing a mobility policy is regarded as particularly challenging. Difficulties in encouraging individuals to change jobs or roles, even when it is suggested that a move would be developmental, were cited as the reason why mobility is not formally regarded as part of development strategy.

In improving career progression arrangements, the organisation surveyed is conscious that the way forward involves more closely linking career progression to annual appraisals, with specific development needs being identified and addressed for all employees. In this regard it is recognised that the mapping out of career paths would be very beneficial, as it aids dialogue between manager and employees, as well as providing direction and goals to staff. However, while the company did successfully implement such an initiative in its IT division, it has not been in a position to do so for the rest of the organisation. Introducing career pathing requires complete clarity in relation to the function of every role in the organisation, as well as the mapping out of the competencies required to perform each role. The company is currently going

through a phase of considerable change, one impact of which has been the need for major restructuring, and as a result career pathing has not been possible.

A final area where it was suggested there was considerable scope to improve the organisation's career progression arrangements was with respect to equality, particularly for women. It remains the case that the vast majority of senior positions in the organisation are held by men and, despite a lot of discussion in relation to equality, there appears to have been little impact in real terms. Furthermore, with a long hours culture dominating, the potential for staff at management level to avail of flexible work arrangements is very limited.

## **7.5 Key findings and lessons for the public sector**

In recruiting and retaining quality staff, opportunities for career progression represent a critical influencing factor. While at various stages in an individual's career other factors, including nature of work, location, job security or opportunities to avail of flexible work arrangements may take precedence, in general, employees, and in particular younger, ambitious workers will regard career development as a central criterion. Yet, evidence cited in earlier chapters of this report (in particular Chapter Three) suggests that potential employees, while noting the capacity of the civil service to offer secure, flexible employment, regard it as inferior to the private sector both in terms of pay and development opportunities.

This chapter has critically reviewed the reality of HR practice in the private sector, in particular focusing on career progression and development. It has been possible to highlight a number of innovations, while at the same time noting that the private sector has also faced many challenges with respect to HR modernisation.

Effective performance management, encompassing both performance appraisal and the identification of development needs is central to HR reform. However, there appears to be little evidence that performance-related pay would contribute to higher levels of productivity or motivation in the Irish civil service. Rather it would appear that the inflexible nature of the grading structure, shortcomings in identifying and developing talent and a value system that promotes equality over equity, are the principal limiting factors with respect to HR reform.

Finally, the experiences of the commercial organisation reviewed in this chapter suggest that private sector companies are finding the implementation of effective career management initiatives challenging. However, prompted by concerns in

relation to retention and succession planning, career development is increasingly being recognised as a business issue requiring strategic management. However, as with the public sector, the calibre of management and their ability to implement change, across an organisation on an ongoing basis, remain the primary challenges.

## **A Framework for Improvements in Career Progression Arrangements in the Irish Civil Service**

### **8.1 Chapter outline**

The purpose of this chapter is to identify an appropriate framework within which to take forward consideration of improvements in career progression arrangements in the civil service. Section two will examine current thinking around career progression in the HRM literature. This will be followed in section three by a discussion as to how the findings in earlier chapters in relation to policy and practice in the area of career progression in the civil service, together with international and commercial sector experience, and evidence in relation to best practice from the literature, can link together to set a context within which to highlight the key issues and challenges the Irish civil service needs to address to improve career progression arrangements.

### **8.2 Evidence from key studies on career progression**

In reviewing the literature, it is evident that career progression and development are widely regarded as important retention and motivation tools. According to Harrison (1995), 'The implications are clear: strategic, carefully planned and sustained training and development will be essential if valued workers are to be attracted to, and retained in, private and public sector employment (p. 11)'. Increased awareness and interest in knowledge management has highlighted the impact on profitability of retaining the skills, experience and intellectual capital of an organisation's employees. Companies are increasingly aware that managing and developing their staff is critical because 'the prime asset of every organisation are the capabilities of its people – *all of them*. So developing employees to the maximum of their potential in harmony with the needs of the organisation should be a significant concern' (Mayo, 1991, p. vii).

Research evidence shows that a structured approach to career progression does impact on employees' decisions with respect to their future career plans. Headlines such as 'Staff value a career path above salary' (Prickett, 1998) and 'Prospects not pay say graduates' (Lamb, 2000) show that companies will be better able to retain staff if they significantly invest in their development. As Woodruffe (2001) argues 'applying the 'manage your own career' message to talented individuals whom the organisation wants to retain may be unwise, especially if they are open to the idea of staying and

building a relationship. Instead, training and development geared at building internal employability may be the best option’.

While there is evidence of the benefits of career management initiatives that are generally available, and indeed best practice would appear to suggest that career development opportunities should be available to all staff at all levels, the reality is that many organisations distinguish between core and peripheral staff. According to this approach, it is impractical and inappropriate to promise career development to all staff as, in a majority of cases, it is simply not possible to honour this commitment. It is argued (for example, Clarke 1998) that such an approach creates unrealistic expectations and cynicism and undermines other attempts to secure commitment. Clarke continues by suggesting that while all employees are knowledge workers to some extent, some are more important than others and that ‘an undifferentiated approach to valuing people produces as many negative consequences as alleged benefits’. Clarke’s view in relation to career development that ‘honesty is the best policy’ is supported elsewhere (Jackson, 1996). In addressing the dilemma of career development, Clarke therefore recommends that boards of management need to explore what their company’s message in relation to employee development genuinely is and then to examine how to communicate it honestly.

HRM literature on career progression, particularly that emanating from the UK, highlights a correlation between employer attitudes to career progression and the performance of the economy. Throughout the 1980s and early 1990s in the UK, economic slow down, job reductions and changes in organisation structures brought about changes in the ideal of a career as offering both job security and progression. The impact of recession was evident in declining promotion opportunities, loss of job security, a short-term performance culture and a breakdown in the old processes by which careers were managed. Inevitably development opportunities, that is, activities that enhance technical or personal skills, were also affected.

Among the wealth of literature available on career progression, what it means, its benefits and how to implement it in an organisation, the research work most directly relevant to the current Irish situation is that undertaken by Hirsch and Jackson, on behalf of the Institute for Employment Studies (IES) in the UK.<sup>9</sup>

During the 1980s and early 1990s, against a background of greater uncertainty in employment, the balance of responsibility for managing careers shifted from organisations to individuals. Communications to staff from senior management were clearly designed to reinforce the message that employees were responsible for their

own careers. The extreme articulation of this view was that jobs were regarded simply as jobs for now, short, fixed-term contracts – where employers had no obligations towards the employee and individuals had no loyalty towards the organisation.

According to Hirsch and Jackson (1996), in response, the public debate on career progression and development tended ‘to tell a simple negative story (‘the end of the career’ and the ‘jobless society’ etc.)’ (p. 1). However, in more recent years a range of pressures have led employers to consider once more accepting greater responsibility for their employees’ career development. The IES report suggests that these pressures include:

- the need for a flexible workforce
- the development demands of ‘total quality’ and ‘customer focused businesses’
- the fear of losing and/or demotivating key staff
- concern at board level about succession.

While this new trend in part stems from the upturn in the business cycle and declining unemployment, it also represents a reaction against the adverse effect on commitment and productivity of unsupported career development. It would therefore seem that the pendulum of responsibility for career development ‘which often swung abruptly over to the individual, is starting to swing back again towards more of a ‘partnership’ approach’ (p. 2). This is evident in career development processes that are adapted to meet both organisational and individual needs.

While it is evident that employers are reconsidering their position with respect to the development and training of their staff, there is considerable divergence of attitude and practice, both in relation to how this change should be defined and how far it should go. Discussion in relation to ‘career management’, ‘career development’, and ‘career mobility’ inevitably raises questions in relation to what is being meant by these terms. Confusion is heightened by the fact that everything from personal development plans to learning centres and one-day workshops where participants explore their interests and aspirations are mentioned within this context.

The most useful definitions of career development and management are from the IES and the Institute of Personnel and Development (IPD)<sup>10</sup>. The IES suggest that the term ‘career development’ itself implies that there is a career to be developed. However, ‘it is no longer appropriate to think of a career as progression up an

organisational career ladder. Rather, the term 'career' is used simply to describe a person's work experience over time. The term 'development' covers all the things a person learns from experience as well as from courses and other training activities. It covers personal development as well as technical training and professional development (Hirsch and Jackson, 1996, p. 5).

In defining 'career management' the IPD (1998) describes what it encompasses:

- regular communication and negotiation between the organisation and the individual to identify the best fit in the employment relationship between them
- management by the organisation of the individual in particular jobs and of the sequence of job roles the individual undertakes
- coaching, mentoring and informal discussions that build up the individual's career perceptions and expectations
- action by individuals to develop the skills they need to manage their own careers.

While career development and career management are largely similar concepts, their focus does appear to differ. Career development can essentially be regarded as a 'bottom-up' approach, focusing on individuals and the skills, training and experience they acquire, through their own effort and with the assistance of their employer, in the course of their working life. In contrast, career management is organisation and management focused, emphasising what the employer does to try and develop employees in line with business needs.

In further exploring the concept of career development, the IES suggests that, beneath the general rhetoric, real strategic positions vary from one part of the workforce to another. On the basis of case studies carried out with a range of leading British companies, it concluded that senior managers and high potential staff are receiving renewed attention – their development is planned and they are expected to have a 'career' with the organisation, even if not a career for life. Highly skilled workers appear to be still managing their own careers. While it is in the interests of organisations to meet such people half way in their career development, essentially the relationship is quite flexible. However, the wider workforce presented the IES case study organisations with a real problem. Organisations which perceive all employees as impacting on profits may support development in return for a broader contribution. Others, in particular where the business and employment future is uncertain, really only offer a job.

Consultations carried out by the IES with senior managers, HR professionals and employees also drew attention to the level of rhetoric around career development, which by and large, is questioned by the workforce. Their research findings point to three key gaps which need to be closed by companies in order to reflect a more honest message in relation to career development:

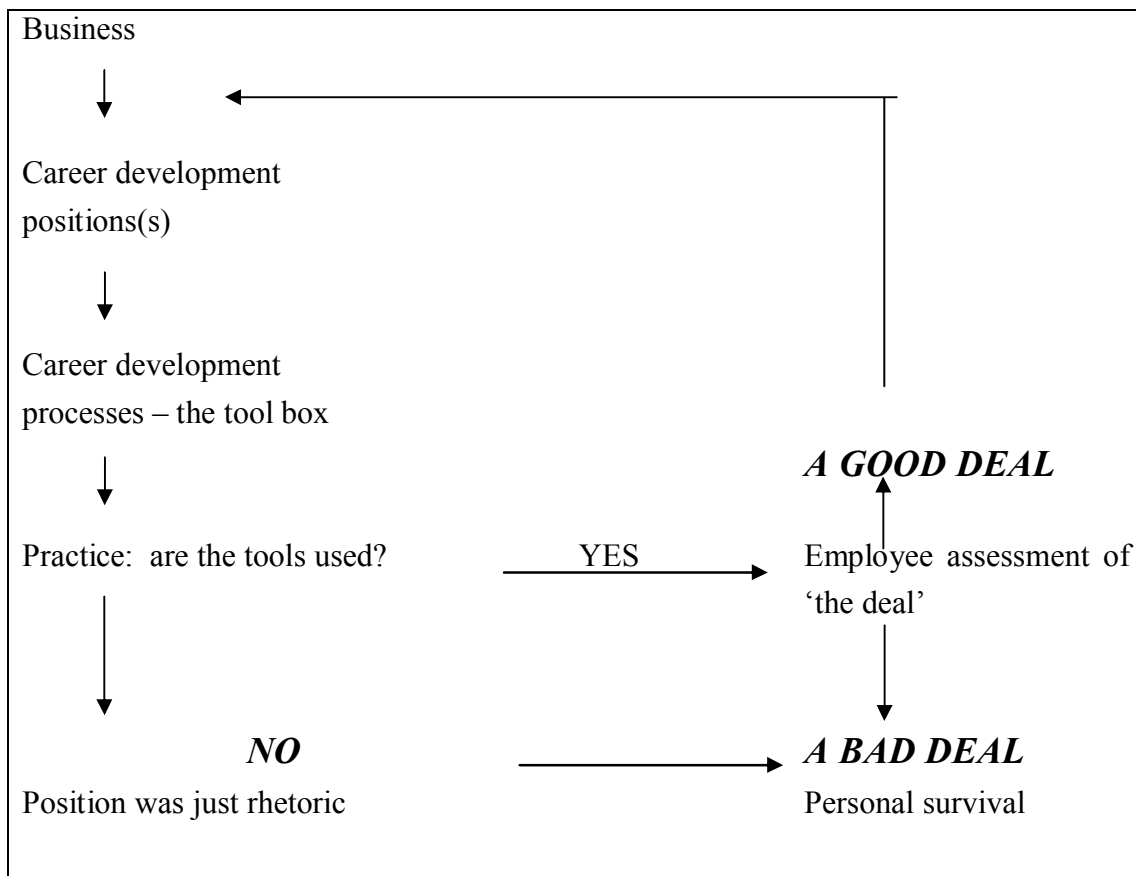
- *An appropriate and honest message*: This gap occurs either because the career development position of the organisation is confused, or because it is poorly or dishonestly communicated. In particular, the real career development position may be segmented, belied by a universal message.
- *Workable career development messages*: The second gap is between the career development position adopted and the processes or interventions which HR people put in place. Often these processes do not align with the message, do not fit together or are not well understood.
- *Real intention to deliver*: The third gap is between the formal policy and processes and the reality of employment and development practices. This gap occurs if employees see that processes are not used, because they are not supported by appropriate commitment and resources.

Through developing a simple model of the key linkages (Figure 8.1), Hirsch and Jackson seek to highlight the importance of viewing career development as a process:

1. The process begins with an examination of the business context and needs by senior management, as it is important that there are close links between the organisation's approach to career development and the overall business strategy.
2. On this basis, the career development position or positions (if a different message is required for different groups of staff) of the organisation is determined. The career development process, that is, the specific initiatives which the organisation wants to adopt, can then be decided.
3. The final stage is the implementation of these initiatives. Whether or not these processes are implemented in practice determines the experience of employees of career development and as a result whether they will perceive it as a 'good deal' or a 'bad deal'.



**Figure 8.1 Key linkages in career development**



Source: Hirsch and Jackson, 1996, p.39

In commenting on the model above, the IES suggests that HR personnel have probably paid too much attention to the middle of this model – the design of career development initiatives – while other aspects of the model have received insufficient attention. In particular, based on their research evidence, it would appear that gaps between career development rhetoric and development practice are deeply felt and do contribute to low morale and poor motivation.

In order to address these shortcomings, it is suggested, that senior management in organisations need to actively consider the following:

- *Career development that fits business needs*: how the organisation should position the underlying employment assumptions for various parts of the workforce, and what kind of development it is willing to support with respect to these employees.
- *A universal message or a segmented one*: whether the organisation wants to adopt different career development positions for different groups within the workforce.

Career development positions which appear to apply universally to all staff are attractive but will generally not be put into practice.

- *A commitment to follow through on the development message:* Organisations sometimes claim to offer strong support for individuals but due to cost and other restraints fail to follow through on their commitment.
- *An examination of processes:* Senior management should focus on career development processes in terms of underlying strategic objectives rather than the details of implementation. Furthermore, consideration should be given to whether processes fit together, and indeed with other HR policies and practices. For example, the pay and performance systems may actively discourage staff development, while career development processes are trying to encourage it. Similarly, a pay structure based on promotion does not fit, especially when promotion opportunities are scarce.

For organisations that have successfully determined the above, the IES report concludes by setting out a number of points which will help them to convince employees that they really mean what they say in relation to career development.

- Embed career development activity in ‘normal’ business processes. Managers should be expected to deliver on this agenda as on any other business objective.
- Involve both senior management and employees in the design of specific initiatives.
- Launch new processes with care and make sure that everyone knows what they are for.
- Provide proper support for career development processes. Initiatives do not maintain themselves; they cannot be rolled out and then left.
- Give processes time to produce change. Development and career are both medium term concepts.
- Use continuous feedback and evaluation of how processes are working.

### **8.3 Key findings identified**

In this chapter, current thinking in the literature in relation to career progression has been mapped out. Available research evidence highlights the challenges faced by companies that wish to develop an appropriate and credible career development system. In particular, it is noted that organisations need to have a career development message that is consistent with their strategic objectives and business needs. Decisions need to be made with regard to whether the one message should apply to all

staff or whether the true reality within the organisation is that different career development positions apply to various groups within the workforce. Furthermore, there is a need for commitment in following through on these development messages, in particular in contexts where resources may be limited. Finally, consideration should be given to whether actual processes fit together and whether they are consistent with other HR policies and practices.

The evidence from the literature on career development, together with evidence from earlier chapters, will provide a useful reference for the discussion that follows in relation to devising a framework within which to discuss the improvement of career progression arrangements in the Irish civil service.

## Conclusions and Ways Forward

### 9.1 Chapter outline

Based on evidence from Irish and international research and literature, the experiences of other OECD countries and the Irish private sector, this report has highlighted the fact that career progression matters. It is a critical factor in the recruitment, retention and motivation of staff and, in some instances, may be of equal importance to employees as pay. For the Irish civil service, the competitive nature of the labour market and the importance of attracting and retaining quality employees further emphasises the importance of having career progression arrangements that are both effective and universally implemented.

The purpose of this chapter is to highlight key issues which best practice, as documented in this report, suggests the Irish civil service must actively consider if it wishes to improve career progression arrangements. Following this introductory section, there will be a summary of the findings of the research, and drawing on international public and private sector best practice, a number of suggestions will be made. On the basis of these findings it is hoped to indicate the type of changes required in order to improve career progression and development opportunities for all civil service employees.

### 9.2 Key issues and conclusions

The following sub-sections set out a number of key issues in relation to the aspects of career progression examined in Chapters Four and Five. Best practice suggests that a number of improvements are required in order to enhance arrangements in this regard.

#### 9.2.1 *Induction*

Several of the departments surveyed in researching this report expressed difficulties in relation to the retention of staff. In some cases, new recruits leave after a number of weeks, while others, often graduates at EO or AO level, leave for jobs in the private sector after twelve to eighteen months experience. Such departures represent a considerable cost to the organisation concerned. While it is recognised that young people entering the service today may not necessarily spend their whole career in the

civil service, a period of four or five years would generally be regarded as desirable in order for the organisation to benefit from its investment in recruitment and training.

The induction process represents an important element in the career progression of new employees, as frequently their first impressions of both the civil service and their place of work will determine their commitment to the job. While nearly all departments do ostensibly have formal induction processes, there is considerable potential to improve these and also to tailor them better to meet the varied needs of different categories of new staff. It is also the case that the initial experience of new employees depends critically on the good will and availability of the line manager to whose unit they are assigned. While a number of departments do provide some advice and training to managers in induction procedures, and in some cases managers are excellent and new recruits integrate well, in other instances the initial experience is less favourable.

Departments in general have one to two days training for new staff, in principle six to eight weeks after they commence employment. However, doubts remain as to whether this is sufficient as it can frequently arise that individuals will remain unaware of the nature and purpose of the work of other departments and perhaps even that of other units of their own department. Furthermore, recognition needs to be given to the increasing numbers of more mature people, often women, joining the civil service. In many instances these individuals may have been outside of the labour force for a number of years and consequently require training in basic computer, file management and record keeping skills.

By way of addressing some of these challenges, in the light of national and international best practice, the following suggestions are made:

- Greater harmonisation of standards and more consistent quality control of induction procedures would be beneficial. In this context, consideration could be given to developing a generic civil service-wide module, which could be integrated with department-based programmes, for all new staff.
- Induction programmes should be tailored more closely to the specific needs of different groups of staff – COs, EOs, AOs, mature recruits – as well as helping prepare staff for the specific work to be undertaken and how that fits into the organisation as a whole.

- The induction programme could benefit from being longer at the outset and also phased throughout the first year, e.g. by developing three modules of two days each.
- Appropriate monitoring of departments' induction procedures could also be beneficial to help ensure that induction training is being delivered in a comprehensive and systematic manner.

### 9.2.2 *Mentoring and coaching*

The value and desirability of formal mentoring schemes was questioned in many of the departments surveyed in the course of this research. It was suggested that mentoring, in particular formal schemes, are regarded as unnecessary by new recruits and that individuals can find out all the information they require more readily and informally among their own colleagues. Consequently, one department that had a formal mentoring scheme has now adopted a more informal approach, where arrangements are managed independently by the mentor and new employee. However, in other departments reservations in relation to the necessity of mentoring schemes have resulted in none being established. Yet, international experience and best practice literature suggest that mentoring can be an important part of the induction process, and may also be useful for individuals who have been newly promoted.

The civil service tradition of on-the-job coaching and training is widely supported and it is suggested that in most situations it happens in a ready and spontaneous manner. However, it remains the case that some units place considerable emphasis on the importance of on-the-job learning, and are excellent in this regard, while in other units it is claimed that staff are too busy.

Based on the best practice evidence presented in earlier chapters, the following suggestions would lead to a more consistent approach to mentoring and coaching across departments.

- Actively encourage all departments to introduce voluntary mentoring schemes whereby new recruits are assigned to a more senior member of staff in another division. Support and advice could be made available centrally to support departments in these efforts as well as to encourage the sharing of good practice.
- Experienced staff who volunteer for mentoring and line managers should receive appropriate training.

### *9.2.3 Performance management*

PMDS, the new performance management system for the civil service is generally regarded favourably at present, both among the departments surveyed for this report and also by trade union representatives. In particular it is hoped that the operation of PMDS will impact positively on management and development culture in departments. The requirement that managers engage with their staff on a regular basis in order to discuss their job, strengths and development opportunities is expected to improve communication, performance and motivation across the service. The identification and articulation of individual training needs will represent a further constructive aspect of the new system.

The implementation of PMDS is ongoing across the civil service, with all departments reviewed having commenced training. While in general the response to training and the development of role profiles has been favourable, it is too soon to determine how successful the system will be in practice.

However, a number of reservations were expressed in relation to the operationalising of the system. The need to ensure that performance reviews actually happen on schedule and are conducted in a constructive manner is regarded as critical to maintaining momentum and goodwill for PMDS on an ongoing basis.

Evidence from both the public and private sectors, as discussed in this report, highlights the importance of developing and effectively implementing performance management, not only to improve career progression arrangements, but also to promote HRM reform in general. In order to ensure the ongoing success of PMDS, best practice evidence suggests that the Irish civil service needs to address a number of issues:

- Ongoing internal monitoring of PMDS could ensure that performance reviews are taking place and that development opportunities are being met. In addition, regular external evaluation could help to ensure consistency of standards.
- Departments could consider establishing local quality assurance schemes in relation to PMDS. This would ensure that any difficulties in relation to the implementation of performance management would be dealt with in a prompt and efficient manner.
- Improved co-ordination of the training needs emanating from PMDS could be helpful. This would be particularly important in departments with small training

units. One possibility is to designate a member of staff in each unit as a training co-ordinator with the responsibility of compiling and collating training needs which can then be monitored and acted upon centrally.

#### *9.2.4 Reward and recognition*

The question of reward and recognition remains a controversial one within the civil service, with personnel officers surveyed holding mixed views in relation to the desirability of introducing performance related pay. While some regard it as a logical consequence to performance management, others believe that it is inappropriate that civil service employees would be rewarded for doing their job well. Union officials also have serious concerns on this issue. In contrast, pay based on performance is common in the other OECD countries reviewed in the course of our research.

The introduction of merit money provisions has presented some departments with difficulties. It is generally believed that the amounts are too small to be meaningful and on occasion, when given to one individual, have been controversial. It has also at times been difficult to obtain nominations. However, on balance, most departments still regard it as preferable to make the awards to individuals or teams on the basis of merit as opposed to using the funding for staff socials.

In the absence of financial reward, it is still possible to recognise good performance and significant contribution. One department particularly highlighted the important role line managers can play in improving motivation in their areas. Assuring all members of the team that they are valued and their contribution is respected is critical. It is within this context that the following best practice recommendations are made:

- Departments could produce guidelines in relation to the nomination and selection of recipients of merit awards. The nomination of individuals could also be actively encouraged.
- Means of improving staff motivation and respect should be a core item in management training, as well as for discussion at management and network meetings (e.g. for personnel officers). A culture where managers make a genuine effort to know all members of their staff and to be aware of their contribution should be promoted.
- Managers should be more conscious of the importance of acknowledging the contribution of all members of a team. Taking staff out to lunch, buying cakes, the presentation of gift vouchers and other small gestures, typical in the private



sector, do impact significantly on staff morale and improve their regard for management.

### *9.2.5 Promotion*

Promotion arrangements in departments who participated in this research are complex, with positions filled by a combination of interdepartmental panels, internal competition and consistory (senior suitable) methods. The attitude of personnel officers towards current arrangements varies. The majority appear to be satisfied with the mixture of competitive interview and seniority, feeling that the retention of a proportion of positions for those unlikely to participate in competitive procedures, yet nonetheless who are excellent at their job, represents an important motivational tool. Trade union representatives are also strongly supportive of this approach. However, a small number of informants believe that it is inappropriate that the civil service would continue to promote people according to the principle of senior suitable, which they regard as highly subjective, and that departments should move towards having all promotion positions filled on the basis of competition. Among the other OECD countries reviewed for the purposes of this report, competitive procedures are the norm.

Ultimately most personnel officers, and also union officials, appear to acknowledge that the movement towards promotion based on competition is probably inevitable but also likely to be gradual. In the meantime, there are still a number of ways in which best practice indicates departments might improve their promotion arrangements:

- Senior management could critically examine their department's approach to promotion in determining the future direction of HRM policy and in particular in preparing departmental HR strategies.
- In most departments there is considerable scope to improve manager assessment forms. Due to the high degree of subjectivity regarding candidates' abilities, assessments by line managers are often of limited value. Asking managers to defend their assessments in person may improve the situation. However, there is also a need to change the current culture, through emphasising on an ongoing basis, that only outstanding performance, as opposed to someone performing their job satisfactorily, should merit an 'A' grade.
- As departments move towards competitive promotion procedures, and with the implementation of PMDS, it is important that individuals who may need training

in assertiveness and interview skills in order to feel confident in participating in open competitions are in a position to avail of this training.

- Further attention should also be given to the particular needs of staff in small and/or decentralised offices that are largely dependent upon inter-departmental competitions for their career progression.

#### *9.2.6 Transfer and mobility*

The expansion of the civil service in the latter half of the 1990s, coupled with increased levels of turnover due to the competitiveness of the labour market, have resulted in high levels of what is termed 'natural mobility'. Personnel changes, promotions and significant vacancy levels have resulted in considerable levels of flux in some departments. All of the personnel officers surveyed for this report referred to units in their departments where no one has been in position for longer than a few months. This level of change does impact significantly on work organisation, productivity and also on job pressure and stress – all reasons cited as to why departments have been reluctant to enforce mobility policies. It is felt that some individuals, who have possibly been in one area or location for most of their careers, would be extremely reluctant to move.

Personnel officers surveyed, while recognising the developmental benefits of varied work experience, are generally happy with current arrangements whereby job transfers are not compulsory but are usually available to individuals who look for it. However, experience from other OECD countries, where varied work experience is an absolute prerequisite for promotion, suggests that this approach may not best support the career development of civil servants overall. In Denmark executives must hold three different positions in every ten years, one of which must be external to their 'parent' department. In the UK, the tradition of moving around the broad public sector, as opposed to only within the civil service, is typical. This approach is considered highly desirable from a policy as well as an individual perspective, as it improves integration and synergies between policy and front-line/implementation areas.

Notwithstanding the challenges posed by personnel changes in managing the work of a unit or department, a number of suggestions, based on the best practice findings of this report, are made in relation to transfer/mobility:

- Senior management in government departments could consider the possibility of implementing a formal mobility policy. Consideration should also be given,

centrally, to whether such a policy should be compulsory and/or a prerequisite for promotion.

- Where permanent transfers may be inappropriate, consideration could be given to temporary swaps or secondments lasting a period of months. This could be particularly beneficial between decentralised and Dublin offices and policy and service delivery areas.
- Options for transfer, mobility and secondment with the broader public and private sectors could be explored and promoted once more.

### *9.2.7 Training and development*

While expenditure on training and development has increased over the past decade, most departments fall short of the target spend of 4 per cent of payroll by 2003. Interviews carried out in the course of this research support this view, with a majority of personnel officers describing their training units as understaffed and hard-pressed.

The principal focus of training over the past year has been PMDS, with departments obliged to provide all staff with five days training during the implementation phase of performance management. It is anticipated that the operation of PMDS will have a positive impact on training, in particular through helping to change the traditional civil service mindset which sees training as a cost as opposed to an investment in staff development and as such an important retention tool. PMDS will also lead to training needs analysis, based on the requirements of individual members of staff as opposed to the generic needs of grades or staff working in particular areas.

However, both among personnel officers and staff representatives there, is a degree of concern in relation to the ability of departments to meet the level of demand for training likely to be generated by performance reviews. While some departments have put in place systems for collating and managing training requests, other departments do not appear to have given this matter sufficient consideration, though it is widely acknowledged that meeting training and development needs will be critical to the success of PMDS. In order to improve, both this aspect of performance management and career progression arrangements in general, the best practice evidence documented in this report indicates that the following issues need to be addressed:

- With the implementation of PMDS, some mechanism for co-ordinating training needs and monitoring its delivery will be required. One possibility would be to

designate an individual in each division with this responsibility. The prompt implementation of computerised personnel systems could also be critical in this regard.

- The options provided by self-managed learning, on-the-job learning and learning centres should be explored further. All departments could consider developing learning resource centres with up-to-date facilities.
- The systematic evaluation of training needs to be improved. Some level of central guidance and monitoring in this regard could be desirable.

The above suggestions relate to specific aspects of career progression. However, it is also important, in order to develop a comprehensive approach to career progression in the Irish civil service, to consider some overarching conclusions.

### **9.3 Some overarching issues**

Drawing upon the above research findings, it is possible to highlight a number of overarching issues that will need to be addressed if the Irish civil service wishes to use career progression and development as a proactive tool in the attraction and retention of quality employees. In respect of each of these areas, the effective engagement of senior management is absolutely critical.

#### *(i) Organisation culture*

In many cases, it would appear that improving career progression opportunities for all staff was seen to require a culture change involving many areas of a department and encompassing a changed approach with respect to the following areas:

- line managers need to engage more with their staff
- an appreciation needs to emerge that career progression is about more than promotion
- an understanding that career progression should be determined in partnership between the employer and employee
- all employees should benefit from career development, even those who remain in the same grade all their working life
- the need to be innovative in developing career progression arrangements that meet the needs both of the department and its staff.

*(ii) An appropriate and honest career development message*

The career development message of any organisation needs to be determined by senior management, in order to best reflect business needs and objectives. In addition, consideration needs to be given to whether the organisation has a universal career development message applying equally to all staff or if the message is segmented, differing for varied groups of employees within the organisation. In developing career progression arrangements, consideration should also be given to whether processes and initiatives are consistent with other HR policies and practices. In this regard, the Institute for Employment Studies (1996) particularly suggest that pay and performance systems may actively discourage staff development, while career development processes are trying to encourage it. Similarly a pay structure based on promotion does not fit well, especially when promotion opportunities are scarce.

*(iii) Monitoring and evaluation*

Ensuring that initiatives in the area of career progression, for example, in relation to induction, mentoring, mobility, promotion, performance management and training, are operationalised on a daily basis requires ongoing monitoring and evaluation. Monitoring is necessary to ensure that the initiative is being implemented in all departments and at all levels and to ensure that appropriate performance indicators are set. Evaluation ensures that policies are achieving their intended objectives. Ideally this function should be carried out centrally.

#### **9.4 Concluding comments**

Research evidence by Goldsmith Fitzgerald (1999) and MRC Ireland (1999) showed that the civil service is not effectively meeting the aspirations of its staff with respect to earnings, career progression, task responsibility and reward and recognition. Within a competitive labour market this will have the effect of increasing staff turnover. However, perhaps more critically, it may also result in reduced productivity and motivation levels, thereby impacting on the civil service's image as an employer of choice.

As evidence from other OECD countries and the Irish private sector has highlighted, opportunities for career progression and development represent a critical response to this situation. Based on best practice evidence, this final chapter has proposed a number of specific reforms, which the civil service needs to address. However, in

order to develop a comprehensive and effective approach to career development it is critical that the overarching issues, outlined in 9.4 above, are also examined.

## Notes

1. Throughout this report references to departments will also relate to offices.
2. Some consideration was given to the particular issues relevant to professional and technical grades in the civil service in Boyle and Worth-Butler, CPMR Discussion Paper No. 9, 1999.
3. By agreement with the union. This represents a continuation of the current arrangement, particular to the PSEU, whereby performance management assessments are used to determine suitability for promotion.
4. Among the departments surveyed, one operates in reverse to this standard trend, with all promotions up to HEO level on a competitive basis, while those for AP and PO positions are by consistency, that is the most suitable candidate among all senior, eligible staff.
5. This was the opinion of a senior manager from the Privy Council (Prime Minister's) Office.
6. The Clerk of the Privy Council is the head of the department (equivalent in Ireland to a secretary general) and also the head of the public service.
7. Interview with the Head of the Learning Strategy Division at the UK Cabinet Office
8. Based on an interview with Hay Management Consultants (Nov 2001). The concept of emotional reward is derived from Daniel Goleman's (1996) research on emotional intelligence. People make career and job decisions not only on the basis of financial reward and career development opportunities, but also taking in to consideration job security, flexible work arrangements, work environment, commuting, stage in career, lifestyle and other commitments.
9. The IES is an independent, international centre of research and consultancy in human resource issues. In 1996, Wendy Hirsh and Charles Jackson of the IES studied approaches to career development in fifteen major organisations, many of them seen as leaders in both business and HR terms. Case studies included, IBM UK, BBC, Unilever, the Civil Service, BP International and Price Waterhouse, and involved interviews with senior management, HR, line managers and employee focus groups. The resulting publication 'Strategies for Career Development: Promise, Practice and Pretence (IES, 1996 Report 305) explores how careers are really being managed in the UK.
10. Now the Chartered Institute of Personnel and Development (CIPD)

## APPENDIX ONE: CIVIL SERVICE NUMBERS

**Numbers of civil servants (wholetime equivalents) serving by Department/Office:  
March 2001**

<b>Department</b>	<b>Nos serving</b>
Agriculture, Food and Rural Development	4,274
Arts, Heritage, Gaeltacht and Islands	790
Attorney General	83
Central Statistics Office	666
Chief State Solicitor	202
Civil Service Commission	179.5
Comptroller and Auditor General	131.5
Courts Service	1,011
Defence	426.5
Director of Public Prosecutions	39.5
Education and Science	1,137
Enterprise, Trade and Employment	960.5
Environment and Local Government	868
Finance	585.5
Foreign Affairs	1,105.5
Health and Children	498
Justice, Equality and Law Reform*	3,014
Marine and Natural Resources	428
National Gallery	18
Office of Public Works	555.5
Oireachtas	278.5
Ombudsman	66.5
Ordnance Survey	303.5
President's Establishment	17.5
Public Enterprise	639.5
Revenue Commissioners	6,196
Social, Community and Family Affairs	4,235
State Laboratory	74.5
Taoiseach	187
Tourism, Sport and Recreation	109.5
Valuation Office	128.5
<b>Total</b>	<b>32,407</b>

*Source: CEN-SIS*

\* Includes Asylum Service, Charities Office, Data Protection Commissioner, Forensic Science Laboratory, Garda civilians, Garda Complaints Board, Land Registry, Office Headquarters and Probation and Welfare Service.



### Civil servants by Main General Service Grades: March 2001

<b>Grade</b>	<b>Nos. serving</b>
Secretary General	18
Deputy Secretary	2
Asst Secretary	118
Principal Higher	151
Principal	321.5
Asst Principal Higher	336.5
Asst Principal	996.5
Administrative Officer	155
Higher Executive Officer	2,310
Executive Officer	3,252.5
Staff Officer	1,236.5
Clerical Officer	9,877.5
Services Officer	551
Services Attendant	110
<b>Total</b>	<b>19,436</b>

*Source: CEN-SIS*

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