



Responsive Public Management

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A new performance evaluation system for Irish civil servants

As part of efforts to deal with the economic crisis, the Irish government has changed the way it appraises the performance of civil servants. The new system, which has been approved by the trade unions, is an attempt to be more objective and to rank public employees according to their performance level.

Creating a "high-performance culture" applicable across the Irish public service – such is the goal of the agreement¹ signed last summer between the public sector trade unions and Brendan Howlin, Minister for Public Expenditure and Reform. The agreement entered into force at the beginning of 2013. The idea is to increase the efficiency of the public sector and to re-motivate staff in the wake of large-scale reductions in the workforce due to the crisis the Irish economy has been labouring under since 2008. In five years, the number of civil servants has fallen from 320,000 to 290,000², which has had an impact on the organisation of government departments.

This agreement is part of the much larger framework of the Public Service Agreement 2010-2014 (the Croke Park³ Agreement), which was signed on 6 June 2010 between the government and the Irish Congress of Trade Unions (ICTU⁴). In a tense economic situation of layoffs and wage cuts in the private sector, the government pledged to not resort to similar tactics in the public sector. In return, the unions agreed to not take industrial action and to cooperate in sweeping reforms of the public sector, in particular by accepting job flexibility, redeployment and staff cuts.

Performance-based personnel management

The Performance Management and Development System (PMDS) that was introduced in May 2000 did not achieve the desired results. As a management tool for performance evaluation that had a significant impact on compensation and career paths, the PMDS was heavily criticised, particularly with respect to executive compensation and performance. In 2011, the Irish Controller and Auditor General stated that the system was ineffective.

Under this system, following their evaluation staff were given a rating of 1 to 5, to which a quota system was applied. A rating of 1 (unsatisfactory) or 2 (needs improvement) was given to some 30% of staff, 60% were to receive a 3 or a 4, and the most deserving 10% were given a 5. In theory, workers had to achieve a ranking of 3 or better to be entitled to their annual increment. This model, largely based on US efforts, was expected to reward the most high-performing civil servants and motivate those who performed less well.

¹ <http://per.gov.ie/2012/07/26/minister-howlin-welcomes-significant-reform-of-performance-management-and-development-system-pmds/>.

² The goal of the "[Workforce Planning Framework for the Civil Service and Non-Commercial State Bodies](#)" is to achieve a public-sector workforce of 282,500 employees in 2015.

³ The agreement takes its name from the large sports stadium in Dublin where the talks took place.

⁴ Irish Congress of Trade Unions.

A system hard hit by the crisis that struck Ireland

PMDS was put in place under much more favourable economic conditions (average annual growth of 7% between 1994 and 2007, and a fourth-place ranking by the OECD for its standard of living⁵). It was never strictly applied and, for nearly a decade, almost every civil servant received an annual increment. One of the largest public-sector trade unions, the Civil Public and Services Union (CPSU), systematically criticised the principle of quota-based "forced ranking" that, in its opinion, "did not allow for a fair distribution of grades". As a result, the various government departments gave low rankings to only very few members of staff.

The crisis that rocked the country in 2008, in connection with the collapse of the housing bubble and the failure of the banking system, forced Dublin to seek assistance from the IMF and the EU⁶. Forced to make deep reductions in public spending and cut back the public-sector wage bill, the government not only eliminated many government positions, it also demanded that a vast number of department heads – who had never taken the evaluation process seriously – comply with the 1 to 5 ranking system. This immediately sparked anger on the part of public employees.

The trade unions sent a very explicit message to the government: reductions in the wage bill would not be accepted unless they were accompanied by evaluations and promotions that were deemed to be equitable. The Department of Public Expenditure and Reform carried out an assessment of the evaluation system, and concluded that it was being un-equitably applied, essentially due to the fact that the criteria applied by evaluators varied widely from one government department to another. "The PMDS could lead to satisfactory employees being unjustly classified as low-performing, particularly in departments where the employees are all at the same level," the Department observed.

Senior management on the front line

The coalition government of Enda Kenny and the trade unions worked together to rethink the performance appraisal system for public employees, and came to an agreement on 26 July 2012. The agreement holds senior public-sector management accountable. During the presentation of the agreement, Minister Howlin stated that, senior leadership must "fully engage line managers in the management and improvement of performance." Impact, Ireland's largest public sector trade union, added that "The new guidelines introduce evaluations based on a new Competency Framework. They emphasise the role of the evaluator and on the introduction of independent evaluations."

The changes that are now being introduced⁷ include the definition of standards of "qualities and behaviours required for job performance" common to all staff who share the same basis of compensation. Evaluations are carried out in a collegial manner – in the presence of several managers – in order to introduce an objectiveness based on comparison with the performance of other staff with similar activities and job descriptions. As Minister Howlin explained, "this process will allow public managers to create shared performance evaluation criteria."

Harmonisation of evaluation criteria was also hailed by most of the trade unions. "All employees will be subject to this new system", indicated the trade union Impact⁸. The risk of trade union opposition is expected to significantly decrease. In this free-market-oriented country – whose many budget-cutting efforts⁹ are beginning to be recognised internationally, and which will soon complete its seventh presidency of the Council of the European Union¹⁰ – no one appears to oppose the ranking of "good" versus "unsatisfactory" civil servants.

Jean-François Adrian

⁵ <http://www.oecd-ilibrary.org/docserver/download/5kg0t004q1d3.pdf?expires=1362945254&id=id&accname=guest&checksum=7F677018C59754EA35CC07598A5A4345>.

⁶ <http://eur-lex.europa.eu/Notice.do?mode=dbl&lng1=en.fr&lang=&lng2=bg.cs.da.de.el.en.es.et.fi.fr.hu.it.lv.mt.nl.pl.pt.ro.sk.sl.sv.&val=556564.cs>.

⁷ <http://hr.per.gov.ie/pmds-2013>.

⁸ <http://www.impact.ie/Mobile/13/02/28/IMPACT-executive-overwhelmingly-recommends-acceptance-of-Croke-Park-proposals.htm>.

⁹ <http://www.imf.org/external/np/speeches/2013/030813.htm>.

¹⁰ http://eu2013.ie/media/eupresidency/content/documents/EU-Pres_Prog_A4.pdf.