

Performance management in Irish private and public sector organisations: moving towards multi-cultural performance management practice

By

Kevin Corbett, DIT Ireland

&

Dr Joe MacDonagh, ITT Dublin, Ireland

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University of Applied Sciences, Upper Austria, School of
Management, Steyr Campus

My Background



- First studied performance management (PM) in depth in my BSc (HRM) studies, 1998/99 under Dr Gerry McMahon
- Could see the benefits of the process (or system) when conducted correctly – sparked my interest
- Commenced employment in DIT administrative staff cohort, 1999
- Introduction of Performance Management Development System (PMDS) to the Irish Civil Service, 2000
- Commenced my MPhil studies on PM, 2005
- ‘Lay’ IMPACT representative on National Partnership Forum (NPF) negotiations for introduction of PMDS in Institute of Technology (IOT) sector, 2005-2006
- IMPACT representative on DIT’s Joint Implementation and Monitoring Group (JIMG) of PMDS, since its inception in 2006.

Definition of Performance Management

- Performance Management (PM) is the continuous process of improving performance by setting individual and team goals which are aligned to the strategic goals of the organisation; planning performance to achieve these goals by reviewing and assessing progress and developing the knowledge, skills and abilities of people. (Armstrong, 2014)



Definitions of culture

- Inter-culture is the *interaction* between people from different cultures
- Cross-culture refers to the comparison of *how* people from different cultures *communicate* (Trevisani, 2005)
- Culture within private sector based on power with central force and cohorts – individualism
- Culture within public sector bureaucratic and dominated by roles, rules and procedure – collectivism (Handy, 1999)

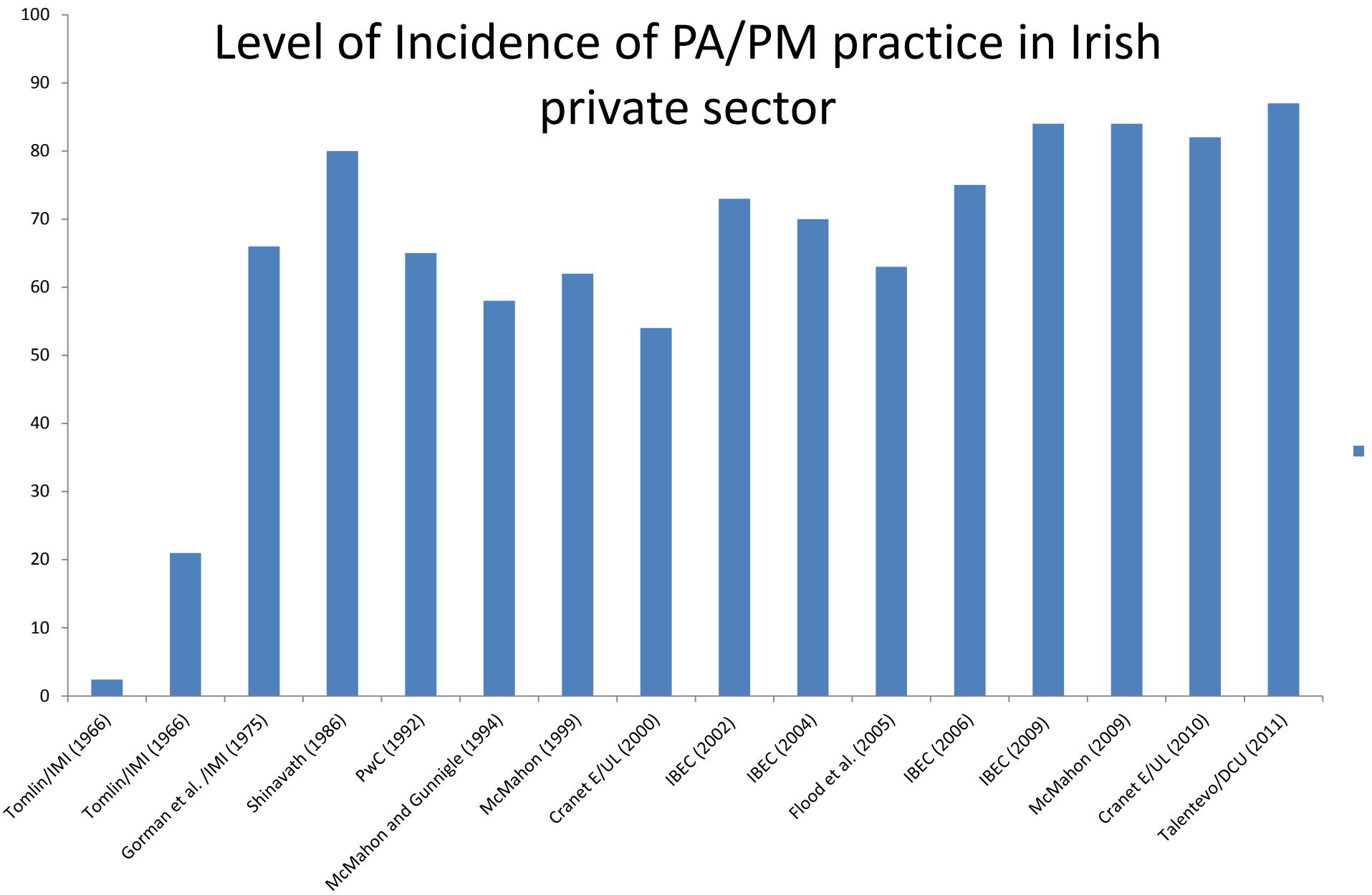


Irish private sector

- PM prevalence and growth from the 1960s and 1970s (initially in the form of performance appraisal (PA)) via influx of MNC's;
- Ireland currently has 970 MNC's; 135,000 employees; 40% from US (Lavelle et al., 2009)
- Focus on PM and reward is prevalent

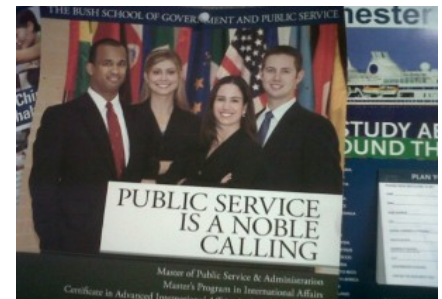


Level of Incidence of PA/PM practice in Irish private sector

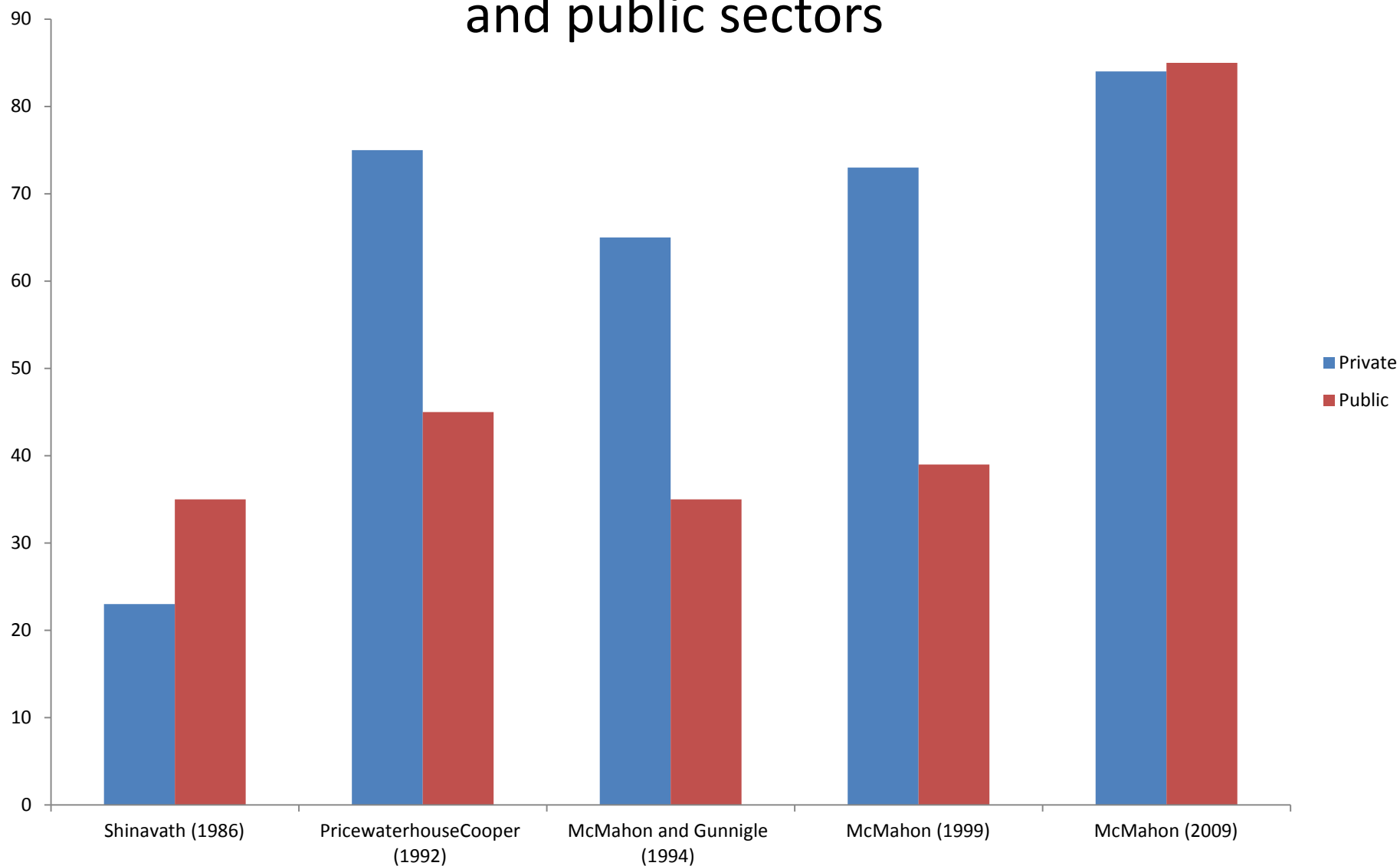


Irish public sector

- Performance Management Development System (PMDS) introduced in Irish Civil Service in 2000 (Partnership 2000, 1997)
- Subsequently rolled out to other areas of public service
- Focus here is on development
- Public Service Agreement (2009), Haddington Road Agreement (2013) and Lansdowne Road Agreement (2015) reaffirm the commitment of Irish government to PM



Comparative levels of PM practice in Irish private and public sectors



Communication through PM

- Create culture of day-to-day coaching (Nelson, 2000); not 'saving' praise
- UK employers see communication as a 'top 10' key issue (Chartered Institute of Personnel and Development (CIPD), 2005)
- 1 in 5 UK employees in both sectors identify poor communication with their line manager (CIPD, 2014)

Communication



Training in PM techniques

- interview and feedback techniques
- using appraisal/review forms
- setting performance standards
- recognising good performance
- avoiding rating errors.

(Bretz and Milkovich, 1994)



Cultural accommodation of expatriates in Ireland

- Challenge for Irish management – to nurture and maintain effective intercultural communications:
- How?
 - Showing respect; recognising and solving problems; avoid cultural taboos and slang language; follow legislation; develop interpersonal skills (Hulmes, 2015)

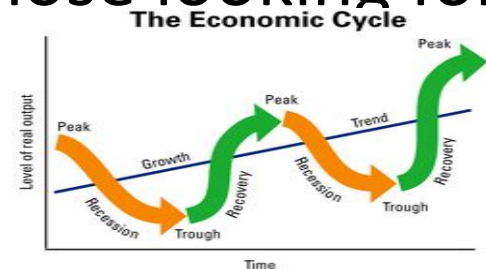


Irish policy on immigration

- Ireland became a country of 'net immigration' by early 2000s – including workers and asylum-seekers outside of EU
- To control this, Ireland:
 1. Created a list of 'safe' countries of origin
 2. 2003-05 - eliminated right of citizenship to Irish-born children of non-nationals
 3. Did agree to allow low skilled labour from enlarged EU (EU-10) citizens to work (Ruhs, 2009)

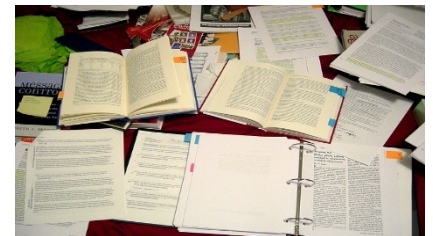
Current economic issues and immigration

- Unemployment rates among the entire workforce was problematic but now improving
- Stress on social welfare system - a knock-on effect
- Many highly educated immigrants employed in jobs that do not reflect their educational attainments and earn less than Irish
- Evidence of discrimination from those looking for work e.g. foreign surname

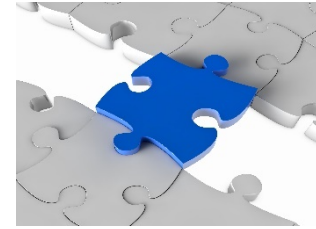


Literature review (McPhee, 2012)

- Low-skilled working in catering, cleaning and security in Dublin
- ‘Segmentation’ of labour market created, based on nature of demand, impacted on individual worker or groups based on their personal characteristics
- A ‘triangulation’ of supply and demand of labour and state policies
- Ireland’s witnessed economic growth (1990’s-2007) in service and knowledge-based industries
- Increase in temporary and contract service providers within MNCs and Irish public sector
- But high-tech, non-union export MNCs and hotel and catering industries (temporary and service-based) not covered by Partnership
- Temporary or subcontracting service providers (TSSP) - increased ‘casualisation’ of labour in ‘western’ economies



Research gap



1. Last comparative study of PM practice in Ireland since 2007/08 was conducted in 1998/9 – 8 years ago
2. Qualitative study by McPhee conducted in Dublin area to analyse the role of employers in the creation of this segmented labour market
3. Focus here will concern temporary and contract staff as well as communication and training in PM techniques

Quantitative Methodology

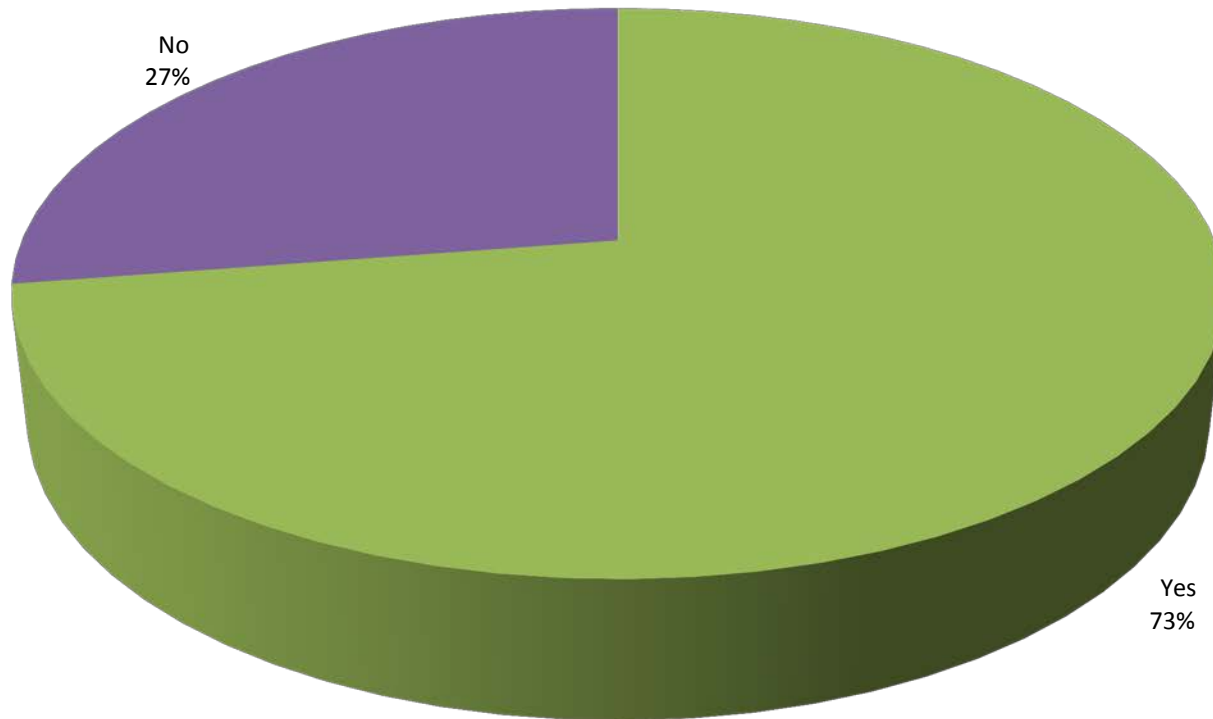
- A stratified random sample of 500 organisations based on 5 strata:
 1. Dublin and the rest of the country (25 counties)
 2. private and public sector organisations (ratio of 80:20)
 3. six employee class sizes (50-5,000 plus)
 4. 11 private sector categories
 5. 6 sectors of the public sector.
- Survey conducted by distribution of self administered questionnaire by this researcher
- 41% response rate



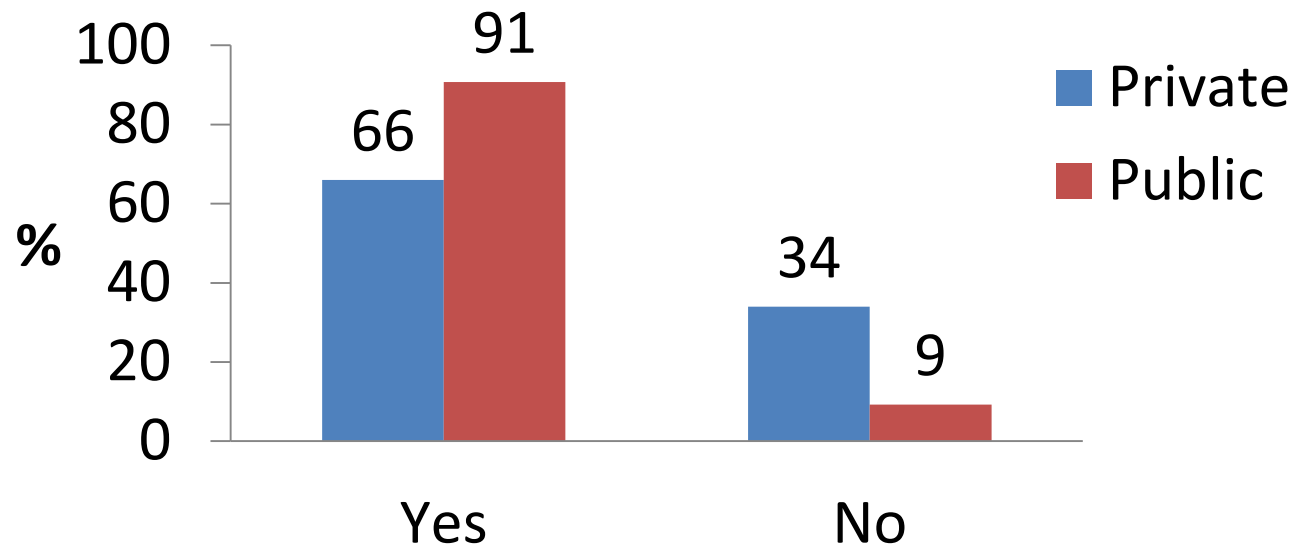
Quantitative Findings



Operating PM system/process?



Practice by Sector in Ireland



Coverage of Staff in the PM process/system by category

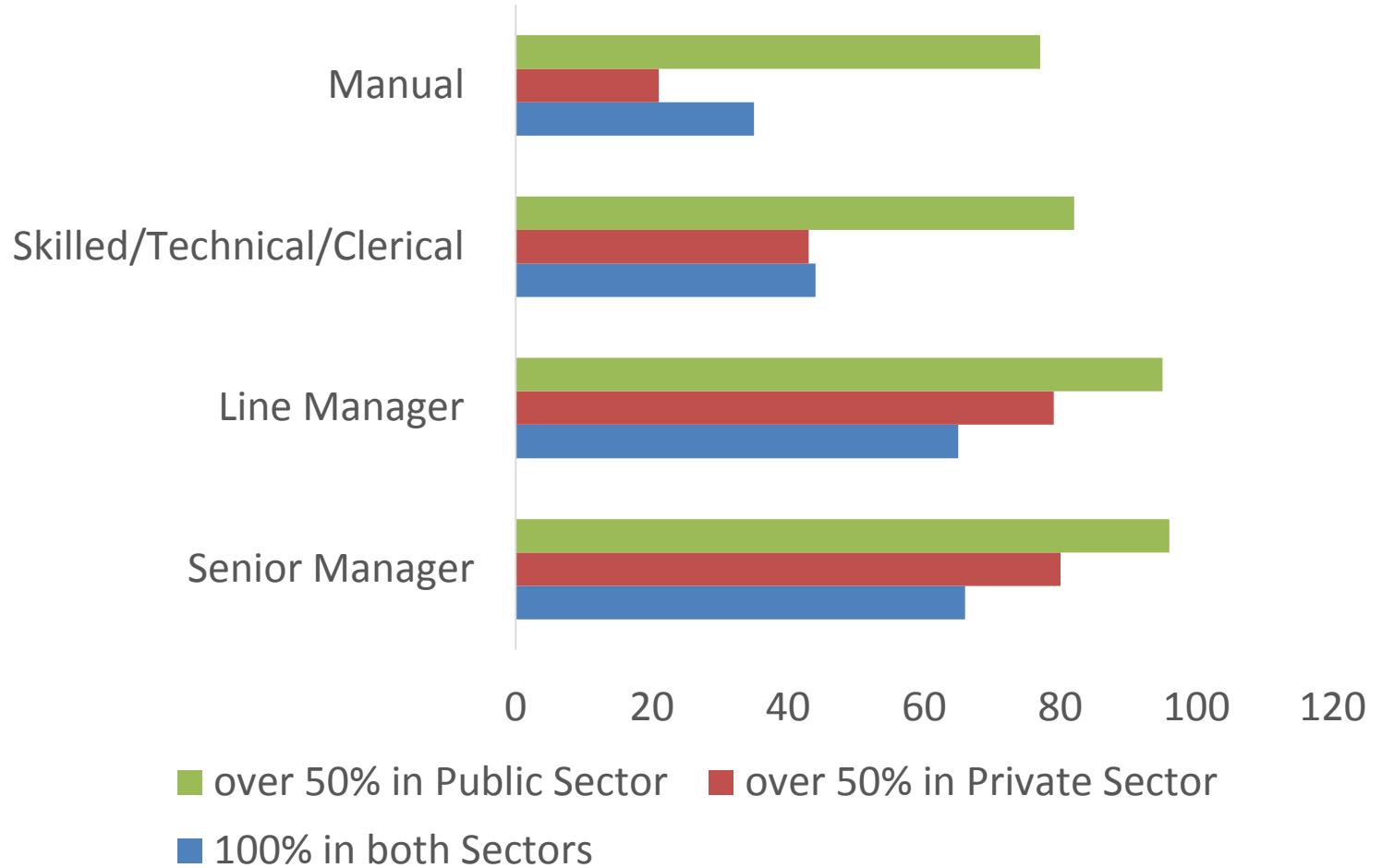


Communication within PM

1. Agree key objectives
2. improve future performance
3. provide feedback on performance.



Staff trained in PM techniques



Qualitative Methodology

- 24 semi-structured interviews conducted with 8 Dublin businesses and 3 trade union bodies
- Interviews based on seven themes:
geography of dislocation, casualisation, competition, ready supply of labour, hiring methods, stereotyping and benefits/pay.
- Employee class size: 5-250 maximum (MacPhee, 2012)



Qualitative Findings

- Highlights the casual nature of work in temporary subcontracting service providers (TSSPs) in Dublin
- Explores three themes:
 1. The Business approach adopted
 2. How workers are selected
 3. The entitlement of workers



1. Business approach

- lower costs, rely on flexible and cheap labour
'no strings' policy
- casualisation of labour the norm
- trust is low in these small firms (Irish Congress Trade Unions (ICTU))
- focus on service to client not on workers contribution

2. Worker selection

- Immigration 'drives' and policies fuelled by State (SOLAS/FAS) and employers
- problematic for immigrants from non EU states
- Dublin employers favour Asian men for low-skilled industry e.g. food preparation
- Women preferred for cleaning in hospitals and schools; also catering, e.g. serving at functions, and in large on-site MNC canteens
- all these workers are young and replacing older Irish workers who lack flexibility about time and availability

3. Entitlements of workers

- Only security industry is regulated re Private Security Authority (2006) and Regulation Order and training
- but almost all employees in Security industry are Irish;
- Non-contract workers in catering and cleaning with most working on part-time basis;
- Non-EU students in Dublin only permitted to work up to 20 hours per week;
- low union membership due to cost of subscription – money earned flown home

Conclusions



- The roll-out of PM important to both sectors in Ireland
- PM practice at all levels enhances communication; clear sense of organisations mission
- Training in PM techniques critical to its success – public sector showing the way forward
- Challenge is to address PM and its role in the increasingly multi-cultural workforce, notably temporary and contract staff (only 24% coverage overall)
- PM should be now central as migrants come to work in Ireland, including expatriate managers in MNCs
- Disquieting that State policies seen as underlying migrant labour trends and experiences in Irish workforce
- Based on McPhee's (2012) analysis, segmentation is result of discrimination, stereotyping and cost-cutting strategies utilised by employers

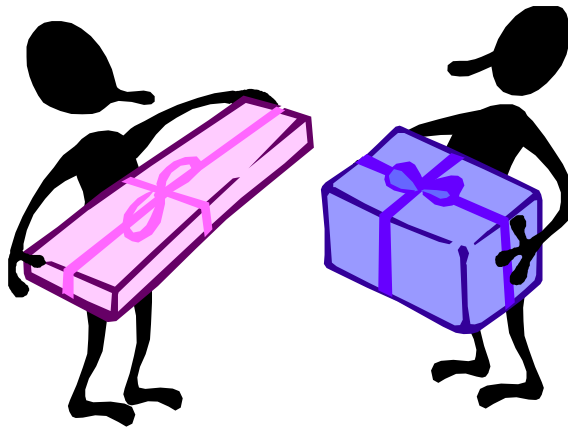
Recommendations regarding role of PM and multi-culturalism

- High level of State and senior management support
- Immigrants should be selected on *ability and/or qualifications* and not social characteristics, e.g. gender and perceived features
- Employment policy – focus on *nature* of employment, not simply on availability of migrant workers
- Migrants ability to negotiate and become upwardly mobile needs examination
- Incorporate inter and multi-cultural sensitivity
- Training of foreign staff in awareness of PM processes and techniques
- Challenges not unique to Ireland, but Irish employers do need to put emphasis on training needs analyses and then shape the design and implementation of appropriate PM systems or processes
- This training in PM and parallel recognition of a multi-cultural workforce can apply equally in Ireland and in Irish organisations overseas



RECOMMENDED

Thank you for the gift of your time and
attention



Any Questions?

