

**The Effect On Managers Of The
Introduction
Of A Balanced Scorecard
At A Local Level In A Large Network
Organisation**

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ABSTRACT

The purpose of the research is to understand how unit managers react to and are able to engage with a newly devised centralised performance measurement system (PMS) based on the balanced scorecard (BSC). The theoretical contribution of this study is to establish the behaviours which may contribute to or hinder the way in which the BSC is accepted and used at a unit level. The knowledge gained and tested in actual practice will prove invaluable. This will not only allow managers to identify and therefore react to areas of probable negativity, but also allow them to encourage and endorse the more positive aspects.

The observed research which adopts a process of collaborative inquiry covers a period of 10 months and adopts a longitudinal case study approach. During this time, emphasis is paid upon the role of the reviewing senior manager and those managers responsible for the unit scorecards, examining their initial exposure to and deployment of the scorecard, along with its use in eight of the seventeen delivery units.

The findings identify that three core elements exist within a performance environment. These consist of the performance strategy, its PMS and the performance encounter where performance improvements are ultimately realised. Within the centre core there exists both an emotional and behavioural reaction determining either the success or demise of the overall performance management and its measurement system.

The research concludes by evaluating the lessons derived from the interactions within the performance environment. The study focuses on how considerations such as personal control and influence, when linked to understanding, knowledge and contribution impact on the level of perceived ownership and accountability felt by individuals. By addressing these areas organisations are able to ensure a more successful use of a centrally devised BSC approach across its exposure, deployment and usage.

KEYWORDS

ADM	All Due Mail KPI (measuring all letters for delivery have departed a unit for delivery to customer premises).
ADOM	Assistant Delivery Unit Manager (managed by DOM in multi-managed unit).
ANALYST	Responsible for performance information and analysis for a designated function.
AMT	Area management team (team of senior managers responsible for an operational area).
APAM	Area performance and planning manager (responsible for area performance information and analysis).
AOM	Area operations manager (responsible for a multi functional operational area).
BSC	Balanced Scorecard (performance management process).
CSI	Customer satisfaction index (external measure of customer satisfaction).
CWU	Communication workers union (employees union).
CMA	Communication managers association (managers union).
DELIVERIES	Function responsible for delivering customers letters.
DISTRIBUTION	Function responsible for transport and logistics.
DOM	Delivery office manager (responsible for the management of a delivery unit).
EOS	Employee opinion survey kpi (measurement of employee satisfaction).
FTD	Fit to deliver (national project to enable changes to indoor working to support savings and improved efficiencies in delivery units).
FOXHOLES	Terminology for a dysfunctional interface between functions and work areas.
KPI's	Key performance indicators.
MAILSORT	Discounted business letters.
MIPP	Managing the integrated product pipeline (in process measurement process).
MC	Mails cost kpi (unit operational budget v costs).
MCM	mail centre manager (responsible for the management of mail centre function).
NCM	Network collection manager (responsible for the management of area collection operation).
PIPELINE	Operational area containing collections, processing and delivery functions.
POMM	Post office management model (performance management system).
PRESSTREAM	discounted business letters.
PROCESSING	Function responsible for sorting letters prior to sending to deliveries.
RC	Repeat complaint kpi (where a customer finds it necessary to complain again against a previous complaint).
SECTOR	Operational delivery area containing a cluster of units under a senior manager.
SICK %	Sick performance kpi (number of staff off against hours to run unit).
SOM	Sector operations manager (senior manager responsible for the management of a cluster of delivery units).
TO	Time out kpi (time employees depart a unit to commence delivering letters).
UPB's	Unit planning briefs (national and area improvement initiatives).
WUC's	Weighted unit cost kpi (measurement of a unit's efficiency).

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PREFACE

As a researcher and practitioner, it soon became apparent that the field I was entering contained very few previous investigations undertaken from the perspective of those being measured from which to draw. In developing my own conceptual understanding, I initially found myself drawn to the work of a number of prominent researchers. I would like to offer my profound thanks to these individuals, as their work has been influential in nurturing and developing my own practitioner understanding and approach, as well as providing a valuable grounding for my own research.

Firstly, I would like to thank the University of Cambridge research group, whose extensive research and publications, provided me with a good grounding in performance management and understanding underpinning my research (Neely, *et al.*, 1994; Neely *et al.*, 1995; Neely, *et al.*, 1997; Neely *et al.*, 2000; Neely 1999; Bourne 1999; Neely and Bourne 2000).

Secondly, I wish to my supervisors, whose support, guidance and encouragement enabled me to publish a joint paper, which I presented at the Third International Conference on Performance Measurement and Management (See footnote 1). I entered the conference confused and isolated but left focused and inspired by Andre de Waal's (2002a) paper titled "*The role of behavioural factors in the successful implementation and use of performance management systems*".

Footnote (1) The initial ideas, quotations and subsequent findings from the investigations undertaken in the third level of engagement sequentially influenced a joint journal article (Baughan *et al.*, 2002) and conference presentation undertaken by myself and one of my supervisors in Boston, USA. After a significant degree of reflection and discussions with my supervisors, I feel it has been necessary to entwine key elements of the paper into the fabric of this thesis. I have then expanded these to build on the papers' findings to provide a greater degree and depth of analysis and interpretation that was not possible in the original paper. Please refer to Appendix 15 for a copy of the paper in question.

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I would also like to extend special appreciation to my supervisors, Colin Armistead, David Parker and Julia Kiely. Their untiring support and guidance has been a major source of inspiration, motivating me to complete this thesis and to successfully publish and present a joint paper at an international conference.

I would also like to thank everyone who has taken the time to help me with this thesis, especially Royal Mail for providing twelve years of funding for study and also their full support and encouragement. I also wish to extend my sincere thanks to all the research participants who freely and willingly gave their time to engage in the research process, which at times sought to obtain respondent's most personal and reflective thoughts.

Special thanks go to my children Matthew and Hanna for their tolerance, understanding and endless patience throughout 12 years of continuous study. I also want to extend my extreme thanks to Mathew Todres, Daniel Hopper and Sharon Toor who provided invaluable proof reading as well as to my partner Julie for her encouragement and support. Finally, I wish to dedicate this thesis to my Father, Robert Baughan who sadly passed away before the completion of my thesis.

DECLARATION

The author brings to the attention of the reader that the information contained in this research is both commercially and personally sensitive. The copyright resides solely with the author. No part of the research data or derived information may be used or quoted without the author's prior consent.

Chapter 1 Introduction

In February 2001, as part of my role as a senior operational manager for Royal Mail Letters, I was required to implement a nationally devised unit Balanced Scorecard (BSC) within an operational sector, which consisted of 17 individual delivery units. Prior to this deployment, national and area functional (processing, delivery and distribution) scorecards comprising three measurement dimensions (shareholder, customer and employee) had been in use for approximately two years, during which time key performance indicators (KPIs) had been identified and standardised. To support the final stage of downward deployment within the organisation, a small number of national unit trials across the country were undertaken during 2000. As a result of the trials, the deployment of centrally (nationally) imposed associated targets and measures at a delivery unit level commenced in both my own and other delivery sectors.

In adopting what is considered a staged approach, Royal Mail believed that the BSC would not only have been suitably tested and embedded at both national and area levels, but would also have been evaluated and adjusted prior to cascading into the lower frontline operational units. It was envisaged that the resulting standardisation would provide a direct line of sight across the various organisational scorecard layers, thereby linking stakeholder goals to objectives, targets and vital actions. Consequently, not only would unit managers be in a position to understand more fully the organisational strategy, but also their own involvement, from which individuals would be better able to actively prioritise and focus appropriate actions against underperforming KPIs. As part of the closure of these gaps, individuals were required to implement a number of mandatory national projects, most notably the Fit To Deliver project - requiring fundamental changes to indoor working practices, underpinned by either area or local initiatives to close any outstanding areas of underperformance.

The observational research covered a period of ten months and adopted a longitudinal case study approach, focusing on the delivery strand of the scorecard, with both the processing and distribution scorecards remaining outside the scope of the research undertaken. During this timeframe, emphasis was placed on my role as senior manager and on the other delivery

managers who reported to me, regarding their initial exposure to and deployment of the scorecard, along with its use in eight of the seventeen delivery units. Through a process of collaborative inquiry, this study aimed to: understand how managers reacted to and were able to engage with a new performance measurement system (PMS) based on the BSC; and to establish the behaviours which may contribute to or hinder the way in which the BSC was understood, accepted and used. The research concluded by reviewing the theoretical contributions made and by presenting the acquired practitioner knowledge in the form of implementation guidelines for organisations to follow.

To gain an in-depth understanding of the research background and to better understand the previous experiences of the co-participants' encounters with centrally imposed PMS, Appendix 14 reviews the shifting focus of the performance management methods applied within Royal Mail between 1989 and 2000. It is possible from these discussions to extract the degree to which these approaches have been successful and in turn adequately prepared individuals for a new unit BSC level approach.

A key element of the research involved an extensive review of the researcher's own personal development, in addition to identifying an appropriate research framework through a literature review. Based upon this model, an evaluation was undertaken to establish how the researcher and his managers reacted and engaged with the scorecard and its associated KPIs, with the primary focus placed upon the interactions with each other during the period of co-participant observation.

My initial readings revealed a research field that contained limited previous empirical research investigations. As both a researcher and a practitioner, there was an awareness that an engagement at this level posed extreme implications regarding the research design. The researcher therefore needed to also acknowledge his responsibilities and accountabilities towards the organisation, research participants and the generation of practitioner and theoretical knowledge. Throughout the research, the application of a cyclical process of participative engagement ensured that nothing and no one was compromised. This cyclical process enabled the necessary adjustments for the research and thereby provided a positive

environment and basis for others to follow. The following sections explore the author's position, identifying the urgent need for further exploration within this research area, and providing an overview of any emerging research issues. This overview also includes a breakdown of the research questions under investigation.

1.1 Research Issue – Organisational Barriers and Emerging Research Focus

At the same time as the scorecard deployment, I was required to amalgamate one other smaller Leeds Delivery sector consisting of seven units into my existing sector to produce a larger sector of seventeen units to be under my control. This change in structure, together with a number of new managers moving into the sector, generated a number of psychological and perceptual barriers. I had already encountered these issues in my current and previous management teams, and was therefore aware and sensitive to these facts.

During discussions held with both sets of managers in the lead up to the scorecards' deployment (in January 2001), it became clear that individuals' previous experiences or engagement with a structured performance management approach had at times been unfocused and disjointed, with different performance measurement styles and approaches applied across sectors and units. Previous projects and improvement initiatives in Royal Mail had generated criticisms and comments during informal discussions, with some team members asking "*will it change anything?*" or claiming "*here we go again another flavour of the month project*".

I found myself wondering whether any differing reactions from other managers would present themselves, where it was reasoned that perhaps such managers may see any extra work as simply distracting them from what they perceived as their day job. On the other hand, would they see new opportunities to engage in a standard approach to support them in the achievement of their operational task? Questions such as these have continually intrigued me over the last twelve years, forming the basis for the majority of the assignments undertaken as an undergraduate and MBA with a specific focus applied to the researcher's MBA thesis. (See footnote 2 overleaf).

Upon commencement of the DBA, my decision was to maintain the same level of focus, integrity and involvement. Issues such as available time, access to data and focusing on and incorporating the key aspects of both personal and team management practices into the research subject became paramount considerations.

I felt that by following this philosophy, professional practice could be advanced in order to support and improve the lives and level of understanding of those involved in or influenced by the research. Applying this approach also enabled the close alignment to Dulmanis *et al's.*, (1999:1) criteria for collaborative and applied DBA research through involving what they prescribe as four key stakeholders: “*organisational sponsor, research practitioner and participants*” and the wider “*scientific community*”.

In reality it was this advancement and sharing of knowledge between stakeholders involved in the research as well as being provided with a unique opportunity to move beyond the traditionally theoretical based academic PhD's that made the DBA programme appealing. This provided me with a level of research legitimisation in relation to its usefulness and application at both a practitioner and organisational level where the DBA is recognised as being well suited to emerging management research and practitioner pressures that undoubtedly surface or diversify in organisational settings. My own practitioner experiences support these complexities in a number of inter linked dimensions.

The issue of legitimising my own research initially caused me some considerable problems. As a senior manager in Royal Mail, one of my key responsibilities is the alignment of clearly defined measures linked to objectives imposed by the organisation on my management team. As a newly promoted Sector Operations Manager (SOM) in Bournemouth back in October 1997, I soon became aware of the importance and impact of performance measurement through performance reviews. These reviews were conducted with the author's senior manager, as well as with subordinate managers. As time progressed, I became increasingly frustrated with the

(Footnote 2) The author's MBA thesis titled; 'An Evaluation on the Effectiveness of the MIPP process within Royal Mail to Change the Internal Culture and Reduce Dysfunctional Conflict', submitted in April 1996 – initiated an underlying interest in cultural and psychological issues relevant to management practice.

inconsistencies found in its application and focus across the business, and increasing diversity of unfocused measurement dimensions. It quickly became apparent that this continually changed depending on the emergence of influences exerted by a dominant function, process or individual that in turn nurtured a spectrum of emotional and behavioural reactions. In retrospect, this was the starting point of my interest in the subject – I found myself continually asking why these reactions occurred, and what could be done to limit their emergence or indeed effect on individuals and teams as a whole?

This situation continually frustrated managers and limited the level of influence or impact we were able to exert in our own operational areas. It appeared that the business had no conceptualisation, or indeed realisation of the adverse impact of dysfunctional behaviours or psychological reactions, that could emerge in a changing and at times threatening and confusing environment (Baughan, 1996). Between 1997 and 1998, my ability to mitigate these effects was severely limited due to local pressures applied from senior management colleagues. Considerations such as functional barriers and personalities worryingly surfaced across what was clearly a large defensively focused and tuned network structure. I found myself continually reflecting on and trying to change a situation that continued until my transfer to the north of England in December 1998.

On arrival in my new operational area in Huddersfield (January 1999), the same problems with a lack of standardisation of performance management and functional conflict were still evident. This provided further evidence of inconsistencies and variation of approaches in the business. This problematic issue continued within the author's management team for a further year. In February 2000, I saw the trial of a standardised unit scorecard across the organisation as a major opportunity that would support the alignment and management of clear objectives and targets in my own operational area. This also provided an opportune vehicle to research how managers reacted to the standardisation and focus offered by the scorecard. It was felt that my long and frustrating exposure to inconsistencies; functional conflict and lack of standardisation were finally nearing an end. This was my initial research vehicle. The ability to engage in this trial however soon developed problems. I was severely restricted by being unable to gain agreement from the national project managers for my units to be involved in or

engage with the new approach. This was because my own operational units were not included in the nationally agreed list of trial sites.

Perceptions and political barriers developed amongst some project managers. The view here was that involvement of non-supervised trial units could potentially jeopardise the success of the approach in the agreed trial sites. Certain confidential channels also informed the author that some people saw me as a potential threat that might uncover issues that could jeopardise the national project by identifying problems that might be difficult to resolve. I also was in a position to ask potentially difficult or uncomfortable questions.

This setback was extremely challenging and frustrating, delaying my ability to initiate any level of engagement with the very personal and emotional subject area under pursuit. At the time, the reaction of the national team was surprising. This was my first officially sponsored role, where it was necessary to focus on a particular issue or account for the studies undertaken and provide updates regarding how the studies were progressing. I felt that my involvement in the trials would be a good opportunity to link my studies to a major change initiative as well as provide some level of payback for the funding received. This initiative however, failed to reach any substantially helpful outputs. To complicate the issue further, I subsequently experienced three managerial role changes (between July 2000 and February 2001) until settling into the larger Leeds SOM role I still currently held. Upon reflection, I can now see that the problems I experienced with not being allowed to participate in the trial, alongside my subsequent managerial changes, unintentionally supported my current research interest.

The period between March 2000 and February 2001 when I was able to commence the introduction of the BSC into my own units provided a unique opportunity not always available to researchers from outside organisations. My closeness and ability to assess relevant published documentation and to interview key strategic policy makers from within the organisation enabled the opportunity to develop and test my own level of understanding of the progression of the performance management trials prior to its implementation across the business in February 2001. This was a productive period, as it enabled me as discussed in appendix 14 to review previous performance management approaches applied to the business.

This opportunity also meant that behavioural and emotional assumptions derived from the emerging trial unit scorecard before its deployment and subsequent actual use were tested.

1.2 Research Focus – Improving Practice

Importantly, with the completion of the trials in December 2000, the business urgently required the deployment of the scorecard to the remaining delivery units over the 2 months leading up to the 2001 financial year commencing in April 2001. This deployment formed the key foundation and ensured that performance improvements could be realised across all units over the coming year. My own engagement in the process was unrestricted and compulsory, forming one of my key personal objectives for the coming year, and therefore finally legitimised my chosen direction from an organisational perspective. I felt that this provided a fundamental and uniquely focused opportunity to link personal professional practice and self-development with the wider team through the implementation and use of the scorecard. This was discussed with my line manager and team members who thankfully (in January 2001), sanctioned the applied cooperative nature of the research to be pursued over the following ten months.

From the discussions undertaken in appendix 14, I concluded that this would not be a simple process. Managers within Royal Mail had become increasingly aware of performance inter-relationships, having encountered various forms of PMSs in what is recognised as a large multi-functional network structure. From this, I was able to anticipate that the following organisational barriers would emerge:

- Despite this exposure, problems already existed regarding managers' understanding, acceptance and ability to use PMSs which were essentially viewed as being centrally imposed upon them.

- Previous attempts at deployment alongside my own encountered experiences implied that this was a recurring problem affecting Royal Mail's sustained use of such systems within its management structure.

1.3 Research Aims

The investigation undertaken aimed to understand why managers react as they do when exposed to performance managements systems, and through the adoption of an action inquiry methodology, the research conducted (over a sustained period) attempted to encourage a more positive outcome amongst my own managerial team. This would be achieved by exploring the encounter from the perspective of these managers actually responsible for optimising the unit based BSC.

The aims of the research therefore were:

- To gain a deeper understanding as to how front line managers perceive and react to a new performance measurement system (PMS) based on the BSC.
- To establish those progressive attitudes and behaviours that may contribute to, or hinder the way in which the BSC is understood, accepted and used by managers.
- To provide guidance in the form of recommended development guidelines for organisations to follow regarding the sustainable use of a BSC at a front line unit level.

1.3.1 Positioning of Current Theory and Practice

As an operational manager, the virtue of adopting a portfolio of integrated performance measures (or balanced scorecard as prescribed by Kaplan and Norton, 1992), makes sense in the management of any team. Kaplan and Norton (1992) focus on the use of scorecards, as a means to pursue performance improvements, arguing that a balance of both financial and non-financial measures is necessary. The scorecard is designed to pull people toward the overall vision needs to be achieved.

It is recognised that the desire to move individuals towards this state of awareness and engagement has clear behavioural ramifications, if deployment is to be achieved (Dinesh and Palmer, 1998). Within the scorecards' development, Kaplan and Norton (1992) recognised the need to move away from the adverse controlling association between previous performance measurement systems and behaviours. This implied that the scorecard nurtured a more positive inter-relationship and engagement by replacing the more common rigid controlling approach to managing actions and behaviours with what the authors saw as a more goal-oriented approach linked to an organisation's '*strategy and vision*'. The proposition reaffirming the balanced scorecard's potential mechanism to support and underpin strategic and cultural change is still very much at the forefront of a theoretical debate pursued by Kaplan and Norton (2000).

In reading Kaplan and Norton's (1992) paper, the following three assumptions forwarded by the authors proved to be especially interesting, and provide the strategic level of focus regarding the controlling influence exerted by the BSC on the behaviours of managers that this research aims to answer:

- *"The scorecard puts strategy and vision not control at the centre. It establishes goals but assumes that people will adopt whatever behaviours and take whatever actions are necessary to arrive at those goals"* (Kaplan and Norton 1992:79).
- *"The scorecard forces managers to focus on the handful of measures that are most critical"* (Kaplan and Norton 1992:73)
- *"Managers understand, at least implicitly, many interrelationships"* (Kaplan and Norton, 1992: 79).

While these statements make sense and are appealing to academics, senior managers and strategists, it would seem that they are not always successful when directly applied in an organisational context or living situation. In my early examination of the literature strong evidence emerged that both supports this consideration and underpins my own experiences and chosen research direction in a number of specific areas.

My own DBA studies and professional practice had nurtured an understanding of the

importance and benefits to be derived from performance management. It has also increasingly raised my awareness from the literature that the vast majority of performance measurement implementations (Lewy cited in McCunn, 1998; Neely and Bourne 2000; Bourne *et al.*, 2002; fail or are limited in their 'effectiveness or expectations' (Schneiderman 1999). This confirms my own experiences with PMS. The level of organisational and theoretical objectivity and awareness of existing and recurring problems in relation to performance management is open to a degree of critical reflection. Fisher (1998) for example, focuses on the work of KPMG Management Consulting who criticised organizations for continually making the same mistakes in scorecard implementation. This level of condemnation does not reside solely in the practitioner domain and extends into academia, where Huczynski (cited in Holloway, 2000:7) indicates that there is a *"lack of examination or critique of past failures and successes, and dismissal of theoretical ideas"*.

In trying to bring substance and meaning to this debate, a level of focus has evolved in recent literature and research circles in trying to unravel and understand why these problems exist in performance management. In particular, the following two prominent themes have emerged.

Firstly, practitioner and academic knowledge has remained in the system design, deployment and implementation stages of performance measurement (Neely *et al.*, 1995, 1997, 2000 and Bourne *et al.*, 2000), with limited exploration over time, into its actual use by managers. Importantly for this research, the level of focus nurtured a number of comprehensive reviews of the literature on measurement design, leading to Neely *et al.*'s., (1997) measurement design framework and Hudson *et al.*'s., (2001:1100) later classification of the *'critical characteristics of performance measures'*. These publications help provide a comprehensive understanding of underlying concepts, frameworks and most importantly, areas of performance conflict, misunderstandings and lack of research - particularly as they relate to the actual use of scorecards after their implementation.

Secondly as a practicing operational manager who has experienced performance measurement at a number of different levels, the impact of measurement on individuals and resulting behaviours increasingly emerged in my initial literature searches as a consideration deemed as

important in the use of performance management systems. From these sources, a number of identifiable factors I consider important have been identified.

Lipe and Salterio (2000:284) investigated MBA students in a case study experiment to assess the '*cognitive difficulty*' experienced by some managers in using the BSC, concluding that managers tended to be drawn to using '*common*' financial and lagging measures at the demise of '*unique*' non financial or leading indicators of performance. Importantly the authors recognised the linkages between individual's psychological reaction, decision making process and '*task characteristics*' with the research participants performance assessments reverting to the basic use of financial and lagging measures to the detriment of the unique leading and non financial measures. The authors concluded that this level of decision-making and cognitive differences between individuals could result in varying degrees of use of the performance management system. In this instance, the strategic balance of the scorecard will therefore be diminished, as organisations will not see the emergence or realisation of the '*expected benefits of BSC*' deployment.

Using research methods of qualitative interviews and questionnaires, Malina and Selto (2000) also evaluated the effectiveness of the BSC within a large international organisation. . The research concluded that the degree of '*positive outcomes*' obtained from the BSC were attributable to the effectiveness of the applied approach as a controlling framework. More importantly, the authors supported their findings through the proposition that '*positive outcomes*' were more likely to occur when employees were motivated and their behaviour aligned to strategy. Malina and Selto (2000:72) also concluded that individuals "*did not object to tough, but attainable goals.*" This implies that achievability and relevance, in what is recognised as a controlling environment, can be dominant factors in nurturing a positive psychological contract in relation to the perceived accountability of individuals towards performance objectives.

At the time of my investigation, only a limited amount of research had explored the behavioural ramifications of these interactions. A noticeable exception is the work of De Waal (2002a, 2002b) who by putting forward a valuable case study, provided insight into 18

positive behavioural factors, all of which were considered to be important in the development and subsequent use of a performance management system.

1.3.2 How The Research Will Contribute To Theoretical And Practitioner Knowledge

The impact of these considerations will be further analysed through a critical analysis as this thesis develops. However at this stage, there is sufficient evidence to conclude that the findings offer a fundamental focus providing a basis for my own evolutionary understanding. The more I read and engaged with the author's findings and reflected upon my personal experiences as a manager, the more it seemed that PMS and behaviours were linked. In essence, I felt that these two closely interlinked factors provided the organisational and psychological binding between design, deployment and implementation through initial use and more importantly the continued use of PMS by managers.

Having felt that something within the available research frameworks was amiss, I often reflected upon my previous experiences of performance management and therefore re-visited existing literature. Although the existing research had offered a direction to follow in the form of De Waal (2002a, 2002b) it only seemed to provide a detached and superficial case study perspective. This was due to what I believe to be the adoption of a 180-degree inward view in relation to the researcher (who is not part of the change encounter) drawing and reflecting upon the experiences of others from an outside vantage point. I realised that in order to achieve a greater degree of validity, an ongoing and integral account of the changing reactions and feelings of those practitioners experiencing the PMS change was necessary.

Consequently, I accepted that I had to broaden my approach in order to achieve a reverse effect with regard an outwardly focused 180-degree practitioner interpretation. This would then draw upon the changing perceptions and experiences of a number of managerial co-participants as they would be exposed to and required to use the centrally imposed BSC. I consider the adoption of such an approach critical, as it provides what I realise is an increasingly robust and valuable 360-degree practitioner world-view to the research environment encountered.

Adopting this approach provides a number of important theoretical and practitioner opportunities:

- Firstly, to test existing theoretical ideas by undertaking a cross-examination of current literature and concepts from which it is possible to re-evaluate and expand upon both the positive and negative human (behavioural and emotional) dimensions of PMSs.
- Secondly, by applying the theoretical and practitioner knowledge gained. The research aims through the contribution offered by the co-participants to build upon managerial practice, developing a practical working framework, which will enable organisations to both understand and envisage likely behavioural and emotional reactions to a PMS.

Use of this model devised from and tested in actual practice will prove invaluable. As it will not only allow managers to identify and therefore react to areas of probable negativity, but also allow them to encourage and endorse the more positive aspects.

1.3.3 The Importance and Role of the Co-Participant

The real problem I now found myself facing centred squarely in the realms of identifying any previous research applied at this level, as well as finding support for research in the methodological direction under pursuit. Initial answers to these questions were first needed, if both theory and practice were to be extended and tested and knowledge (beyond the existing criticisms and boundaries) was to be exposed. In trying to bring meaning and objectivity to these issues I found myself drawn to Holloways' (2000:13) assertion regarding the lack of research in this field, in particular her reflection that:

“More challenging questions about the interests served by performance measurement, and the potential for unintended impacts on behaviour, surface rarely even among the academic community”.

This was not the only identifiable criticism that influenced my initial realisation of the current state and lack of research. There exists an emerging prominence in research circles regarding the argument for the progression of practitioner and academic knowledge in a number of different behavioural dimensions and directions. Neely *et al.*, (2000:1131) for example support Holloway's (2000) argument for research in this area and provide an informative and descriptive view regarding the problems facing performance measurement, practitioners and researchers through their view that:

"The real challenges for managers come once they have developed their robust measurement system, for then they must implement the measures. As soon as they seek to do so, they encounter fear, politics and subversion. Individuals begin to worry that the measures might expose their shortcomings. Different people seek to undermine the credibility of the measures in different ways. Some seek to game the system. Others seek to prevent it ever being implemented" Research into these issues, and particularly how they can be addressed is much needed".

The practitioner engagement applied to this research will undoubtedly encounter some or all of the dysfunctional issues highlighted by Neely *et al.*, (2000) and as such seeks to provide answers to how they emerge, as well as how they can be managed. In pursuing this goal, a number of important considerations need to be included, particularly in the realms of understanding why these emotional and behavioural interactions occur at the level of the measurer, and more importantly for those being measured. In a similar context Bourne *et al.*, (2000:759) provides what I feel is a further useful insight at an organisational context, where a director reflects on the behavioural problems associated with individuals interacting with measures:

"There are two real problems with implementing the measures. The first was getting the management to feel happy with the measures. It is easy to feel threatened by them and they needed to be persuaded that it was good for the business and not a threatening activity. The measures should help them and not hinder them in their task. This was the main obstacle".

The discussions positioned have provided a logical grounding into the problems associated with measurement and support a strong argument for research into the behavioural impact of measurement, but the progression and level of research into this important area as previously

discussed is open to criticism (Holloway, 2000). We can also be ask, what benefit would an organisation or indeed a consultant gain through hanging out its dirty washing or past failures? This realisation could, to some extent explain Bourne *et al.*, (2000: 759) citation of Demings' (1986) earlier criticism against which it was commented that resistance to measurement is rarely made available for publication. These criticisms provide the researcher with empirical support for the argument that little advancement in this academic or practitioner field has been achieved since Demings' (1986) original proposition. This view clearly underpins both Neely *et al.*'s., (2000) research consideration and Holloway's (2000:31) fifth recommendation where she positions "*taking the critical agenda forward,*" through her suggestion that:

"Research which looks at performance measurement from the perspective of the measured rather than the measurers, and seeks to understand the limits or extent to which common interests can be pursued through careful performance measurement design or other enabling mechanisms".

It is clear from both authors' comments that there is a level of commonality and direct linkage between the two suggested research statements. This linkage provides further legitimisation for my chosen research direction and areas of investigation. Any interaction of this nature will clearly require a significant level of practitioner involvement and engagement at varying levels in the research process, which (due to its unique focus), does not come without a level of risk. This view is adequately supported in the literature through a recognition by Bourne *et al.*, (2000:759) that any studies involving researching levels of resistance to performance measurement will undoubtedly be complex and 'difficult to observe' as "*resisting individuals will take care to conceal their actions*". Neely *et al.*, (2000) point out that any research of such an intrusive and at times politically sensitive focus will encounter levels of political and operational reluctance, as well as cultural resistance to either participate in or communicate any research findings. As a practitioner, these pressures initially affected my ability to engage in my chosen research direction and on reflection, go some way to explain why Demings' (1986) criticisms for the lack of published research is still a relevant one. This suggestion would underpin De Toni and Tonchia's (2001) view that the main academic and practitioner focus and research has remained within the domain of case studies and surveys. This criticism has been addressed above, in relation to existing research in the behavioural studies available.

We might expect that the literature would readily include significant references regarding the adverse effects of deployment of Balanced Scorecards. This however is not the case. Goulin and Mersereau (2000:49) suggest that the focus of the literature has been significantly weighted away from trying to identify the issues that might arise, preferring to focus instead on explaining the process to be followed, as well as successes and advantages to be gained by organisations through introducing BSCs. As part of the debate, the authors discussed what they saw as problems associated with the development of case studies, which they suggest in the majority of instances involves *'collaboration between the authors and consultants who installed the system'*. This led the authors to *'raise the question of objectivity'*.

This raises an interesting debate. Who is the main beneficiary in relation to the implementation of a new PMS? Is it the consultant who has deployed a system gaining another successful deployment to his/her CV, but moves on without seeing through its actual use, or is it the managers who are left with something that does not work? I must admit I was not surprised to see that McCunn (1998) focused on this very issue indicating that this problem is very much an area in need of consideration. As a practitioner, the question of objectivity as it applied to my own organisation is an issue I originally discussed as part of my MBA studies and more recently encountered through the drive to deepen understanding through further research. As practitioners and consultants (both internally and externally), we need to break away from the perception that once a project or model is deployed we have been successful and can tick a box and move onto other things with little or no realisation, or indeed time put aside to understand the consequences of its actual use. We need to ask *'why did this happen?'* and *'what can I do to resolve it?'*

The discussions so far have demonstrated that there is a distinct lack of academic and practitioner understanding or knowledge of the positive and negative effects or influences, measures have on either the measurer or those individuals being measured in any BSC implementation. As practitioners, we could defend ourselves by claiming a level of unawareness of the situation. This is not a unique and singular viewpoint. Tipping (1998, 2000:8) further develops the debate through a simple message for practitioners to reflect upon through his suggestion that:

“Much of the benefits to be derived from performance measurement systems is from going through the process and evaluating the feedback from the users. The clear message is ‘Just do it’”

It makes sense that until we fully understand why these past failures or successes develop and react to the feedback of those actively involved in the process of measurement we will be destined to have limited success in imbedding or ensuring any actual successful implementation of performance measurement.

1.4. Research Structure - Engaging the Co-Participants

As previously discussed, the purpose of the research undertaken is to provide a practitioner based understanding of the extent to which eight research participants and myself can, through a process of collaborative inquiry, behaviourally and emotionally engage with and work within the unit scorecard and associated KPI's over a 10 month period. This would provide a valuable and uniquely positioned practitioner based view of the research undertaken. In order to achieve this end state, three levels of inquiry are followed utilising internal documents, group and individual discussions, personal reflections as well as multi-methods of data collection (taped interviews, questionnaires, facilitated focus groups).

The aim of the cycles was to understand the emergence of functional and dysfunctional emotional and behavioural issues as prescribed by Bourne *et al.*, (2000) and Neely *et al.*, (2000) and to assess how they impacted on the research issue under investigation. The reflections and experiences from these interactions are assessed in terms of their effectiveness at both an operational and personal setting, with further adjustments and iterations of change and evaluation undertaken. The research group initially comprised of the senior manager (i.e. the author) and seventeen unit managers as research participants to cover the initial exploration of individuals' understanding of the BSC and measurement dimensions. As the research progressed into the actual usage of the scorecard, the level of co-participant involvement was

reduced to eight unit managers. The process of integration between the different levels of engagement in the cyclical process takes the following format:

The first level of investigation is descriptive in nature, exploring my own personal development, the identification of the research problem, and my subsequent exposure to and evaluation of key literature and gaps in existing academic and theoretical knowledge, from which a suitable research framework was developed and discussed.

The second level of inquiry focuses on the actual deployment, implementation and use of the unit scorecard with a particular emphasis upon understanding the degree to which, over time, individuals can work with (and are influenced or affected by) both the scorecard and its KPIs. In progressing on this route, a number of mutually interlinked sub levels of investigation are considered:

- The initial stage in the engagement is both exploratory and reflective in nature, focusing on initial perceptions and worries of the seventeen managers (in February 2001), as they were exposed to the pending unit scorecard and associated KPI's prior to attending a deployment workshop in March 2001.
- The identified outputs were then re-evaluated in relation to the degree that these concerns were either realised or misconceived, as managers progressed through the workshop and into the implementation of personal scorecards and KPI targets across delivery units in April 2001. At this stage, it was deemed necessary to recruit a core of eight research participants, from the original seventeen staff members. This was due to lack of available time, work constraints and an uneasiness from some co-participants to continue in what was soon realised by certain individuals as a very personal and self reflective experience, which some found increasingly uncomfortable. The eight volunteers ultimately enabled and supported a greater degree and depth of analysis as the research participants and I jointly moved into the final stages of the research.

- At this level of focus we critically explored and reflected upon the actual day-to-day use of the personal scorecards and related KPIs, focusing on the emerging experiences and concerns of the eight research co-participants and myself over a six-month period. The timeframe under observation in this phase covered the period from April 2001 until January 2002.

The third level of engagement reviews the effectiveness of the scorecard and KPI's over the ten-month period. Attention here focuses on how perceptions, emotions and experiences changed over the period under observation, the extent to which the initial concerns had been realised. I also address the level and intensity of practitioner engagement with the KPIs achieved.

The research investigation concludes with a critical assessment of the identified research findings at three levels: academic and organisational, researcher and co-participants, and reflection on and discussion as to how these experiences have contributed to and influenced the advancement of theoretical and practitioner understanding within and between the different levels of applied engagement and knowledge. Recommendations for further research are then discussed, in light of the obtained findings.

Chapter 2 Literature Review

2.1 Introduction - A Positioning Overview

An early examination of the literature has revealed that little has been written about the current research field. Indeed I was venturing into an area that had not been exposed to any extensive exploration at either a practitioner or academic level. This observation has been supported in the previous section in two specific areas. Firstly, a clear recognition exists within academia that limited research has been undertaken concerning how managers perceive or react when exposed to performance measurement (Holloway 2000, Neely *et al.*, 2000). Secondly, the majority of the existing literature focuses on the design and implementation stages of performance measurement systems (Neely *et al.*, 2000), with limited exploration of the actual usage or indeed its impact on those who are exposed to it. As a result there appears to be a paucity of research in this area, where the current research initiative intends to address this gap in the literature

These considerations raise important research opportunities within current practice and support the validity of the main research focus of this thesis, particularly if as practitioners and academics we reflect back on Neely *et al.*'s., (2000) comments on the dysfunctional impact of measurement. The authors' discussions forms a strong foundation for this research, and has influenced my own practitioner thinking through the attempt to understand and support other managers as they are exposed to a cross section of imposed balanced scorecard performance measures.

As discussed earlier, the focus of this current research is specifically aimed at understanding how managers react to and engage with imposed measures brought about by the Balanced Scorecard. Initial understanding of current thinking in this field was developed through readings of a number of researchers at Cambridge University who have been influential in the performance measurement field (Bourne *et al.*, 2000; Neely *et al.*, 1994; Neely *et al.*, 1995;

Neely *et al.*, 1997; Neely *et al.*, 2000; Neely, 1999; Bourne, 1999; Neely and Bourne, 2000; Bourne *et al.*, 2002).

To nurture self-awareness I needed to understand the key concepts explored in these publications. These initial readings were further supported by other sources from the wider academic and practitioner literature. The areas addressed here in particular ranged from positioning the relationship between strategy, performance management and measurement, and more specifically discussing the interrelationships and pressures between the balanced scorecard, performance improvements, measurement tensions and managerial behaviours.

Having identified the initial gaps in the literature, the following sections will critically expand upon these issues in a number of key areas specifically as they apply to the research undertaken. The chapter will conclude with the positioning of a conceptual framework derived from the literature that will be utilised and expanded as the primary research progresses through cyclical processes.

1. Literature Focus

- *Strategy-Performance Management-Performance Measurement*
- *Dynamics of Measurement*
- *Emergence of a Balanced Approach to Performance Management*
- *The Balanced Scorecard*
- *Impact of Measurement on Behaviours*
- *Cultural influence on behaviours*

2. Research Framework Derived from the Literature

- *Research Framework*

Although the main focus of the literature review remains within the realms of reviewing how managers react to measures using the Balance Scorecard approach, the researcher is aware of the wider implications and ramifications of the research on other Performance Measurement approaches. To include all of these variants however, would dilute the critical nature of the review, so necessary linkages have been included in the confines of the literature and a critical

evaluation is included in the research conclusions, which discusses possible research opportunities as they impact on other literary disciplines.

2.2. Strategy-Management-Measurement

Both the academic and practitioner fields have extensively debated and researched the areas of strategy, performance management and measurement. The very nature of this focus provides a diversity of languages, terminologies and definitions, each of which are heavily influenced by numerous approaches and models (Nickols 2000). This level of complexity results in the emergence of widespread confusion and contradictions. Platts (1990:5) focuses on this problem and argues that it is necessary to establish a level of common understanding of 'terminologies and definitions' as they apply in the research process and citing Sawyer (1973) who argues that "*the important thing is not exact definition; it is to know what you are talking about*". In trying to understand the role of performance measurement as applied to this current research initiative, it is desirable to explore and define the role of measurement within strategy and performance management, as it is open to varied degrees of interpretation and understanding.

2.2.1 Strategy

Although the literature within the strategy domain is diverse and varied, the following section solely aims to focus on strategy as a means of exploring and positioning the key elements and linkages as they apply throughout the different levels of an organisation. This provides a sound foundation upon which the subsequent review can rest upon.

The current term 'strategy' is derived from the original Greek word '*strategia*', which translates to '*generalship*'. In today's language, it simply translates into what I see as a detailed plan developed and deployed to overcome enemy opposition or achieve a given task through the alignment and provision of superior labour and resources. The conceptualisation of

strategy and planning can be traced to the late 1940's, where it has been supported through an embryonic migration into the business community, nurtured by the repetition of military personnel after the Second World War. The strategy and planning process has a number of distinctive holistic considerations that clearly focus on and support the development of strategic direction and deployment within current organisational thinking. This initial positioning can be attributed to the work undertaken by Drucker (1954) cited in Platts (1990:6) through his focus on strategy as providing the means to answering two fundamental questions: 1) "*what is our business?*" and 2) "*what should it be?*" In other words, the former addresses the present situation facing the business, whilst the latter question encourages us to think about the future direction of the business.

The definition provides an initial descriptive view within management practice and as such provides a generalised grounding of the key conceptualisation of strategy. Andrews (1980:18-19) more recently however, offers a more detailed explanation through his exploration of strategy, where:

"Corporate Strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principle policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organisation it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities".

The explanation not only clearly provides both a concise and descriptive view of the strategy process, but also builds upon the previous statements, particularly regarding the recognition of the levels of complexity present in corporate strategy. This level of understanding is important as it provides a useful insight into the varying degrees of diversity and influences that impact upon the strategic process. This includes the positioning of key considerations regarding '*patterns of decisions*' and '*plans*' suggesting a varying degree of focus and application in organisations. Significantly, this was an area later explored and expanded upon by Mintzberg (1978, 1994) through his suggestion that strategy is used in different ways by organisations influenced by plans, patterns, positions and perspectives. It is here that strategies are formulated or emerge over time impacted on by what are seen as changing realities and

intentions. Nickol (2000:2) supports this linkage and comments that Andrews' (1980) definition anticipates Mintzberg's (1978, 1994) attention to "*pattern, plan and perspective*".

This depth of interaction is not solely confined to a corporate level. In Andrews' (1980) definition, separate explanations have been used to explain the difference between Corporate and Business strategy. It is however significant to note that strategy permeates below these two discreet levels. Hofer and Schendel's (1978) earlier exploration of the hierarchy of strategy, supports this consideration (cited in Platts,1990:6 and Platts and Gregory, 1989:6) where they identified three discreet strategy levels:

Corporate Strategy	What set of business should we be in?
Business Strategy	How should we compete in XYZ business?
Functional Strategy	How can the function contribute to the competitive advantage of the business?

On reflection, it is interesting to see that within the definition forwarded by Andrews (1980) the use of goal setting and objectives form an integral element of the strategic development and deployment process. This therefore suggests a means by which people linkages can be established between the different levels. This concept receives support from two key areas in the literature. Firstly that measurement is an action (McCunn,1998) which provides a line of sight between an organisation's strategy and its '*business unit actions*' (Keegan *et al.*, 1989); and secondly that it is achieved through a consistency (Mintzberg, 1978) of decision making and action, supported by a series of focused measures (Kaplan and Norton, 1993) against which achievement can be monitored and adapted.

Strategy formulation frameworks and models initially developed in the 1970's and 1980's by pioneers such as Mintzberg, (1978) and Andrews (1980), provided the initial foundations focusing on analysing environmental '*opportunities and threats*' and internal '*strengths and weaknesses*' in the development of strategies and their related planning processes. A key element of these frameworks focused on the need to explain both the goals of an organisation and how they planned to achieve the goals once set. Clear referrals to this original positioning can be noted within the definitions positioned by Andrews (1980).

Recently this topic has resurfaced and generated some significant interest. Neely and Adams (2001:3) focus on what they see as two important issues: 1) *'derive your measures from strategy'* and 2) *'nobody stops to question it'*. The rationale behind these statements stemmed from the recognition by the authors that a fundamental flaw exists in current understanding and practice regarding strategy and performance measurement, against which the authors conclude that *"to derive measures from strategy is to misunderstand fundamentally the purpose of measurement and the role of strategy"*. This point is expanded through the following statements:

Regarding the role of strategy: "Strategy is not about destination. Instead, it is about the route you choose to take – how to reach the desired destination".

On the purpose of measurement: "performance measures are designed to help people track whether they are moving in the direction they want to. They help managers establish whether they are going to reach the direction they set out to reach".

These definitions support earlier Hofer and Schendel's (1978) (cited in Platts, 1990:6 and Platts and Gregory 1989:6) earlier argument that strategy and goal setting are separate processes and question some of the more traditional perspectives of the linkages between strategy and measurement. More importantly, the quotations used by Neely and Adams (2001:3) clearly recognise and build on these considerations through demonstrating how clear line of sight linkages between individuals and performance measurement can be achieved as well as providing the linkage between the hierarchy of strategies previously defined by Hofer and Schendel.

2.2.2 Performance Management

Since its original definition, the meaning of performance management has diversified into many varied definitions each open to numerous interpretations, meanings and applications. Slottje (2000:1) suggests that, *"performance management is a term used by everyone to discuss every issue"* and *"will never have one definition"*. Montebello (1999:1) by contrast

comments that, *“one reason performance management is so widely used is the scope and variety of the purposes it can be used”*.

The idea of Performance Management as we now recognise it developed during the 1970's at the same time as significant advances in strategic thinking. The development of performance management is also traced to the original work undertaken by Aubrey Daniels. Importantly Slottje (2000), as part of his research, decided to gain an insight into how this direction developed through contacting a number of key individuals for their reflective feedback.

Jamie Daniels, Aubrey's brother commented to Slottje that they (Aubrey Daniels Associates) had initially positioned their model within a *'Behavioural Management'* or *'Behavioural Modification'* framework. They soon adopted the term 'performance management', due to unwillingness at the time to use the term 'behaviour'. The significance of this is interesting and suggests that a level of conflict and misunderstanding existed between the behavioural sciences and management disciplines during a period of intense diversity and change in theory and practice. Similarly, Alyce Dickinson in discussions with Slottje (2000:5) provides an enlightening view on this issue when she reflected on a number of conversations she had with Aubrey Daniels:

“The name change was initiated by the fact that business clients did not understand or relate to the term 'Organisational Behaviour Management' for at least two reasons. One; they believed that their children 'behaved' while employees and workers 'performed'. Two: 'Behaviour' was always associated with 'bad' or inappropriate behaviour”.

Two further reflective comments support this interesting observation;

Jamie Daniels comments that, *“the times were not favourable for using the word Behaviour. People reacted very negatively to the idea of changing other's behaviour”*. Bill Hopkins outlines that *“people then didn't understand what we meant when we talked about behaviour and company focus was often on measures reflecting results of behaviours”*.

The recognition that behaviours both positive and negative impact on strategy, management and measurement is now well recognised and documented within the literature. As such, it is sufficient to conclude that the conflicts present in the 1970's do not currently exist in their previous form. The awareness of behaviours as they apply within performance management has raised other issues as they impact on performance management and individuals, particularly from an ethical viewpoint. An interesting paper published by Winstanley and Stuart-Smith (1996:66) titled "*policing performance: the ethics of performance management*" explores the impact of ethics on performance management through applying an action learning methodology. They conclude that four key considerations need to exist in any effective performance management approach: 1) "*respect for the individual*" 2) "*mutual respect*" 3) "*procedural fairness*" and 4) "*transparency of decision making*". These are all key issues instrumental to this current research initiative and are applied to my own practitioner approach (see appendix (1) behavioural statement).

On reflection, these four areas closely align with and are a direct consequence of behavioural influences and interactions. They could explain why during the 1970's, there was an adverse reaction to acknowledging their existence within the predominately financial based performance measurement approaches readily adopted at the time. Winstanley and Stuart-Smith (1996:66) support this view and assert that traditional performance management approaches could be seen as "*forms of control which are used to police performance*". The issue of control still plays a significant part in any performance measurement system, yet the level and intensity to which it is applied is a topic that is open to some level of debate, with Bourne (1999:23) agreeing that "*measuring performance focuses attention*" but he concludes by asking 'what behaviour will the measure nurture and is it desirable?'

This is further expanded by Mohrman *et al.*, (1993:198), who include an element of control by stating: "*performance management is the set of processes that have to be done in order to make sure that what people do and work at in the organisation will obtain the results that the organisation needs*". More recently, Strebler *et al.*, (2001: xi-3) focus on two relevant considerations that provide a readily acceptable method whereby performance is managed within a business context:

Firstly, through the citation of Hendry *et al.*, (1997) view that performance management is seen as “*a systemic approach to improving the individual and team performance to deliver business objectives*”. Secondly, it concerns “*performance review (PR) systems and processes as tools, to deliver performance management*”. These views clearly focus on (and underpin the recognition of behaviours in) current practice, and support the notion of linkages between individuals and strategy within their meaning, and as such provide a logical explanation into how strategy can be linked with performance management. Bititci *et al.*, (1997:523) classifies this interaction as a ‘*closed loop control system*’ through their explanation that:

“The performance management process is the process by which the company manages its performance in line with its corporate and functional strategies and objectives. The objective of this process is to provide a proactive closed loop system, where the corporate and functional strategies are deployed to all business process, activities, tasks and personnel, and feedback is obtained through the performance measurement system to enable appropriate management decisions”.

Having established the implicit nature of the performance management process, it is useful to consider the underlying assumptions that support the basic logic and steps to be undertaken within the cycle process. Storey and Sisson (1993) cited in Stiles *et al.*, (1997:56) provide a useful view of this through their comments that performance management consists of three key processes:

- The setting of objectives, derived from corporate and business unit (or divisional) strategies
- The evaluation of performance
- The linkage between evaluated performance, development and rewards, in order to reinforce behaviour

This view is supported through Winstanley and Stuart-Smith’s (1996:67) suggestion that there is an explicit and implicit nature to performance management and measurement that can be broken down into three distinctive core elements: 1) “*setting the objectives,*” 2) “*managing performance to objectives*” and 3) “*measuring performance against objectives*”. (See footnote 3 overleaf) The management of these three processes falls within the domain of performance

reviews and is a subject that has been extensively researched. Strebler *et al.*, (2001) focus on some key aspects derived from previous research to initially position a number of considerations within the IES report titled “*Performance Review: balancing objectives and content*” focusing particularly on the following problems associated with the application of performance management:

- It lacks strategic focus
- It gives conflicting messages between encouragement and control
- It has a limited impact on business performance
- It stretches managers who often lack the skills and motivation to deliver it effectively
- It is participation in the review meeting which matters most for employees rather than its outcome
- The importance of employee commitment is increasing
- There is an emphasis on development, and increased disillusion with the link to pay

Source: Strebler *et al.*, (2001: ix)

2.2.3 Performance Measurement

It is readily accepted that some form of performance measurement is an integral element of any performance management process (Bourne, 1999). This view is supported through Viken’s (1995:1) comments that “*performance management in general is tightly tied up to measurement*”. Bititci *et al.*, (1997:523) provide a useful reflection on how this is achieved through their explanation that “*there is an information system which enables the closed loop deployment and feedback system. This information system is the performance measurement system*”.

Footnote 3 Previously referenced sources of behavioural impact on measurement see: Kaplan, (1994); Kaplan and Norton (1992, 1993, (1996a,b); Neely *et al.*, (1994, 1997); Viken (1995); Bourne *et al.*, (2000); Tipping (1998,1999); Neely and Bourne (2000); Bourne (1999) and De Waal (2002abc).

It is recognised that performance measurement frameworks such as Management By Objectives (MBO) (Drucker 1955), Total Quality Management (TQM), Performance Measurement Matrix (Keegan *et al.*, 1989), Performance Measurement Questionnaire (Dixon *et al.*, 1990), the Balanced Scorecard (BSC) (Kaplan and Norton 1992) and more recently the Performance Prism (Neely *et al.*, 2001) provide the frameworks whereby these linkages are achieved. All of these approaches have one thing in common; a framework measures a given dimension over a selected timeframe. This view is positioned within Hatry's (1999:1) definition of measurement as *"measurement on a regular basis of the results (outcomes) and efficiency of services or programs"*.

In reviewing the literature, it is surprising to see the depth of focus and comments commonly used to describe particular views as they affect measurement and measures. In particular, some views include:

"Garbage in, garbage out" (Hatry, 1999:1)

"What gets measured gets managed" (Schmenner and Vollmann, 1994: 58)

"What gets measured gets done" (Bourne, 1999: 23)

"What you measure is what you get" (Kaplan and Norton, 1992; Stiver and Joyce, 2000: 22).

The precise meaning of the quotations clearly portray a level of conflicting meanings and design problems that can be associated with both the daily management and undertaking of measurement activities and their respective measures. These views are not solely confined to the use of commonly recognised acronyms. Adverse reactions and views also exist in an organisational context. To position this effectively, it is useful to consider the comments highlighted by Neely (1999:206) in the paper *"The Performance measurement revolution: why now and what next?"*

Firstly, a manager explained to the author that, *"we measure everything that walks and moves, but nothing that matters"*. Secondly, Neely (1999:206) notes that, *"performance measures are also often poorly defined. It is not unusual to observe two people heatedly arguing over some*

dimension of performance and later find that the root cause of their disagreement was the imprecise definition of a measure”.

These comments are crucial, and suggest a level of disconnection between the performance measures and the hierarchy of strategies. It is interesting to note that Neely (1999:206) focused on this issue by expanding and citing Lynch and Cross’s (1991) argument that performance measures *“are rarely integrated with one another or aligned to the business processes”*. This view goes some way to explain the first two statements and would later support Neely *et al.*,’s (1997:1136) *“golden rule”* when he pointed out that *“there is no point measuring someone on something over which they have no control”*. In trying to understand how measures are *“integrated”* and *“aligned”* within performance measurement, it is useful to consider Neely *et al.*,’s (1995:80-81) initial definitions that focused on three key process explanations:

- ***Performance Measurement*** can be defined as a process of quantifying the efficiency and effectiveness of action (see note 3).
- ***A Performance Measure*** is defined as a metric used to quantify the efficiency and/or effectiveness of an action.
- ***A Performance Measurement System*** can be defined as the set of metrics used to quantify both the efficiency and effectiveness of actions (see note 3 on page 37).

The simplicity of these identified processes and actions are clearly conveyed by the implicit nature of the authors’ descriptions that they have supported, by additional explanations 3 and 4, to embed a level of understanding in the paper. The individual process definitions show that extensive use is made of the terms *‘efficiency and effectiveness’*, which the authors supported through the use of two explanations:

“The terms efficiency and effectiveness are used precisely in this context. Effectiveness refers to the extent to which customer requirements are met, while efficiency is a measure of how economically the firm’s resources are utilised when providing a given level of customer satisfaction” (Neely *et al.*,’s 1995:80).

“It not only identifies two fundamental dimensions of performance, but also highlights the fact that there can be internal as well as external reasons for pursuing specific courses of action” (Slack 1991 cited in Neely *et al.*,’s 1995:80).

It is interesting to see that the terms efficiency and effectiveness has nurtured other viewpoints. Bowman and Asch (1991:15) in particular comment that, *“the problem of measuring the organisation’s performance (in terms of its efficiency and effectiveness) is largely a matter of subjective judgement”*. They also explain that organisations can obtain levels of efficiency through efficient utilisation of resources, yet at the same time be ineffective through falling profits linked to failing to meet customer requirements or expectations - in reality failing to achieve a balance across the scorecard.

In a later paper Neely and Bourne (2000:6) focus on the importance of understanding the relevance of efficiency and effectiveness in performance measurement through exploring how the performance measurement process could be made more efficient and effective:

“The efficiency issue is associated with simplicity and automation. The trick is to measure as little as possible, but to ensure that you are measuring the things that matter. The effectiveness question is a completely separate topic, because many organisations quite simply fail to extract value from the performance measurement data”.

When the authors further expanded the question of ‘effectiveness’ they explained that the term was further affected by managers failing to ‘analyse the data’ through unawareness of or failure to use appropriate ‘tools and techniques’, or when used to ‘understand the messages inside the performance data’. Significantly it was also suggested that when improvement activities were introduced, they were not always *“linked to the performance data;”* an issue they explained was compounded by problems associated with *“assessing whether any improvements that are seen are rapid enough or linked directly to the actions they have taken”* (Neely and Bourne (2000:6). (See footnote 4 and 5)

Footnote (4) Quoted from authors’ publications. This action can be expressed either in the actual efficiency and/or effectiveness of an action, or in terms of the end result of that action.

Footnote (5) In this context, the term metric refers to more than simply the ‘formula’ used to calculate the measure. For a given performance measure to be specific it is necessary to define among other things, the title of the measure, how it is to be calculated (the formula), who will be carrying out the calculation, and from where they will get the data. Terminology used (Neely *et al.*, 1995:110) can be initially positioned and explained in the terms of ‘efficiency and effectiveness’.

The above comments would suggest that performance review processes are either not in place or are ineffective in their application. It is interesting to note that the authors did not explore the role or impact of '*closed loop control systems*' previously discussed by Bititci *et al.*, (1997) or include appropriate 360 degree feedback systems in their paper, in relation to managing or limiting the impact or effect of these concerns.

Strebler *et al.*, (2001:xi) undertook a research study regarding the application of performance review (PR) systems. The authors investigated how the approach was applied in seventeen organisational settings. A key element derived from the research was the recognition that motivational impact or buy in was a major factor that affected individuals, which in turn was heavily influenced by the effectiveness of the cascade of objectives in organisations. The authors commented on this point through their view that "*targets can be SMART, but if they seem unfair, or if they are imposed, they lose their motivational impact*".

2.3 Measurement Focus

One feature of performance measures resides in the diversity of interpretations and meanings of each specific measurement dimension, each with its own particular focus and preferred key performance indicator. The actual composition or component parts of each performance measure is a topic discussed by Gilbert (cited in Hayes and Wheelwright, 1979) who argues that ideally each chosen measure needs to be comprised of four basic performance entities; quality, quantity, timeliness and cost.

This view does however need to be reconsidered in light of an increasing awareness that according to Feurer and Chaharbaghi (1995:69) "*the hierarchy of measures cannot reflect the whole value system of the organisation which combines the goals of all stakeholders.*" The author further suggests that it is necessary to provide a measurement hierarchy "*for each group of stakeholders*".

This consideration clearly links back to Neely and Adams' (2001) previously positioned argument regarding strategic route versus measurement direction, and when considered in conjunction with Feurer and Chaharbaghi's (1995) observation, suggests that measurement dimensions and focus will need to be adapted to cater for varying stakeholder groups in an organization. The risk is that the balance between different stakeholder priorities might cause conflicts of interest and focus to occur, thereby jeopardizing a balanced application of the BSC across the organisation.

When viewed at this level, the term stakeholder needs to be expanded to include interested parties such as shareholders, functional employees, suppliers and regulatory bodies, each of whom could generate possible levels of conflict between the measurement entities themselves and across selected or implemented measurement portfolios. The importance of gaining a competitive advantage is well documented. In positioning this particular subject, Stalk (1988) focuses on the importance of gaining a competitive advantage by suggesting that time based competitiveness provides the key strategic weapon which allows manufacturing to gain a level of competitive advantage. Stalk (1988:41) supported his argument through his view that *"time is the equivalent of money, productivity, quality, even innovation"*.

Garvin (1987:101-109) in contrast focuses on the relevance of quality as a means to gain a competitive opportunity, suggesting that eight separate manageable quality dimensions exist, categorized as *"performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality"*. This view links to Wheelwright's (1981) suggestion that quality underpins success, both in terms of dependability and flexibility. Results of this are lower costs. Significantly, Garvin (1987:104) notes that some of the individual segments would be *"mutually supporting"* across the various dimensions while others would *"not"* support each other and as such *"an improvement in one may be achieved only at the expense of another"*. This view clearly links to Skinner's (1969) well recognised *"trade-off model"* and is adequately supported through Garvin's (1987:104) who comments that *"the challenge to managers is to complete on selected dimensions"* of performance, thus implying a level of compromise and trade-off against performance.

As previously stated, the more historical performance dimensions reside in the domains of quality, time, cost and flexibility. More recently, Dangayach and Deshmukh (2001:910) re-confirmed that these dimensions still exist as '*competitive performance priorities*' yet within their review of the dimensions it is interesting to note that innovation has been included, thus expanding the original four to five, and recognising more recent manufacturing factors or considerations.

Varying views and interpretations regarding measurement dimensions heavily influence the literature. Keegan *et al.*, (1989:45-50) suggest that performance measures could be categorized into two distinctive types; those related to cost and non-cost performance measures. Each of these would have both an internal and external measurement focus. In positioning the alignment of the measures they comment it is best to '*start broad, not bottom-up*' and initially to focus on five performance measures: quality, customer satisfaction, speed, product or service cost and cash flow. A weakness of the approach is the suggestion that: "*if in doubt, establish five overall performance measures and let others derive from this set*". Although the authors suggest the means whereby this could be achieved, such as understanding the "*main cost drivers*" and "*asking operating managers what they really look at when making decisions*", there is little exploration regarding operational situations where this has been practically applied. De Toni and Tonchia (2001:59) take a similar view in relation to performance measures suggesting that dimensions of "*cost performances*" exist, such as "*production costs and productivity*" and "*non-cost performances measures*" focusing on time, flexibility and quality. The key point from the framework is the level of hierarchical sub measures supporting the main measurement focus and the use of different measurement sub dimensions to ensure a robust level of cross-integration. Within the manufacturing literature, Leong *et al.*, (1989:114-115) undertake a review of the "*key competitive priorities*" from a number of literary sources commenting that "*a composite view yields the following five competitive priorities: quality, delivery, cost, flexibility and innovativeness*". They explain that empirical support exists to support the first four dimensions in the realms of "*competitive priorities*," developing their comments to explain that awareness exists that appropriate measurements support '*given competitive priorities*'. The authors also note that *less empirical evidence exists to support the utility of these measurements*, particularly as the main focus has

resided in understanding measurement priorities rather than the utility or usefulness of the measurements themselves at a *business unit level*. Tunalv (1992:21), later provides a reflective view of this impact identified during a study of 184 Swedish manufactures through his comment that:

“business units with a manufacturing strategy consider quality, lead time and flexibility as fundamental issues that should be emphasized in manufacturing”.

Slack *et al.*, (1995) had a comparative view to Leong *et al.*, (1989) detailing five similar operational performance objectives in relation to quality, speed, flexibility and cost, but include dependability in place of reliability. The authors also comment that, *“all these factors individually give a partial view of the operation’s cost performance, and many of them overlap in terms of the information they include”* (Slack *et al.*, 1995:730). These ideas clearly underpin Gavin’s (1987) view of managers, who need to operate across different dimensions and Skinner’s (1969) notion of trade-offs. It also suggests areas where questioning the usefulness of measures arises, particularly where information flows overlap, as this could potentially provide contradicting messages.

Other industrial sectors have different views regarding measurement dimensions. In a review of the service industry Fitzgerald *et al.*, (1991) comment that performance measures could be divided into two distinctive groups; firstly results orientated measures (such as competitiveness and financial performance), and secondly those measures that are determinants of the results (such as quality, flexibility, resource utilisation and innovation). These different views clearly indicate the level of complexity in the literature regarding the nature and focus of different performance dimensions. The variety of knowledge is clearly evident in this field. Neely *et al.*, (1995) focus on this problem and propose a useful matrix which they use to classify the most common sub dimensions of performance identified from the literature into four performance categories of quality, time, flexibility and cost. The main strength of the framework is that it was developed after an extensive review of literature sources available at the time (See Table 1 overleaf).

It clear that this framework builds on a previous article by Neely and Wilson (1992:47) where a similar framework is positioned under the terms of “*generic dimensions of quality, time, cost and flexibility*”. In the earlier example however, the issue of profit is included under the cost dimension, as is the awareness that the dimensions could have either an “*internal or external*” level of importance.

Table 1 - The Multiple Dimensions Of Quality, Time, Cost And Flexibility

Quality	Time	Flexibility
Q1: Performance	T1: Manufacturing lead time	F1: Material quality
Q2: Features	T2: Rate of production introduction	F2: Output quality
Q3: Reliability	T3: Deliver lead time	F3: New product
Q4: Conformance	T4: Due-date performance	F4: Modify product
Q5: Technical durability	T5: Frequency of delivery	F5: Deliverability
Q6: Serviceability		F6: Volume
Q7: Aesthetics	Cost	F7: Mix
Q8: Perceived quality	C1: Manufacturing cost	F8: Resource mix
Q9: Humanity	C2: Value added	
Q0: Value	C3: Selling price	
	C4: Running cost	
	C5: Service cost	

Source: Neely *et al.*, (1995:83)

Although the matrix does provide a useful insight into the four performance areas, it fails to identify two important measurement considerations. Firstly, soft measures such as motivational considerations included in Fitzgerald *et al's.*, (1991) results and determinants framework and other increasingly important employee and customer metrics, which have subsequently been linked into a model at a later date (Hudson *et al.*, 2001). Secondly it fails to highlight the effects of stakeholder measures appropriate to shareholders, suppliers or regularity bodies, although the second two could be included within the Q4 conformance measure. This however was not evident at the time the matrix was devised, but is clearly evident in Neely and Adams’ (2001) later Performance Prism.

In a later paper, Neely *et al.*, (1997) develop a further framework, positioning twenty-two recommendations regarding how performance measures should be designed. As in the previous matrix, the strength of the framework was its creation from ten key identified literature sources. These were directly incorporated into the model and developed further

through the suggestion as to “*what a good performance measure constitutes*” classified as a “*performance measure record sheet*”. This therefore provided depth of understanding and a consolidation of key views and ideas. More recently, these models have been the subject of a detailed and reflective review undertaken by Hudson *et al.*, (2001) on the areas of measurement duplication and the critical characteristics of the measures themselves. The authors focused on the twenty-two recommendations forwarded by Neely *et al.*, (1997) commenting that in their own review of the ‘sets’ they identified that ‘*many of the characteristics are duplicated or are deemed to be desirable*’ (Hudson *et al.*, 2001:1100). From this review two key issues emerge:

Firstly, the removal of any instances of identified ‘*duplication*’ enabled the authors to position a revised set of seven ‘*critical characteristics*’ which they suggest underpin the design of performance measures (see table 2). This framework provides a logical and empirically tested means by which an analysis can be undertaken regarding how applied measures in organisations support and link into these characteristics.

Table 2 - Characteristics Of Performance Measures.

Characteristics	Reference
Derived from strategy	Globerson, 1985; Maskell, 1989; Dixon et al., 1990; Lynch and Cross 1991; Neely et al., 1996a
Clearly defined with an explicit purpose	Globerson 1985; Neely et al., 1996a
Relevant and easy to maintain	Maskell 1989; Lynch and Cross 1991
Simple to understand and use	Maskell 1989; Lynch and Cross 1991; Neely et al., 1996a
Provides fast and accurate feedback	Globerson 1985; Dixon et al 1990; Maskell 1989; Neely et al 1996a
Link operations to strategic goals	Lynch and Cross, 1991
Stimulate continuous improvement	Lynch and Cross 1991; Maskell 1989; Neely et al., 1996a

Source: Hudson *et al.*, (2001:1101).

Hudson *et al.*, (2001) develop these dimensions to include the increasingly cited dimensions of finance, customer satisfaction and human resources. This expands upon Neely *et al's.*, (1995) original framework from four to six dimensions by building in increasingly important soft measures within the customer (Eccles,1991) and employee performance dimensions. The importance of this is clearly displayed by Hudson *et al's* (2001:1101) explanation that the six dimensions ‘*can be seen to cover all aspects of the business*’. This view is underpinned within

the framework through the inclusion of both internal and external performance dimensions, along with *‘cultural aspects of the working environment’* clearly incorporated and classified *‘within the human resource dimension’* shown (Please refer to Table 3).

Table 3 - Critical Dimensions Of Performance

Quality	Time	Flexibility	Finance	Customer Satisfaction	Human Resources
Product performance	Lead Time	Manufacturing effectiveness	Cash Flow	Market Share	Employee relations
Delivery reliability	Delivery reliability	Resource utilisation	Market share	Service	Employee involvement
Waste	Process throughput time	Volume flexibility	Overhead cost reduction	Image	Workforce
Dependability	Process time	New product introduction	Inventory performance	Integration with customers	Employee Skills
Innovation	Productivity	Computer systems	Cost control	Competitiveness	Learning
	Cycle time	Future growth	Sales	Innovation	Labour efficiency
	Delivery speed	Product innovation	Profitability	Delivery reliability	Quality of work life
	Labour efficiency		Efficiency		Resource utilisation
	Resource utilisation		Product cost reduction		Productivity

Source: Hudson et al., (2001:1102).

Hudson *et al.*, (2001:1101) recognise the clear danger of stipulating descriptive views on performance, commenting that the dimensions are only indicated as a prescriptive overview, and as such should only *“encourage the holistic consideration of these areas when developing measures to support the company strategy”*. This theme was significantly expanded by the authors, and led to the development of a revised model classified as a *‘typology for the evaluation of strategic PM development approaches’*. This was based on both the characteristics and dimensions frameworks previously discussed. Please refer to Table 4 overleaf.

Table 4 - Typology For The Evaluation Of Strategic PM Development Approaches

Development process requirements	Performance characteristics	measure	Dimensions of performance
Need evaluation/existing PM audit	Derived from strategy		Quality
Key user involvement	Clearly defined/explicit purpose		Flexibility
Strategic objective identification	Relevant and easy to understand		Time
Performance measure development	Simple to understand and use		Finance
Periodic maintenance structure	Provide fast, accurate feedback		Customer
Top management support	Link operations to strategic goals		Satisfaction
Full employee support	Stimulate continuous improvement		Human resources
Clear and explicit objectives			
Set timescales			

Source: Hudson *et al.*, (2001:1102).

This model provides the researcher with a number of opportunities. Firstly, the findings presented during the analysis and evaluation of ten key performance measurement frameworks against each of the three major headings and their sub dimensions provide an empirically tested grounding from which a review of existing performance measurement systems can be undertaken. Secondly, both the characteristics and dimensions positioned provide a robust means whereby an evaluation can be based which supports and assesses how managers react to and behave when exposed to performance dimensions.

2.4 The Dynamics of Measurement (trade-offs, cause and effect, lead and lag)

The actual design of performance measures is a topic that has generated considerable interest and debate in practitioner circles, nurturing the varied acronyms previously highlighted and discussed above. It is therefore logical to conclude that the actual selection of the required metrics in any measurement system is a process that presents its own particular problems. Neely *et al.*, (2000:1123) focused on this area comments that “*deciding actually what to measure – is however much more involved*”. In trying to resolve this issue, it is useful to focus on De Toni and Tonchia’s (2001:53) view that two fundamental questions needed to be answered in the actual design and ‘*formalisation*’ of measurements - namely deciding ‘*what will be measured*’ and (cited White 1996) determining ‘*how it will be measured*’. Initial

answers to these questions can be seen in both Neely *et al's.*, (1997) twenty two recommendations and Hudson *et al's.*, (2001) characteristics and critical dimensions of performance measures discussed in the previous section (see footnote 6).

It is however not as simple as purely providing answers to these two questions; practitioners need to understand the impact of any chosen measure in any given system. Schmenner and Vollmann (1994: 58 and 64) focus on this problem stating that:

“Considerable resources have been dissipated by pursuing advances in the wrong measures, and well meaning managers have been thoroughly frustrated by the pressures of the system to do so”.

“It is far better to measure the right thing inexactly and in timely fashion than the wrong thing with great precision and well after the fact”.

Schmenner and Vollmann (1994: 58) classify these problems or “errors” as wrong or right measures focusing on the following descriptions to explain the differences between the two different types:

- 1) *“Using the wrong measure to motivate managers so that they spend time improving something that has few positive, and perhaps many harmful consequences for the company” and,*
- 2) *“Failing to use the right measure, so that something important for the company stays neglected”.*

It is interesting to note that in the same paper the authors referred to Dixon *et al's.*, (1990) earlier classification or labelling of the same problems as “false alarms” and “gaps”. Schmenner and Vollmann (1994:58) focus on these errors and suggest that the main management task must focus on “eliminating the false alarms” and wrong measures and align the right performance measures to “fill in the gaps”. Traditionally trade-offs were viewed as a trade-off between cost verses quality or dependability verses flexibility (Skinner, 1969). Once

Footnote (6) within the paper De Toni and Tonchia (cited in White, 1996) referenced the second question “how will it be measured?”

chosen, performance measures are also affected by the concept of performance trade-offs as organisations strive to “*conceptualise the improvement process*” (Da Silveira and Slack, 2001:949) within its manufacturing or operational task. The debate regarding the concept of trade-offs is well documented and established in Skinner’s (1969) trade-off model with various views present in the literature regarding both its existence and application, (Skinner, 1969 and Newing, 1994) or indeed its relevance in manufacturing operations (Schonberger 1986; Collins and Schmenner, 1993).

Slack *et al.*, (1995:870) see the trade off process as a means of ‘*trading of one aspect of performance with another*’ to gain a level of increased performance in another area or performance dimension. An activity they position as the “*trade-off paradigm*” managed in the concept of a pivoting see saw action (Slack 1991; Slack *et al.*, 1995), balancing performance objectives to maximize a desired level of competitiveness or performance in a desired performance direction. In practice, the ultimate aim is to limit the level of adverse impact in one element of the trade-off but still achieve the desired performance improvement in the other. Earlier, Wheelwright (1981) propose a similar view, noting that the real task facing managers is the need to identify the means whereby increases in quality could be achieved at the same time as reducing operating costs. Slack *et al.*, (1995:870) assert that improvement is achieved in the short term where “*one performance objective can be traded off with another*”.

For example, this could be achieved through:

LOWERING COMPLAINTS verses INCREASED COSTS
via QUALITY CHECKS.

The authors also suggest that for a longer-term improvement effect, the best results in both performance areas could be achieved by simply “*raising the pivot*” thus simultaneously increasing performance in both (A) and (B). Both these approaches do however have

significant managerial implications and were not fully explored in any depth in the paper. In a later paper Da Silveira and Slack (2001:951) developed these areas further, commenting that previous *“studies provide little clue about why and how trade-offs may (or may not) exist, how their nature is perceived by managers and how they deal with them”*. Da Silveira and Slack (2001:949) focused on this concern in 5 case studies, commenting that:

“The idea of trade-offs is not the problematic issue for practicing managers that it is for academics, indeed it is an easily understood concept which describes the operational compromises routinely made by managers. The significance of specific trade-offs within any organization is likely to be governed by two factors; the degree of importance of the trade off, in terms of the impact it will have on overall operations competitiveness [and] the “sensitivity” of the trade-off. Sensitivity is the degree of change that will be caused to one element of the trade-off when changes are made to the other”.

Importantly the authors concluded their paper by positioning three distinct questions that needed to be considered:

- 1) How should trade-offs be conceptualised?
- 2) Which trade-offs are significant for any specific operation?
- 3) How should the process of overcoming trade-offs be approached?

It was recognised that a level of difficulty existed in providing initial answers to these questions; however the authors position nine useful considerations that provides an insight into the management of trade-offs (please refer to Table 5 overleaf).

Table 5 - Trade-Off-Concept

Trade-offs are not the problematic issue for practicing managers as opposed to academics.

The “trade-off” is an easy understood concept, which describes the operational compromises routinely made by managers.

The acceptability of the trade-off concept does not imply that they are seen as immutable.

On the contrary, trade-offs are seen as focusing attention on the areas of an operation most in need of improvement.

Notwithstanding this, some trade-offs are more clearly governed by identifiable resource and capability constraints than others.

Also, some types of operations (‘process’ types) find it easier to identify trade-offs than others.

Trade-offs, when identified, can be overcome (but not eliminated) by changing the resources and/or capabilities of an operation in such a way as to improve its relevant performance attributes.

Trade-offs within operations differs in two significant respects. Each will have a different degree of importance in so much as overcoming the trade-off will impact the operations competitiveness. Also each will have a different degree of sensitivity in so much as changing one part of the function of the trade-off will have a greater or lesser effect on the other.

It is a legitimate matter of speculation whether the importance and sensitivity of trade-offs, taken together, could form the basis of any prioritisation in tackling trade-offs.

Source: Da Silveira and Slack (2001:962).

Within the recommendations it is recognised that trade-offs are easier to manage in “*process operations*”. Armistead and Rowland (1996) focus on this particular issue in relation to ‘*understanding functional and process trade-offs*’ in the context of moving from a functional to a process based approach. In managing this fundamental change, Armistead and Rowland (1996:45) comment that initially there would be an element of “*trading off some of the functional benefits of functions in the short term*” suggesting that there six distinct problem areas exist, which managers needed to be aware of:

1. Customer focus versus utilisation of skills
2. Process versus functional silos
3. Empowerment versus imposed control
4. Fuzzy matrix versus clarity of structure
5. Process knowledge versus discipline expertise
6. Loyalty and motivation versus cost reduction.

Source: Managing Business Process BPR and Beyond, Armistead and Rowland (1996:48-49)

Although the existing literature is diverse in nature it still fails in two specific instances. Firstly, the move from functional to process operations presents its own unique problems, particularly in the area of in-process (shift and work area) and intra-process (interchanges between operational interfaces) trade-offs. It would be reasonable to conclude that both overt and covert trade-offs proliferate and evolve between the different interfaces within the dimensions mentioned by Armistead and Rowland (1996) and Da Silveira and Slack (2001). Yet there is a distinct lack of referral or indeed distinction or recognition that overt and covert trade-offs exist or can ultimately evolve between these varied and distinct operational levels.

Secondly, although the literature abounds with varying views regarding the relevance or indeed irrelevance of trade-offs, there exists a distinct lack of integration with other measurement issues, particularly regarding how leading and lagging measures or cause and effect relationships influence or impact on performance trade-offs. The existing literature seems to treat the different concepts as separate entities, suggesting a major deficit in current academic and practitioner understanding.

A balance needs to be maintained whereby appropriate leading measures that identify future results or lagging measures focusing on past performance underpin and support the desired improvement trade-off in performance. Graham (2001:23) explored the implications of *'balancing leading and lagging indicators'* and suggest that:

"Financial measures are lagging indicators, because even quarterly information must accumulate over a quarter or two before it conclusively shows whether there are major problems. In contrast, well-chosen leading indicators foreshadow success or failure before financials can reflect them".

Ghayini and Nobel (1996:65) support this view through their comments that *"financial reports are lagging metrics that are a result of past decisions"* and that lagging metrics are *"inflexible, expensive and contradict continuous improvement"*. Kaplan and Norton (1996c:S5) express the problem in a slightly different way through their view that:

“measures are balanced between outcome measures, the results from past efforts, and the measures that drive future performance”.

How these measurement dimensions are applied will significantly influence the understanding and ongoing management of trade-offs between different performance dimensions and individuals. There is little identifiable evidence however, where this has been applied to any degree. The main focus has remained in the domain of balanced scorecards and superficially positioning the cause and effect relationships (See Graham, 2001; Morraj *et al.*, 1999; Kaplan and Norton 1996a, 1996b; Tipping, 2000; Sedecon, 1999 and Shulver *et al.*, 2000). These areas are fully expanded in a later section of the literature review.

2.5 The Emergence of a Balanced Approach to Performance Measurement

Before an in-depth evaluation of the BSC is undertaken, it would be beneficial to position some of the influencing factors, which led to its initial development and popularity in current practice. It is readily accepted and well documented that the management of performance has followed two distinctive time phases, each influenced by a dominating performance dimension prevailing at the time (Mannochehri, 1999; Neely, 1999; Bourne *et al.*, 2000; Neely and Bourne 2000 and Ghalyini and Noble, 1996). In further reviewing the impact of these phases, it is useful to position two main factors explored by the authors, which adequately summarises the main academic views regarding how performance measurement has evolved over these periods.

Firstly, between the 1880's and the late 1980's the main performance focus was dominated by the more traditional financial accounting and audit based measurement systems. Secondly, pressure to change these systems only started to emerge after *“companies began to lose market share to overseas competitors who were able to provide higher quality products with lower costs and more variety”* (Ghalayini and Noble, 1996:63).

This statement supports the earlier view expressed by Eccles (1991:132), where;

“During the 1980’s, many executives saw their companies’ strong financial records deteriorate because of unnoticed declines in quality or customer satisfaction or because global competitors ate into their market share”.

The causes for this downturn are varied and have been widely researched and discussed, (Keegan *et al.*, 1989; Eccles, 1991; Kaplan and Norton, 1992; Neely, 1999; Bourne *et. al.*, 2000) yet the more readily accepted problems or limitations centre on a number of key common considerations. Most notably, the measures themselves are criticised for their historical nature (Dixon *et al.*, 1990) looking backwards (Low and Siesfeld, 1998; Bourne, 1999; Tipping, 2000) on past performance outcomes (Eccles 1991).

Low and Siesfeld (1998:26) summarise the indicative nature of this problem through their comments that *“financial results are backward – looking”* and *“essentially a post-mortem”* choosing to measure performance against set objectives as opposed to actually managing performance. In a similar context, Winstanley and Stuart-Smith (1996) by reflecting on the literature in the finance, accountancy, auditing and public sector management, criticise financially based models for focusing on objective setting against which performance is measured, with little consideration on managing actual performance. Although the comments adequately position the main criticisms directed at financial measures, there does however exist a number of other problems that either link into those areas already discussed, or are separate entities in their own right. Within a wider context, Bourne (1999:21) brought together eight identifiable main strands or ‘*criticisms*’ of financial measures noting that:

1. Focusing on external financial reporting needs rather than the needs of managing the business.
2. Encouraging emphasis on the short term. In the short term it is easier to increase profits by reducing cost rather than increasing revenues; often it is spending on other projects, which are important for the future, which are the first to be hit.
3. Being backward looking, they tell you how well you performed last month, quarter or year, without any indication of how you will perform in the future.
4. Being internally focused, concentrating attention on internal efficiencies rather than on what is happening in the market place.
5. Encouraging local optimization through achieving the overhead recovery rate at the expense of satisfying the customer.

6. Encouraging minimisation of variance rather than continuous improvement.
7. Lacking strategic focus.
8. Not being relevant to most people working in the company.

Within organisations the ramifications of the issues highlighted have far reaching implications. This is particularly evident in Neely *et al's.*, (2000:1121) reflection that “*performance measurement systems [in the past] have traditionally adopted a narrow or uni-dimensional focus*”. The limiting and indeed uncompromising implications of these situations could as suggested by Wheelwright and Banks (1979), provide the vehicle to encourage the pursuit of short-term decision-making to the detriment of long-term corporate strategies. It may also provide the medium to support the emergence of potential levels of dysfunctional behaviour as forwarded by Fry and Cox (1989) and Neely *et al.*, (1997) to evolve throughout organisational structures and sub-structures.

Clearly the level of problems discussed, provide an insight into the challenges facing organisations as they approached the late 1980's and an ever more changing complex manufacturing task. There is clear evidence that the traditional accounting systems in place at the time were both damaging (Hayes and Abernathy, 1980 cited in Bourne *et al.*, 2000:756) and unsuited to the task in hand (Keegan *et al.*, 1989; Bititci *et al.*, 1997; Neely, 1999; Neely and Bourne, 2000). In a later publication, Kaplan and Norton (1992:71) focused back on this very issue commenting that “*financial measures worked well for the industrial era, but they are out of step with the skills and competencies companies are trying to master today*”. The reaction to this pressure for change saw a number of balanced performance approaches developed during the late 1980's and early 1990's. These new approaches focused on utilising a mix of financial and non-financial measures as a means to provide a balanced picture of how organisations were performing. A change as diverse as this however, did not come without some level of resistance, risk or indeed lack of understanding of how non- financial measures could be selected or used to support the performance process. More recently, Schneiderman (1999:8) focuses on the problems associated with non-financial measures and comments that:

“While financial metrics have undergone more than a century of development and refinement, non-financial metrics are relatively new to the scene. Little wonder that there are no standards and that current practice yields definitions that often have serious, even fatal flaws...Yes, the metrics may improve, but all too often, the underlying processes don’t”.

The performance measurement literature readily accepts that the concept of both a ‘*portfolio of integrated performance measures*’ and BSC can be directly linked to Kaplan and Norton’s (1992) publication “*The Balanced Scorecard Measures That Drive Performance*”.

2.6 The Balanced Scorecard

If asked to name a performance measurement framework, most managers would probably answer “*the balanced scorecard*”. This is not surprising. Numerous external consultancy bodies actively nurture and support this approach (Neely *et al.*, 2000) and within key publications at academic and practitioner levels (Kaplan and Norton, 1992, 1993, 1994, 1996a, 1996b, 1996c). Neely *et al.*, (2000) point out that this is by no means the only framework in existence, which incorporates, in a balanced approach, both financial and non-financial measures. Other frameworks to name but a few include the performance measurement matrix (Keegan *et al.*, 1989) and the performance prism (Neely and Adams, 2001).

A full discussion of these frameworks is not intended in this current research initiative as the main behavioural focus needs to reside in the balanced scorecard, but the findings will provide future research opportunities in relation to understanding how different approaches affect behaviours. The scorecard devised by Kaplan and Norton (1992) utilises a balance of critical financial and non-financial measures to move or pull individuals towards the organisational strategic vision. To support this transformation into meaningful objectives Kaplan and Norton (1992:72) outline four specific areas, focusing on both measures of past results and future performance, where particular questions in relation to these respective areas are highlighted overleaf:

<i>Perspective</i>	<i>Related Question</i>
<i>Financial</i>	<i>How Do We Look To Our Shareholders?</i>
<i>Internal Business</i>	<i>What Must We Excel At?</i>
<i>Innovation and Learning</i>	<i>Can We Continue To Improve and Create Value?</i>
<i>Customer</i>	<i>How Do Our Customers See Us?</i>

The separate measurement dimensions are clear and precise, with individuals as both the enablers and drivers of performance improvements. In moving individuals towards the strategic vision, Kaplan and Norton (1992:79) further suggest, as previously stated that three considerations were the main drivers in supporting this focus and as such these are major considerations under review in this thesis, where

- Measures are designed to pull people toward the overall vision
- The BSC forces managers to focus on the handful of measures that are most critical
- The BSC helps managers understand many interrelationships

Neely *et al.*, (2000:1121) later criticised Kaplan and Norton's (1992) original paper for failing to explore issues such as design, deployment or the critical factors that constituted a robust scorecard in any depth. Neely and his colleagues (2000:5) did however recognise that the issue of how to formulate a scorecard was to some extent addressed by Kaplan and Norton (1993) in a later publication through the positioning of an eight-step process. This focused on the *building of a balanced scorecard* through a series of three cycle interviews and workshops, culminating in its implementation, supported with '*periodic reviews*'.

Importantly in the same document, Kaplan and Norton (1993:138) recognised the uniqueness of the task-facing organisations when applying this process commenting that, "*each organisation is unique and so follows its own path*". Kaplan and Norton (1994:48) further expanded this advice, through initially positioning the developmental stages of a BSC focusing on the Rockwater case, where they categorise three distinct phases:

- 1) Designing the BSC
- 2) The commitment phase
- 3) Using the BSC as a management process

The key message coming from the case study was to show how strategy could be linked to employee actions. However the important question regarding actual design was not fully described in any depth by the authors until they positioned the (Kaplan and Norton 1996a) following four design stages:

- Translating the vision
- Communicating and linking
- Business Planning
- Feedback and learning

With further depth provided through the positioning of six design stages:

- Translate strategy into action
- Select linked measures
- Link financial objectives to life cycle
- Select a mix of customer measures
- Focus internal processes on meeting expectations
- Focus on investments for the future

The specific stages fail to identify some of the rudimentary considerations now readily accepted as forming a key component of the design of any measurement system such as data source, frequency and consistency of measurement and the calculation of the identified measures (see Bourne 1999:21). Later Stivers and Joyce (2000:23-24) focus on the specific areas highlighted in Kaplan and Norton's (1996a) six-stage process during the development and implementation of a *'balanced performance management system'*, introduced into a health centre in 1997. A number of *lessons were learnt* during this implementation. Stivers and Joyce (2000:28) commented that the performance system is a dynamic, behavioural tool, and that *'what you measure is what you get'*. It is important therefore to *'start at the top'*, identify and *'get the right measures'* as well as getting the *'buy-in and commitment'* of *'everyone in the organisation'*. The authors also recognised that initially organisations focused improvement activities on *'measurement gaps'* and needed to adjust any approach to *'develop the necessary processes'*.

The recommendations concluded by highlighting the importance of *'starting with a pilot site'* as well as raising awareness that organisations need to be conscious that *'resistance to change'* could impact on any implementation, particularly in the areas of individual *'accountability'* and how feedback is provided *'to individuals for directing action'*. The main drivers outlined by Kaplan and Norton (1992) and discussed earlier, suggest that the three distinctive actions will support and nurture a move away from the more traditional financial control systems. Yet words such as *'force'* and *'pull'* in their very meaning signify some level of controlling influence. Mooraj *et al.*, (1999:486) develop this idea further through their suggestion that the balanced scorecard *"offers managers the possibility to combine all types of control systems"* to measure achievement or outcome of current strategy, *"whilst enabling time and energy to be spent on the formulation of tomorrow's strategies"*. The authors further suggest that the balanced scorecard *"eliminates the need for managers to choose which control system to use at any given time"* through the inclusion of *"boundary, interactive and diagnostic control systems"* in its development and use (ibid). This notion underpins the idea that the controlling element of the scorecard supports and guides actions to achieve the desired operational and organisational strategy as discussed by Kaplan and Norton (1992; 1996b). Clearly correctly, designed scorecards should support this outcome. However, what impact would a poorly designed scorecard have? An interesting insight into this issue is provided by Kaplan and Norton (1996b:65) through their reflection that:

"A properly constructed Scorecard should tell the story of the business units' strategy. The measurement system should make the relationships (hypotheses) among objectives (and measures) in the various perspectives explicit, so that they can be managed and validated".

In contrast, they explain that:

- *"If the vision is wrong, the fact that it is well executed becomes irrelevant."*
- *"The scorecard creates shared understanding. It creates a holistic model of strategy that allows all employees to see how they can contribute to organisational success. If the model is wrong, individuals and departments will unknowingly sub-optimize their performance."*

- *“The scorecard focuses change efforts. If the right lead indicators are identified, investments and initiatives will drive desired long-term outcomes. If not, investments will be wasted.”*
- *“The scorecard permits organised learning at the executive level. By making the cause –and- effect hypotheses among objectives and measure explicit.” p77*

The second statement is only partially correct as there is clear evidence within the managing change and culture literature that individual's behaviour could be overtly influenced by the measures they are exposed to. The management of this interaction is crucial. Significantly, Bourne (1999:23) forwards two reflections, which he suggests need to be considered in the design of measures, therefore inducing *“the kind of behaviours which support the achievement of the business objectives”*. Firstly, *“what behaviour will result from the introduction of this measure and secondly, is this behaviour desirable?”* Both of these key considerations could be influenced or seen as either the emergence of overt or covert trade-offs. An insight into the detrimental effect this could have is clearly seen in the fourth area addressed by Kaplan and Norton (1996b:77). Shulver *et al.*, (2000:550) also explore this area through their comments that cause-and-effect relationships and their linkages are only considered *‘post-hoc’* after the selection of strategic objectives. They further propose that to gain the full potential and benefits from the cause-and-effect relationship, the evaluation needs to be undertaken prior to linking scorecard measure with strategy. Within a similar context, Mooraj *et al.*, (1999:483) comments that, *“identifiable cause-and-effect relationships are an important aspect of the balanced scorecard when choosing appropriate indicators”*. This therefore involves supporting the pre-evaluation of the impact of proposed actions across the different scorecard segments. This allows for the identification of *‘appropriate measures’* and the *‘alignment of actions to the strategic goals’*. Unfortunately this is not without its problems. Sedecon Consulting (1999:4) focus on the need for accurate *“verification of the cause-and-effect relationship by objective analytical tools”* within organisations, suggesting that this is a major weakness currently affecting organisations. The areas identified go some way to explain the initial concerns expressed by Ghalayini and Noble (1996:77) that the balanced scorecard is *“primarily designed for senior managers to provide them with an overall view of performance therefore “it is neither intended for, nor applicable at, the factory level”*.

Kaplan and Norton (1996b:53) by contrast disagree that multiple measures both financial and non-financial can at times be ambiguous and confusing, leading to conflicting messages and signals regarding the organisation's strategy, vision and values. To position their argument, they focused on the need for pilots to manage the *'full battery of information'* necessary to fly a modern airline developing their explanation to show the importance of its application in the business environment (Kaplan and Norton 1996b,c). I agree with the authors regarding the complexity present in environments such as an airliner and in today's organisations at a strategic level. I also agree that senior management requires the *'full battery of instrumentation to guide their journey'*.

Concerns do however exist which support my own view that the level of complexity involved in the scorecard might impact on and limit its full deployment throughout the different organisational structures. Mannochehri (1999:7) however, suggests how these concerns could be addressed through educating the user:

"Often when the measures are not used, it is due to managers' lack of understanding regarding the impact of their actions and the decisions on the measures. Also, managers might be confused about how to combine and reconcile the financial and non-financial measures".

Schneiderman (1999:8) offers a different perspective on the problem suggesting that:

"If the goal is too low, we will underachieve relative to our potential. If the goal is too high, we will under perform relative to other's expectations".

Clearly reactions such as these pose a significant threat to any successful scorecard implementation and raise questions regarding how measures facilitate or restrict both intellectual capital and learning (Shulver *et al.*, 2000; Sedecon Consulting 1997). To explain the learning and feedback process Kaplan and Norton (1996a) focus on both the single and double-loop theories. This is to demonstrate how the scorecard could be used to link strategy to appropriate actions by following four distinctive processes providing the means whereby learning and knowledge could be developed. The single-loop learning process incorporated the initial three stages of *'translating the vision'* and *'communicating and linking'* leading to

'business planning', during which *'the objective remains constant'*. The double-loop learning element of the scorecard provides the fourth element where *'feedback and learning'* enables the business to react as *'conditions change'*. Clearly a system as diverse and inter-linked as that positioned does not come without some level of risk or complexity. This consideration is adequately addressed by Ghalayini and Noble (1996:77), through their citation and reference to Gregory (1993) in which he stated that *"clearly much work would need to go on below the level of the 'scorecard' to provide systems which could deliver generally rather aggregated measures"*.

In the same year Kaplan and Norton (1996a:80) provide an insight into how the alignment and cascade of the scorecard could be achieved through three distinctive information/measurement levels, supporting their explanation with an example classified as a 'personal scorecard' including:

- *Corporate objectives and measures*
- *Corporate targets into targets for each business unit*
- *[Where the] company asks individuals and teams to anticipate which of their own objectives would be consistent with the business unit and corporate objectives, as well as what initiatives they would take to achieve their objective"*.

Within the personal scorecard at the third level, individuals and teams were asked to explain and describe how their own objectives would support and underpin the strategic and business unit, in particular focusing on what initiatives they would pursue to meet their objectives. This does raise some questions, as clearly within the first two stages practitioners can identify a recognised process that provides a line of sight throughout the different levels in the organisation. The third level is open to debate with some organisations imposing specific objectives and targets to achieve the desired line of sight, while others support a process of consultation and negotiation.

An area as controversial as this will generate conflicting ideas. Alternatively, Schneirderman (1999:8) comments that scorecard goals should not be negotiated but based *"on knowledge of the required corrective actions, or absent that knowledge the capabilities of the improvement process."* Schneiderman developed this discussion further by suggesting that where

connections could not be achieved “*fuzzy linkages between scorecards can be made*”. In the same year, Niven (1999) re-confirms that to create a line of sight in an organisation, linkages need to be realised throughout the different levels. The latter proposition however, could affect the stability and robustness of a line of sight between objectives. This could particularly be the case, if we consider what Shulver *et al.*, (2000) term as the emergence of ‘*post-hoc*’ cause-and-effect interactions, which could lead to the emergence of adverse levels of frustration, confusion and apprehension between the different levels and individuals. Clearly the method and means of cascading the scorecard throughout the different levels is the subject of some controversy and discussion. Particular examples are available, although as previously stated they fall within the domain of case studies. (See footnote 7)

2.7 Impact and Reactions of Individuals to Measurement

The literature readily accepts that performance measurement (at either an individual or process level) ultimately has behavioural implications for those exposed to or required to use the system. Authors proposing this view include Kaplan and Norton, (1992, 1996a, 1996c); Neely *et al.*, (1997, 2000); De Waal (2002a, 2002b, 2002c); Epstein and Manzoni, (1997); Neely, (1999); Slottje, (2000) and Neely and Bourne, (2000), to name but a few.

An informative insight regarding this interaction is provided by Bourne (1999:23) through his suggestion that “*measuring performance explicitly focuses attention*” which he implies in turn “*influences behaviour*”. Similarly, Neely (1999:212), discusses what he sees as a powerful link between performance measures and strategy, commenting that if alignment is correct, the data provided by the measures indicates, “*whether the strategy is being implemented*” as well as encouraging “*behaviours consistent with the strategy*”. The transition to or indeed maintenance of this desired state of alignment and integration between strategy, measures and individual objectives is recognized as dynamic and difficult to maintain (Stiles *et al.*, 1997).

Footnote (7) Kaplan published two approaches explored within the “Mobil” series of case studies, where he classifies the “Super Bowl” and “Personal” approaches with a particular emphasis on strategy, communication and employee feedback within the organisation. An example of the latter approach has been previously discussed

Issues such as changes in strategic focus, (Stiles *et al.*, 1997) ability to impact on or influence measures, levels of understanding and complexity (Dimesh and Palmer, 1998) as well as poorly defined measures (Neely, 1999), emerge as themes, applying behavioural pressure on individuals' level of engagement and psychological reactions to measurement systems. Viken (1995:7) adeptly summarizes these inter-relationships into what may be seen as engagement through (measurement) and resulting consequence (behaviours) through his reflection that "*as long as results are targeted, behaviours are going to be involved*".

Similarly, Neely *et al.*, (1997:1136) propose that, "*the way performance is measured – affects how people behave*". These considerations point towards what I recognise as a level of awareness from the literature that in all interactions there will ultimately be consequential behavioural issues emerging as either a positive, neutral or negative outcome. It needs to be understood that this interaction can also fluctuate between the different levels of engagement and psychological recognition dependent on both past and present experiences of those exposed to, or required to use the measurement process.

Importantly within these two papers, the actual measurement process is discussed with Viken (1995:7), focusing on the sequential act of measurement citing the work of Daniels (1989) who indicates that "*both results and behaviours*" need to be identified and measured, where "*results should always be measured first*". Neely and his colleagues (1997:1136) take the debate one step further arguing for what has previously been discussed as the '*golden rule*' of performance measurement whereby they propose that "*there is no point measuring someone on something over which they have no control*".

Within a similar context De Waal (2002c:16) later suggests that;

"Passive performance measurement needs to be replaced with pro-active, results orientated performance management in order to create performance driven behaviour".

Four reflections underpin De Waal's (2002c:16) argument that where behavioural engagement is nurtured

- 1) *The objectives of all management levels have to be aligned with the mission and strategy of the organization.*

- 2) *These objectives are translated into clear expectations regarding the performance of employees.*
- 3) *Employees know how to fulfil the expectations and they know what kind of support they can expect from management.*
- 4) *The set of human resource instruments (performance review, incentives, training and development) are attuned to the realization of the organizations objectives.*

Failure to pay attention to the previous suggestions would nurture levels of negativity and neutrality from either side of the measurement spectrum. An insight into the possible emergence of dysfunctional situations or behaviours is clearly evident in De Waal's (2002b) assertion that managers are frequently overlooked when new performance measurement systems are set up, As a result of this, managers can be *"incited to display counterproductive behaviors"* (De Waal, 2002b:33). Likewise Neely *et al.*, (1997:1132) discuss the problems associated with poorly *"designed performance measures"* and comment that *"they can result in dysfunctional behaviour"*. Importantly as previously discussed above, Neely *et al.*, (2000:1131) summarises these conflicts where;

"The real challenges for managers come once they have developed their robust measurement system, for then they must implement the measures. As soon as they seek to do so, they encounter fear, politics and subversion. Individuals begin to worry that the measures might expose their shortcomings. Different people seek to undermine the credibility of the measures in different ways. Some seek to game the system. Others seek to prevent it ever being implemented".

In trying to understand why these issues might occur, in my review of the literature I have found myself repeatedly drawn to Viken's (1995:4) paper and his extensive review and citation of the work of Daniels (1989), which includes a referral to four barriers to measurement:

- 1: *"People think that some jobs cannot be measured."*
- 2: *"People think that measures are hard to work with."*
- 3: *"Traditional thinking of measurement [is seen] as an antecedent for punishment."*
- 4: *"That applying measurement systems is time consuming and takes time away from other more important issues"*.

Stiles *et al.*, (1997:60-61) in addition, discuss three distinct problem areas, which arise in relation to achieving the alignment and linkage between organizational strategy, values and setting of objectives, identifying that;

Firstly, "the short-term demands of the business meant that in some cases, the targets expressed in term of corporate values were given low priority by managers who saw the real goal as satisfying budgetary or financial targets. This resulted in a virtual two-tier value system, with many employees still clinging to the old belief framework ('forget the message about quality-produce the income')".

Secondly, "the experience of change which all the firms were undergoing rendered some targets set at the beginning of the year inappropriate or unrealistic before the year end"

Thirdly, "the issue of who sets the objectives was important to the perceived effectiveness of target setting". In the case study, "companies objectives were generally set by the employee's boss, not as the result of negotiation. The objectives, therefore, tended to be viewed as imposed, and there was a consequent difficulty in employees being motivated by them".

The points raised by the authors are dynamic and informative, and provide a robust and rounded overview of pressures impacting on behaviours with similarities and linkages evident in both groupings. In this respect it is felt that the areas positioned are important, as any one or combination of these perceptions or experiences could nurture instances of dysfunctional behaviour as previously discussed by Neely *et al.*, (2000).

The need to understand the reasons behind these barriers is becoming increasingly apparent with Bourne (1999:23) proposing two fundamental questions: 1) "*what behaviour will result from the introduction of this measure?*" and 2) "*is this behaviour desirable?*" At an engagement level, Holloway (2000:11) provides an informative description from a psychological and perceptual viewpoint of the increasing motivational impact of performance measurement through her reflections that "*most managers are now self-conscious about their own performance and how it is associated with corporate level successes and failures*". This reflection clearly links back to Neely *et al.*'s., (2000) identification of dysfunctional behaviours. Are there any other reactions, which, we could expect?

The extent to which individuals are aware of these inter-relationships and pressures is becoming increasingly apparent with De Waal (2002c:9) suggesting that "*as most practicing managers know, measures drive management behaviour*" particularly if as he suggests, they are underpinned by "*reward systems.*" As an enabler this does not come without some level of behavioural and psychological risk, which is recognized by Winstanley and Stuart-Smith

(1996:70) who propose that some individuals may seek to play the “system” thereby “*being rewarded for meeting performance objectives, while still undermining performance overall*”. Further support for this view can be seen in Neely *et al*’s., (2000) dysfunctional positioning, as well as in Neely *et al*’s., (1997:32) citation of Hopwood’s (1984) suggestion that measurement systems involving humans have a behavioural consequence whereby individuals will “*modify their behaviours in an attempt to ensure positive performance outcomes even if this means pursuing inappropriate courses of action*”.

On the opposite side of the behavioural and engagement spectrum Kaplan and Norton (1996b:77) focus on instances where they foresee “*individuals and departments [who] unknowingly sub-optimize their performance,*” nurtured through what they argue to be wrongly designed scorecard models. In reality sub-optimism problems do not solely reside simply in the domain of wrongly designed models, for the design could be appropriate but problems then occur with the actual identification, alignment and achievement of individual and team objectives. Neely *et al.*, (1997:1133) provide a different angle to the debate, criticising organizations for failing to consider the ‘*behavioural ramifications*’ in the design of measures. They support this argument through an observation of a conflict of issues in a case study environment where they conclude that:

“The problems in this business was not that the measures were wrong per se, but that the behaviours they were likely to induce in this particular setting had not been considered”.

In both Schneiderman (1988, 1999:8) papers, a critical discussion is undertaken in relation to these problems explored by the author’s reflection that when goals are set, both “*the knowledge and means of achieving them needs to be understood,*” which he implies in the majority of cases is not in existence. This leads Schneiderman (1999:8) to propose that in situations such as these “*if the goal is too low, we will underachieve relative to our potential*” and on the opposite side of the argument that “*if the goal is too high, we will under perform relative to other’s expectations*”.

The role and involvement of individuals has increasingly emerged in the previous debates and reflections as a key-enabling factor. Importantly, Kaplan and Norton (1996b:77) described the

scorecards enabling an environment of *'shared understanding'* in which they propose that, *"employees are able to see how they can contribute to organizational success"*. Schneiderman (1999:9) expresses a similar perspective, in concurring that the deployment and management of scorecards is a *'major activity'* whereby *"goals needed to be disaggregated and deployed downward"*. This provides individual employees with the means to understand the wider organizational picture, an enabling factor which Schneiderman (1999:9) suggests will allow individuals to *"share in the knowledge of their contribution to the organizations overall success"*. The key message that seems to be emerging from both Kaplan and Norton (1996b) and Schneiderman's (1999) positioning, is that any disparity, friction or misinterpretation between the elements of *'understanding, knowledge and contribution'* would potentially provide the triggers whereby psychological and behavioural problems occur at either a covert or overt level.

The following authors provide an insight arising across these areas. Mannochehri (1999:7) explains that:

"Often when the measures are not used, it is due to manager's lack of understanding of the impact of their actions and the decisions on the measures [where] Managers might be confused about how to combine and reconcile the financial and non-financial measures".

Neely (1999:206) provides a different angle, focusing on issues related to poorly defined measures identified during a case study where he reflects that:

"It is not unusual to observe two people heatedly arguing over some dimension of performance and later find that the root cause of their disagreement was the imprecise definition of a measure".

In a recent study of three organisations, De Waal (2002a, 2002b:x) focuses on identifying key behavioural factors, which he suggests, *"contributed to the successful implementation and use of a performance management system"*. In the development of the model De Waal (2002a, 2002b:61) initially identifies and classifies 40 behavioural factors that arguably displayed a positive contribution in relation to the *"starting (S), development (D) and use stage (U)"* of the performance management system under review. The research concludes that from the original 40 factors, 18 emerged as requiring *'special attention'*. Please refer to Table 6 overleaf.

Table 6 - Overview Of Important Behavioural Factors

Classification Scheme Part	Area of Attention to	Behavioural Factors	
Performance management system	Managers' understanding – A good understanding by managers of the nature of performance management.	D4 D7 U7 U21	Managers understand the meaning of KPI's. Managers have insight into the relationship between business processes and CSF's/KPI's Managers' frames of reference contain similar KPI's. Managers' agree on changes in the CSF/KPI set.
Controlled system	Managers' attitude – A positive attitude of managers toward performance management, toward a performance management system and toward project	S2 S4 U13 U14	Managers agree on the starting time. Managers have earlier (positive) experiences with performance management. Managers realize the importance of CSF's/KPI's/BSC to their performance. Managers do not experience CSF's/KPI's/BSC as threatening.
Controlling system	Performance management system alignment – A good match between managers' responsibilities and the performance management system.	D9 D13 U9 U15	Managers' KPI sets are aligned with their responsibility areas. Managers can influence KPI's assigned to them. Managers are involved in making analysis. Managers can use their CSF's/KPI's/BSC for managing their employees.
Internal environment	Organisational Culture – An organisational culture focused on using the performance management system.	U23 U22 U8 U17	Managers' results on CSF's/KPI's/BSC are openly communicated. Managers are stimulated to improve their performance. Managers trust performance information. Managers clearly see the promoter using the performance management system.
External environment	Performance management system focus – A clear focus of the performance management system on internal management and control.	D16 D17	Managers find the performance management system relevant because it has a clear internal control purpose. Managers find the performance management system relevant because only those stakeholders' interests that are important to the organisations' success are incorporated.

Source: De Waal (2002a:162)

Importantly within the framework the author identifies the use stage which, subsequently emerged as the “*most important to the success of the performance management system.*” He supported his argument with the reflection that as the stages are ‘*executed sequentially*’ each stage has to be completed prior to moving on to the next stage with the final usage stage requiring continuous monitoring “*to ensure regular use of the performance management system*”. The author concludes with the realization that the complexity and scope of the research may have excluded ‘*potentially important*’ behavioural factors, where it is reasoned that further research is was required.

2.7.1 Emotions and Attitudes

As discussed above, individuals' reactions to and engagement with measures and measurement systems will ultimately generate or nurture functional or dysfunctional reactions and attitudes at either a neutral or negative level. It necessary to draw upon the cognitive and behavioural literature found within the customer service dimension to underpin the limited examples provided by the performance management literatures.

In understanding how these mindsets occur, it is useful to reflect on what Osgood (1949) cited in Cheetham and Chivers (2001:262) terms '*negative transfer*' against which the authors focused on how past learning and experiences impacted on the learning of a new skill. Similarly, in a study of the customer experience in the service industry, Liljander and Standvik (1997: 155) comment that "*past experiences may affect perceived emotions positively or negatively,*" expanding their explanation to show that what was viewed as the "*last straw for one customer*", might not be the case with another individual who might tolerate a given situation. Importantly within the paper, the authors also highlight the urgent need for a more qualitative approach to understanding emotional dimensions and the dynamic environment within which they emerge.

Although these occurrences and recommendations relate to the external customer environment, human nature would suggest that similar emotions and attitudes would transpose into an internal organisational and customer environment exposed to measurement. This would therefore provide justification for the progression of the authors' recommendations within the confines of my current research agenda. The means whereby the processing and interpretation of information by individuals is undertaken is an intricate and complex process affected by numerous experiences, situations and events. Johnson and Zinkhan (1991:6) provide a descriptive view of the complexity of this interaction through their consideration that:

"The evaluation and use of information are coloured by one's emotional response to specific situations. Affect also influences memory accessibility and recall. Personal experiences

involving intense emotional reaction, positive or negative, are both more assessable to recall and more speedily recalled”.

Importantly they provide (ibid:8) greater depth of understanding to their explanation through the citation of the work of Robinson (1990) to highlight that:

“Emotion-laden experiences are more likely recalled than more recent experiences that are emotionally neutral”.

Throughout the discussions, direct linkages can be made with cognitive (thinking), affective (feeling) and behavioural theories (Lessem and Baruch 1999) as well as Cheetham and Chivers (2001) exploration of the retrieval of past experiences and impact of ‘*negative transfer*’ against these experiences. It is within the customer satisfaction domains (Stauss and Neuhaus 1997; Johnson and Zinkham, 1991) that the research primarily in relation to emotions, attitudes and behaviours draws from and is expanded within the methodology section in relation to the positioning of the methodological approach applied in this thesis. It is however useful at this stage to understand within the literature review how the relevant stages interact. This is best viewed through Durhan *et al.*, (1989:5) who devised a framework based on the general attitude model suggesting that:

“Attitude toward change in general consists of a person’s cognition about change, affective reactions to change, and behavioural tendency toward change. Attitude toward a specific change consists of a person’s cognitions about change, affective reactions to that change and behavioural tendency toward that change”.

The explanation (although detailed in nature), clearly shows the complexity of the human conceptualization process, flowing through the thinking and feeling stages of an interaction which in turn, subsequently impacts on and influences individual’s varying degrees of positive and negative reactions in relation to their behavioural attitudes and mindsets. The diversity of this subject is a topic that is exposed to a vast variation of models, approaches and interpretations within which what people think and feel about something can be hard to distinguish. The extremities to which these swings are likely to occur in relation to the

research undertaken is best viewed against Stauss and Neuhaus's (1997:242-243) description of five cognitive and affective "*customer satisfaction types*:"

- 1: *Optimism – Confidence*
- 2: *Steadiness - Trust*
- 3: *Disappointment – Indecision*
- 4: *Protest – Opposition*
- 5: *Indifference - Resignation*

Further understanding of emotional reactions likely to be encountered is provided by Liljander and Strandvik (1997) through their focus on seven emotional characteristics which they see as ranging from the positive states of '*happy, hopeful and positively surprised*' through to levels of negativity in relation to the feelings of '*angry, depressed, guilty and humiliated*'.

Both sets of groupings from the authors provide a valuable insight into clearly identifiable cognitive types and emotional states. It is useful however to consider the emergence and positioning of relevant behavioural and emotional states from within the performance management literature. As discussed earlier, De Waal (2002a, 2002b) positioned 18 behavioural factors seen as important in the "*successful implementation and use of a performance management system*," thereby providing an extensive grounding of the positive states needed in performance management. To understand the negative side it is necessary to draw upon the literature previously discussed, to allow patterns to be identified. This has been consolidated into Table 7 (overleaf) and will be critically assessed in greater depth in conjunction with the work of De Waal (2002a, 2002b), in the later positioning of a suitable research framework.

Table 7 - Emotional And Behavioural Traits Emerging From Performance Literature

Source	Emotional and Behavioural CHARACTERISTICS
Kaplan and Norton (2004)	Culture
Neely <i>et al.</i> , (2000)	Culture, politics, difficulty and consequence of measurement, effort and time to access data, problems with applying process
De Waal (2002b)	Understanding, attitude, culture
Strebler <i>et al.</i> , (2001)	Targets perceived as unfair, imposed, reducing motivational impact.
Dangayach and Deshmukh (2001)	Culture
Malina and Selto (2001)	Disagreement, tension.
Neely <i>et al.</i> , (2000)	Encounter fear, politics, subversion, expose shortcomings, some seek to undermine measures or play the system whilst some seek to prevent it being implemented.
Bourne <i>et al.</i> , (2000)	Threatened, hinder, changing power bases
Lipe and Salterio (2000)	Cognitive difficulty in using BSC
Stivers and Joyce (2000)	Culture
ATKINSON and HOLDEN (2000)	Culture, values, time consuming, bureaucratic
Mooraj <i>et al.</i> , (1999)	Culture, values
Neely and Bourne (2000)	Frustration, time lag, no rationale or logic for measures, lack of understanding of priorities, politics, threatened by measures, big stick, culture of blame, play numbers game, management use of measurement data to score points over other managers and illustrate why they are failing to perform, individuals do not want measurement data to become available.
Clemente and Greenspan (1999)	Culture
Sedecon Consulting (1999)	Politics, cultural differences
Mannochehri (1999)	Lack of understanding, confusion
Neely (1999)	Arguing over poorly defined measurement dimension
Schneiderman (1999)	Frustration
Hatry (1999)	Accountability
Niven (1999)	Skepticism, intimidation
Dinesh and Palmer (1998)	Complexity, time
Neely <i>et al.</i> , (1997)	Individuals encouraged to peruse inappropriate methods of behaviour due to calculation method
Stiles <i>et al.</i> , (1997)	Old belief system, imposes objectives, lack of negotiation, disenchantment, un-achievability of objectives, job security, lack of motivation, resentment, yearly raised objectives, appraisal system, reward, career development.
Epstein and Manzoni (1997)	Protectionism of turf and power base, increased transparency, threat
Winstanley and Stuart-Smith (1996)	Play the system; individuals are treated as ends to themselves or means to an end.
Kaplan and Norton (1996b)	Confusing, values (<i>all relate to traditional performance measures</i>)
Ghalayini and Noble (1996)	Difficult to understanding, frustrating, dissatisfaction, irrelevant, complex, motivation (<i>all relate to traditional performance measures</i>)
Daniels (1989) cited in Viken (1995)	Perception that jobs cannot be measured, measures are hard to work with, measurement is an antecedent for punishment, time consuming taking time away from other more important things.
Schmenner and Vollmann (1994)	Frustration
Eccles (1991)	Culture
Schneiderman (1988)	Frustration, resentment

Source: Compendium adapted from within the literature

2.7.2 Cultural Influence on Measurement

The definitions addressed in Table 7 clearly demonstrate an increasing emergence of culture as a consideration from the late 1990's onwards with referrals contained in numerous publications. Please refer to footnote 8 below. These occurrences are even more critical if we reflect on Schein's (1984) assertion that as managers of people we need to make sense of the culture within which individuals operate in. This is a research consideration that is becoming increasingly evident in more recent research (Neely *et al.*, 2000; De Waal 2002a, 2002b, 2002c) therefore underpinning my own decision to include a section on culture in the literature review.

I would also suggest that historically in relation to my own experience and previous (MBA) research, the evidence points to the fact that Royal Mail does not follow Schein's (1984) recommendation. Cultural issues are likely to be experienced during the research process. A consideration which I do not position lightly, yet is worryingly underpinned by Ellis (1998: 224), is the assertion that cultural factors were seen as the "*root cause of many of the problems facing the organization,*" within which he concludes that there exists a culture and sub culture that is strong and slow to change supporting the states of "*continuity, stability and adherence to procedure*". Importantly the author asserts that these factors do not mutely support the entry into an increasingly risky commercial and uncertain competitive environment. Ellis (1998: 231) proposes that managers:

"... are faced with a gargantuan task of enticing a culture that is positively resistant to change, to become responsive and adaptable and capable of accepting the 'new rules of the business' without tearing itself apart".

From this publication two fundamental questions arise against which this current research initiative intends to answer:

Footnote 8 Literature sources discussing culture in Table 7 (Clemente and Greenspan 1999; Neely and Bourne 2000; Mooraj *et al.*, 1999; Atkinson and Holden, 2000; Stivers and Joyce, 2000; Dangayach and Deshmukh, 2001; De Waal 2002a, 2002b; Neely *et al.*, 2000).

- 1) Firstly, does this cultural state or resistance to change still exist restricting the ability of the organisation to deploy and use a unit based scorecard, or has it changed sufficiently to support managerial acceptance of the process?
- 2) Secondly, in relation to Kaplan and Norton's (1992) assertion that a balanced scorecard underpins strategy and vision through measurements designed to pull individuals toward the overall vision, to what extent can such an initiative be realised?

Importantly, Atkinson and Holden (2000:10) identify the cultural linkage in balanced scorecards, which they portray as '*unlocking the secret*'. In developing this concept they criticize existing performance management models for being bureaucratic, implying that they describe a "*one way is best*" approach:

"Clarity between enablers and results is often unclear, the processes for diagnosing the required changes being time consuming, confusing and bureaucratic and the means to examine and improve existing processes are less than tangible or credible".

To counter this gap, the authors focused on the linkages between vision, values, culture and behaviours, proposing that the link between visions and KPI's needs to be more easily understood where, "*each layer drives the layer below,*" in such a way that vision and values are in harmony, so that rational and '*coherent strategies and goals*' can be developed.

A similar stance is seen in Sadri and Lees' (2001:853) later proposition that to be effective an organisation's culture "*must be aligned with employee values and be consistent with the environment in which the organisation works,*" concluding their argument with the consideration that "*positive cultures can provide a significant competitive advantage*".

Significantly in the same context, Greenberg and Baron (1997) provide empirical linkages back to the cognitive literature through their identification of attitudes, values and expectations as constituting a corporate culture. To maintain this level of equilibrium or alignment across the different dimensions is a volatile and difficult balance to achieve and (more importantly), to sustain. As Torrington *et al.*, (1989) suggest, if organizations do not fully comprehend or

understand their own cultures a misalignment between action and culture may bring about inadequate action. Sedecon Consulting (1999) on the other hand, highlight the risk in relation to trying to compare units with cultural differences, which could cause incorrect decisions to be taken and directions pursued. The difficulties associated with introducing and embedding change as part of any improvement activates can be seen in Atkinson and Holdens (2000:6) descriptive view of changes were:

“Change is sustained only when people in the organization take ownership. It is unlikely to happen by accident or default. The direction and reasons for change need to be bound within the culture so that change becomes the culture and is considered as health and natural.”

Stivers and Joyce (2000) discuss the issue of accountability (a key aspect of any scorecard). These authors propose that if a culture is receptive to change, then a move to increased individual accountability may not be a major issue. However, they highlight the fact that if this is not the case, then increased accountability could seem threatening, again raising my own concerns when I reflect back to Ellis’ (1998) entrenched view of the culture in Royal Mail. When reading these articles I found the following comment from Atkinson and Holden’s (2000: 9) particularly helpful in encompassing my own experiences as the real drivers of everyday human behavioural, emotional and psychological reactions. As well as the messages being conveyed in the previous author’s explanations:

“We value what we do, and we do what we value”.

In trying to understand how this reflection and the issues discussed impact on managerial behaviours, it is useful to consider a number of the key themes from the cultural and motivational literatures as they apply to the research. Firstly, in the cultural domain, Mooraj, *et al.*, (1999: 487) identify and discuss three cultural levels or dimensions which they suggest will impact on the Balanced Scorecard concluding that:

The primary impact of “*national culture*” affects how organizations develop their “*approach to financial performance*,” influenced through the dominance of one off two “*cultural paradigms*” 1) “*stakeholder approach*” and 2) “*shareholder wealth*,” both of which they suggest “*will have an influence not only on the development of the Balanced Scorecard, but also on its acceptance*”.

“At an ‘*occupational culture*’ level the authors recognized that the Balanced Scorecard would be impacted on by “*what*” are seen as “*traditions*.” In developing the debate further they commented that some professions have uniquely “*defined cultures*” which they suggest are constituted of “*unstated informal rules*.” The authors propositioned that Balanced Scorecards that endeavour “*to use formal indicators to change behaviour and go against these traditions*” are “*likely to be unsuccessful*.”

The final cultural level resides within an “*organizational*” context. Within this dimension the authors concluded that Balanced Scorecards could be impacted upon both negatively and positively by organizational cultures.

In a paper published in the same month, Clemente and Greenspan (1999:12) provide a similar yet more descriptive account of culture entwined in what they see as the ‘three basic determinants’ of culture:

Structurally; “*culture is determined by the size, age and history of the company; the industry in which it operates; the geographic location; and whether it is a product or service provider*”.

Politically; “*culture is defined by the distribution or power and the primary modes of managerial decision making. A company’s political composition sets the tone that impacts employees’ activities and contributes to how people feel towards their role*”.

Emotionally; “*culture is defined as the collective thought, habits, attitudes, feeling, and patterns of behaviour*”.

It would be logical to conclude that tensions exist between and within the different cultural levels. Importantly Mooraj *et al.*, (1999) focus on this turbulence and the dominance of the national and occupational cultures over organizational culture, citing Collins and Porras (1994) to show that this tension can be reversed in situations where strong organizational cultures exist.

The level of cultural influence, integration and impregnation throughout all organizational levels is well documented. Bowman and Asch (1987:297) imply that “*elements of culture will range from attitudes and opinions...endorsed by senior management through to the canteen facilities*”. If these instances are considered further and in conjunction with the emotional and behavioural situations contained in Table 7, then they could easily fall and be categorised

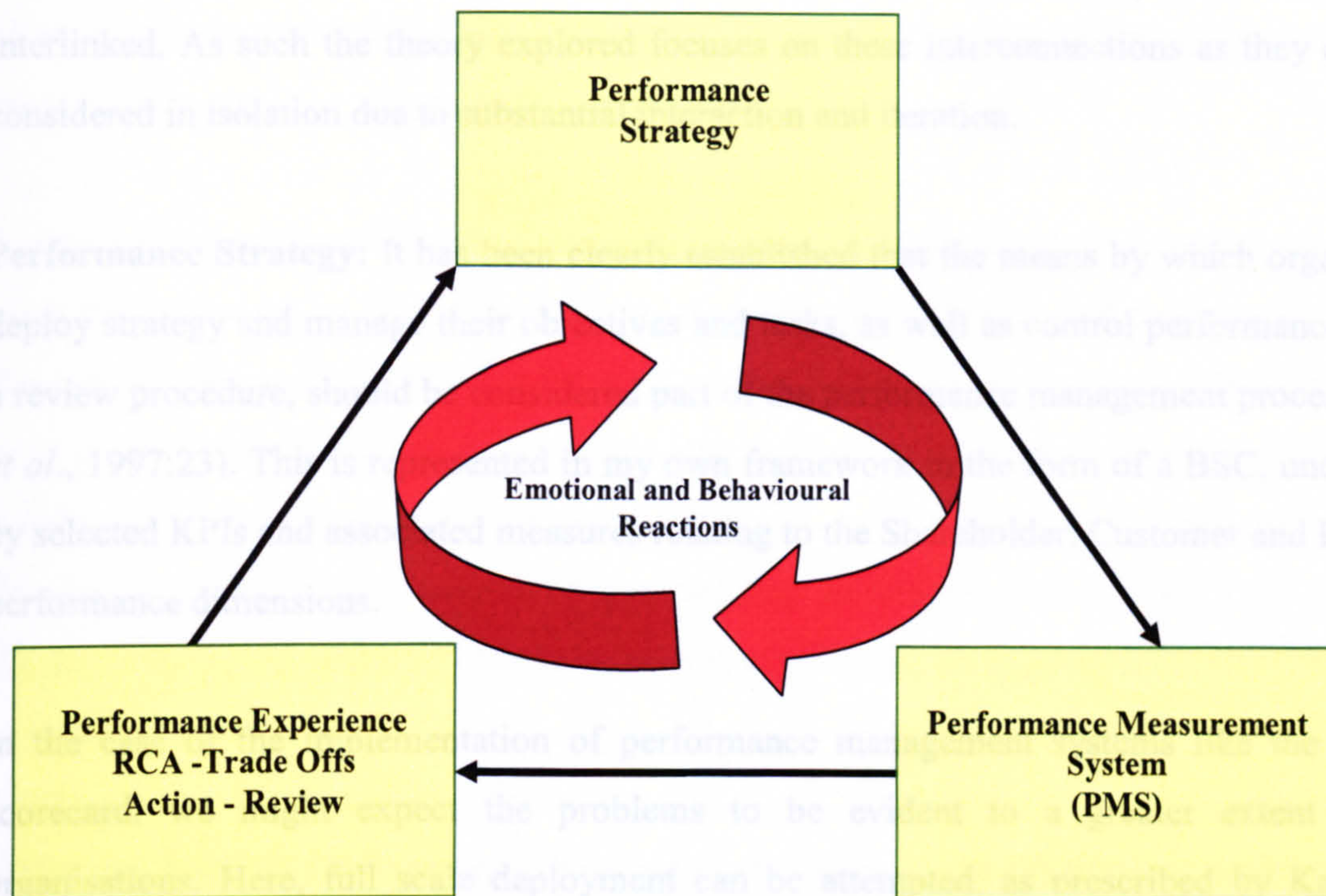
against what Handy (1981 cited in Bowman and Asch 1987:297-298) prescribes as his four types of organizational culture: *power, role, task and person*.

Support for this debate - as well as the means whereby cultural states are identified - is discussed by Schein (1981,1984) where culture exists as the basic assumptions and beliefs that members share in an organization and as such they permeate and can be assessed at a number of different levels which he classifies into sub sets recognized as 1) visible artefacts and creations, 2) values and ideology that govern behaviour and 3) underlying assumptions. As part of the debate, Schein (1981, 1984) explains that to fully understand culture as well as group values and overt behaviours, it is necessary to look into *the underlying assumptions* which although generally are at an unconscious level, establish how we perceive, think and feel.

2.8 Research Framework

The initial section of this thesis identified the gaps in current practitioner and academic knowledge, and the research focus of the current investigation. The output from this section was closely linked with the preceding discussions and the literature review. In this section I draw upon my own personal experience as a manager, and seek to rationalise the key findings from these preceding discussions, developing and positioning a holistic case for an appropriate research structure. It is within the developed framework, linking performance strategy, performance measurement system, and the performance experience to both behavioural and emotional consideration that the specific issues of concern are to be analysed (see figure 1 overleaf).

Figure 1 – The Performance Environment



Source: Adapted from within the literature.

I believe the benefits to be derived from adopting this approach are twofold. Firstly, it has enabled me to develop my own interpretation of the theoretical themes as they apply to actual practice, against which a provisional framework (Performance Environment) has been compiled. Secondly, through the involvement of a number of my managers as co-participants, I will be in a position to critically test and review the initial assumptions from which the framework was developed. Taking both of these benefits into account, I feel that this approach provides greater potential for interpretation than theoretical based alternatives.

Whilst the actual nature and task of an individual's engagement within the unit based scorecard (performance experience) is discussed in more detail in Chapter 5, I believe it is first necessary to position and explore the performance environment along with the interdependencies within which the co-participants will be required to operate. My rationale for this is that I believe an important consideration exists within the environmental context,

whereby performance strategy, its measurement system, along with the performance experience activities represented in the framework are emotionally and behaviourally interlinked. As such the theory explored focuses on these interconnections as they cannot be considered in isolation due to substantial interaction and iteration.

Performance Strategy: It has been clearly established that the means by which organisations deploy strategy and manage their objectives and tasks, as well as control performance through a review procedure, should be considered part of the performance management process (Bititci *et al.*, 1997:23). This is represented in my own framework in the form of a BSC, underpinned by selected KPIs and associated measures relating to the Shareholder, Customer and Employee performance dimensions.

In the case of the implementation of performance management systems like the balanced scorecard, we might expect the problems to be evident to a greater extent in large organisations. Here, full scale deployment can be attempted, as prescribed by Kaplan and Norton (1996b), who envisage three very distinct information/measurement levels within an organisation, and support their explanation with an example of a 'personal scorecard'. In this example, at the third level individuals and teams where most of the research encounter occurs, are asked to describe how their own objectives would support both the strategic and business unit objectives and targets, and what initiatives they would pursue in order to ensure these were achieved. Accordingly the centrally devised strategy deployment process applied by Royal Mail closely aligns to Kaplan and Norton's (1996a:80) recommended dissemination with:

- corporate objectives and measures (Royal Mail National).
- corporate targets into targets for each business unit (Delivery, Processing and Distribution BSCs).
- business unit targets interpreted by individuals and teams into their objectives.

Clearly the desired outcome as shown is to disseminate (Niven, 1999), segregate and 'cascade downwards' (Schneiderman, 1999) objectives and measures to achieve a line of sight

throughout the different scorecard levels. How managers and their teams at the unit level react both behaviourally and emotionally is expected to have a critical impact on the overall effectiveness and success of the performance strategy, its measurement system and overall performance management across the organisation.

It is widely held that at all levels a correctly designed BSC is critical, and should demonstrate a clear balance between both financial and non-financial measures and their associated KPIs. Kaplan and Norton (1972:72-79) have stated that when this is the case, individuals are not only positively controlled and drawn towards the overall strategic vision by focusing on a number of carefully selected measures contained on personal (unit) scorecards, but also develop a greater understanding of the resulting interrelationships. They then argue (see Kaplan and Norton 1996b:65) that when this is not the case an opposite adverse effect is likely to occur.

Reflecting back on the literature, there are many examples which provide some insight into why the latter situation may ultimately surface, particularly with regards to a large network organisation. Sedecon Consulting (1997:4-6) discusses problems associated with 'verification of cause-and-effect relationships between strategic objectives and measures, and in turn decisions relating to which trade offs to pursue over others'. With this in mind, the more probable areas where misunderstanding, defensiveness and conflict are likely to be encountered in the centrally imposed performance strategy, will undoubtedly reside where network interfaces and functions occur within the performance environment.

Performance Measurement System: As with performance strategy, it has been well established that the means by which individuals are managed within a strategic performance process falls within the domain of a measurement system. As previously discussed, the literature suggests that this should not only provide a clear 'line of sight linkages between the various business levels' (Keegan *et al.*, 1989), but also clarification regarding measurement definitions, focus and results.

The question of which form this constitutes, has been the subject of much scholarly debate. It is however, possible to clarify both content and context by referring to the invaluable work of Neely *et al*, (1997) and Hudson *et al*, (2001), who through a process of extensive consolidation identified what they saw as the core elements of such a PMS. It is with these recommendations in mind that our experiences can be best examined within the framework of the design characteristic of a 'good' performance measurement system (ibid). A PMS should be:

- Derived from strategy
- Clearly defined with an explicit purpose
- Relevant and easy to maintain
- Simple to understand
- Provide fast and accurate feedback
- Link operations to strategic goals
- Stimulate continuous improvement

Performance Engagement: Schneirderman (1999:8-9) concurs that inconsistencies, resistance or misconceptions between the elements of 'understanding, knowledge and contribution' are critical, yet are recognised as problematic. This becomes even more evident across the above seven characteristics when individuals are faced with the leading/lagging time period during which measurement and actions materialise, resulting trade offs are decided upon, and consequences of the decisions and actions of themselves or others emerge.

It can be argued that for this to be effective there is a need not only for 'individual and mutual respect,' but also 'procedural fairness' and 'transparency of decision making' (Winstanley and Stuart-Smith (1996:66). I consider that the presence of these states through the various levels of the BSC will not be confined to one particular phase (exposure, deployment and use) but highly likely be replicated, becoming increasingly important as individuals encounter and advance through each of the stages.

The importance of this is evident when we acknowledge that any move towards increased accountability, which performance management seeks to provide, can be seen as threatening if it has not been experienced previously (Stivers and Joyce 2000). Keeping this in mind there is a good deal of evidence from the literature to suggest that this is not the case; provided, for

example by Viken (1995:7); Neely *et al.*, (1997:6); Stiles *et al.*, (1997:4-5) and Neely *et al.*, (2000:13). Taking all of the above into consideration it seems clear that Schneirderman (1999) based his primary assumptions on the setting of organisational goals, with limited detailed expansion into what impact these factors might have, as individuals increasingly interact with their KPIs and performance is progressively managed over the performance period. Reflecting on my own practitioner experience, I am of the opinion that current thinking on the issue is fundamentally flawed. It seems clear to me that initially both sides of this spectrum are of equal importance, but I believe that after targets have been set a dominant swing will subsequently emerge towards the latter, where individuals interact with their performance task, personal scorecards, and review procedure throughout the year. Consequently, after the initial setting of scorecard targets I anticipate that the considerations discussed will come to play an increasingly significant role in any analysis subsequently undertaken.

It is therefore reasonable to assume that when both strategic integration between the various BSC levels and the discussed PMS design characteristics' are present within a positive perspective, individuals are more likely to react proactively. I feel that each of these perspectives provide valuable insights which will inform the research undertaken. I believe my use of this approach is consistent with Bourne (1999:23) and his assumption that 'measuring performance explicitly focuses attention' and that as a result 'behaviour is influenced'.

Impact of Behaviours and Emotions: Having established both the management process and measurement system, along with what are seen as prerequisites to support their successful use, we now need to turn to the behavioural attributes believed to be necessary. It is, however, extremely clear from the literature that at the time the research was carried out, this guidance was extremely limited in its nature, with only De Waal (2002 a,b,c) having explored the issue in any depth. The importance of De Waal's ground breaking research for my own cannot be overstated, due to his identification of '18 behavioural factors,' which he suggests, if present in a positive stance, will 'contribute to the success of any commencement, deployment and use' (ibid) of a PMS.

As a practitioner, I see clear linkages back to the system framework of Hudson *et al.*, (2001), with regards the ‘understanding, relevance and stimulation of performance,’ and also when both models, which I believe are mutually supportive, are viewed together. The previously discussed areas of ‘understanding, contribution and knowledge’ increasingly emerge as probable triggers encouraging either a positive or negative interaction between both the behavioural and system domains.

I believe this establishes an important point of entry which I can utilise to good effect to understand and appreciate the behavioural implications attributable to the exposure, deployment and use of the unit BSC. However, I was conscious of the danger of restricting my focus, and decided on the need to identify additional probable cognitive and behavioural characteristics identified in the literature. I therefore took guidance from both Neely *et al.*, (1997) and Hudson *et al.*, (2001) with regard to the consolidation of literary discussions, developing a compendium of emotional and behavioural traits. It is against this catalogue (shown in table 7, p. 74) that I am able to test the assumptions of both groups of authors, and also gain some insight and understanding into the changing situations I am likely to encounter.

From this encounter I predict that at some point in the performance environment either a positive or negative attitude or an emotional reaction will emerge that will influence behaviour. As discussed in the literature, I believe this can be viewed from two perspectives. Evidence suggests that individuals are likely to recall and reflect upon previous experiences whether they be ‘positive or negative’ (Liljander and Standvik 1997), thus resulting in a possible ‘transfer effect’ (Johnson and Zinkhan 1991; Cheetham and Chivers 2001). ‘In addition, a new experience resulting from either immediately encountered stimuli or a gradual exposure to either one or many situational triggers may lead to a similar reaction. Consequently, I believe that experiences resulting from past, present or future encounters will influence the extent to which the scorecard is both viewed and accepted, and ultimately, the level of success enjoyed in engagements across, as well as between, the respective KPIs. This proposition is supported by Neely *et al.* (1997:1136), who have previously argued that ‘the way performance is measured’ will ‘affect how people behave.’ This clearly brings into question both ‘the resulting behavioural outcome and the extent to which it is ‘appropriate’

(Bourne 1999:23). When considered in its entirety, the resulting setting provides the environment so important to the research engagement. I believe my use of this approach is consistent with Bourne (1999:23) and his assumption that 'measuring performance explicitly focuses attention' and that as a result 'behaviour is influenced'

Together, the performance framework and inter-relationships discussed allow me to take what I consider to be a more grounded practitioner based viewpoint. This was made possible by drawing from my own practitioner experience to examine current theoretical thinking and what I consider to be the gaps in our knowledge. From this I feel that my approach, and that of the co-participants, can be critically assessed, and subsequently adapted. The following methodology chapter focuses on the design method used to operationalise the framework discussed, in order to support my engagement with the co-participants in a live practitioner environment.

2.9 Developments in the Literature

Due to the timeframe of the research undertaken, I was conscious that subsequent to my original review of the literature, framework development and engagement with the co-participants, that theoretical and practitioner knowledge would have advanced in a number of topical areas. Although these are outside of the scope of the research, they are nevertheless important, reinforcing not only a number of findings emerging from the research but also the discussed guidelines for organisations to follow. As such, I believe it is prudent to provide a descriptive overview of the following emergent concepts:

- Deployment and Cascading of the BSC
- Motivational Consequences
- Linking Rewards to Measures

Deployment and Cascading the BSC: Across the literature, it increasingly emerges that when deploying a BSC, organisations need to adopt a process whereby objectives and measures,

derived from an organisation's strategy, have to be effectively cascaded through the various levels. (Moullin *et al.*, 2007:285; Assiri *et al.*, 2006:946 and Kaplan 2005:41) The benefits of an efficient cascade process to an organisation are well documented. As Decoene and Bruggeman (2006:434) argue, an effective cascade will 'seek to link performance measures to a business strategy' leading to what Kaplan (2005:44) defines as 'alignment through the organisation.'

Fundamental to achieving this state, Kaplan (2005:44) focuses upon each of the lower levels in turn commenting that these must adopt a process of 'interpretation and customisation to specific encountered situations' from which Moullin *et al.*, (2007:285) and Assiri *et al.*, (2006:946) explain 'contributions against the overall targets' need to be clearly defined. It is therefore accepted that any cascade will commence from the top radiating downwards, however it is recognised (Roest 1997:163) that it is important to 'include a bottom up perspective' in order to ensure as explained by Moullin *et al.*, (2007:285) that:

"The strategies of the organisation reflect the realities of individual departments and of service users."

Consequently, Decoene and Bruggeman (2006:445) strongly propose that in any cascade, although it is necessary to 'translate functional objectives from strategic corporate objectives' this should be done with 'limited comprehensive directives' from higher levels regarding how to actually achieve them. It is argued by the authors that adoption of this approach will not only have a 'motivating effect by empowering lower levels of managers' but also that organisations are more likely to benefit from individuals' 'specific knowledge and abilities' which may not have emerged if a directive approach had been applied. Adoption of such an approach would reduce the possible emergence of Roest's (1997:164-165) criticism that:

"One of the major contributors to the problem was the fact that the distance from vision to on-the-ground troops was too vast."

The risks associated with failing to either adopt or undertake an effective cascade are clearly apparent. Decoene and Bruggeman (2006:444) for instance focus on the fact that if operational

objectives aren't translated from strategic objectives, managers may be unable to comprehend the nature of the task, and as such, may possibly conceive it as meaningless. Consequently, Roest (1997:164-165) suggested earlier:

"That the measurement will not be grounded in the strategic objectives of the firm and therefore may drive behaviour in the wrong direction."

More recently emerging from her own later reflections, Rooney (2006:345) suggests that the problem is still present:

"Executive management teams often create company visions and strategies with a closed-door approach and then expect employees to execute the plan. This practice results in a lack of ownership and high level of distrust."

Importantly when the previous discussions are considered, De Waal (2007a:182-185) advises that 'high performing organisations' not only need to 'create clarity and a common understanding' but also importantly, 'everybody' clearly 'understands it' along with the role they have to play. Interestingly, developing the debate still further within the concept of 'shared understanding' De Waal (2007a:184) explores the need for 'transparency, openness and trust' referring to the term 'uniting the tribe' to explain the need to establish not only a collective identity but also a 'shared sense of community' and co-operation. Similarly, based on observations made Bititci *et al.*, (2006:1344) builds upon this advice, arguing that:

"Performance measurement is a cross-functional issue. It therefore, requires joined-up thinking at all levels of the organisation. A functional mind-set can seriously undermine the success of a performance measurement system."

It is possible to deduce from the direction offered that both individuals and teams have an important role to play within any cascade, where it is suggested by Decoene and Bruggeman (2006:432) that if a 'BSC is to have a positive motivational effect it is necessary for it to be strategically aligned'. Clearly, this underpins Moullin's (2007:181) argument for clear measurement clarity to avoid not only possible confusion but also importantly to ensure that focus remains directed on 'what matters' and that 'individuals go in the right direction.'

Motivational Consequences: The motivational aspect of both the cascade and alignment processes within any deployment has continually surfaced, although to provide a more rounded view it needs to be considered more fully. The motivational impact of linking rewards to measurement metrics is well recognised (Milne 2007:28) and will be briefly examined in the following session. However, to provide depth of understanding it is first necessary to understand not only the likely encountered barriers to motivation in any deployment and cascade but foremost the motivational enablers, which will undoubtedly continue in the usage stage of any PMS.

I consider a critical enabler of this to have been defined by Robson (2005:145), who argues that ‘individuals within any performance measurement system they are involved in, must experience a psychological state of being in-control of the system’ and are therefore able to exert an influence on performance. As a result of this positive state I believe the emergence of proactive levels of ownership and accountability amongst managers is more likely to occur. Conversely, Decoene and Bruggeman (2006:444) counter argue that if individuals are unable to exert an influence and/or control the performance measures, reduced motivation emerges as they view the PMS as uncontrollable. Considering the view expressed in conjunction with the previous discussions, it is reasonable to assume that perceived levels of ownership and accountability may likewise be adversely affected, which will subsequently influence how managers react to and view any cascade and usage of a PMS.

Evidence from more recent literature justifies this view. Moullin (2004:111) for example reflects on the ‘counter-productive nature of measures if they are perceived as irrelevant, unrealistic, inappropriate, or unfair’. In addition if ‘managers believe they are misguided due to not having been included in formulating the actual measures they may respond negatively and not as was intended’ (Moullin 2004:111). Consequently, when both are considered Moullin suggests that managers:

“May focus on the measures given at the expense of other more important factors, they may try to get around the system, or they may sub-optimize or concentrate on short-term issues.”(ibid:111)

In addition, Bourne *et al.*, (2005:385) builds upon the possible behavioural consequences through the reflection that:

“When the cause was not apparent or could not be simply fixed, action was delayed.”

Linking Rewards to Measures: The previous powerful reflections highlight the problems associated with measurement were as Catusus *et al.*, (2007:516) suggests simply ‘providing measurements’ alone does not guarantee actions will follow, although it is argued the act of measurement does ‘act as an indicator between actual mobilisation and action’.

The motivational and behavioural benefits of linking rewards and recognition directly to a ‘limited number of clearly identified measurement metrics to encourage a more positive outcome in a ‘good implementation’ (Allio 2006:262) of a PMS are well recognised. Milne (2007:28) in her own study concludes that the process of reward and recognition can positively exert motivational stimuli, influencing in turn both interest and performance. Consequently, Allio (2006:263) earlier argues that aligning rewards with metrics will not only reinforce but promote from individuals those behaviours which are expected by an organisation.’ This is not to say that reward and recognition initiatives are purely suitable for use at an individual level. Milne (2007:33-37) promotes their use across teams if suitably designed, but through the citation of Milkovich and Wigdor (1991) highlights the danger regarding potential ‘loss of motivation due to perceived feelings of ‘free-riding’ of fellow colleagues. These are not the only problems to be aware of and resolved. In addition, not only does Decoene and Bruggeman (2006:444) discuss problems associated with the performance of one team being dependant on the performance of another but also Du Plessis (2007:93) highlights issues relating to individuals hoarding knowledge to gain a competitive over colleagues.

It is possible to gain a valuable insight into how individuals and I believe teams rationalise the performance environments they encounter and as such focus subsequent action. Decoene and Bruggeman (2006:436-444) provide direction in this area through quantifying both the effect of extrinsic and intrinsic reward and motivation sequence explaining that extrinsic rewards

will exert an effect; whereby individuals will attribute their task motivation to the extrinsic reward in preference to their own intrinsic motivation. Conversely, the authors counter-argue, if extrinsic rewards are removed and/or control or influence is unattainable, intrinsic motivation likewise will be affected, with less extrinsic effort directed towards the associated task (Ibid). When this viewpoint is considered and compared against both Bourne *et al.*, (2005:385) and Moullins' (2004:111) previous discussions it becomes increasingly evident to the researcher that such triggers most probably influenced to varying degrees the emergence of both the motivational and behavioural problems positioned by the two sets of authors.

It is clear that although De Waal (2007a:182) along with Kaplan (2005:44) advocates the need for an effective 'reward and incentive system' within a 'successful implementation.' The previous discussions supports Robson's (2005:141) assertions that 'such systems can cause levels of conflict,' which clearly need to be considered in any deployment and cascade undertaken.

Although the devised framework was developed prior to knowledge gained from more recent literature. I believe any future use of my own framework will benefit from researchers reflecting upon the discussions undertaken. In particular, attention needs to be directed towards the important role of deployment and cascade in any proposed use of the BSC, as well as how linking rewards to measurement metrics exerts a motivational behavioural influence in any PMS usage. As has been identified in recent literature, these aspects also surfaced throughout the research undertaken, thereby strengthening the argument that their inclusion must form an integral part in any future framework.

3.1 The Research Focus Revisited

The research specifically aims to investigate from a frontline managerial perspective the extent to which my managers and myself can, over a period of time, emotionally and behaviourally engage with a unit based balanced scorecard. Specific areas of investigation include:

- To gain a deeper understanding as to how front line managers perceive and react to a new performance measurement system (PMS) based on the BSC.
- To establish those progressive attitudes and behaviours that may contribute to, or hinder the way in which the BSC is understood, accepted and used by managers.
- To provide guidance in the form of recommended development guidelines for organisations to follow regarding the sustainable use of a BSC at a front line unit level.

To be successful at this level of engagement, there is clear evidence that the research needed to be viewed from the perspective of those directly involved in or impacted on by the scorecards under investigation (Neely, *et al.*, 2000; Bourne *et al.*, 2000; Holloway 2000; Tipping, 2000). To achieve this level of interaction, I felt it was important to nurture the involvement of the individual managers as co-participants in the investigation, as any other applied approach would simply dilute or indeed inhibit the process of gathering meaningful data. Importantly Holloway (2000:31) provides a logical direction from which I am able to draw upon in relation to how I am able to acquire this level of engagement through her suggestion that:

“greater involvement of practising managers as partners in collaborative research [is desirable and] not just as survey or case study fodder. Their use of qualitative research as part of their normal work can also be fruitful in the performance measurement field”.

3.2 A Methodological Debate

At this stage in the development of my own research design I had what I felt was a level of empirical support for research in this field. I also felt that I possessed a good understanding of the initial focus and problems I could expect to face in my own investigations. I also perceived my research as fulfilling what Ellis and Kiely (2000b:2) describe as a need to focus on *“real problems that are happening here and now”* in organisations, but the dilemma remained - how would I achieve the level of engagement and intensity suggested by Holloway (2000)?

In trying to make sense of these considerations, I found myself reflecting on the state of management research in relation to the “effectiveness and meaning of management” research techniques (Hatchuel, 2001). As a researcher I was particularly drawn to Buckley and Chapman’s (1997:287) criticism of existing research for failing to understand that knowledge or experience extends beyond the researcher’s immediate environment or knowledge base and that “managers’ formulation of their own problems might be interesting in their own right.” As part of this debate, the authors asked researchers to critically reflect on and ask themselves “whose knowledge and experience is more valuable?” (ibid). Is it the researcher or the participants who are actually involved in the research process under observation?

As a researcher and more importantly a practitioner, I strongly agree with these insights. I feel they offer a route through which a true level of engagement and generation of real and meaningful practitioner based knowledge can be acquired, thereby providing me with what I see, as a robust methodological direction to understand emotional behaviours and attitudes. Support for my engagement and focus at this level is evident in the content of Reason and Torbert’s (2001:14) argument that:

“Research/practice is not only about collecting empirical information but about a wide range of information based on the experiences of those involved in intuitive inquiry into values and purposes, conceptual inquiry into the frames and sense-making we as actors bring to the situation and practical, sensuous inquiry into our actions as individuals and members of groups and communities”.

As I reflected on the consequences of this, I realised that an enquiry at this level requires a methodological approach that supports what is clearly a complicated and continually evolving as well as inter-related series of encounters and actions. Consequently I think that my enquiry is best approached through Melrose's (1996:52) descriptive view of 'value laden' investigations as 'critical research,' in which she suggests a level of practitioner engagement is achieved through not only interest:

"in the value positions and beliefs of the group, but the researcher [also] abandons any pretence of neutrality and often evokes specialist knowledge to stimulate the group into examining the ethics, morality and politics of their situation".

This quotation, which I have decided to include in its entirety due to its importance, portrays the missing link in current workplace-based research in relation to enabling Buckley and Chapman's (1997) recommendations. This forms the basis through which I have modelled my own engagement and that of my managers as research participants. By this stage I had found my level of focus, but my next consideration resided in which methodological approach is best suited to this type of behavioural and emotionally rich research environment?

My first consideration centred on the traditionally based positivistic paradigm with its methodological base in the scientific domain focusing on what Coughlan and Coughlan, (2002:223) see as the "creation of universal knowledge," or as defined by Melrose (1996:50) "technical knowledge and generalisations". I soon realised that this level of application and focus would have a number of adverse implications for my chosen approach suggesting that research underpinned by a positivist orientation would be ill suited to support the level and intensity of the organisational and personal engagement I needed to initiate and peruse. My reasoning is informed by several points.

The data gathering method applied in the research focuses on the evolving personal "experiences and meanings attributed to the events" (Skinner *et al.*, 2000:165) in relation to the emotions, values and behaviours of a number of individual research participants, including myself. In addition, Susman and Evered (1978:583) argue against the positivist mode of inquiry in this type of engagement proposing that it "limits its methods to what it claims is

value-free, logical and empirical” conducted in what the authors see as an environment of “detachment” and “neutrality” where the researcher is an “independent” and “objective researcher.”

Clearly if we review these considerations in conjunction with Melrose’s (1996:50) criticism of positivism for tending to ignore human beliefs and values, as well as what Reason and Torbet (2001) describes as an essential need to remove “the biases of the human researcher”, then the adoption of a positivist outlook would be inappropriate. I consider that my interpretive and involved approach to data gathering in what is recognised as a socially complex environment of ‘richness and diversity’ (Holdaway, 1996:12) would also seem inappropriate if applied in the positivist mode of enquiry.

I was also aware that I needed to move beyond what has already been seen as a rigid positivist focus to the generation of “technical knowledge and generalisations” (Melrose, 1996) and engage at the level of improving actual professional practice and knowledge in a work-based situation through generating theory out of practice. The ability of the positivist approach to generate knowledge at this level has been debatable where Susman and Evered (1978:585) further argue that there exists a fundamental:

“crisis of epistemology, [whereby] positivist approaches to science [are] deficient in their capacity to generate knowledge for use by members of organisations for solving the problems they face”.

I was encouraged to find additional reinforcement of this view in Schon’s (1983b) later proposition that although practical knowledge exists to some extent in positivism it does, however, ‘not fit neatly,’ into the positivist domain. This led me to my second consideration - how do I transcend into this higher level of practitioner-based knowledge production? Gibbons *et al.*, (1994) specifically focus on this question through their suggestion that management research is experiencing a fundamental shift away from the more traditional mode 1 theoretical and scientific based model of knowledge generation. I chose instead to adopt a more appropriate mode 2 practitioner-based approach focusing on ‘trans-disciplinary’ and practitioner application in relation to generating theory out of knowledge. Support for this

migration is also clearly evident in the work of Tranfield and Starkey (1998) who criticise the mode 1 model as 'elitist', arguing that the more 'pluralist' mode 2 approach provides a more appropriate link between theory and practice. Importantly Starkey and Madan (2001:S5) provide further support for this argument and the direction I have selected, through their reflection that:

"In the M1K approach it is conventional to speak of science and scientist, while the aspirations of MK2 relevance to practice make it more relevant to speak of knowledge and practitioners".

My position by the very nature of my engagement in work related issues and the development of practice and theory from a practitioner-based team working environment can be categorised as falling in what has been described as the mode 2 approach to the generation of knowledge (Tranfield and Starkey, 1998; Tranfield 2002b). I was confident at this stage of my research design that I had identified specific level of knowledge generation. I was still however aware that I needed a suitable methodology to support the approach, for I was very conscious that as Tranfield (2002a:381) explains mode 2 in its own right does not depict a 'methodological technique'.

3.3 Adopting the Action Research Route

As one engaged in the research as a practitioner and researcher, the DBA programme has nurtured my awareness of the benefits to be gained from engaging in an action research approach. In particular, I have become increasingly aware of the usefulness of action research as a suitable methodology for investigating the emergence of complex psychological and organisational inter-relationships requiring interventions and outcomes.

As I focused on the methodological technique to be adopted, I realised that action orientated engagements clearly require the design of an appropriate research methodology. An appropriate research methodology firstly, underpins and engages practitioners in what Kiely and Ellis (1999:33) describe as "a cyclical process of action and reflection," with a view to planning and applying further action as the research progresses (Daudelin, 1996). Secondly an

appropriate research methodology achieves additional depth of interpretation by stepping back and reflecting on the experiences of those involved, therefore nurturing Schon's (1995:30) epistemological realisation of "reflection and knowing in action". Importantly, Tranfield and Starkey (1998) provide firm encouragement for the use of action orientated strategies in management research. In addition, Eden and Huxham (1995) and Ellis and Kiely (2000a, 2000b) provide epistemological substance and direction by distinguishing and exploring four action inquiry strategies: action research, participatory action research, action learning and science.

As a researcher, I reasoned that action research as prescribed by Susman and Evered, (1978) provided me with a robust and practical epistemology, whereby practitioner engagement in the form of collaborative inquiry could be initiated and adapted in what has been shown as an increasingly complex individual and organisational environment. I saw this as ultimately enabling me to generate what Reason and Bradley (2001) prescribe as knowledge that is practical, relevant and useful in the daily lives of individuals. Support for my engagement as an action researcher at this level of complexity, volatility and uncertainty I feel, is evident in Eden and Huxham's (1995: 527) descriptive view of an action researcher as:

"Working with members of an organisation over a matter which is of genuine concern to them and in which there is intent by the organisation members to take action based on the intervention."

Coughlan and Coughlan (2002:238) underpins Eden and Huxham's (1995) views and provides further support for my selected approach through reflections whereby:

"AR is a form of science which differs from experimental physics but is genuinely scientific in its emphasis on careful observation and study of the effect of human behaviour on human systems as they manage change".

3.4 The Research Design

The need to adopt an appropriate method of data collection, analysis and interpretation was paramount. My decision was strongly influenced by both the scientific shortcomings previously discussed, and the need to generate practical knowledge, focusing on the behavioural, emotional and values of those involved in the research.

3.4.1 Validating The Use Of Action Inquiry As My Chosen Research Method

This is not to say that I am fully discounting quantitative techniques, as there is evidence to support the notion that in certain circumstances, their use can support what is commonly known as triangulation (Platts, 1990; Burton, 1996). Quantitative techniques can therefore be employed via triangulation to help provide a degree of reliability underpinning qualitative results. In my own case, I have chosen to apply quantitative methods through the use of both bi-monthly perception surveys, as well as the correlation of emerging performance data to enable cross-checking of emerging qualitative results. This was however not the only means and use of research triangulation and verification available to me.

Within the qualitative domain, Eden and Huxman (1995) propose that action research by its very nature approaches “the research question from as many angles as possible”. This provides me with what the authors suggest as a unique avenue through which to progress the process of triangulation beyond a simple means of cross-checking data, common to other research methods. The means through which I found it possible to achieve this higher level of interpretation and triangulation of data, against which my own research is modelled, was positioned by Eden and Huxman (1995:356) through the citation of Harre and Secord’s (1976) proposition that action research needs to seek out opportunities to provide levels of triangulation between:

- The observation of events and social processes
- Accounts each participant offers and

- Changes in their accounts and interpretation of events as time passes.

I feel that the interconnection within and between these levels could be viewed as relatively easily to conceptualise, but as is frequently common with human emotions and behaviours, I suspect this is clearly not always the case. Eden and Huxman (1995) as discuss this interconnection, commenting that levels of data triangulation or agreement between the different perspectives are not expected to emerge. This might seem surprising, but their rationale is centred on the fact that as there was an intentional desire to uncover multiple views between the different perspectives, any agreement emerging between the varying dimensions could be more surprising to a researcher, than if instances of disagreement did exist. When I first encountered this worldview I was somewhat confused, yet the more I thought about it, I increasingly realised that these variations of reactions were exactly the situations and intensity of focus I needed from my research. I also reasoned that as Eden and Huxman (1995) argue, such a worldview acts as the dialectical catalyst for the emergence of new concepts, which they argue need to be exploited and fully explored.

To obtain this level of insight, I have made extensive use of a personal journals, workshops, semi-structured interviews, focus groups and the reflections and experiences of those involved in the research emerging from the data to identify and understand why these triangulation linkages either do or do not occur. On a personal level, I found the recording of my observations in the journal extremely beneficial. As I found, it encouraged me not only to obtain a level of awareness in relation to what Rowley (2003:135) sees as “encouraging reflection and insights into both the cognitive and behavioural elements” of what I was experiencing, but as Bould (2001:9) argues I need to extract the “meaning from them”. The combination of these methods provided me with both a significant and robust qualitative approach to the process of data collection, but also conversely enabled the diversity of emerging data to be compared and understood more fully, through the applied use of the quantitative methods discussed above. I saw this as providing me through a process of triangulation what I consider as a robust degree of validity to the emerging and subsequently presented research data.

3.4.2 My Role as the Researcher

I was aware that my position as both a researcher and senior manager in these interactions raises a number of responsibilities and questions in relation to my role. As a result of this realisation I strove to enrich the research, but also if necessary, adjust my own practice and behaviour so as not to jeopardise it. Holian (1999:5) focuses on the dilemma I was facing where she discusses the very real issue of 'personal impact' which, I realise due to the applied nature of the research undertaken, I will inevitably exert and/or encounter on a daily basis as a co-participant interacting with my managers. As I considered my role more fully, I realised I would as explained by Holian (1999) be entering into a 'researcher and senior manager' role conflict situation. Here I would be continually required to balance and switch between the different roles. I therefore considered that role switching would surface as a crucial ethical consideration to be resolved.

This was of particular concern as I realised that as a researcher, I was interested in how individuals, (and I include myself in this equation), could engage and interact with a scorecard. I therefore needed to understand the effects this environment would have on the cognitive emotions, attitudes and behaviours of all parties (Holloway *et al.*, 1996). As a fully participating actor alongside my managers, I was under no illusion that difficult relationships might emerge as a result of these interactions. Conversely however, I was still very conscious that I was a senior manager with a job to do, and would at times have to participate in uncomfortable conversations with individuals and make unpopular decisions. Consequently, I realised that these situations experienced in either of the roles would either enrich the resulting data acquired leading to Eden and Huxman's (1995) 'dialectic' catalyst. Along the continuum in a worse case scenario the research relationship could potentially be severed.

Reflecting on my professional practice and specific role in the research, it became clear that I needed to encourage the former level of interaction, but reduce the possible emergence of the latter adverse situations. I clearly consider these as bringing into the inter-relationship equation with my co-participants, the previously discussed dysfunctional topics in relation to politics (Neely *et al.*, 2000) as well as power and control (Winstanley and Stuart-Smith 1996).

I increasingly realised these factors may adversely influence the degree and level of trust and respect I am striving to obtain. As a fully engaged co-participant in the process of exposure, deployment, and use of the scorecard, I specifically saw my own role as falling into three very well defined and inter-related dimensions:

- Firstly, as previously defined by Melrose (1996:52), I have set aside any feelings or thoughts of 'neutrality' as part of the continued engagement. This engagement involved drawing on the beliefs, emotions and actions of all participants through the application of qualitative and quantitative approaches to support a critical 360-degree 'value laden' perspective.
- Secondly, Melrose (1996:52) additionally argues for the use of 'specialist knowledge' to stimulate interactions. In my own case, extensive use was made of performance coaches in both the exposure and deployment workshops, as well as for the more experienced managers to underpin my professional practice as I lead the groups.
- Finally, as a number of the managers progress from the deployment and into the continued use of the scorecard, I have drawn from the personal reflections of the two performance analysts. These analysts formed an integral part of the monthly performance reviews to provide an additional layer of interpretation and knowledge.

Refocusing on the challenges facing me, I considered that the most appropriate solution in relation to the role conflict question was to address the dilemma with my research participants in the exposure workshop. I reasoned this would demonstrate my receptivity to their concerns. In addition, this would also communicate the flexibility in my practice to support positive engagement throughout the exposure, deployment and later more volatile and controversial scorecard use stages. At this point, I decided to undertake some preliminary discussions with some of the more senior members and stakeholders of my team prior to the exposure workshop. As I reflected on the resulting discussions, I reasoned that the

development and agreement of a set of behavioural ground rules focusing on the expectations and worries of all parties, was the most logical way to address the situation. This led to an agreed way of working emerging (appendix 1) from the exposure workshop that not only supported my initial engagement with the co-participants, but also provided a robust foundation from which emerging practice in the use stages of the scorecard was able to be reviewed and adjusted by all participants.

In addition, I saw this approach as providing me with a suitable 360-degree means through which it was possible to re-assess and adapt my professional practice via surveys and focus groups undertaken by an independent facilitator. I felt that this provided a suitable medium through which confidential reflections in relation to my own practice and behaviour and in turn conflicting pressures in my dual role, could be identified by an impartial party for me to react to consider.

In hindsight, I can see that when the behavioural agreement is considered alongside the statement of research confidentiality and participation (appendix 2 and 1 respectively), it provided a powerful tool that enabled a very personal piece of research to be completed and the practice of my managers and I to be continually monitored and adjusted.

3.4.3 Ethical Issues and Politics

Whilst I have already assessed the impact of organisational politics at the beginning of the thesis regarding its restrictions on my initial ability to engage in my chosen research direction, I do however feel that it is only correct to acknowledge both its existence and the very real and devastating effect of senior managers blocking research (Rowley, 2003). This occurs when national projects, managed by senior managers can be perceived as under scrutiny, with a resultant restriction of the projects in an organisational setting. Initial personal experience, I feel clearly underpins Rowley's (2003:135) conclusions that "gaining access, networks and using data are all intensely political acts". This is a significant statement on the part of the

author, that I concur is either a powerful enabling or restricting force on the progression of organisational research initiatives.

I was not surprised that on the completion of the unit trials, these political pressures and restrictions in their previous form were subsequently removed. This thereby legitimised my research direction due to the comforting fact that the use of the unit scorecard constituted my major business and personal objective for the coming year. I also feel that the previous senior managers moving to different roles in the organisation, also supported it in some way and therefore I did not present a further threat to them. Importantly, these changes subsequently provided my line manager with the authority to agree that I could proceed with the research I had chosen to pursue, as well as to negotiate access and the involvement (Rowley 2003) of area support managers and my team. A personal act on my line manager's part provided me with the depth of involvement I required, as well as readily accessible access to invaluable sources of data (Rowley 2003), experience and support in the form of the financial analysts, performance coaches and an operations performance manager.

Although there was no direct requirement for me to provide feedback to the organisation, I felt that as the professional practice of the sector team was an integral element of the research (along with the performance of the sector KPIs), this would form the basis of my monthly one-to-one performance reviews. I therefore consciously took the opportunity to discuss the progress made, as well as mutually resolving any stakeholder problems, which in hindsight did not really emerge as serious topic, with my line manager. I felt that by following this approach, that in the context of my direct organisational sponsor, I provided what Rowley (2003:136) describes as the "need to keep stakeholders informed". This is not to say that I was as naïve as to expect all political pressures to have been removed, for the literature (as previously discussed), continually shows the correlation between organisational politics and embedded culture, which influence the process of managing performance (Sedecon Consulting, 1999; Neely *et al.*, 2000; Neely and Bourne, 2000).

I am fully aware of the extent of these tensions, having realised these through my own career experiences that exist in both the traditions and are abundantly in existence throughout Royal

Mail as well as the 'power dynamics' (Rowley, 2003) that radiate throughout and between the different organisational layers and personal practices. I therefore strongly consider that their very existence forms an integral part of the investigation through which I have tried to understand and manage the influences via the behavioural contract, survey and focus groups.

At this stage, I had acquired consent from the organisation to proceed to involve a number of co-participants drawn from my team in a critical piece of research focusing on the personal values, beliefs and emotions of the individuals I intended to include as co-participants. It would however be unethical for me to presume that all managers would be comfortable or agree to engage in the research or indeed accept my conflicting role as both researcher and their manager. As Rowley (2003) explains, I needed to extend the process of gaining permission beyond the level of the organisation to include the individuals who I had been given consent by my sponsor to involve.

Reflecting further on my specific ethical responsibilities with regards to gaining the involvement of my intended co-participants, important considerations which I have subsequently actioned emerged, such as obtaining individual personal consent (Walker and Haslett, 2002) and guaranteeing the confidentiality and protection of all participants (Gill and Johnson, 1991). To arrive at this level of personal commitment, in early January prior to the first workshop, I decided that as part of a regular management meeting to invite the two performance coaches and analysts to position both my proposed research, as well my desire to involve those present as co-participants.

As I prepared for the meeting, I realised that I had a number of factors in my favour, which Holian (1999) discusses in relation to having previous history and relationships with the group, as well as knowing the key stakeholders. As I considered my position in this debate, I decided my best course of action was to utilise what I hoped would be the positive side of these enablers. I therefore sought to draw on my existing relationship with my present team to support not only their involvement, but that of the new managers joining the sector.

I was also already aware prior to the meeting that the two additional senior managers (as the major opinion formers from each of the groups) felt comfortable as participants. This was due to my initial raising of the topic with them during casual conversations. I was also aware from talking to them and from my own experience that I could not solely rely on this support or my previous relationships, to guarantee the involvement of the remainder of the managers. My reasoning for this was that from previous encounters, outside influences were always present in the form of the Communications Managers Association (CMA) Area Representative.

I therefore decided that to counter this potential barrier, it would be sensible to involve the CMA representative. I realised this representative not only had the attention of the managers, but also as their union representative, was a major influencing factor whom they would inevitably look to for advice. I subsequently discussed my intended involvement of both sets of managers and also enlisted the support of the representative. This involvement was not only in relation to rubber-stamping the research, but also in presenting and agreeing the confidentiality statement as well as future behavioural frameworks developed as part of the exposure workshop. I saw this as a powerful means through which managers could be encouraged to participate in the research.

3.4.4 Co-Participants Confidentiality – Applied Coding Ethics – Use of Transcripts

To facilitate a positive and active debate in the meeting, both the CMA representative and I (separately and jointly), presented the prepared confidentiality and involvement statement in appendix 2. I was aware that I needed to outline the personal actions and commitments I would be making to participants, especially with regards to the publishing of the research outcomes (Oates, 1996). This raised additional barriers to be resolved in relation to the non-identification within the written thesis of specific contributions from those agreeing to participate in the research. I had pre-empted this area and presented the process I intended to utilise in relation to the coding of individuals, which was encouragingly agreed upon and has been utilised throughout the presentation of data to protect participant's identities.

The following discussions aim to outline the expanded coding profiles utilised in the process with regard to both the recruitment and grouping of the participants against these codes in the subsequent section. I also think the coding profile illustrated in the table overleaf, provided me with additional benefits. The coding table provided me with a robust means to underpin the data codes discussed later in this chapter, due to its ability to provide a means to not protect individuals and also to focus on the unit differences. Thus for example, I could identify the differences between units in one case (with one manager coded as 'S') and multi-managed units (two cases coded as 'M'), prefixed with a personal identification number.

The use of these codes to highlight verbal contributions in relation to the front-line managers is solely applicable in the later usage stage of the research. This stage is in relation to both the individual interviews and bi-monthly perception surveys as in the exposure and deployment workshop verbal contributions have been simply categorised as 'individual' to allow full participation from those present. Additionally, I found this provided a logical means of presenting the verbal contributions due to difficulties experienced during the exposure and deployment workshops, with the identification of individuals during the transcription of documents in a group-recording environment of 17 managers. I did not encounter this problem in either the analyst or individual interviews undertaken as part of the usage stage, where transcripts were coded against the individual co-participants.

I have however been able to derive additional benefits from the use of these codes in the deployment workshop. Here I found it possible to extract robust data in relation to the level of engagement achieved against the scorecard activities undertaken by those agreeing to progress into the usage stage. I have consequently therefore applied the same coding highlighted in table 8 overleaf, to supplement the general comments emerging from the group during the taped discussions, to provide further substance and depth to the presented data.

Table 8 - Individual Coding Profile

Role	Co-Participant	Coding Profiles	
		Singleton (S) Multi Managed (M) Coach (C) Analysts (A)	Assigned Code
Delivery Manager	1	S	S1
Delivery Manager	2	S	S2
Delivery Manager	3	S	S3
Delivery Manager	4	M	M1
Delivery Manager	5	M	M2
Delivery Manager	6	M	M3
Delivery Manager	7	M	M4
Delivery Manager	8	M	M5
Performance Coach	1	C	1C
Performance Coach	2	C	2C
Performance Analyst	1	A	1A
Performance Analyst	2	A	2A

I was encouraged to note that the meeting concluded with those present agreeing the contents and format of the confidentiality statement at the outset of the research process. Agreement was also reached regarding the use of the tape recorder during the exposure and deployment phase. I found that by following this approach I was able to proceed towards the exposure and subsequent deployment workshops with well-defined and pre-agreed research groupings. I was further encouraged by the participants indicating their willingness to progress into the usage stage for the tape recording process.

I did however think that due to the 'value laden' (Melrose, 1996) and very personal, emotional and behavioural nature of the investigation that my responsibilities extended beyond simply agreeing the statement and use of the tape recorder. I therefore purposively repositioned the statement, future behavioural agreement and use of the tape recorder at both the beginning and end of each specific activity involving any form or means of interaction or data gathering. I reasoned that this would help to reinforce the personal commitment I had made to my co-participants. A personal act on my part, which I felt, significantly supported the monthly survey and independent focus group, as well as underpinning Walker and Haslett's (2002) reflection for the need of a researcher to gain consent for the use of a tape recorder.

3.4.5 Recruitment of Research Participants

As previously stated, I had two specific aims in the management meeting. Firstly, I was keen to position the research, agree upon the confidentiality statement, as well as the coding process prior to the exposure workshop. Secondly I wanted to gain the commitment of those present to participate in the research in the lead up to the exposure workshop.

As the meeting progressed beyond agreeing the confidentiality statement and proposed individuals coding dimensions, I realised that the decision to involve both the CMA and opinion formers was paying dividends, with all individuals encouraged by the openness and commitments made. This consequently led to varying degrees of personal consent and commitment expressed from all those present to participate in the research. As I focused on the level of agreed participation, I realised that the reasons behind the differing levels of participation centred on the following prominent factors, which I saw as the first instances of role conflict emerging in my practice and underpinning my discussion to approach the topic of a behavioural agreement:

1. Individuals feeling uncomfortable regarding exposure to what some saw could be perceived as personal criticisms of weakness on their part.
2. Unease in discussing emotional and behavioural feelings with their line manager in a one-to-one situation.
3. Despite the application of coding to protect confidentiality, some still felt uncomfortable with the concept if they went into the usage stage of the scorecard.
4. Some individuals felt unable to commit to participating in interviews subsequent to the exposure and deployment workshops, due to what they felt was an additional workload and time constraint.
5. It was also felt by some that the research was purely intended to progress my own career and as such, I was not worried about participant's views. I was encouraged that this was a singularly expressed view, not support by the remainder present.

As I discussed both the implications of these with those present and how best to resolve them within the parameters of the ethical agreements made, two distinctive front-line research co-

participant groupings emerged. As discussed, these discrete groupings are represented in the data analysis by either being shown as 'individual' or in the case of those agreeing to proceed into the usage stages by 'M' or 'S' with a prefixed number.

- Firstly, all seventeen managers agreed to participate in the exposure and deployment group activities protected by what some saw as a safe and impersonal workshop environment where anonymity could be protected. This left those individuals who initially felt uncomfortable, feeling less vulnerable during the exposure and deployment stages of the scorecard into the sector.
- Secondly, from the original seventeen managers, eight previously categorised in the coding profile who felt comfortable participating in a one-to-one interaction with myself, agreed to continue as co-participants into the use and review stages of the scorecard engagement. Interestingly, this group formed a cross-section of managers with both varying degrees of experience and responsibility in relation to a number of managers running the units from across both sectors supporting the success of the actions taken to bring the research groups together. As previously discussed, it was possible to extract valuable data from these managers in relation to their engagement with the scorecard at the deployment workshop.

I have also been able to acquire additional depth through the involvement of the two performance coaches and analysts defined earlier as 'coach/analyst' at both the exposure and development workshops with the two analysts continuing to participate in the remainder of the research at all performance reviews, as well as participation in separate interviews. As part of the involvement of these individuals, I was extremely conscious that both sets of specialist's roles required their active involvement in the scorecard implementation.

As such, I did not want participants to feel that they were either obliged to participate in the research, or be perceived by the other co-participants as organisational spies. I therefore needed them to be recognised and accepted as fully functioning and involved members of the research team. I felt that by involving them in the management meeting that their consent to

participate in and involvement would be recognised and accepted by the remainder of those present as the most suitable means of addressing this issue. I was pleased to see that those present gave their consent for their involvement.

3.4.6 Eliminating Bias, Personal Impact and Validating Emerging Data

The level of engagement I required did however present other problems which I realised need to be addressed as it is recognised that engaging at this level is not totally risk free with Thomas-Bernard (1996) suggesting that there exists the possibility that the more dominant individuals in the group might influence or indeed restrict and inhibit the participation of others.

This was a factor, which at the outset did cause me some concern in relation to the exposure and deployment stages, with their over reliance on group interactions and activities to generate data. I do however feel that my decision to involve both the major opinion formers and more senior managers in the workshop activities significantly reduced its possible emergence and potential negative impact. I also saw this decision as helping to reduce any potential for the more vocal and assertive individuals in the group activities to dominate any debate as I rely on the opinion formers and CMA representative to draw others into the conversation. In the independently conducted workshops, this was not so much of a problem, as the individual conducting the activity was a fully trained facilitator with the necessary skills to support a full participation from those present.

Additionally I was aware that my own exposure and engagement as a researcher during data gathering and analysis, presented a further unique problem in relation to my interpretation of the environment and interactions I was initiating and encountering. Importantly I am able to draw from Carters' (2002:144) own previous DBA experience in this area. Here she encountered the same personal dilemma in relation to the possibility of her inadvertently extracting only that data that confirmed a particular view. Carter (2002:) cited Kruegers' (1993) recommendation in making available information to the attendees to address what see

saw as the problem of her own objectivity. Similarly, I found myself focusing on the same concern and agreed as part of the recruitment stage, to ensure that an accurate level of understanding and interpretation was achieved, where all findings would be openly discussed and continually agreed as part of the ongoing data gathering exercises and review process.

Scorecard Exposure and Deployment. This took the form of revisiting the findings and recommendations emerging from the flip chart feedback from the syndicate exercises. I also provided a verbal summary of my own personal reflections and notes taken during the sessions as a key part of the closure process. By following this process this enabled me to expand on the observations made, and also it encouraged both active debate around the outputs from the sessions, as well as confirming mutual understanding between the co-participants and myself. Additionally I felt the openness provided a further benefit, as it reduced the likelihood of anyone perceiving or thinking that I was making secret notes in my journal observations.

In all cases, the syndicate feedback due to time constraints was transcribed by typists immediately after the data gathering process. I was extremely conscious for the need for accuracy due to a third party involvement. I therefore revisited each of the completed transcripts against the tapes, before making them available to the participants for comments and any amendments they felt necessary. I subsequently reviewed the exposure as part of the deployment workshop and the latter in my next management meeting. I was encouraged to see that no changes or additional suggestions were forthcoming confirming the accuracy of their content and the transcription method I had decided to use.

Scorecard Usage. Due to the time span as well as the number of separate data gathering exercises pursued outside of the normal business activities, I decided that a number of different activities were necessary to provide validity and to underpin the data gathering processes followed. I was however aware in reaching this decision of the important topic of managerial workload, as this had been raised as a concern during the recruitment of the co-participants. I realised that if I did not address this topic, then involvement might possibly decrease, as the research progressed over the year. I therefore decided my best course of action was to revisit both the area of focus to look at, as well as the methods I wanted to apply and take the

question directly to the co-participants who had agreed to continue into the usage stage. I felt that by following this approach if individuals saw again what they were committing to, they would not only feel closer to the research, but also understand their future commitments in relation to the time to complete the research activities, therefore limiting the possibility of clashes of interest.

I was encouraged to see that it was subsequently agreed that any additional workload and time commitments to complete the activities could be best managed through the surveys being issued bi-monthly interspersed by two interviews at the three and nine month stages. I saw this as supporting the research aim as it provided not only a robust interlinked span of data gathering but involvement that continually engaged with the co-participants over a 9-month period. I also subsequently found that by discussing the topics of focus and method, as well as the frequency of data gathering, I was able to achieve a success rate of 100% of scheduled interviews was completed, as well as a return rate of 95%, against the bi-monthly surveys with only two missing due to unforeseen annual leave. These results provided me with not only a high degree of grounding (and in turn significance to the results gained), but also underpins the important need for researchers to involve the co-participants in agreeing both the method and timing of data capture in organisational research. In relation to cross-checking and validating the emerging data, three distinct processes were followed.

Firstly, I undertook a similar process in relation to transcribing and providing copies of the typed transcripts of the eight individual interviewees and analysts for their comments and amendments, but surprisingly as previously occurred, none surfaced over either of the three or nine month interview stages. Secondly, to underpin my professional practice as well as the data emerging from the interviews, I was conscious of the need to continually track the interview schedule changes in the co-participant's perceptions of their engagement with the scorecard. I was also conscious of the need to review the views regarding the behavioural commitments we had agreed upon. I decided the best approach was to use five standardised perception surveys in their questioning focus/format and issued bi-monthly after a completed performance review between May 2001 and January 2002. I subsequently found this provided a robust means through which I could identify and track not only the key themes emerging

from the interviews, but also opportunities to change my professional practice to underpin the success of the scorecard engagement of both the co-participants and myself. Thirdly, I was however aware that these two methods of data gathering following immediately after a performance review, could at times be testing in relation to the practitioner debate experienced and performance outcome, then required a very personal reflective interaction with myself as a researcher in relation to an interview or issued survey to be completed later.

As such, I was still mindful at this stage of the previous issues Carter (2002) raised in relation to my objectivity. I was even more conscious that due to the personal one-to-one interaction experienced by the co-participants, the question of objectivity and resentment was more likely too manifest itself amongst the interviewees. I felt this was a distinct possibility if feelings of 'control, power and inter-relationships' (Winstanley and Stuart-Smith 1996:69) materialised due to what they saw or perceived as a difficult performance review. I was under no illusion that this might subsequently influence responses, as individuals might carry forward their feelings into the data gathering exercises undertaken during the usage stage of the investigation. As I progressively engaged with both the co-participants and emerging data, I became aware that these emotional and behavioural responses as well as performance measurement related considerations offered an ideal opportunity to enrich the research, as they provided me with the previously positioned 'dialectic catalysis' (Eden and Huxman, 1995).

As these situations emerged, I realised that I needed to gain a clearer insight and behind the emergence and possible presence of these considerations, as well as the required strategies to limit their impact. I however accepted that as the interviewer and survey facilitator, I was too close to the data gathering and its analysis, which could in turn restrict my ability to clearly analyse the acquired data. I also felt that as the assessor in the performance review, this could restrict any potential feedback from the co-participants in relation to why these might be present and how they needed to be resolved.

In response to this, I accepted that I needed to step back and gain an impartial view to provide me with the opportunity to cross-check and expand on the acquired data. I saw this as providing me with a depth of analysis seldom achieved. I decided to progress this activity as

explained through the use of two independently facilitated workshops. After discussions with the facilitator, it was agreed that I should refrain from attending and setting any guidelines or in-depth questions in the sessions. We jointly saw this as the most suitable means of removing any possible peer pressure or biases that might inadvertently be conveyed.

It was felt that the use of a simple open question was the most suitable trigger to encourage unprompted views and reflections from those present. Such questioning would address the perceptions of both the research findings and the management behaviours at the 3 and 9 month stages. Although I wanted to identify additional sources of data, I also needed to both test and clarify my emerging interview and survey findings with the co-participants, but also identify any changes the group wanted to make, to support either the scorecard engagement or my own practitioner practice. I therefore felt it was necessary to make the facilitator aware of the main themes emerging from the interviews as well as the surveys so that he could if needed, use these topics as prompts if they did not naturally develop from those present.

These outputs were subsequently consolidated and summarised by the facilitator and discussed with myself in an informal setting which, supported by his observations and reflections, allowed a critical comparison of my conclusions from an impartial perspective. I also agreed with the research group that as part of this process, any subsequent changes to my own professional practice, group behavioural commitments or scorecard engagement, would be included as part of the ongoing monthly performance reviews. Progression against any changes to practice or behaviours were then subsequently monitored via the survey and interview process before being further sense checked using the same open questioning applied in the second and final independent focus group.

3.5 Applied Methods of Data Collection and Analysis

My primary aim as previously discussed and explained by Skinner *et al.*, (2000), has been to apply qualitative methods. More specifically, this entails the use of focus groups, interviews and personal reflections on the experiences as well as the meanings the co-participants and

myself place on our interactions in the scorecard environment. I have also asserted the importance of applying a quantitative survey and relevant organisational documentation in the form of scorecards, performance review documents and performance data as additional means for providing further interpretation, triangulation and validity of the resulting data. The following table illustrates both the sequential process of data collection, as well as the linkages between the applied qualitative and quantitative methods. The reader's attention is drawn to the completed scorecards for the year 2001-2002 emerging from the deployment workshop (illustrated by the brown arrow), which as discussed, I reviewed in March 2001, prior to the new financial year commencing.

Table 9 - Primary Data Collection Methods

	Primary Data Collection Methods			
	Quantitative	Qualitative	Quantitative	Qualitative
Month	Performance BSC Period Reported Results	Group Activity	Individual Surveys	Individual Interviews
January 01	10			
February 01	11	Exposure Workshop		
March 01	12	Deployment Workshop		
April 01	1			
May 01	2		1	
June 01	3			First Set
July 01	4		2	
August 01	5	First Focus Group		
September 01	6		3	
October 01	7			
November 01	8		4	
December 01	9			
January 02	10		5	Second Set
February 02	11	Second Focus Group		Second Set

3.5.1 Scorecard Exposure and Deployment

My decision to utilise focus groups in both the exposure and deployment stages of the scorecard, supported by my own personal log as the main source of data collection was as a direct response to the previously positioned concerns and reactions of the agreed research

groups. The literature supports my choice to follow this route at this stage of the research in a number of relevant areas.

Firstly, the use of these types of groups is becoming progressively more evident in the *social* sciences, particularly in the interviewing of research participants (Oates, 1996). Secondly, O'Donnell (1988:71-73) not only recognises interviews as providing qualitative data extracted from an in-depth interaction, but argues for their relevance in extracting opinions and attitudes, as well as understanding concerning the *key* issues facing the group. Thirdly, (and importantly for my own engagement), Oates (1996:39) further positions through the citation of Kitzinger (1994) the importance and use of focus groups in sensitive areas where it is suggested "safety in numbers and the company of others who share similar experiences" can provide a safe and comfortable environment to encourage individuals to openly participate.

Concurrence for this view is similarly to be found in O'Donnell's (1988:72) earlier explanation that;

"The group setting encourages greater spontaneity and candour, fewer inhibitions, and greater anonymity and security than individuals might feel in one-to-one interactions".

This advice related directly to the concerns I was encountering from some of my co-participants which, when considered in conjunction with the latter considerations, provided me with a robust direction to follow. I therefore decided to approach both the exposure and deployment workshops and their respective focus group activities within the recommended group setting, applying the same consistent approach and level of focus across each session. I realised that this would address the worries of those co-participants that felt uneasy engaging at an individual level via the provision of a suitably safe, stable, and consistent environment for the seventeen participants and support managers to participate as a group.

I also felt it was necessary to specifically design the group activities so as to nurture what Hines (2000:10) defines as 'phenomenological interaction-centred focus groups' supported by key opinion formers who encouraged individuals to share and participate in each other's

previous experiences and concerns leading to shared understanding. I saw this as enabling me to extract the degree of depth I required in relation to what Thomas-Bernard (1996) describe as a more representative and valuable overview, which they suggest would be less likely to obtain via individual discussions. This view is similarly expressed by Erkut and Fields (1987:74) who observe that “several people’s judgements are better than one”.

Thomas-Bernard (1996:23) provide additional substance to the debate through her consideration that focus groups provide a valuable means through which individuals in a group setting can be enticed to engage in an “interaction around specific questions related to the research”. This was precisely the interaction I required. I supported this interaction through the positioning, (and working through during the later parts of the exposure and development workshops) the following relevant open-ended questions focusing back on the activities the co-participants had undertaken during the previous 2 hours.

EXPOSURE FOCUS:

What do you see are the positive and negative aspects of the scorecard, its measures and targets you have been set for the coming year?

DEPLOYMENT FOCUS:

To what degree have you been able to engage with the scorecard and close any gaps to support your achievement of your set targets?

I decided to use this particular method of open questioning, as from previous experiences I recognised it as not only encouraging free speech but also providing a robust means whereby it is possible without the use of preset categories, which may restrict the level of interaction gained to encourage a wider debate. An open-questioned approach would therefore help to acquire a more valuable insight into complex topics. I was however aware that the posed questions would only provide a reflective perspective of the current level of engagement achieved specific to the workshop activities undertaken, as well as indications as to the emotional and behavioural consequences of working these through. I realised that if I was to

achieve a cycle process of past and forward reflection as well as subsequent further action, I needed to underpin each primary topic with a secondary open debate. I sought to nurture this debate through the use of the following question posed in both workshops:

What do you feel we need to do to resolve or limit the impact of the issues we have discussed?

I saw the combined use of both the primary and secondary questions as supporting the initial two cycle processes of Kiely and Ellis' (1999) 'reflection and action':

- Firstly, during the exposure workshop by reflecting on the initial concerns of the co-participants from which appropriate actions emerge.
- Secondly, in the deployment phase where the effectiveness of these actions is assessed and subsequent changes are agreed, continually reviewed and updated as the research enters into the usage stages of the scorecard.

Importantly encouragement for my use of the methods discussed is similarly expressed by Oates (1996:39) who sees focus groups as useful forums where individuals can be encouraged to express their views and experience from which meaningful debates and challenges as to why particular views are held (or indeed differ), can be nurtured and encouraged from within the group. As previously discussed in relation to the exposure workshop, this provided me with an emotional and behavioural dialectic depth of analysis regarding the workshop activities. I required this added depth in order to better understand not only the robustness of the scorecards and their related measures, but also the use of the national, area and local initiatives to close performance gaps. This raised important practitioner key skills considerations, such as the ability of managers to undertake a robust root cause analysis to understand why a performance gap might be present in the first place. In addition the degrees of capability and competence in identifying and agreeing remedial action and forecasting its immediate and future impact to close the gap, was also raised. All managers progressed through these activities as part of the deployment workshop.

Importantly, I found it possible to arrive at this level of practitioner understanding. I achieved this in two ways. Firstly, via my personal observations supported by those of the specialists during the deployment workshop, as managers engaged in the activities required. Secondly I critically reviewed the completed scorecard documents of those individuals who agreed to continue into the usage stage. I found it was possible to assess not only the levels of key skills present amongst the group, but also the robustness of the scorecards as the co-participants entered into the usage stage. Particular areas of focus extractable from the completed scorecards included:

- Robustness of Root Cause Analysis to identify reasons for under performance
- Identification of appropriate remedial actions to close gaps
- Use of national/area/unit improvement initiatives to close identified gaps
- Understanding impact of actions included on scorecards
- Ability to forecast short, medium and long- term effects
- Usability of BSC, its KPIs and related measurement dimensions
- Fit for purpose of scorecards and actions to meet performance tasks for the coming year

Completion of this activity to the progression of the remainder of the research was paramount, as it provided me with the base data in the form of completed scorecards with agreed actions. Here I found it possible to continually monitor progression against the KPIs and associated measurement dimensions and undertake an ongoing review of the success of the original key skills and actions originating out of the deployment stage. Moreover, the emotional and behavioural implications of engaging with the scorecard and facilitator when performance improvements are either realised or unrealised as well as subsequent actions are necessary.

3.5.2 Scorecard Usage

As previously stated, I applied qualitative methods during the usage stage. A qualitative approach was characterised by a combination of individual interviews and questionnaires,

supported by the independent focus group. I continually supported my engagement in these activities with the actions previously discussed regarding confidentiality, use of data gathering methods and confirmation with the co-participants regarding accuracy of data gained. I also revisited the research aims in both a verbal and written format respectively, on the commencement of each period of data collection, as well as including clear instructions on the questionnaire with regard to its completion, clarifying any questions and return.

Use of Interviews - I am able to draw support from McNiff (1988) regarding my decision to use two interviews, which she sees as providing extremely valuable sources of data. Similarly, Stroh (1996a:61) underpins this view in his statement that qualitative interviews offer “very rich sources of data which could not have otherwise been accessed”.

To access this data at key points, I undertook a semi-structured interview with each of the co-participants to understand how the engagement with the scorecard and BSC facilitator was progressing. I undertook this interaction in the form of the seven open questions highlighted below, as I had decided to further utilise the open questioning technique after recognising its suitability during the workshop to nurture what Stroh (1996a:52) has previously positioned as an ‘argued response’. I also decided that I would include two further open questions asking simply for other concerns or comments from the interviewees. I saw this as providing a number of major benefits in relation to opportunities to discuss any areas the co-participants felt I had potentially missed, issues that might be worrying them, as well as provide an opportunity to reflect on any of the previous questions and elicited responses.

I scheduled the interview immediately after a completed performance review at the three and nine month points of scorecard engagement. I saw this timing as important. I accepted that it met the issue of workload previously discussed, and I realised that the co-participants practice, emotions and behaviours around the seven key areas shown overleaf would be fresh in both their minds. I therefore needed to capture, understand and in turn adapt practice.

1. Over the last 3/9 months, you have been set targets and objectives for the coming year. What is your view of these targets and objectives? How do you feel about them?

2. What would be your overriding concern (if any) about the targets and objectives?
3. What do you think we are going to have to do to make sure that your individual and group targets and objectives are met?
4. What bothers you most regarding being able to meet your objectives and targets? How can we address these?
5. You have recently taken part in a number of activities supporting the implementation of performance management. For instance, workshops, and syndicate exercises, development of sector behavioural statement and more recently the sign-off meeting. What are your thoughts and opinions of these activities? Can we improve on them?
6. As a sector, we have now deployed performance management at a unit level. What is your current view of the approach? How do you feel? How do you think we can improve the way we work?
7. As a sector, we have developed and agreed upon a behavioural statement, what are your thoughts and opinions of this statement?

I was however conscious from the pre testing (discussed at the end of this chapter), that I could not solely rely on the open questions to provide the reflective depth required. I therefore utilised the discussion guide presented in appendix 3. This guide not only led me logically through the nine questions, but also provided me with additional depth through the inclusion of areas of interest identified in the coding template. I discuss this further in the following section. I found the guide an invaluable tool, as it enabled me to prompt for areas of interest when they did not naturally emerge in the discussions, keep track of the topics I wished to discuss, as well as probe through referring back to the guide and asking further open questions, until I felt a particular topic of discussion was concluded.

Use of Questionnaires - As previously stated, my decision to utilise a questionnaire distributed at the end of a bi-monthly performance review, with myself for completion away from the review, was directly influenced by a number of considerations. As discussed, I saw these as relating to workload where I was providing opportunities for managers to consider away from the review process more fully their response to the questions I had positioned “in their own time” (Burton, 1996:20). I feel this not only encouraged a more responsive and reflective reaction to the questionnaire due to my absence, but provided me with a robust method to underpin the interviews by continually engaging with the co-participants over the

research period.

In applying this method, I have as Burton (1996:19) suggests, ensured that the questionnaire (included in appendix 4) was clear and soundly structured. I saw this as providing me with a uniform format that was simple to understand and complete over the research period which, due to its continued use in the same format, style and questioning, allowed me to monitor trends and more fully understand them. In turn this enabled me to adapt my practice as well as the practices of my co-participants. My adopted style of questioning fell within the format of the ten closed questions below, which is recognised as the most suitable approach (Burton, 1996:19 and Stroh, 1996a:52) in questionnaires. I feel my use of these complemented the open questions I used in the interviews, as they provided me with both additional depth and perspective of the engagement with the scorecard and myself as their manager.

1. I fully understand the objectives and targets I have been set
2. I feel that the targets and objectives I have been issued are relevant
3. The targets and objectives I have been set are realistic
4. I feel I have ownership of the issued targets and objectives
5. The targets and objectives I have been set are achievable
6. I feel accountable for the targets and objectives I have been set
7. I understand what I need to do to achieve my objectives and targets
8. I fully understand my role in performance management
9. Performance management helps me in my managerial task
10. The performance review was undertaken within the sector behavioural commitment

To engage with the questionnaire, the co-participants were required to indicate by circling one of 5 responses ranging on a scale from Agree Strongly (1) to Don't Know (5) to indicate how they felt against each of the questions in turn. I was aware that if possible I needed to extract the reasons behind the marking shown. I encouraged the provision of reasons for particular responses via the inclusion of a comment box against each question as well as a general comment box at the end of the questionnaire.

3.5.3 Engaging with the Data

During the process of developing the methods of data collection, I realised that I faced some fundamental questions relating to how I would identify and extract the data from the activities, and ultimately how I would use it once I had it in my possession. Reflecting upon the literature, it was encouraging to see how I could benefit from previous research undertaken (De Waal, 2001; Bourne *et al.*, 2002) which related to the performance management and measurement field, where extensive use of coding has been utilised to provide answers to these questions.

At this stage I felt I had empirical support for the use of coding. However I realised that I still needed to form a configuration and substance to underpin my intended coding approach, from which I could base my model. Importantly, King (1998) provided me with a suitable template coding structure. This structure involved maintaining a balance between initially having too many codes which may distort analysis or conversely too few codes. King (1998:119:133) suggests this could potentially leave a researcher “lacking clear direction or feeling overwhelmed by the mass of rich and complex data”. I subsequently decided I needed a balance between these two propositions. I therefore modelled my own template, similarly to Locke (2000) in relation to utilising previous work to provide an initial direction to inform the final template I have illustrated in figure 2 overleaf.

First Level. Regarding ‘deployment’ and ‘use’, I adopted De Waal’s (2002a,b,c) high level coding stages, but replaced his use of the term ‘starting’ with ‘exposure’ to separate and define my own teams’ sequential encounter with the BSC. In order for additional depth of analysis to be undertaken, I included a further definition of ‘system’ to enable me to incorporate along with the behavioural influence the performance strategy, PMS and performance interaction contained in the performance framework into the coding matrix.

Second Level. With both the research stages and system defined, it was now necessary to provide depth through the identification and assignment of pre-defined dependant sub-codes against each of the higher categories. As with the first level, I drew upon the previous work of

De Waal (2002a,b,c) assigning against each of the three phases those designated 18 pre-selected (positive) behavioural factors, which the author considered necessary at each stage. Consequently at each stage of the research initial insights are provided against which text can be coded regarding probable behavioural, along with emotional triggers, likely to be directed by the co-participates towards the encountered cyclical performance environment. With the preliminary behaviours designated, I applied a similar approach assigning the seven recognised 'critical performance characteristics' (Hudson *et al.*, 2001) as sub codes under (system). This defined the behavioural stimuli radiating through the performance strategy, PMS and performance interaction contained within the performance environment's framework.

Figure 2 – Coding Template

	Behavioural and Emotional Factors			Strategy - PMS Critical Characteristics
Level (1) Code	Exposure Phase	Deployment Phase	Usage Phase	System
Level (2) Code	Agree on the starting time	Understand the meaning of KPIs	Frames of reference contain similar KPIs	
Level (2) Code	Earlier experiences	Have insight into relationship between business process and KPI	Trust the performance information	
Level (2) Code		KPI sets are aligned with their responsibility areas	Are involved in making analysis	
Level (2) Code		Influence the KPIs assigned to them	Realise the importance of KPI/BSC to their performance	
Level (2) Code		Relevant because it has a clear internal control purpose	Do not experience KPI/BSC as threatening	
Level (2) Code		Find the PMS relevant because only those stakeholders' interests that are important to the organisations success are incorporated	Can use their KPI/BSC for managing their employees	
Level (2) Code			Clearly see the promoter using the PMS	
Level (2) Code			Agree on changes in the KPI set	
Level (2) Code			Are stimulated to improve their performance	
Level (2) Code			Results on KPI/BSC are openly communicated	
Level (2) Codes	Accountability, Achievability, Control, Contract, Objectives, Ownership, Politics, Power, Relationship, Realistic.			
Level (2) Codes	Derived from strategy, Clearly defined with an explicit purpose, Relevant and easy to maintain, Simple to understand and use, Provides fast and accurate feedback, Links operations to strategic goals, Stimulates continues improvement.			

Source: Adapted from De Waal (2002a,b,c) 18 behavioural perquisites and Hudson *et al*'s., (2001) performance system characteristics.

As shown in the templates use of directional arrows, as a practitioner I do not expect any one of these factors to be a discreet behaviour or system characteristic confined to one specific phase, but rather to be continually in existence exerting an influence across the exposure, deployment and usage phases. As such, for example I expect being 'able to influence KPIs', (which is a level 2 behavioural/emotional code) under deployment, to also emerge as a consideration during both the exposure, where 'perceived influence' and usage regarding being able to 'actually influence' will emerge as a consideration. This is in contrast to De Waal (2002a:163) who believes that those behaviours associated with both the exposure and deployment will diminish and become 'less significant over time,' whereas those associated with usage are 'continuous' requiring sustained attention. I believe that even if the first two stages are viewed as successful, future engagement experiences influenced by the performance strategy and its PMS, may cause a recall of behaviours/emotions from earlier phases. As suggested, I do not consider this situation to solely reside in the behavioural domain but mirrored across the seven-system sub codes, with influences continually being exerted throughout all phases of the research. I consider the adoption of such an approach to provide the holistic dimension so important to the design of the template.

Third Level. Through categorisation of emerging data as a negative or positive response against specific causes, it was possible from the second level to initiate and maintain the engagement. Subsequent action would where possible, be directed towards addressing the more dominant negative areas of influence, whilst maintaining and building upon the more positive aspects that emerge.

I was however, aware of the danger of imposing a too rigid framework whereby I had, as suggested by Stroh (1996a:59) actively allowed subsequent level 2 and 3 codes, assigned against a level 1 free code classification to naturally emerge across the research phases. These were influenced not only from the compendium of emotional and behavioural traits emerging and summarised from within the literature (on page 74) but also patterns and themes identified outside of both De Waal (2002a,b,c) and Hudson *et al.*, (2001) frameworks as performance interactions are experienced. As with King (1998:118), this allowed me to build upon the coding matrix through a process of continued modification and adjustments, culminating in the

previously illustrated final template. As the research progressed, I found that the evolutionary nature of the template into the usage stages also provided additional benefits. I therefore utilised the template to support the research in compilation of the interview guide, survey questions and focus group questioning, which were derived from areas of coding interest, which emerged from the data.

Interpreting the Data. Once I had defined my template and codes, I required a critical and analytical means to link the codes with the data and in turn engage with it. This is a process which Stroh (1996b:86) explains needs to be “informed and considered”. I subsequently considered numerous approaches such as paper base systems, word processors and dedicated software packages such as Nvivo, Nudist, MAX QDA and MAX QDA 2 before deciding on the latter. This decision was based upon the latter’s enhancements over its earlier versions and my earlier experiences with the system, which meant I required limited additional training. Some of the major benefits of my use of the system from a personal perspective are as follows:

- All data is held centrally in a project file, which can be easily backed up removing the need for excessive paper systems and separate files.
- Inserted dedicated text groups against the exposure, deployment and use stages of the BSC.
- Imported transcribed qualitative texts from the exposure and deployment workshops as well as the interviews and focus groups directly into the text groups in a RTF. Importantly there was no need to pre-format and the added facility existed to edit data at anytime.
- Used colour-tagging facility for text, codes and memos to improve usability of system and ease of interpretation.
- Ease of assigning codes and sub-code to text segments, which I was able to utilise with the support of MaxDicto, to search for individual words, strings and phrases in individual or a number of transcribed documents simultaneously.
- Ease of moving codes and text documents along with tagged actions by simply clicking and dragging.

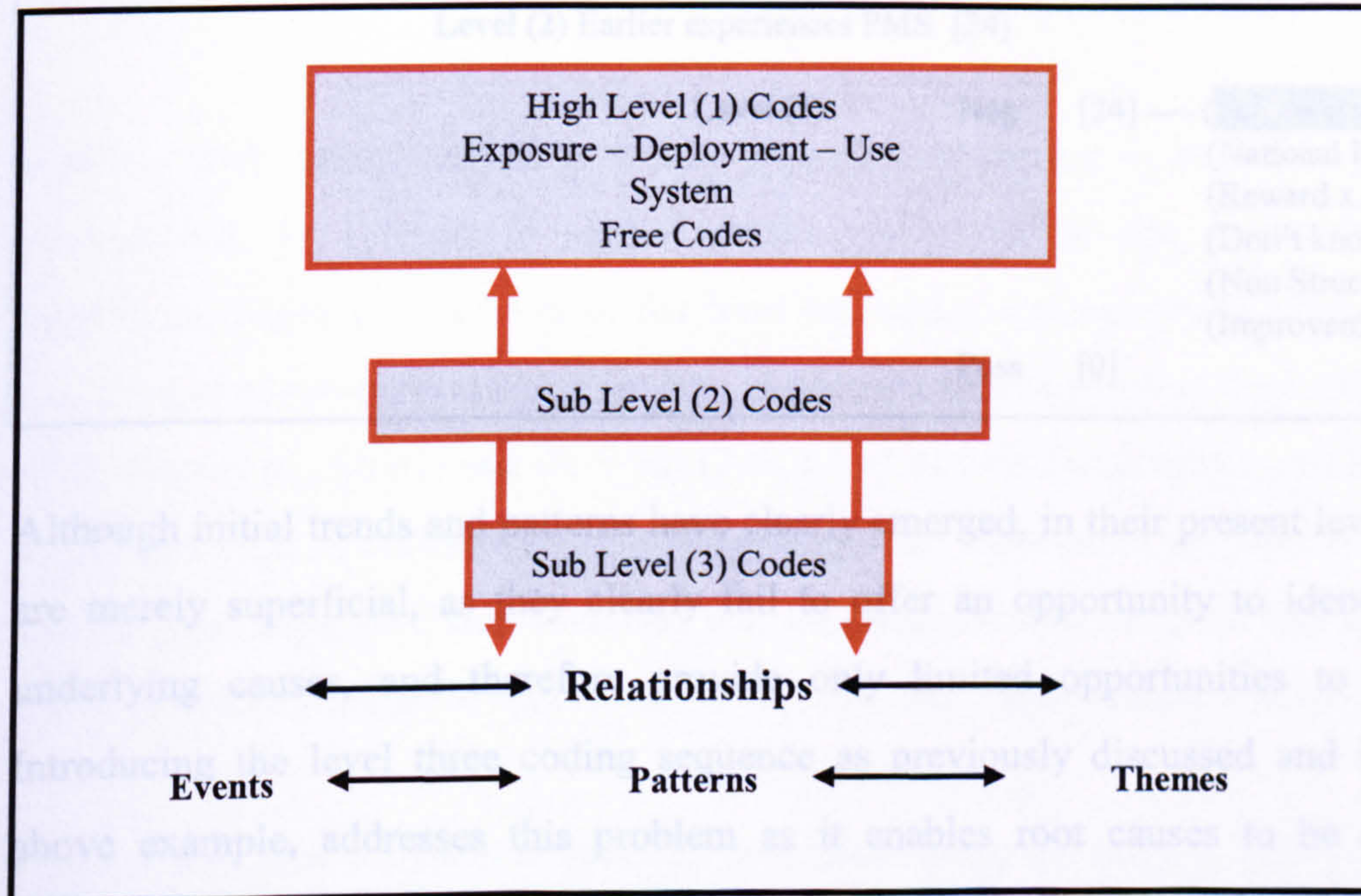
A more detailed listing of the functions of MAX QDA2 is provided in Appendix 5.

In deciding to use a dedicated software package however, Stroh (1996b:80) explains it is “easy to be seduced by computers”. I interpreted this as needing to use one’s mind when engaging with the data, analysing what the software provides and ultimately presenting the findings. I

feel I have achieved a level of engagement through adopting Walker and Haslett's (2002:531) argument for undertaking a "process of reflection and change in mental models". In my case, this resided in the emotions, behaviours and practice of the co-participants and I, as we progressed through the exposure, deployment and use of the BSC.

I approached this level of engagement by assigning existing (and when necessary), new codes and sub-codes against words, sentences or phrases (Burton 1996:65) emerging from the inputted data. I then engaged in a process of critical reflection and analysis, focusing on coding sequences and clusters emerging from the data to identify and understand the emotional and behavioural events, patterns and themes that might be present. I also sought to comprehend the reasons for their presence, relationships and any inter-dependencies. I have illustrated the integrated nature of this interaction in the following coding etiquette illustrated in figure 3.

Figure 3 - Coding Etiquette



It is possible by reviewing the following (small section) of extracted textural data and coding sequence illustrated in figure 4, to convey not only how patterns and themes have been identified, but also how sense was made of them. As shown in figure 4 overleaf, twenty-eight

instances of coding occurred across the level (one) exposure phase. On its own however level one provides only a broad high-level overview, against which it is not possible to identify either the underlying patterns or themes required. As illustrated, for initial patterns and themes to first emerge it is necessary to further breakdown instances of tagged codes at the second level. When applied, it is possible to determine from the example shown that although agreement on the start time of the BSC invited attention, the area attracting the most significant interest resided in individuals' previous experiences of performance management.

Figure 4 - Coding Example (Patterns And Themes)

Code System				
Level (1) Exposure Phase [28]				
Level (2) Agree on the starting time [4]				
Level (3)				
	Neg	[0]		
	Poss	[4]	-----	(Fewer objectives x 1) (Earlier objectives x 2) (Agreeing objectives x 1)
Level (2) Earlier experiences PMS [24]				
Level (3)				
	Neg	[24]	----	(Not involved x 9) (National Involvement x 6) (Reward x 4) (Don't know objectives x 3) (Non Structure x 1) (Improvements x 1)
	Poss	[0]		

Although initial trends and patterns have clearly emerged, in their present level two form they are merely superficial, as they clearly fail to offer an opportunity to identify or to isolate underlying causes, and therefore provide only limited opportunities to focus attention. Introducing the level three coding sequence as previously discussed and illustrated in the above example, addresses this problem as it enables root causes to be categorised both positively and negatively, and their frequency recorded. Consequently, as can be seen those categories attracting either a lack of or high levels of interest naturally attract the most attention.

In the case of the example shown it is possible to progress the level of analysis beyond the previously positioned level 2 deductions. As it is now evident from the level 3 insights gained that individuals retained dominant feelings of negatively fuelled emotions, particularly regarding not only their lack of involvement in previous experiences with PMS, but also how they viewed prior national involvement. On a more optimistic note the issuing of earlier objectives, which the exposure and deployment workshops has provided, can be seen even at a limited level to suggest the presence of positive emotional and suggested behavioural reactions towards the new BSC. Consequently, the task facing the researcher, as highlighted in the following extracted coded segments, centres on encouraging the more positive emotional and or behavioural aspects (highlighted in yellow) to reduce or limit the effect of those (illustrated in green) which are negative. A similar process of deduction was applied throughout my interactions with the data.

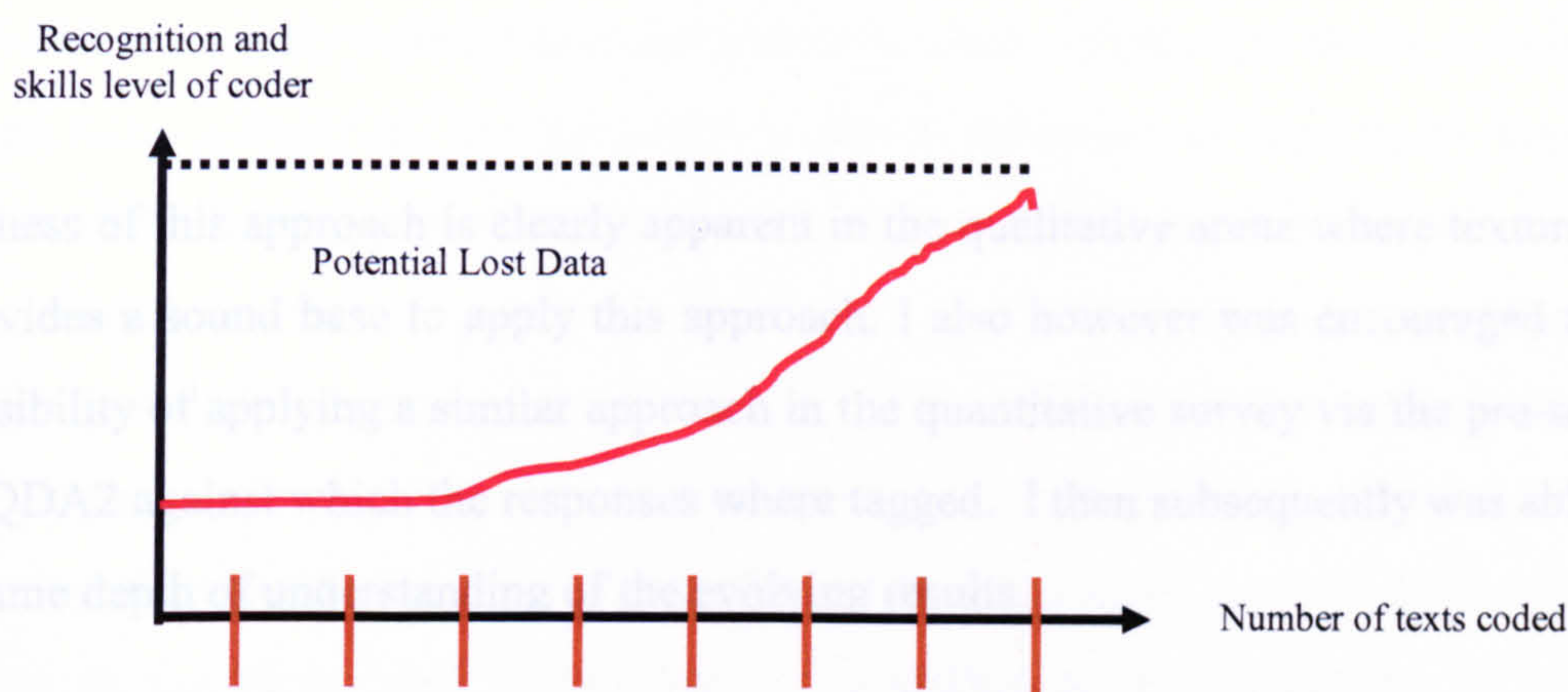
"Time scales are plus because someone mentioned in the past they've gone over the performance in the new year, someone's sat down with you and said by the way these are your objectives for this year, where as now we know in advance you can go forward on that".
Source: First Syndicate Exercise 27th February 2001.

Dealing with Complexities. It would, however, be wrong to say that no problems were encountered. As I began to assign specific codes against text, I quickly realised that a significant degree of crossover of the level two codes was inevitable, occurring between the exposure, deployment and usage phases. In addition this was further demonstrated in the work of Hudson *et al.*, (2001) and De Waal (2002a,b,c) as their frameworks contained similar areas of interest such as understanding, relevance and the stimulation of improvement for which I had assigned separate codes. I realised that assigning extracts of coded text against each of the above provided a valuable opportunity to identify inter-dependencies and relationships.

I experienced few technical or practical problems during the early stages of coding. However, as research progressed and I coded an increasing amount of data, I became progressively more competent at using the system and recognising the emerging themes. I became aware that I had identified additional themes, but might also have inappropriately assigned or missed coding opportunities, particularly in relation to instances where extracted text may overlap with a

number of separate codes. I therefore found myself faced with the dilemma of whether to revisit previously coded documents, or continue and simply accept that I may have lost valuable data opportunities (see Figure 5).

Figure 5 - Coding Learning Curve.



As I reflected on the situation, I decided that I could not afford to miss what might turn out to be rich data sources at such an early stage of the research. I therefore decided that after I had completed the coding of the sixth of the eight interview transcripts, constituting the first set of interviews, I would revisit and re-code the previous five. I believed that by adopting this approach I would restore a level of consistency to the coding bringing it up to the required standard. In coming to this decision, however, I was aware that I would only be able to take such a detailed approach once, as time limitations, as well as the sheer number of data sources involved, would make it impractical in the future.

This, I believe, is a dilemma which future researchers will need to face. The experience gained suggests that it is not practical, prior to commencing the coding process, to decide when precisely a revisit of the data would need to take place. Each piece of research is unique in terms of the emerging themes and patterns, and the number of data sources and the skill of the coder will also influence any decision needing to be made. For these reasons, each researcher will need to decide his or her own particular course of action.

How to present the data. In extracting and in turn presenting the data and findings, I was aware that I would need both a high degree of focus as well as a logical method of discussion and presentation. I therefore decided that to meet these requirements I needed to adapt the approach suggested by Taylor, (2001:38-39) whereby I have carefully selected relevant features from the data, and from these presented the more interesting *or* complete patterns identified. As suggested by Burton (1996:65), I then as illustrated in my previous example used appropriate quotations to prove or disprove the theoretical and practitioner topics under investigation.

I feel the usefulness of this approach is clearly apparent in the qualitative arena where textural information provides a sound base to apply this approach. I also however was encouraged to uncover the possibility of applying a similar approach in the quantitative survey via the pre-set codes in MAX QDA2 against which the responses were tagged. I then subsequently was able to provide the same depth of understanding of the evolving results.

As a researcher I held a major responsibility, as I approached the time to write up my findings. I realised that I needed to clearly and logically lead the reader through the process followed, as well as my findings, conclusions and recommendations for future research. In meeting these requirements, I structured my thesis on the second of three styles positioned by Jackson (1996:93) where I have selected “a number of themes around which to report the results”. These themes specifically reside in the behavioural, emotional and engagement implications of managers exposure, deployment and use of an imposed scorecard in a large network organisation.

3.6 Testing the Approach

If I simply deployed the methods I intended to use without any form of testing or sense checking of the layout, design and the terminology, I was likely to encounter situations where their robustness and suitability to engage the co-participants would be lacking, and in turn risk losing the required data. I have previously discussed in some depth the actions I followed with

regard to the workshop activities, which I realised due to their very structured format, offered very limited opportunities for any degree of pre-testing and adjustment. I was however able to pre-test and adjust the open research questions included as focus group activities prior to the workshops and independent focus groups with the major opinion formers, to ensure both clarity of understanding and removal of any bias I might have inadvertently exerted or overlooked. I saw this as reducing any potential risks.

This is clearly a risk for any organisational-based research, which utilises live action oriented organisational activities outside of the researcher's direct influence in relation to being involved in either their development or deployment. As such, I feel it must remain a key consideration for future research. I however found both the interviews and surveys less problematic, as they were directly under my own control. I therefore followed a similar testing process in each instance. Firstly, I produced draft surveys and interview guides which as discussed, I developed from the emerging codes with a particular focus on their layout and design in relation to the survey and terminology as it applied to both methods. I then provisionally tested these using a small cross-section of the co-participants to confirm initial understanding and usability from both a researcher and co-participant perspective noting any improvements regarding design, layout and terminology used. I subsequently found it necessary to make a number of slight changes in relation to the wording of some of the open questions on both the interview guide and survey. These amendments were made as it was felt certain questions initially portrayed some degree of ambiguity, which consequently might not prompt an open expression of an individual's views and opinions.

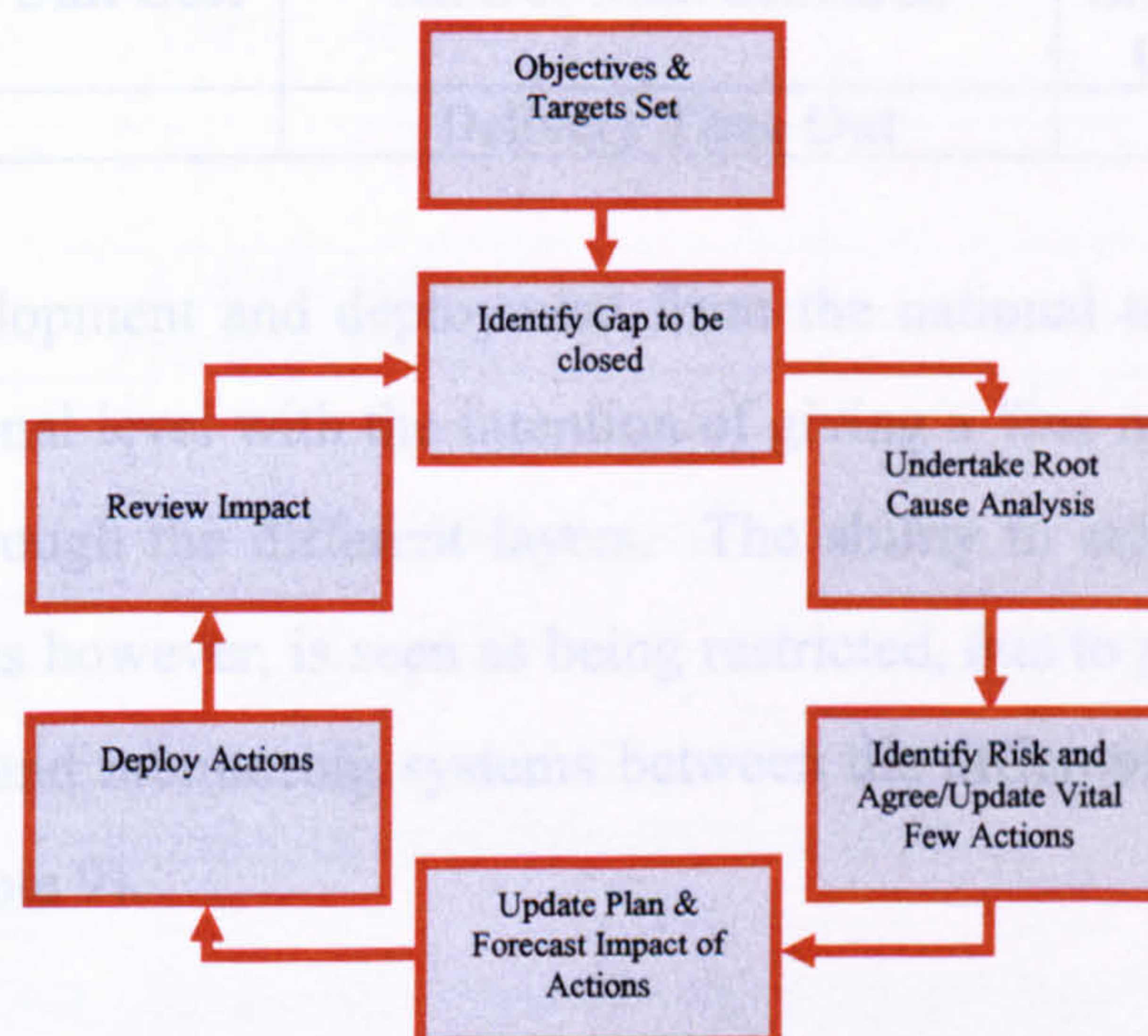
Finally, after I had completed the modifications, it was necessary to revisit both the interview guide and survey with the same group of co-participants to confirm robustness. I then undertook two pilot surveys and interviews to test both their usability, as well the input data into MAX QDA. These proved successful providing me with the final interview guides and surveys used in the research. When linked to my previous involvement of the co-participants regarding focus, method and frequency (discussed on page 108 and 112), these interview guides and surveys led to the success rates achieved in the data collection.

Chapter 4 Scorecard Positioning

The mechanics whereby employees are engaged within the scorecard system centres on the principle of achieving a direct line of sight between the stakeholder goals, objectives, targets, and vital actions. This would require individuals at all levels to understand not only their involvement, but also their priorities and ultimately reaching agreement. To arrive at this precise level of understanding, individuals would be required to identify their current performance measured against the set target. Any identified variances along with their causes and appropriate recovery actions, would need to be identified with their impact summarised and forecasted onto the scorecard. This level of engagement would continue within an organisational imposed cycle process throughout the financial year as demonstrated in figure 6.

Ownership of the scorecard as well as accountability for the closure of the gaps would rest with the individual scorecard owner where, progress would be reviewed monthly in an environment of 'mutual trust' with the focus remaining concentrated towards 'agreeing proposed actions' to close performance gaps and not 'identifying problems' (Parkinson, 2000:4).

Figure 6 – Royal Mail Scorecard Engagement



Source: Adapted from Royal Mail Letters, Unit Planning and Performance Management Guidelines, 2000

Having provided a contextual setting above, in the following section I will present and discuss the specific details related to the applied scorecards in Royal Mail. I will discuss the scorecards applied to several key areas within Royal Mail, namely shareholder, customer and employee applications, as well as the consideration of non-scorecard measures.

4.1 The Delivery Unit Scorecard

The balanced scorecard used in Royal Mail Letters has associated scorecards at three levels. The national scorecard is linked to scorecards for each of the 61 geographic areas that in turn link to smaller geographic delivery sectors. Each sector is typically comprised of 9-17 delivery units. Although the scorecard has associated links into both the processing and distribution functions throughout the different levels, these are not explored within the confines of this thesis, where the main research focus has resided in the delivery strands of the scorecard shown in table 10.

Table 10 – The Delivery Unit Scorecard

Shareholder KPIs	Customer KPIs	Employee KPIs
Mail Costs	Repeat Complaints	EOS - Fairness of Line Manager
Pipeline Weighted Unit Cost	All Due Mail delivered	Sick leave as a % of Ordinary Hours
	Delivery Time Out	

In the scorecards' development and deployment from the national trials, the same format is used at each organisational level with the intention of giving a '*line of sight*' of objectives and associated measures through the different layers. The ability to achieve this throughout all measurement dimensions however, is seen as being restricted, due to problems associated with alignment of measures and monitoring systems between the different organisational layers in the scorecard (see footnote 9).

(Footnote 9) A good example regarding problems associated with alignment and identification of performance outcomes resides in the quality KPI where failures are only identifiable to a postcode sector, which in the majority of cases spans a number of delivery units (see tables 10,11,12 where actual alignment of line of sight KPIs have been plotted and highlighted for information).

In the majority of measurement dimensions, scorecard targets were imposed nationally across all delivery units. However, a level of flexibility was possible in a small number of dimensions, whereby an area could meet its assigned targets, either by allocating the same target to each unit or different targets to the units, so long as the overall area target was achieved.

At the Leeds Area Management Team (AMT) and Leeds Delivery Sector, I applied the following approach:

Shareholder Scorecard – alignment and dimensions

- **Mail Costs** – issued unit budget adjusted both positively and negatively in line with any business plan projects with unit performance measured against actual spend in the unit.
- **Weighted Unit Costs** – calculated by taking traffic (letters, packets, flats) and dividing by cost. The result was then uplifted by a national growth factor. Performance was then measured in relation to efficiency of a unit's performance against how much it cost to process one item of mail through the delivery unit.

Table 11 - Shareholder Scorecard

Business Level	Area Level	Delivery Unit Level
Contribution (costs vs. Trading model income)	Total cost	Mail Costs
Trading model volumes vs. Target	Traffic volume vs. Target	
Pipeline weighted unit cost	Pipeline Weighted Unit Cost	Pipeline Weighted Unit Cost
Total cost vs. budget	Cost (by type – admin /non staff) vs. Budget	

Customer Scorecard – Alignment and Dimensions

- **All Mail Delivered** - nationally imposed with standard targets of 100% assigned to all units to measure compliance to mail delivery standards.
- **Delivery Time Out** - nationally imposed with standard targets of 95% assigned to all units to measure conformance to the 06:45 delivery departure time in relation to duties leaving the unit to their first delivery point.

- **Repeat Complaints** – nationally imposed targets into areas with different targets assigned to units. The level of the target assigned to a unit depended on current complaint levels against a unit and an assessment of the perceived capability of a unit to contribute to meeting the area target with achievement measured against actual complaints received.

Table 12 - Customer Scorecard

Business Level	Area Level	Delivery Unit Level
% Very Satisfied with service provided by SD	CSI Delivery	
	CSI Collections	
1 st Class (Stamp and Meter)	1st Class (Stamp and Meter)	
Mailsort 2	Mailsort 2	
Presstream 1	Presstream 1	
Repeat Complaints	Repeat Complaints	Repeat Complaints
Compliance With Workplan	Compliance With Workplan	All due mail delivered
Delivery Time Out	Delivery Time Out	Delivery Time Out

Employee Scorecard – Alignment and Dimensions

- **Sick leave as a percentage of ordinary hours** – nationally imposed area targets applied equally across all units with performance measured in relation to current sick levels in a unit against issued target.
- **Fairness of Line Manager** – nationally imposed area targets with varying targets assigned to units. The level of the assigned target depends on current performance and an assessment of the perceived capability of a unit to contribute to meeting the area target. Achievement against target measured through two six monthly surveys issued nationally focusing on employee perceptions regarding their treatment by the line manager in the unit.

Table 13 - Employee Scorecard

Business Level	Area Level	Delivery Unit Level
Employee Relations (EOS)		
EOS - Fairness of Line Manager	EOS – Fairness of Line Manager	EOS - Fairness of Line Manager
Sick leave as a % of Ordinary Hours	Sick leave as a % of Ordinary Hours	Sick leave as a % of Ordinary Hours
Days Lost Through Industrial Action		

Non-Scorecard measures – Alignment and Dimensions

In the alignment of unit targets it was not possible to provide line of sight quality targets through the business and directly to a delivery unit due to postcode sectors failing across a number of different unit boundaries. I therefore decided that the overall Leeds quality targets would be assigned across all units. My rationale for this was that certain line of sight actions included in the unit scorecard underpinned quality, such as high levels of staff sickness, customer complaints and compliance to work plans measured through all mail delivered KPI.

I was aware that national, area and sector improvement projects would undoubtedly emerge over the coming year as a consequence of service quality trends. This would involve all units introducing revised national or area UPBs or sector improvement initiatives. Where this occurred, relevant activities would, whenever possible, be tagged to appropriate elements of the scorecard. This changing focus in performance across measurement dimensions would not only be applicable to quality. It would be reasonable to expect the same level of focus and pressure to be applied across existing measurement dimensions and KPIs, as well as any new emerging areas identified as the year progressed. (See footnote 10)

4.2 The Manager's Task

In the unit KPIs explored in the previous sections, the delivery office managers' tasks were to identify and close any gaps in performance by comparing current year end performance in February/March 2001 against the issued targets for the start of the new financial year beginning in April 2001. The following table overleaf shows an example as to how this was achieved against each KPI.

Footnote 10 Sections from this chapter have been influential in the development and contents of the joint paper, Managerial Reflections on the Deployment of Balanced Scorecards. Baughan, P. Armistead, C. Parker, D. (2002), pp 53-60 presented at the Third International Conference on Performance Measurement and Management: Research and Action, 17-19 July 2002, Boston, USA.

Table 14 – Identification Of Unit Kpi Tasks

Measurement KPI		Current Performance February 2001	Issued Objective for New Financial beginning April 2001	Gap in Performance	Unit Task for Year 2001-2002
Mails Costs £	Shareholder	1.8m	1.7m	100k	Achieve issued budget flexed positively and negatively in relation to national and area projects
Weighted Unit Cost Pence Per Item		9.7ppi	9.5ppi	0.2ppi	As above
Repeat Complaints	Customer	6%	4%	2%	Close identified gap
All due mail delivered		72%	100%	28%	Close identified gap
Delivery Time Out		95%	95%	Nil	Maintain current performance
EOS – Fairness of Line Manager	Employee	34%	56%	22%	Close identified gap
Sick leave as a % of Ordinary Hours		5.8%	5%	0.8%	Close identified gap

To support and guide the managers through this process I was required to run two standardised deployment workshops supported by nationally assigned performance coaches during February 2001.

The first exposure workshop specifically focused on initially exposing the managers to the unit scorecard and its associated KPIs. This interaction included explaining and enabling UPBs deployed to close performance gaps. The opportunity was also taken to identify the barriers to deployment, as well as behaviour seen as important to underpin a successful deployment and use of the scorecard. The workshop concluded with the issuing of the unit based objectives, targets and identified gaps derived from the process highlighted in table 11 for the coming year.

Individual managers were then expected to return to their units before attending the second deployment workshop to undertake a provisional root cause analysis within identified gaps and identify appropriate improvement activities linked to either national, area or local initiatives. The second computer based workshop required managers to build upon the initial work they had undertaken. This involved prioritising and inputting courses of action derived from

national, area and local initiatives to close performance gaps, identifying and recording foreseen impact, timescale for fruition and ownership of the performance improvement activities. Both the business and I saw the inclusion of these particular aspects in the scorecard as important in relation to underpinning the key considerations of accountability and ownership of the actions recorded.

As these activities progressed in the action-orientated environment, the opportunity to share the frustrations of the day, unit best practice and previous experience was actively encouraged. I felt that as managers came to grips with the scorecard and worked through the process they could learn from each other's mistakes and check the impact and timescales they had proportioned to the actions from the more experienced managers in the group. On completion of the second deployment workshop, individual managers returned to their units, where they were required to reassess the workshop activities undertaken by them. This provided an opportunity to adjust their individual unit scorecards thus ensuring that identified actions supported the achievement of unit performance targets and objectives for the coming year. In addition this would provide a further opportunity for any remaining performance gaps to be closed by the co-participants.

Finally, I reviewed each unit scorecard in conjunction with the area performance and planning managers, focusing on root cause analysis and activities plotted on unit scorecards to achieve issued targets and objectives. Plans were either agreed and signed off, or reissued to the unit manager for additional work to be undertaken and re-submitted prior to 1st April. The agreed scorecards then formed the basis from which unit performance was reviewed every month for the coming year.

4.3 How Prepared are the Managers for a Unit Scorecard?

The Business Excellence Process as discussed in appendix 14, involved complete business units and as such can be seen as the primary foundation via the POMM for embedding (amongst the more senior managers at a strategic and operational level), the principles and use

of a balanced approach focusing on activities, results and continued improvement. This level of exposure in conjunction with the majority of the senior manager's involvement in the other deployed changes would explain the sensible decision to deploy and embed a BSC at a national and area level where the knowledge and skills necessary to engage with such an approach would be readily accessible. Additionally, the two-year gap between the national/area scorecard deployments and the use of a unit scorecard provided a suitable bed rock through which the required support could be made available and utilised for the purpose of enabling a successful unit deployment. My priority as one of these senior managers for the coming year was to provide this assistance. I therefore needed to understand the extent to which the managers were prepared.

My major consideration centred on understanding the level of ability currently present in the management structure to support an initial entry and engagement into the scorecard cycle environment. As I reflected upon the drive for continued improvement, I realised that managers from across both sectors fell into two discrete categories. The first involved those that had experienced all or a large proportion of the deployed changes, which should in theory provide them with a breadth and depth of knowledge, as well as experience, but conversely more opportunities for negative emotions and experiences to be encountered. Alternatively, on the other side of the spectrum, their less experienced colleagues who had only been used to engaging with a limited number of the changes would have had fewer opportunities for similar experiences to emerge, as they would only be aware of the current performance and measurement practices.

As discussed in the methodology, nurturing the interaction between these groups in both the exposure and deployment workshops has been encouraged. It has however not come without some degree of risk, as apart from the issues discussed above, functional conflict, or foxholes, which to varying degrees is continually evident after the MIPP process was deployed to reduce it, may resurface as a barrier, which I need to be aware of and pro-actively consider.

As I reflected on the existing level of engagement obtained outside of the functional foxholes, I felt confident that engagement with a scorecard would improve activities in a number of areas.

- Firstly, I feel that managers are well versed in the idea of customer specifications, as well as the use of diagnostic tools to focus on specific reasons for underperformance from which they are able to identify and deploy across a range of improvement opportunities. Having had the concepts initially deployed as part of the customer first workshops, more importantly however, these were embedded and expanded as a cultural way of working which extends through to current practice through the adoption of the MIPP programme.
- Secondly, measures of past and present performance established as a key part of the change process, have been embedded throughout the business with managers accustomed to working within the various dimensions.
- Finally, individuals are accustomed to having performance reviews and managed against the resulting measurement outcomes even such measures are not consistent or applied within a balanced scorecard format.

At an individual level, I think it is reasonable to assume that the existing level of performance focus across the business should enable a reasonable association to be made by individuals between previously learned and applied skills and the majority of the cycle scorecard activities illustrated in figure 6 on page 133.

I see a very close similarity existing between current and future practice, even if it is not currently consistently applied across the business against the recognised unit scorecard activities and format. This is not to say that I do not think problems exist for I would not be surprised if in certain situations a disparity between organisational focus and knowledge and the capability and competence of individuals to accept or engage with the scorecard was not present.

Additionally I strongly feel that two particular areas of concern clearly exist, which have not been adequately addressed as part of the changes discussed and as such undoubtedly will surface during the workshop activities and as the year progresses.

- Firstly, individuals have very limited previous experience in relation to accurately understanding and conveying both the impact of the actions they have taken or intend to take and in turn predicting their projected effect in either an objective setting or monthly performance review.
- Secondly, although individuals are used to undergoing some form of performance reviews via PIFs and on a monthly basis at a unit level, inconsistencies exist due to varying degrees of focus and application. This is particularly evident in relation to individuals across the business experiencing less than frequent monthly performance reviews, changing objectives and targets as well as measurement focus.

At this stage I reflected on the consequences these could have my practice as well as the practice upon my managers. The more I thought about it the more I realised that these tensions may exert an undue strain in relation to nurturing and maintaining the desired environment of mutual trust. This in turn could lead to problems associated with individuals' understanding and prioritisation of activities, as well as a perceived lack of ownership and accountability for any outcomes emerging from the pending meetings with myself. I feel that these are all important considerations that can be seen to have received minimal consideration in either the evolving changes or subsequent guidance offered by the scorecard deployment process. I therefore reason that this is an area that I need to explore and resolve as part of the exposure workshop.

Having discussed the specific applications of the scorecard within Royal Mail, I address the means in which the scorecard was initially introduced to managers. Here I will address how I sought to develop rapport with my managerial team, as well as my perceptions of the team's ability to engage with the scorecard. I also discuss the agreed performance measure behaviours and the emerging themes derived from the first applications of the scorecards.

CHAPTER 5 Managers' Initial Exposure to the Unit Scorecard

5.1. Exposure Positioning - Developing a Rapport with Extended Managerial Team

As I reviewed the workshop format and contents, it became apparent that other issues needed to be addressed. As I talked through the workshop content, I realised that I faced a number of barriers to deployment, which required resolution prior to the very commencement of the workshops. My rationale behind this conclusion stemmed from a number of discreet areas and personal conversations.

I was becoming increasingly aware that managers' previous experience of differing performance management approaches, information download in set piece presentations and being managed in a threat-centred environment by previous senior managers could impact on or indeed potentially emerge as a barrier to achieving the desired workshop aims. This concern was raised most notably in an informal conversation with one of my more senior managers:

"Pete, we have heard it all before. It sounds good, but my own interpretation from what you have said is that all Royal Mail have done is give us a system which ties managers down with excessive paperwork and takes us away from the day job. My worry is that managers will just go along with the process you have explained, in other words they will say what they think you want them to say or agree to what you want just to get you off their backs".

In other words, scepticism and reservations were expressed based upon the belief that deployment of the scorecards would actually result in more administrative duties, which ultimately would prevent effective working conditions. I must admit that I had always subsequently felt in performance reviews with my previous core of managers that this might be the case, but it was the first time this had been conveyed to me by a colleague. The consequence and impact of this conversation worried me, with my concerns being further heightened by one of the locally sited performance coaches who, after speaking with the managers, felt that:

"The DOMs perception is of a process involving a lot more paperwork, adding little value to the job, and leaving them less time to do the job they should be doing (managing the office).

They see Performance Management as further work imposed on them, but not helping them”.

Each conversation demonstrated that clear linkages were apparent against three of the four barriers to measurement previously explored and defined by Daniels (1989) 1). *“Jobs cannot be measured”* 2) *“measures are hard to work with”* and 3) are seen as *“time consuming, taking people away from other more important issues”*.

As I thought the consequences of this through, I was sure that if these three were present, the likelihood of the remaining barrier of *‘antecedent of punishment’* would also be lurking amongst some managers’ thoughts and reactions to the performance changes they were shortly due to encounter. I was particularly concerned for the seven managers who had not previously worked for me. As well as potentially harbouring these concerns, they could have their perceptions and worries further clouded by an uncertainty as to the nature of my own management approach and style. In other words, it was far safer to assume this barrier was present, rather than risk ignoring it, only to have it surface later. It was therefore important to elevate and counter these concerns so that both sets of managers were encouraged to engage positively in the workshop. This would therefore help to ensure maximum benefit gained from the interaction and reduce the potential of side tracking on to the topic of the whys, wants and wherefores of the scorecard. This potential side tracking problem (that if not resolved at the outset), I was sure could and would persist, as managers encountered varying degrees of individual performance pressures as the year progressed.

In trying to put some structure to the problem, as well as identifying how best to progress, it became evident that the barriers I was encountering clearly fell into what Winstanly and Stuart-Smith (1996) classify as *‘individual and mutual respect’*, as well as the *‘procedural fairness and transparency of decision making’* in my forthcoming interactions with the team. The authors have concluded that all these afore mentioned aspects, are fundamental prerequisites conducive to a positive work and learning environment.

I was aware from my review of the literature that De Waal (2002c) specifically focuses on this problem. Apart from providing advice as well as having objectives aligned with the business strategy, a clear employee performance expectation from the objectives must also exist.

Employees should thus know how to achieve their performance objectives. In addition, employees should be made aware of the managerial support they can expect.

In deciding how best to address the barriers, as well as how to nurture the environments addressed by Winstanly and Stuart-Smith (1996) and De Waal (2002c), I approached a couple of the experienced managers as well as the CMA, and asked for their advice. I discussed the practicalities and relevance of fostering a supportive environment with my team, and developed a way forward in light of their recommendations. I specifically asked for their support in developing and agreeing the behavioural statement/contract between their colleagues and myself for the coming year. I saw this as the best means to approach the problem. I was therefore encouraged when one of the manager's responses to this was:

"That's a controversial idea- we have never been asked for one of these before – I suppose it won't hurt to give it a try - it can only help".

5.2 Engaging With the Co-Participants

Encouraged by this, I decided to review not only participant's concerns, but also the issue of ground rules that they felt were necessary for the successful deployment and use of the scorecard. By following this approach, I hoped I would be able to forge a relationship with the new managers and resolve any problems as a group without jeopardising the performance management approach or the second workshop. I did not want to get side tracked debating other issues on the day and felt that agreeing upon a contract from the outset, would allow me to agree a pre-arranged set of behavioural standards prior to completing the scorecards.

The development of the syndicate exercise led by the managers was not without its challenges. I was aware that I did not want to go into any depth regarding generating solutions, as this would devalue the pending deployment workshop. As a compromise and so that I could achieve meaningful interactions with the managers, I decided to reposition the already discussed measurement dimensions and performance gaps they would encounter over the coming year, so that the exercise in the workshop could refocus on the topic and proceed.

As part of the exercise, I wanted to extract participants' previous experiences engaging with targets, as well as identifying their concerns for the coming year. The KPIs presented by myself, consisted of the following PowerPoint slide extracted from the national presentation.

Slide 5.1 Identifying Performance Target Areas

Performance Targets	
KPI	Task
Mails Costs	Meet & Reduce budget spend
Weighted Unit Costs	Meet & Reduce Pence Per Item
All Due Mail	Deliver All Mail
Time of Delivery	Deliver to Time
Repeat Complaints	Meet & Exceed Reduced Tgt
EOS Fairness of Line Manager	Meet & Exceed Raised Tgt
Sick Leave % Ord Hrs	Meet & Exceed Reduced Tgt
Quality	Meet Postcode Tgt



To promote a level of pre-work and self-reflection amongst the team before the meeting, I sent the following e-mail to all managers encouraging individuals to attend the exposure workshop and to think about how best to address this issue and as well as discuss the topic with their colleagues if they so wished:

"As you are aware, we are all shortly due to enter into a balanced scorecard performance management system. I am aware that this can seem daunting. After speaking with some of you, I have agreed to develop a behavioural contract, which we will jointly apply over the coming year. To support this, I will be running a syndicate exercise to identify any barriers and agree the content and focus of how we will work together over the coming year".

The syndicate exercise was comprised of two separate 20 minute sessions, as well as a further 10 minute feedback and discussion session focusing on the following questions in slide 5.2:-


Slide 5.2 Review used at Sector Meeting

Review of Exposure Workshop

Duration 10 Minutes With 15 Minute Feedback

Firstly:-
What do you see are the positive and negative aspects of the Scorecard, Measures and Targets for the coming year?

Secondly:-
What Needs to Be Done to Resolve or Limit the Impact of the Issues Highlighted



As discussed in the methodology chapter, my selected means of data capture during the exercises consisted of a taped transcript of the conversation, personal notes, observations of the conversations, reflections on the reactions of those present and flip chart feedback, summarised on completion of the exercise. During the exposure stages of the investigation, the research group (apart from myself), included 17 co-participating managers, two performance coaches and analysts. The views positioned emerging from these activities has not been identified against specific individuals, due to the observance of research ethics – guaranteeing anonymity of elicited responses.

5.3 Initial Perceptions regarding the Ability to Engage with Measures

Upon receiving feedback from the managers, I was surprised that the first issue to arise related to previous experiences of performance management, as well as participants' expectations of the new scorecard. My surprise stemmed from the fact that my initial expectations that participants would want to discuss their interactions with myself, were not met. Other more pressing issues rather, emerged. These issues relate to what De Waal (2002:162) explains as the enabling managerial criteria of *'understanding, positive attitude, responsibilities, culture and clear focus'*. The behavioural interactions (although linked to these topics), surfaced as a secondary concern when we discussed how these problems needed to be resolved.

At an operational level, most managers perceived that the measures and their associated targets were imposed without consultation, with some measures being seen as unrealistic and as such unachievable due to uncontrollable outside influences and workloads. Managers had already experienced several changes in the performance management systems and expressed scepticism about the reality of change, in that apart from going through a structured process nothing really had changed in the past. The following cross-section of the more pessimistic views emerged:

“In the past they've gone over the performance in the New Year, someone's sat down with you and said by the way these are your objectives for this year”.

“In other years we've just received (objectives/targets) from them in the post”.

“This is the first time we have seen the target areas, although there are no surprises – as no one has asked me what I can achieve and if I agree with them. I would say we have not been involved in the setting of targets as is what normally happens”.

“Pete, we have always had targets, nothing is different there. We are not involved and just told to achieve them, when deep down we know that we cannot. No one listens to us and I am sure nothing is going to change with the scorecard”.

I was however encouraged to note that negativity towards a further change in the performance system did not completely dominate the debate. Instances emerged where individuals (although somewhat sceptical) saw the potential benefits to be derived from engaging in the exposure and coming deployment workshop activities. The following statements emerged from the discussion:

“I think it is good to have a structured process, but to be honest Pete, what is to say it will be any different from what we have had to do and put up with in the past?”

“We see nothing new in what you have said, but it is good to go through them and know what our targets are before May, which is what normally happens”.

“I think that's the positive thing about this year Peter- we are actually sitting down and talking about it”.

I found the positive content of these discussions encouraging, as I realised that an underlying level of receptiveness and anticipation was present in some quarters towards the coming

interactions. It became apparent however that this was likely to be dampened by not only the intensity of the pending activities, but also the business use of the terminology ‘contracting’, which had not been previously used. Consequently, some participants felt threatened by the incorporation and use of this term. Two particularly expressive viewpoints summarise the degree of uncertainty and discomfort felt:

“I think it’s because it’s new, we’re a bit you know, sort of worried about it. It’s a new system isn’t it? We’ve not had this level of focus. The other side to that is that it’s the first time we’ve actually been contracted to do something and that is a little bit worrying”.

“Our concerns are that if we don’t meet that contract at end of the year, what’s the business going to do?”

The reasons underpinning the more pessimistic perceptions (as well as committing to a contract) were associated with a number of central occurring themes: ability to engage with the scorecard, confusion and negativity about the objectives and choice of measures, the proportioning of the target, their ability to influence performance and the impact this has on the bonus payment systems. From this debate, the following statements arose:

“Budgets are always set with no participation of us managers- if we are ever asked, it is only to say how many leave or sick hours we want in a particular week. How can we be held responsible if we are not involved in setting a fair budget for the unit to run with? From what I am seeing, nothing has changed”.

Similarly-

“If I am running below target on my sick leave last year and somebody else is running say 6% above target, how motivating is it to be given the same target? Is it not fairer for the under performer to be given a higher target?”

It became apparent that this dissatisfaction was not confined to the setting of budgets, with criticism emerging regarding perceived unfairness of simply proportioning the same targets across under and over performing units alike. As with the personal comment regarding the sick target above, it was felt that this issue also related to both the Employee Opinion Survey and customer complaint KPIs.

Those present also expressed their confusion about the choice and relevance of the measures in use. Participants questioned how the measures supported the business strategy. This was

particularly evident as discussions focused on the trade-offs between different dimensions of performance, where it was seen that progressing a mandatory project or initiative could directly impact on a local performance results. From this discussion the following views, which capture the level of frustration, became apparent:

"I think that our budgetary performance is heavily impacted upon by the national decision not to cover statutory sick pay - certain staff take advantage and have 6 months on full pay".

"The national Work time learning UPB sounds good, but it does not work in a delivery office where staff will simply see it as stopping them getting out. In a mail centre, staff see it as a skive from work. All it does in a delivery office is it makes staff late. This will cause me to fail my time out".

"What you say about the individual performance standards sounds good in principle, but we don't even have any agreed standards with the union. So how are we supposed to make it work and enforce it? Anyone can pass a one minute test- it is achieving and maintaining the sorting rate that is important".

This topic area was particularly close to managers' hearts when the discussion focused on the volatile subject of the EOS Fairness of Line Manager results, which managers felt employees might ultimately use as a reaction to a factor outside of the managers' control. As the discussions around this topic progressed, I was asked the following questions, which I was surprised had not surfaced earlier:

"I have something I want to put to you Peter. I am normally scoring say 65% on my survey. I receive my next units EOS survey. At the same time as a reduction in overtime payments is announced. This causes my staff to have a go at the business by marking my survey down and I get a 35% result. How can I be held accountable for this?"

"I also feel it is wrong if my unit always clears all its mail daily and I know its quality is good, but I am measured on a shared postcode which is also shared by an office which we all know, has big problems regarding not clearing, regularly due to cut offs. I think it is unfair for my unit to be marked as a poor performer and my own performance to be questioned".

These were the most prominent instances raised, which concerned the question and resolution of accountability and ownership. I explained that from the emergent discussion areas, we would be addressing this subject in the second part of the syndicate exercise. One individual then commented:

“That will be interesting as I don’t know what you can say – if we are not meeting our target what power do you have to change it?”

In listening to this, I found myself in tacit agreement, and realised this was an issue that needed to be resolved without switching people off or indeed worsening existing concerns and fears around the impending contracting/agreement of individual scorecards. My apprehension related to the second part of the syndicate exercise was growing. Therefore, would the positive engagement I currently enjoyed with my managers, switch to dysfunctional reactions? I was particularly concerned that such dysfunctional reactions, namely fear, politics and shortcomings (as discussed by Neely *et al.*, 2000) would emerge. At this point however, I had to curtail my curiosity and wait to see to what degree, (if any), these dysfunctional reactions would emerge.

As the feedback continued, it became apparent that although individuals in principle understood the necessity of trade-offs, they still regarded it as a personal failure on their part if success could not be maintained across all performance dimensions. Three comments particularly capture this view:

“Although a particular issue might be a problem in a number of other units – it does not say I have the same problem, so why do I have to deploy what others have to? [Deployment] may only cause me problems afterwards”.

“I get extremely frustrated when I am unable to achieve a target I have been set, particularly when I know the cause, but I am unable to influence any outcome”.

“I don’t have a sick problem – if I start to harass them by phoning them at home when they are on sick leave, what is to stop them marking me down on my survey or putting a complaint in against me?”

This suggested that individuals strongly felt that by reducing or changing the focus, new problems could occur in their own units. Participants were also concerned about their ability to influence performance against a particular measure when the effects of external contributions were perceived to override local actions within the unit.

It became clear in the content of the debate that particularly strong feelings towards this resided in an individuals’ perceived ability to meet the assigned budget with feedback

highlighting the following areas of concern:

“I am just happy to meet my budget. What benefit do I get for under spending? It [my budget] is only taken away from me the following year”.

“If I can claim costs for things like elections, rather than absorbing it - it will help me in the short term, even though for the following year it will be taken away and make my task harder – I might not be here then – so why worry?”

“What incentive do we have to put in local improvements for which we are not funded for? We only get questioned for overspending later’.

When questioned further about the perceived extent of personal impact, there emerged a general view that if outside influences are not present or overriding, then a personal impact should be achieved against complaints, sickness, EOS and the all mail and time of delivery targets. This was underpinned by the view that:

“These things are directly under our control. I can speak to people who are on sick leave or mis-delivering and personally check to see that people re-circulate and have cleared the mis-sort frame before they leave”.

As this particular part of the discussion continued, it gradually became apparent that the topic was inadvertently returning to the previously discussed themes of national influence, direct control and ability to influence work. I was becoming increasingly frustrated as I thought we had concluded this part of the discussion and tried to move the debate forward. I was however, firmly cut short and informed that:

“...it is all well and good talking about what we can influence- that’s not the problem- it’s what we can’t that frustrates and winds us up the most – in other words - you might not like to hear this, but at times it can cause us to switch off”.

This was not the only instance of negativity to emerge. One individual questioned what was to stop him from:

“Just guessing the impact of an action or just putting one down to close a gap, knowing full well that it will not do what we say, just so that we complete the workshop. From what I have seen in the past, this is what the national people do with their own UPBs”.

I was conscious that the manner of my reaction to the comments could potentially set the scene for the coming year. If I reacted negatively, I would potentially lose the opportunity to build

rapport. Alternatively, if I used the content of the replies positively, I demonstrate that I was interested in their opinions and wanted to help.

I therefore asked for further examples that built upon previous feedback. Common recurring criticisms emerged, such as underperformance in shared quality targets between delivery units, when both are penalised and it is well known that the performance problem is specific to only one party. Furthermore, frustrations were felt regarding previous experience where, for example; cost cutting in upstream functions, failure to clear the night mail centre or late transport departures could result in late vehicle arrivals. The following statements encapsulate the sense of frustration in such contexts whereby:

"A repeat complaint regarding a 'wait left item' (item returned to a mail centre for return to the delivery office the next day as customer is out), that's not coming back to the office on time due to late vehicles or mail centre failures ... now that's a Mail Centre issue, so I could fail a target for repeat complaints and its outside my control".

Additionally:

"Like when the Mail Centre waits for late network arrivals delaying our mail that they had earlier or don't cover their own duties so don't clear to time - the frustrating bit is they don't tell us and we only find out when the vehicle arrives late with too much mail for us to sort in time".

When questioned how they felt about this, they explained that singly, or as a combination of events, these generated unwarranted additional pressure on a unit manager leading to additional costs and failures that were outside of their immediate control. Additionally, what was most frustrating was that in the majority of instances they are the last to learn about the problem, which in turn left them little or no time to adequately react or plan contingencies.

It was felt that the coming year would see the same problems occurring, with little likelihood of them being actively tackled or recognised in the performance reviews. This frustration was summarised as:

"I thought this was only my problem – why doesn't the business resolve this, as it is clearly outside of my control?"

“Why is my performance measured from what someone else does?”

“If we can’t achieve it, we want to know that people will listen to our reasons why, and not just blindly hit us over the head for not achieving a target which is outside of our control or which we all knew we couldn’t meet in the first place”.

The consensus was that these factors could be de-motivating, and negatively affect the degree of ownership and accountability accepted by individuals in the units regarding their original or emerging agreed (contracts) courses of action. Moreover, there was fear and resentment that bonus payments could be adversely affected by the system. In addition, there was fear that imposed improvement activities did not support any improvement in a unit and that upstream problems could not be addressed locally within the units.

5.4 Agreeing Performance Behaviours

As the syndicate activities progressed into the second session, we commenced discussing the topics of openness, honesty, trust and support as important factors contributing to the successful application of the new scorecard. This encouraged me, as similar concepts of *‘trust, performance, information’* and *‘openly communication’* are contained in the cultural element of De Waal’s (2002:162) behavioural framework. I focused on these two particular aspects, where it soon emerged that those present saw each of these as coming from a completely different perspective to how I or De Waal (2002) originally saw them, with the meaning falling more into the cognitive domains of *‘trust and confidence’* as described by Stauss and Neuhaus (1997).

It was felt that the consideration of trust and in turn openness were mutually supportive and directly related to the personal one to one relationship the managers had with me, as their line manager was seen as forming the foundation that would either hinder or support the deployment and ongoing success of the scorecard. One individual summarised his own concerns stating that:

“If I feel I can trust you Peter, I am more likely to be open with you – if I don’t, I would be

stupid to expose myself to any ridicule or pressure by not agreeing or going along with what you say or want me to do”.

Whilst listening to this, I found myself looking around the room and noticed that the majority of those present were nodding or sitting up in apparent support of the comment. The message contained in the confines of the comment and the apparent consensus amongst fellow colleagues present, concerned me. My concern was felt as a result of the clear referrals to the states of fear and exposure of shortcomings (Neely *et al.*, 2000), as well as an extensive cross section of the emotional and behavioural traits summarised from the literature review.

I also felt fully justified in deciding to run the syndicate exercises, as the comments provided further substance to the original views expressed by the experienced manager and the performance coach regarding concerns with scorecard engagement. It was also apparent that I was being provided with a valuable view from an operators’ perspective regarding why some of the problems explored in the previous section might emerge, or already be in existence.

At this stage in the proceedings, I recognised that the current discussion provided me with an appropriate inroad to begin to nurture the previously discussed states of ‘*individual and mutual respect*’, (Winstanly and Stuart-Smith, 1996) each of which from my experience, are integral components towards acquiring a degree of openness, honesty and trust in any interaction.

To begin the debate I asked the group to explain what they felt needed to be present- the answer to the question that, I soon realised also addressed the element of trust was surprisingly simple. One individual was quite forthcoming in his view that:

“...it all simply boils down to the question: can we trust you? We know that like us, you are under a lot of pressure – but we need to know that we can trust you to take our problems on board. This is the important part: to actively listen to us. What we don’t want is for you to simply brush aside what we say”.

It was therefore important that the managers felt comfortable and could trust me to actively listen to their concerns and problems and not belittle them or apply an autocratic managerial style. Then, in turn, they would be more inclined to be open and honest in discussing and questioning performance issues, as opposed to deflecting the conversation, or agreeing to what

they thought I wanted to hear. A good example of this was present in one participant's statements whereby:

"If I know you are going to listen to my problems constructively and help by supporting me, I am more likely to tell you of any impending problems that could be experienced when I agree actions or follow a course of action in my unit".

I asked the group if they agreed that this was the best way to foster mutual respect. The consensus was that such an approach would go a long way to achieving respect and alleviating many of the concerns about agreeing (contracting) the contents of or subsequent changes to the scorecard. As one individual commented:

"I also think that the term 'contract' is misleading. From what I can gather...it is simply a means of agreeing what is on the scorecard when I am finished with it. Am I right? If that is the case, if I have done it right, I don't see a problem".

It was also felt that respect, trust and ultimately, openness would not just happen - it would have to be earned from actual experience in directly working with me. I explained that I saw the syndicate exercise as the starting point for the development of respect, trust and rapport, to be subsequently observed through the coming workshops. The group agreed that this would seem to be a reasonable starting point.

Despite this agreement, there was still uncertainty regarding anticipated disagreements during decision-making. Thus, one manager (although he agreed with the contents of the explanation and the consensus regarding our direction) refocused the discussions back to the problems associated with making difficult decisions:

"It's very easy to say all this here but what happens when we get into a situation when a discussion has to be made that the other person does not agree with? Won't it all go by the wayside then?"

I was not surprised that such a fair question had resurfaced. I was encouraged to see that we were now moving towards tackling the two remaining volatile questions of 'procedural fairness' and 'transparency of decision making' (Winstanly and Stuart-Smith, 1996). Both these issues in union with the authors' previous two respect factors, are implicitly entwined with De Waal's (2002c) need for an explicit expectation from objectives, which managers

understand how to achieve. The importance of this interconnection, I suggest, is evident throughout the previous section in the chapter, particularly with regards the National and Area UPBs as supported by the following comment:

“It would be a good idea for the business to explain why we are given the targets we have – I still cannot comprehend why it makes sense to give both under performing and over performing units the same targets”.

As the debate continued, it became obvious that participants felt that past project managers (including myself), did not understand the impact of what they were deploying and that operational managers’ views had not been fully considered in pulling the project or activity together. It was felt that:

“All too often we are told to do something, and those telling us don’t even know what the outcome is likely to be, or overstate what they think it will give. Is it no wonder that we mistrust or are reluctant to deploy activities which we do not come up with ourselves?”

It was clear that managers’ experience with performance management had generated feelings of mistrust and apprehension. To progress this topic, I focused the group back onto the question put to me during the last syndicate exercise regarding my ability to change a target. I decided that my best course of action was to redirect the question back to the group and ask for their views regarding how we could address this concern. I saw this as a more appropriate means for us as a team, taking joint ownership of the outcome, as opposed to simply listening to how I thought we should deal with the problem.

There was joint recognition that in reality, my ability to change a national project or a target once set by the business would be very limited. The reason behind this centred on the acknowledgement that like the group, I had been issued with the same targets. The only difference was that unlike them, I had to manage them over a greater number of units. In addition, I had to address queries and potential resistance when discussing how the gaps were to be closed. As one individual explained:

“We understand that you are restricted, but what we need is a level of common sense – it’s no good following a course of action which we all know won’t give us what we want, when we want it. It all comes back to what we talked about earlier - the question of trust and being

open and honest with each other so that we can resolve problems. I am not saying you don't tackle anyone for underperformance, but it needs to be done constructively".

This was encouraging as it indicated appreciation of certain restrictions applied to my management practice. I felt however, that it was unwise to simply leave this consideration unexplored. I needed to understand the participant's views regarding the extent to which they felt it was possible to deal with such situations. The need for an agreed way forward was becoming increasingly urgent, as we would shortly encounter problems such as these when the managers commenced working on their scorecards in the deployment workshop. This would also be a more long-term concern as the managers engaged with the scorecards throughout the year.

The consensus was that when a difficult target was present, individuals should be given more time to close the gap. Moreover, it was felt this activity would be characterised by a degree of joint debate, negotiation and agreement. As the conversation continued, it was heartening to note that the team recognised the unsavoury topic of underperformance would also need to be raised. When I asked how the group felt about this, it was hoped that the same process should be underpinned by appropriate advice with suitable support and development opportunities.

I saw these undertakings as important, since they indicated that individuals would be encouraged to openly discuss performance, rather than simply agreeing and saying what they felt I wanted to hear. I felt comfortable adopting this approach at this stage. I could start to nurture the process of my managers agreeing (contracting) to the contents of the scorecards, taking ownership of the scorecard and in turn, responsibility for their actions.

I explained that I would attempt to nurture this through listening constructively to concerns and outlining my reasons for any decisions I made. I would also endeavour to use the feedback process through the levels of the scorecard to communicate deployment problems and identify how any changes made at unit level would support both the business plan and help unit managers take ownership. The question of accountability and ownership as I had hoped, had eventually surfaced from the group, but with reoccurring obstacles present. It was

generally felt, that as managers, they knew they were ultimately accountable for their units, but the degree of actual ownership they felt towards the activities they were required to progress, was to a significant degree dependant on their actual ability to influence the process. Again, the implications of factors considered outside of a managers' direct control and national projects not meeting expectations were raised:

"We have no problems being held accountable for our actions. All we want is to be able to influence what it is we are supposed to be doing. Otherwise how can we reasonably be expected to have any ownership or be held accountable by you?"

The syndicate exercise concluded with a review of the outputs and suggestions from both sessions. This lead to the agreement of a set of behavioural standards illustrated below, which as reasoned, would support the deployment and use of the scorecard over the subsequent year.

Sector Behavioural Commitment

1. The objectives and targets are set by the organisation. As individuals, we have to accept that the task is there and take ownership and accountability, as we continually strive to achieve the task set.
2. I am here to support, guide and coach you to enable you to achieve the objectives and targets that have been set.
3. I pledge my personal commitment that threat-centred or autocratic approaches will not be perused in the deployment workshop, sign-off meeting and the performance reviews, as we progress through the coming year.
4. The deployment workshop and the sign-off meeting will provide the forum by which all parties will clarify the issues important to them as they impact on, or affect, the issued objectives and targets - applying the behaviours and approaches outlined within this statement.
5. Monthly Performance Reviews will be conducted, applying the behaviours and approaches outlined within this statement.
6. It is essential that there is mutual trust and respect between us. Where difficult decisions arise, I expect us to openly debate the issue and agree a joint way forward.

7. At times, a joint decision will not be possible. When this occurs, I promise to explain the rationale behind the decision and to agree support, guidance and coaching as necessary.
8. I promise to actively and honestly represent DOM's interests at all levels - communicating issues as they arise.
9. I expect you to challenge both my behaviour and approach, truthfully telling me where you feel I may be falling short in helping you to achieve these objectives. I promise to reflect on this feedback and adjust my approach as necessary. This is a two-way commitment, and I ask you as individuals to commit to the same undertaking.

5.5 Reflections on Managers Initial Exposure to Unit Scorecard

As discussed, Kaplan and Norton (1992) assert that a correctly designed scorecard should draw managers towards the direction of the organisation's vision. They suggest that the scorecard forces managers to focus on a small number of vital measures and that in turn, the scorecard supports a level of managerial understanding towards the inter-relationships identified in the scorecard. The following reflections explicitly focus on these considerations, drawing from the research participant's initial exposure and emotional reactions to the measures contained in the scorecard. It is here that there is a specific emphasis on understanding the issues to be addressed as I progress into the deployment workshop.

5.5.1 Why did individuals feel as they do?

It was apparent to me from my opening engagement with my senior managers, that initial barriers to deployment were present before I even approached the scorecard topic. As identified, these concerns fell into very well defined cognitive attitudes and feelings such as tying managers down, taking them away from the day job, ability to impact on the measures, as well as the view that it added little value to what they were actually doing. These aforementioned concerns are closely aligned to the four barriers to deployment, as previously highlighted within the literature (Daniels, 1989).

I realised that the underlying reasons for the presence of these particular views related back to adverse experiences with working with targets in the past and the subsequent re-emergence of these emotions in the form of what Cheetham and Chivers (2001) classify through citing Osgood (1949) as a 'negative transfer'. This type of recall is not uncommon and can be explained by the recognition that emotionally laden past experiences, are more readily recalled than those that are more recent and emotionally impartial (Hoffman 1986, cited in Johnson and Zinkhan, 1991). This was clearly the case with my team, where there was an underlying central theme regarding ones' perceived inability to influence the set targets for the coming year.

The precise nature of this recall can be traced back to individual attitudes (Durham *et al.*, 1989) to and resistance to change (Stivers and Joyce, 2000), which in turn was manifesting itself into a positive or negative emotional reaction (Liljander and Standvik, 1997) to the set targets. Bourne (1999) recognises the existence of this type of reaction through his acknowledgement that when performance is measured, it ultimately focuses attention and behaviours.

In relation to the research being undertaken, there was a prevailing dominance towards feelings of negativity with responses such as 'why change at all, lack of involvement, choice of the measures, alignment of targets, ability to influence the target, impact of trade offs, effect on bonuses' and most importantly factors seen as outside of ones' direct control being expressed. It was however heartening to see that some positive consensus existed in cases where improvement actions are directly under their control. Indeed, from previous experiences, it was felt an improvement outcome could be realised.

The unbalanced spread of the identified responses, supports Hoffman's (1986) cited conclusions in relation to the emergence and subsequent dominance of negatively charged emotions and attitudes to the detriment of the more positive and neutrally uncharged feelings. This would explain why Neely *et al.*, (2000:1132) discuss the challenges and problems associated with the implementation of measures and the emergence of '*dysfunctional behaviours*'.

It is suggested that when cultures are supportive of change, a move to an increased level of individual accountability may prove to be the case, but if the opposite occurs, increased accountability could be intimidating (Stivers and Joyce, 2000). Surprisingly, this was not the case with my team, who although readily accepted that they were ultimately accountable for their individual targets, saw the ownership of the actions as a completely separate issue. As my interaction continued, it became evident that the degree to which the negative barriers were present, had a direct correlation to concerns regarding contracting of the scorecard contents and/or actions and the level of ownership felt by the managers towards these actions, or the measurement areas selected by the business.

The distinct impression I gained from this interaction was that the issue of ownership of the performance actions, when they are seen to be outside of an individual's direct control or influence, would ultimately be raised as a form of defence in future discussions. This would be particularly evident when non-achievement and accountability surfaced. It would also explain why some managers felt it was acceptable to simply agree a course of action with me, as opposed to entering into a meaningful performance debate. When I reflect on this latter interaction, the justification, 'well you told me to do it', readily springs to mind.

At the time, these would not have been unusual approaches to take; as a result of having observed any combination of them frequently in practice and resorting to their use myself on occasions when difficult performance conversations were necessary with my own line manager. I therefore realised that this was a particular concern I needed to be aware of, as individuals completed their respective scorecards as part of the pending deployment and usage stages.

The problem in relation to addressing these situations was that in the past it was extremely rare for anyone to be held personally accountable for a target, or for actions to be taken against an individual for the non-achievement of a target. The managers were fully aware of this fact, and as such, thought that nothing would change until the term contracting was raised. This in turn brings into consideration what Mooraj *et al.*, (1999) define as traditions and unspoken

informal conventions of an '*occupational culture*,' which clearly (as suggested in the framework), is continuing to exert levels of influence.

The presence of these underlying influences or assumptions which Schein (1981, 1984), defines how we as individuals '*perceive, think and feel*' would adequately account for the emergence and presence of the majority of the previously discussed barriers. It would also explain, (if we follow Schein's psychological profiles) the following comment regarding why the managers felt as they did:

"We have always had targets, nothing is different there. We are not involved and just told to achieve them, when deep down we know that we can't. No one listens to us and I am sure nothing is going to change with the scorecard. In the past actions, we have not resolved the problems and all we do is try something different, which, if you pull it all together really raises a question. What incentive do I really have, to do the additional work you are suggesting is required when I have better things to do, just to get the day job done?"

As I reflected back onto the underlying reasons why these emotional and behavioural feelings might be present, I felt certain that the problems I was facing directly correlated back to adverse feelings towards the term contracting and fell into a number of specific motivational areas regarding individual's reactions to measures to be found in the literature.

Stivers and Joyce (2000) discuss the need for an organisational measurement focus to commence at the top with appropriately aligned measures which they further suggest needs to be underpinned by everyone's '*buy-in and commitment*'. Strebler *et al.*, (2001) specifically provides direction in this area explaining that there was a basic necessity for a motivational buy-in, to be in existence from those required to operate in the system, which they suggest is nurtured by an effective cascade.

I was as part of my management practice, actively applying the latter of the enabling factors. As discussed however, I was experiencing a less than positive motivational buy-in from my team to the centrally imposed targets I was positioning. The reaction of my managers can be seen to closely align with Strebler *et al*'s., (2001:xi) recognition of the possible emergence of this type of reaction, where it was explained that if objectives or targets appear "*unfair or imposed, they lose their motivational impact*".

5.5.2 Practitioner Implications Emerging from Exposure Phase

I believe that it is possible to extract the view from the managers' preliminary exposure to the BSC since, the present BSC system has been effectively used for some time at the national and area level to support strategic alignment and organisational task. I do however consider that its relevance, subsequent deployment and use at a unit level is perceived as less clear or well defined in the eyes of those required to use it in daily operations. As a consequence, I consider that it is clear that the KPIs contained in the BSC appear relevant to the performance of the company as a whole, but when translated to a unit level, their relevance becomes somewhat blurred when looked at through the eyes of operational managers.

Consequently, my preliminary view prior to its deployment, would suggest that the unit scorecard has been designed to support a line of sight, regarding objectives tasks and measures down from the corporate level. When this is considered, it is possible to extract from the co-participants that this is not fully replicated back from the unit performance environment into the higher organisational levels. I am particularly concerned as it applies to National and Area UPBs/and or initiatives and what Atkinson and Holden (2000) has previously positioned as a necessity for understanding, whereby each layer drives subsequent lower layers. I believe the clear perception present is that the opposite is true, as the impact at a unit level is perceived as simply having been guessed at with little or no thought regarding how performance will be subsequently improved as well as any potential negative impact, or indeed likely expected timescales.

I have already recognised and discussed (as part of my review of the skills base of frontline managers) that this might emerge as a problem with my managerial team. Here my concerns have clearly centred on the progression of areas of under performance through the eight-step route cause analysis and fix logic process. I am therefore somewhat surprised and concerned. As I feel that even through the concept of continuous improvement and a balanced approach has been shown to be evolving and in place at the higher echelon's over a 13 year period. I believe it is possible to extract from the previously positioned opinions of the co-participants (in relation to national and area improvement initiatives), that they are viewed as counter

productive, unfocused, causing problems across other performance dimensions in their own right. I feel this therefore brings into question their (Lynch and Cross, 1991) 'actual alignment,' usability and suitability to support any engagement at the frontline. When this is considered, I believe it clearly links into Mannochehri (1999:13) previous considerations associated with 'confusion regarding being able to combine and reconcile both the financial and non-financial measures.' I however recognised my particular problem as evidently residing in the same context, but within the area of National and Area influence discussed. I am sure this will also emerge as a further problem to be addressed, once the financial targets are issued and can be considered against the non-financial targets.

I was particularly worried about one individual's previous remark concerning him to potentially 'switch off', which when viewed against the additional following comment caused me increased levels of unrest and concern:

"I think they should've put the figure that the UPB will help disclose how it is achieved and when and what was nationally recommended. It seems to us that what is being said is, well to be blunt; it is left to us to come up with it and sort it out. If they can't be bothered, how can we be expected to get it right?"

Because of this, I felt that in certain instances and situations this might entice and encourage some individuals to adopt the same perceived mindset as they interact with and develop their own respective personal scorecards. I realised that this further underpinned the necessity for focused support and coaching to be made available in the imminent deployment. I accepted that I would need actively offer this support along with the experts, as part of our interactions with the co-participants. I recognise this as the best means through which to not only counter this possibility of negatively inculcated mindsets, but also in turn stimulate a positive interaction with the scorecards from which the process of continuous improvement could be encouraged.

I additionally realised that from my interactions, I was able to identify a number of both positive and negative aspects of the impending engagement. I therefore recognised my task as falling into a well defined and recognised area in relation to ensuring that improvement contributions and actions have clear improvement expectations from which the means to

achieve them is clearly understood and applied (Kaplan and Norton, 1996b; Schneiderman, 1999 and De Waal, 2002c) .

As I focused on this, I was encouraged to see that individuals simultaneously displayed a high level of understanding regarding the complexity of interacting measures and the impact of other functions and processes on their own performance. I feel initial findings demonstrate that the impending BSC system elicit from managers both a level of objective understanding and dispassionate discussion, while at the same time showing an underlying turbulence of (Schhmenner and Vollmann, 1993: 58) 'frustration' and cynicism. I realised that at the current stage of my engagement with the co-participants, this was caused by past measurement systems and what individuals perceive as a distinct lack of control over their own destiny and in certain cases, ability to influence set targets. I recognised this as clearly falling onto the important area of what has been seen as the 'golden rule of not measuring individuals against something they have no control over' (Neely *et al*, 1997:1136).

I saw this as providing me with a clear and valuable indication where potential problems are most likely to emerge and therefore I could focus more effectively on providing the available support to aid the development of the personal scorecards. I think that preliminary indications would show that individuals feel that they can directly influence those KPIs they believed to be directly under their own control such as sick absence and complaints. I therefore consider that the likelihood of problems in engaging within these areas would be minimal, therefore requiring less support. Similarly, although it was felt that the same could apply to the EOS, (all due mail and time of delivery KPI's), it was viewed that the presence of external influences was more likely. I therefore believe that in conjunction with the mail and weight unit costs, which had not been communicated at the time of the workshop, but extracted from the co-participants, varying degrees of concern, support and coaching needs to be directly focused.

I reasoned that by following this approach in conjunction with the behavioural work approach, I would be more effectively able to address previously expressed negativity. This negativity relates to individuals being able to identify, understand and implement improvement

opportunities, which they recognise and accept they can directly control and influence. I therefore consider that preliminary indications would suggest that when these states are present in a negative context, there is a direct correlation present against Stivers and Joyce's (2000:61-62) earlier proposition that 'increased accountability can be seen as threatening.' At this stage, I am under no illusion that consequently, this will lead to conflicts between both ownership and accountability felt by the co-participants towards the contents of their respective scorecards. This leads me to concur with Holloway (2000:11) that managers are extremely self-conscious of their own performance, which I need to nurture, in order to support a positive outcome.

When viewed against the previous behavioural discussions, this further substantiates my view that there exists both a cultural and behavioural/process triggering element of the performance framework. This is underpinned by my realisation that I suspect from the reactions of the co-participants that high levels of anxiety are present amongst some managers about having targets that are for the most part, seen as being (Strebler *et al.*, 2001:28) 'imposed' to a greater or lesser extent by external factors.

In light of the experiences gained from the initial exposure of the unit scorecard, I concur that it was necessary to undertake a series of workshops to equip the unit managers to make effective use of the scorecard. I see this as providing an extremely important opportunity not only for the research, but also with regards to building the capabilities and competencies gained from individual's exposure to the numerous performance systems over the preceding years.

I believe this activity should not necessarily be taken as a criticism of the business or indeed the simplicity of or understanding towards the BSC and its use. This is due to my reasoning that its application reflects the very real issue facing the business regarding the interaction and interrelation between improvement activities and resulting measures at unit, area and national levels within and between business processes. I regard this as being further compounded by the functional foxholes/conflict previously evident, and which it would appear, remains a

behavioural and psychological issue to be aware of and as such, seek opportunities to limit its impact as I progress into the deployment stage.

As I reflected on the implications of both the behavioural and scorecard discussions, I realised that as far as I am aware, this was the first instance of anything of its kind and as such, I found myself thinking the extent of the successful of the behavioural approach. A central question emerged: 'Will the behavioural approach help managers to work through any encountered concerns and (positively) interact with and engage with their respective personal scorecards or will it all fall by the wayside when barriers and problems are experienced?'

CHAPTER 6 Development and Deployment of Scorecard

6.1 Deployment Positioning

The preceding engagement, regarding the scorecard and managerial task (positioned in chapter 4), has focused on the initial concerns of the unit managers. During this interaction, I found it possible through the direct involvement of the co-participants to devise and provisionally agree a behavioural way of working to address initial concerns concerning the deployment and use of the scorecard. In the following discussion, I focus on the suitability of the approach alongside the experiences gained during the development of the co-participants' personal BSC's in readiness for their deployment and use in the new financial year, commencing in April.

At this stage of the discussion, it is first necessary to position a number of formerly discussed themes and considerations deemed essential by both the co-participants and I. Personally, I encountered a situation where as stated earlier in the literature (Johnson and Zinkhan 1991:6) that personal emotions and experiences both positive and negative are more readily and likely to resurface. I believe the benefit to be gained by following this approach resides not only in refreshing the reader concerning previous findings, (against which the following discussions are derived), but also probable issues, which could re-emerge. Consequently, I have to be aware of these issues in order to limit the possibility of any re-emergence.

In relation to my managers' earlier practice, the current evidence would suggest a more dominant swing towards the negative aspects of the engagement. At the initial stage of my engagement, I recognised a similar comparison against my prior review relating to a '*negative transfer*' (Osgood, 1949 cited in Cheetham and Chivers, 2001:264). In the case of my team, this seems to reside in previous experiences with performance management and its manifestation regarding adverse expectations towards the impending BSC application. When I consider both the behavioural perspectives against recent experiences, I would suggest the later

negative state would most likely re-emerge as an issue to be addressed if difficulties in the deployment become subsequently apparent.

6.2 Engaging with the Co-Participants

As previously explained, I decided to revisit these (behavioural) commitments at the beginning of the deployment stage activities. Due to the previously expressed view, I saw this as even more important, as I felt it provided not only the opportunity to agree and if necessary revise the contents, but refresh in the minds of those present the expected way of working prior to commencing the deployment activities. I thought this would show that I remained receptive to their views and opinions, and as such, was more likely to encourage a positive interaction as the managers engaged with and developed their respective scorecards.

I hoped from this that I would be able to cultivate a more meaningful debate and interaction in relation to jointly discussing and exploring deployment difficulties, alongside personal emotions and experiences acquired during the deployment workshop. I believe that in turn, this approach would not only provide me with numerous opportunities to adapt my practice, but also that of my managerial team. I considered that by taking the discussed approaches, I was more likely to nurture and acquire the state of '*shared understanding*' (Kaplan and Norton, 1996a:77) within the deployment stage. I was subsequently pleased that when I raised the topic of the behavioural approach, the following comments were expressed:

"It looks ok to me - as I think we said in the last session, I will be very interested in seeing it actually work as we go through the year".

"It is good to understand what is expected, as I am sure we will find ourselves referring to it later on".

I was encouraged by the content and nature of these comments, which were supported by the remainder of the group. As such, I felt the expressed comments authenticated the use of the behavioural commitment into the deployment stage by their portrayal of a level of willingness, towards our forthcoming working relationships.

As explained during the methodological positioning, my primary means of engagement with the co-participants resided in the use of a second sequence of reflective syndicate exercises. I believe the success of this approach during the initial exposure phase undertaken in February is evident and as such, underpins my continued use of this technique in the deployment stage in March. It is here that the co-participants will readily recognise the use of this technique due to their prior exposure in the initial stages. I regard this as an important engagement factor, which, (due to its familiarity and prior use), will put the co-participants at ease and continue to address previously discussed concerns regarding contributions to the impending discussions.

I therefore considered the following open questions (illustrated in slide 6.1), regarding completion of the personal scorecards as the most suitable means of co-participant engagement. I thought that by following this approach, I would encourage not only personal and group reflections on experiences gained whilst interacting with the scorecards and the behavioural way of working to support this interface, but importantly areas for discussion and agreement regarding practitioner improvements.


Slide 6.1 Deployment Presentation Slide

Syndicate Exercise
Reflections on Performance Management

Duration 15 Minutes With 10 Minute Feedback

Firstly:-
To what degree have you been able to engage with the scorecard and close any gaps to support your achievement of your set targets?

Secondarily:-
What do you feel we need to do to resolve or limit the impact of the issues we have discussed?



As indicated, this was not the only means of data gathering applicable to this stage of the research. I needed to obtain a greater degree of depth in relation to understanding the actual process of engaging with and producing the respective scorecards, and from this, their robustness and suitability for deployment in the usage stage.

As previously explained, I found it possible to acquire this additional depth by applying two specific approaches. The first concerned a critical review and evaluation of the completed scorecards from the eight co-participants who had agreed to continue into the usage stage. The second approach involved the use of personal observations and reflections gained from both the performance coaches and I, as the co-participants progressed through the deployment workshop producing their respective personal scorecards. As with the previous workshop, I have not identified specific views against individuals, due to the continuing observance of research ethics – guaranteeing anonymity of participant feedback (Renzetti and Lee, 1993).

6.3 Engaging with the Unit Scorecards

I have previously discussed and positioned in some depth both the composition of the unit scorecards and the managerial task in (chapter five) against which individuals during the exposure workshop have explored not only the KPIs and related measures but also their performance task and behavioural expectations for the coming year. Shortly after the conclusion of this event, performance gaps (appendix 6, column 6) into the new financial year down to a unit level, were confirmed and issued against the ADM (TO, EOS, RC and Sick), leaving the shareholder tasks in relation to both the MC and WUC targets still outstanding and remaining to be officially confirmed (See footnote 11).

I expected that from the initial exposure intervention, individuals would as instructed during the intervening period undertake preparatory work in relation to identifying causes of underperformance against identified gaps (appendix 7) and possible improvement opportunities in readiness for the deployment workshop.

I would also expect that some level of cost awareness emerging from planned actions would form some element of this output, so their impact in cost terms could be understood and

Footnote 11. Confirmed targets available ADM (All Due Mail), TO (Time Out), EOS (Employee Opinion Survey), RC (Repeat Complaints, Sick (Absence as a %)). Both the MC (Mail Costs) WUC (Weighted Unit Costs) at the time were not available as they are based on the cumulative outturn at the end of period 12, which would not be confirmed until approximately 6 weeks later at the end of period 1. I would however expect some element of cost impact to be included on the scorecards.

overlaid onto the shareholder elements of the scorecard once the cash targets had been issued.

It however became increasingly apparent to us that as individuals commenced to interact with not only ourselves but their respective scorecards that the degree of pre-work I felt would occur never actually materialised. The following reasons were put forward in defence:

“I did not have any time to do the pre-work and I am sure the others are in the same boat”.

“You need to be fair there with that comment. Some of us did think about it”.

Reflecting back on the nature of these comments, I now consider that I was somewhat naive in believing that the co-participants would carry out the pre-work. As from my previous experience when any other form of pre-work has been issued, in most cases individuals view/perceive other tasks to be more important, and therefore opt to delay tackling the actual task or indeed avoid doing it altogether. Consequently, I believe that when timescales become increasingly constricted, the task is either completely ignored or encourages an inadequate level of attention affecting not only any subsequent behavioural interaction, but also the robustness of the produced outputs. In relation to the research undertaken, I realised this could apply not only to the production of the original scorecards but subsequent preparation and update of the scorecards during the review periods in the usage stage. I believe that the distinct possibility exists that if individuals adopt this approach at the initial stage the likelihood of it continuing into the later is increasingly more likely.

I must admit reflecting back on this situation that if I had thought about this more or been conscious or even aware of this situation during the lead up too and at the very commencement of the workshop I would have been somewhat concerned and worried. However, in hindsight as the actual position became increasingly evident as we started to question and engage with individuals as they interacted with the scorecards I realised in this instance it did not significantly hinder, but actually helped individuals in relation to their understanding and completion. With my reasoning centring on the sobering fact that as individuals started with a blank canvas they would be less likely to be tempted to take the easy option and simply sit back, going along with any completed pre-work either substandard or otherwise and not questioning their own initial assumptions and conclusions. When this is considered, I was

encouraged to see that as the workshop proceeded this precise situation encouraged and nurtured general debate and banter between individuals working via the computer system on their respective personal scorecards. I realised that this provided me with a valuable opportunity to not only dispel and challenge areas of negativity, but also focus on positive situations, which I felt would be for the benefit of all concerned supporting a greater level of interaction and focus.

Consequently, I expected that from this interaction, reasons for underperformance would be more fully understood from which more robust performance solutions would emerge. I was encouraged, when this was discussed in a reflective stance in the syndicate exercises at the end of the workshop to see that:

“It is not hard is it, we already know from past experience, but it was good to share the frustrations”.

“We could bounce ideas of each other and identify what will and won't work from others who had used it in the past”.

I also felt that that due to the interactive nature suggested within the comments, this would help address areas of concern discussed with and similarly held with both the performance coaches and analysts. At the engagement level, these related to individuals possibly manipulating figures to simply close performance gaps on the scorecards. In addition, resulting actions were based on pure assumptions rather than a robust understanding of the underlying problems, where co-participants chose to worry about how to actually achieve performance targets at a later date. Moreover, at the computer based PMS level, the usability of the deployed system to support the initial and ongoing recording of root causes and actions on the actual scorecards during both the deployment phase and into the usage/performance review stages. Both of these considerations in their own right, form important areas of practitioner enquiry with dedicated ownership and PMS sections assigned to them in the imminent discussions.

6.3.1 Undertaking Initial Root Cause Analysis

It became evident at the outset that individuals saw the process of identifying underlying reasons for underperformance as forming an important and integral part of their existing role on a day-to-day basis. Consequently, they did not consider reflection of underperformance as anything out of the ordinary to what they currently did. It was felt that this exposure and experience ensured that they were not only well versed in where the problem areas were, but also the actual reasons causing the problem in the first place. In the first instance, this suggested to me that focusing on areas of underperformance would not present a significant problem in the completion of the scorecards. This view is supported by the following reflections:

“I think that is fair to say, that identifying the problem is not the issue, as we live with it all the time, we already know what it is”.

“The root cause analysis was not a major chore, as in most cases we already know what the problem is”.

It was however becoming increasingly apparent that as individuals started to engage with their respective scorecard and performance gaps, difficulties started to emerge in relation to focusing beyond not only what was viewed as the most immediate causes, but also across different measurement dimensions. I realised that this was a problem that went beyond the less knowledgeable managers present. Some of the more experienced individuals simply feeling that they knew best and accepting what they saw as the problem and perceiving that there was no requirement to even question it or look any further for alternative reasons. Two particular views highlight the view I was encountering:

“I have lived with the problem (late mail) for ages, my unit is the last on the route to get its mail dropped off, so if something goes wrong in distribution I will always get it late”.

“The difficult bit from listening to the discussion and what I found was thinking outside of the measure you were looking at”.

As I observed and interacted with those present, I realised that in certain instances this complacency led individuals to readily and simply apportion underperformance to what they

saw as a readily recognised cause they had previously or were currently encountering. It appeared that to varying degrees this blinkered view initially hindered any desire or perceived requirement to look beyond and participate in or undertake any further sub-level analysis. This situation, which I feel when the comments overleaf are considered, raises issues around levels and degrees of complacency present amongst certain factions of the co-participants as they commenced working on their respective scorecards. As one individual commented:

“Well it frustrates us. I know fully well what it is and I can do as much route cause analysis and identify actions to sort out the problem, but if I can't influence it, what is the use of wasting all that time and effort”.

I believe these circumstances presented me with a situation that closely aligns back to the already familiar negative transfer encounters. I recognised these as falling into the previously encountered psychological barriers such as ‘nothing ever changes’, ‘not being under ones direct control’ and ‘unable to personally influence’. In turn it appeared to the coaches and I that this seemed to encourage individuals to accept on face value what they see as the current performance problem without stopping, asking or questioning why this might be the case. I realised that if this approach was adopted, the robustness of the subsequent recovery actions which depended on accurately identifying underlying causes, would be questionable.

I was well aware that this situation presented the first challenge for the behavioural way of working. I accepted that I could not just sit back and let the co-participants come up with less than robust causes. I therefore saw this as a good opportunity along with the support specialists to adopt an interventionist role, becoming actively involved via the previously discussed environment of general discussion and banter. During this interaction, identified reasons for underperformance were actively challenged by fellow colleagues, the specialists and myself, with the purpose of encouraging the identification of more robust and accurate reasons for performance gaps. I felt that by following this approach, individuals would be encouraged to contribute to the debate by sharing both best and worst practice and previous experiences, from which they would be able to challenge their own assumptions. As one individual later commented:

"I changed my mind as I found the general debate in the workshop of more use, as we could share experiences and come to better conclusions and actions".

I consider it is neither possible nor feasible to list all the encountered and eventually recorded reasons or variations for performance gaps. However, the extracted examples (illustrated below) are drawn from across the different KPI mix on the scorecards providing a reasonable overview of where support and advice was provided by colleagues, specialists (performance coaches/analysts) and I.

Examples of Root Cause Challenges:

- Simply showing lack of recruitment and/or staff wastage as a root cause without looking at the underlying reasons why, such as causes for wastage, skill levels or indeed looking beyond this into the local available employment market.
- Purely recording late receipt of mail to be delivered along with bulk arrivals into a unit as a reason for failure against time out and all mail delivered. This would be performed without looking beyond any degree to see if it was caused or impacted on by operational and/or staffing procedures and issues in the unit or other functional processes further upstream.
- Within the same related customer KPIs merely choosing to indicate delivery spans as excessive without focusing or questioning in any significant depth why this might be the case. Probable factors to be considered may include mail volumes/weight, operational/staffing procedures and problems in the unit or external on the delivery route itself.
- Solely focusing on both the positioning and use of special instructions cards and labelling of sorting frames to resolve or reduce customer complaints with limited linkages back into the effectiveness of their use, impact of agency staff or previously highlighted recruitment, wastage or skills topics.
- As interactions continued into the employee EOS and sick absence sections of the scorecard, causes simply focused on inconsistencies in the levels of understanding, deployment and subsequent use of agreed business standards. It became evident that in some cases, superficial indications as to underlying reasons why this might be the case were considered, as was how causes across other KPIs might exert an influence.

As one analyst, reflecting back on the level of engagement acquired commented:

"It does go further than that as the DOMs need to not simply look at the first problem but then ask what caused this one. so it is why, why, why. I think that they did some of this today but in

some cases, I had to prompt them; it's looking outside of the box. It will become better as the year goes on and they become better at it".

I found myself in tacit agreement. I believed that the engagement at the stage of identifying problems had produced a more robust level of understanding and recording of the underlying root causes, an example of which is shown in appendix 7 from which appropriate recovery remedial actions to close the gaps could be more easily assigned. I was nevertheless aware that this applied to both the employee and customer performance dimensions only.

I was however aware that this left the Shareholder dimension containing both the Mails Costs and Weighted Unit Costs. It was evident that as gaps across the other KPIs were identified, it became increasingly challenging for individuals to comprehend and quantify either a negative or positive cash effects against these indicators. The situation was further compounded by an inability, due to the un-issued budget to compare these indicators against a confirmed cash figure, and transpose any resulting gaps onto the shareholder element of the scorecard for subsequent action.

As I reflected on the situation, I realised that I was encountering a problem that I needed to address at the earliest opportunity available. I believed this was not only for the benefit of the scorecards, but also importantly the co-participants, who I felt could as a result see it as a threat to their current practices and behaviour. I felt this was of a particular concern, as I recognised that they portrayed an extremely protective stance towards any foreseeable budget that would shortly be assigned to the unit. Considerations emerged such as 'how much will I get, how will what I want to do impact on it?', 'how will it be effected by what others do and will any of it be taken away from me?' As three individuals later commented:

"But it is still...a bit counter-productive if we don't include the cash bit".

"Yes, it is all well and good completing the customer and employee parts of the scorecards - but how on earth do you expect us to do the cash bit when we have not had our budgets confirmed. So how are we expected to include the budget effect when we don't even have a starting point?"

"Well in the past we never know our budgets until we are already well into the New Year, so nothing has changed from what I can see".

I realised that how I reacted to this problem would provide me with the second challenge to the behavioural way of working. As the session continued, I agreed that as a group we needed to revisit this area. After discussing it with both the performance analysts and co-participants during the syndicate exercise, I accepted that this was a problem that needed to be resolved at the earliest opportunity. It would not however be possible to undertake this as part of the workshop due to time constraints. We therefore agreed that the best approach to take would be to limit its impact, upon which I stated the following:

“I accept this is a problem but we will revisit the cash and weighted unit costs as part of the first performance review when we will update these sections against the issued budget and actual performance”.

6.3.2 Root Cause Analysis: its Impact on Initial Performance Gaps

On completion of the initial stage of the workshop, the co-participants had identified relevant root causes applicable to their respective units and performance gaps. The next stage of the deployment would seek to address these causes, closing and/or exceeding the gaps through the use of both national initiatives and when necessary, local recovery actions.

As the co-participants and I progressed through the root cause stage, I realised that I was being provided with a valuable insight into the thought process, whereby a particular direction might be followed, whilst others are simply rejected. As I reflected on the consequence of this, I realised that this was a major factor that would in all probability emerge as an influence as individuals sought to close the gaps. I believed that what could encourage an individual to reject a root cause as a reason might conversely (also when improvement actions are considered), cause a similar rejection to occur. In understanding this, I believe it is first necessary to position its emergence during the process of primary root cause analysis, which I feel will then contextualise its possible reoccurrence in the subsequent stage when individuals focus on the closure of gaps.

It was clearly apparent as suggested might occur in the exposure findings that National UPBs seemed to repeatedly return as a subject and dominate any interaction undertaken. I realised that although this applied equally to all the KPI dimensions, it was particularly dominant in both the EOS and Sick Absence KPIs, attracting a high level of attention away from local causes, being seen as probable reasons for future under performance. The following related views emerged:

“We will be forced to go down this road and it will influence my EOS score”.

“What is to stop them [GOING SICK] they get full pay and I don't think the absence UPB is going to help much”.

I was however surprised that although this was clearly a topic of concern to those present, only two individuals actually chose to register a negative impact from the National UPBs worsening their previously issued performance gap. The effected KPIs included recording a deterioration of 40% in one unit against the ADM target of 100% due to changes in the measurement system requiring mail left after the staff had departed for delivery to be recorded differently. Additionally (as illustrated in appendix 10), another co-participant's worsening performance of 14.1 against repeat complaints by 2.5 due to deployment of the revised redirection policy, which the manager believed, would initially raise the level of complaints in the unit before the target of 11.5 would be achievable. When questioned as to why they chose this approach the following reasons emerged:

“What I did was said that I will fail [All Due Mail] in the first period as I put the changes in and will recover later in the year”.

“The redirection UPB and the adverse effect it will have - I recorded this over the year as a negative impact”.

I believe this suggested that in some quarters the important consideration of cause and effect had been considered and included in the initial stages. Nevertheless, despite encouragement from both the specialists and I, only these two co-participants had chosen to adopt this approach, thereby increasing their tasks in these particular dimensions, when the remainder of their colleagues had chosen the opposite course of action retaining their existing gaps (See footnote 12 overleaf).

I realised that this produced a degree of weakness with regards to the outputs from the first stage of the workshop. This was due to the fact that causes of underperformance had in the majority of cases been purely assessed against the current situation, and not on any future adverse impact that might be caused through the deployment of the National/Area/Local initiatives. It became evident whilst interacting with the co-participants during the route-cause analysis stage and subsequent reflective syndicate exercise that there existed a general reluctance to forecast a worsening of performance gaps. When questioned as to why this might be the case, the following quite diverse reasons emerged:

“Why should I saddle myself with extra work when it is not needed?”

“No just closed the existing gap”.

Within the confines of the comments it would appear that individuals might be less than proactive in identifying and recording additional potential problems if they perceive that by worsening a performance gap, additional work might subsequently emerge. I was encouraged to see during my interactions with the co-participants that this was not the dominant view. I realised that the majority of the co-participants found it extremely uncomfortable and difficult to quantify and say exactly what adverse impact an initiative, which they have no experience of and not previously deployed, will properly exert. As a number of the co-participants later commented, underpinning my own observations:

“I just focused on the gaps I had. I did not worsen anything. If I thought it would not help I did not put anything against it”.

“I found the national ones [UPBs] difficult, as I am not sure or comfortable about what they are supposed to give me”.

“Found it hard to understand the effect they [UPBs] would have and timescales”.

Footnote 12. As part of the identification of existing gaps as well as the fore coming discussions focusing on assigning remedial actions/fixes. Individuals were required to include the impact of flow through UPBs (activities not fully deployed in the previous year) as well as Core UPBs (mandatory to be deployed) and Pull UPBs (only to be deployed if they help performance)

It was clear to me that previously discussed key topics around ‘understanding’ and ‘impact’, along with ultimately likely ‘contribution’, which I had encountered on a one to one basis during discussions, had exerted an adverse effect on individuals. I consider that this first encounter within these areas ultimately took the majority of them outside of their previous experience and comfort zones and as such, it was difficult to encourage them as part of the route-cause analysis phase to commit to identify, agree and record any adverse effect. I believed at the time that the danger existed whereby individuals may (if the same barriers are encountered during the alignment of recovery actions), be encouraged to take the same approach and stance. This is not to say that individuals were not self-conscious or worried about this situation; as I strongly believe from my own observations and encounters, that co-participants were indeed concerned. One individual when questioned stated that:

“Of course it does, but again it comes back to being able to understand and forecast the effect”.

I recognised that I need to positively react to this concern. In conjunction with the specialists, I decided that to counter this situation, an interactive style as previously applied, was still necessary whilst the co-participants focused on the closure of their gaps. The continued adoption of this approach would support practitioner practice in two very specific areas. Firstly, as individuals review and utilise the National UPBs and Area initiatives to close performance gaps, provide encouragement to those individuals who had not as part of the root cause analysis phase included any adverse effects to reconsider their positions and adjust their gaps accordingly, prior to assigning recovery actions to improve performance. Secondly, in conjunction with the previous consideration, I would seek to apply the same level of support and focus not only in the use of local activities, but also the resulting trade offs and cause and effects between different measurement dimensions.

6.3.3 Closure of Performance Gaps

In addressing identified root causes and therefore closing performance gaps and or exceeding issued targets, individuals were required to deploy and utilise both the core/pull National

UPBs and Area initiatives, underpinned if necessary by locally derived activities. As part of this process, individuals would firstly commence with the National UPBs, before addressing the Area initiatives and lastly utilising either existing or new local activities if gaps still remained. By following this approach it was expected from a business perspective that performance gaps would be closed by encouraging individuals start at the National UPBs logically working their way through the opportunities provided by the different layers, where:

“You will need to develop ‘fix actions’. You should review the ‘Pull’ UPBs to see if any of these address root causes, OR alternatively, develop a local activity that addresses the root cause” (Source Unit Planning Guidelines, 2001/2002:11).

From this, individuals would be required to transpose the outputs into two specific PMS formats to support performance achievement over the year. Firstly, through the use of an excel based Unit Planning Tool, individuals would be required to record key milestones with activities shown over a 52 week period with both start and completion dates against UPBs, Area Initiatives and Local activities, categorised with their current status (red, green, amber). Additionally, on the unit scorecards individuals would need to show not only the status of the UPBs, Area Initiatives, and Local activities, but their impact forecasted both quarterly and annually. The combination of both the planning tool (appendix 9) and scorecard (appendix 10) when included with the previously positioned RCA sheet (appendix 7) constituted the deployed PMS. As I have commented earlier, their usability during the deployment and ultimately suitability for continued use into the usage stage is considered in a later section 7.5.

As the co-participants focused on the closure of identified performance gaps, which they achieved by addressing previously identified root causes, a cross-section of outcomes emerged. Firstly, (as previously discussed within both the Mails and Weighted Unit Cost's), as budgets had not been confirmed, no gaps were evident, with the co-participants being unable as well as reluctant to proportion any worsening impact associated with the identification of root causes emerging from the other (customer and employee) KPI dimensions.

I was not surprised that during the next phase, a similar situation occurred as subsequent actions were assigned by the co-participants across both the customer and employee

dimensions. It was apparent that individuals retained feelings of wariness, being unable to recognise and provide cash linkages into the shareholder section of the scorecard and to forecast either a positive or a negative impact of what they planned to do. It was clear that as with the RCA phase, the co-participants were recalling and experiencing the already familiar barriers such as 'understanding', 'impact' and 'contribution', leading in turn to concerns regarding achievability, and ultimately, how they viewed their own personal 'accountability'. It appeared that as had previously occurred, when budgets are concerned, individuals become extremely self-protective of what they perceive as a fresh start offered by a new budget, worrying about the robustness of assumptions along with what may or may not inadvertently exert a controlling influence.

When the following comments are considered, it would appear that if they had to resort to what they saw as guessing, (which increasingly surfaces as an important topic for later discussions across the other dimensions), in the shareholder element was perceived as threatening where it was felt:

"I found that bit (fix/actions & UPB impact) hard to understand and the effect it will have on my spending".

"We are putting down on the scorecard (employee and customer) what we will do, but its effect (costs) will only be a guess at this stage, and to be honest I don't want to get it wrong and be tied down to it. I think I will be more comfortable and have a better idea (impact on costs) as we start to see what happens".

I had already agreed with the co-participants that the adverse UPB influence, which had not been included within the RCA, would be reviewed during the first performance review. I realised that I needed to extend this to include the Shareholder element of the scorecard. In conjunction with the specialists, I was able to encourage the inclusion of fixes/actions along with their current categorisation regarding status, which, I realised, would support the subsequent insertion of the cash effects during the same review. In this undertaking, I received further agreement from the co-participants during the syndicate exercise, where participants expressed both their hopes and fears:

"I hope so Pete but I think it will be hard as things get going".

It was apparent that within both the Customer and Employee KPIs there existed a sharp contrast to the view the co-participants held of the Shareholders cash/budgetary KPIs with the co-participants conversely being willing to apportion fixes/actions and as a result forecast their perceived impact in the non-cash dimensions. It appeared that as the co-participants had confirmed gaps to focus on in relation to current verses issued targets this, encouraged the alignment of fixes/actions and forecasting. Whereas previously discussed, the budget which had not been issued did not encourage or support the identification of gaps, with the situation further compounded by being perceived on the other hand as a fresh start by the co-participants. I therefore believe that having an improvement figure upon which to focus encourages an interaction, which is a clear opportunity for the coming performance review when results will be available across the whole Scorecard. Consequently, in preparation for progression into the usage stage, all the co-participants aligned fixes/actions to close existing gaps across both the customer and employee elements of the scorecards. There were however, several exceptions.

Firstly, four instances where no actions were deemed necessary existed. These included two units within the All Due Mail Employee dimension, which were already meeting the target of 100% and within the Sick Absence Customer dimension two further units achieving 2.2% and 3.1% respectively against a target of 5% with both forecast at a 2.8% and 1.9% improvement against target on current performance. It was felt that in these situations as the target was being either met or over achieved, additional actions/fixes were not required simply to fill up the scorecard. I agreed with this view, but only when plans existed for the deployment of the national mandatory initiatives, which was the case in these instances. Furthermore, I was encouraged to see that in these circumstances, it was felt that managerial attention would be better utilised to focus on the closure of any remaining underperforming KPIs, with an important awareness being present amongst the co-participants concerned, that if slippage did occur in the future, the KPI along with appropriate fixes/actions would need to be revisited. I consider the following two particular prudent comments underpinning the co-participants views and intentions:

“Because sickness is not (currently) a problem, why put things down just to fill up the scorecard? If I get a problem later I can always focus on it then and fill it out then”.

"I am easily achieving my targets (ADM) now, so don't have to put down activities I am saying I will go into the year over achieving my target?"

The second area of engagement involved two instances where performance gaps had as previously discussed, been widened by the co-participants as part of the RCA phase, along with one later occurrence where an adverse gap emerged and remained as part of the alignment of fixes/actions. In the first instances (as previously indicated), two KPIs in the customer dimension were widened due to changes required for existing procedures with 40% linked to changes in how mail left in the unit was measured, as well as 2.5% due to a revised redirection policy. As a consequence of the assigned fix logic/actions, the latter co-participant identified actions to achieve his issued target, closing his gap by 5.1% with the remaining individual only identifying appropriate fixes/actions to achieve a limited movement of 27.5% leaving a remaining gap of 12.5% against his target of 100% mail to be delivered. A similar situation occurred during the fix/action phase in the employee dimension, whereby one of the other co-participants whose sick absence currently running at 6.9% against a target of 5% was only able to identify opportunities to close his gap by 1.9%. Consequently, this left an adverse gap of 0.3% as his unit entered the new financial year. Please refer to appendix 6 where all gaps and movement are summarised. As I later discussed with the co-participants why they had chosen not to close their gaps, the following reasons emerged:

"Like I said I don't want to put something down if I know it won't work, hence the gap".

"Mine is in sick, like (name removed) I did not want to just make up actions to close the gap".

"I still have a gap on my all mail delivered and I did not want to just put any old thing in. If I did that, I am sure you would pick it up later when I don't achieve it, so I am playing safe and saying I can't close the gap".

It appeared that out of the 17 co-participants who engaged in the alignment of fixes/actions, only 2 retained performance gaps raising concerns such as not wanting to guess or simply make up actions to complete the closure. I realised that I would need to review these gaps as part of my first performance review with the two individuals concerned.

I also consider these views, (when only two of the co-participants chose to retain a gap), could bring into question the robustness of the remainder of the scorecards completed during the session were no gaps emerged. This raised critical questions regarding the robustness of the outputs, which in conjunction with input from the specialists, I consider more fully in section 7.6. I also believe as previously discussed, that it is possible to extract from the engagement with the earlier RCA undertaken that individuals are uncomfortable, and not used to the crucial managerial skill of forecasting, which they simply view as having to guess, with the following opinions among many expressed:

“What they are saying is right, easier to say high impact, that way it focuses attention, but I think the trick that we are finding it hard to do is put the impact accurately against the tagging. So in reality it is a best guess”.

Additionally:

“Through the scorecards and putting actions down to close any gaps but to be honest a lot of the impact from the actions has been guessed. I don't know about the others, but I found it hard to know what will happen next week. So trying to understand 3 or 6 months down the road and relate this to the UPBs from headquarters, which I feel have been simply guessed at, regarding what they say they will provide with regards the improvement is hard”.

I consider it is clear within the context of the comments that yet again there exists linkages into ‘understanding, contribution’ and likely ‘impact’ when applied to both use and forecasting remaining areas of concern to the co-participants, particularly as they apply to the National UPBs. It is possibly by referring back to the employee and customer elements of the scorecards of the two co-participants who chose not to close their gaps to draw guidance as to how this influenced the engagement.

As positioned earlier, I believe it was the intention of the business that individuals would logically work through the National UPBs, Area Initiatives and finally Local Activities to apportion fixes/actions. It however emerged that although this might have been the intent, the opposite occurred where National UPBs in these two instances were credited with a probable worsening performance of 42.5% and conversely local activities an improvement of 32.2%. I consider this clearly indicates a strong reliance and focus on the part of the co-participants concerned on unit based actions to improve performance in preference to opportunities offered

at either a National or Area level. I realised that this was a trend similarly replicated throughout the remaining scorecards, which although it did not relate to worsening impacts was evident in relation to instances of actual usage by the co-participants, as well as foreseen improvements the co-participants expected to materialise by following the recorded course of action.

Figure 7 (extracted from appendix eight) illustrates the entire breakdown. It is evident that National UPBs attracted 26.4%, Area Initiatives 28.9% and lastly Local Activities 44.7% usage, which when compared against the individual KPIs indicates dominance towards the use of local activities with the exception of Time Out, where a 50% high use of National UPBs is evident. When this is transposed into foreseen improvement impacts, the trend continues with the highest improvements being attributed to local activities with the exception reoccurring in the Time Out KPI, which retains a high dependence on the National UPBs to support improvements across all units by 154. Interestingly, as shown below, regarding the All Due Mail UPBs, the negative 17.2% impact can be directly attributed back to the co-participant who retained a negative gap of 12.5% on his scorecard with only three choosing to align a positive impact of 1, 9 and 4.8 percent respectively.

Figure 7 - Usage & Impacts Of Fixes/Actions

	Instances of Usage				% by KPI				Impact			
	National	Area	Local	Total	National	Area	Local		Nat	Area	Local	
ADM	7	10	14	31	22.6	32.3	45.2	100.0	ADM	-17.2	69.2	247.5
Time Out	17	6	11	34	50.0	17.6	32.4	100.0	TO	154	46	97
Complain	10	12	22	44	22.7	27.3	50.0	100.0	RC	1.7	8.6	18
EOS	6	12	13	31	19.4	38.7	41.9	100.0	EOS	1.6	7.4	6.8
Sick	2	6	11	19	10.5	31.6	57.9	100.0	SICK	1.8	4.4	13.6
Total	42	46	71	159						141.9	135.6	382.9
Overall %	26.4	28.9	44.7									

At this point in the engagement I believe it is possible from these findings to assert that individuals are increasingly drawn to the use of local activities to the detriment of both the National and Area input. I appeared that they had lost confidence regarding the opportunities they provided and chose to rely instead on their own judgment. It became apparent that this outcome provided further substance to my previous discussions regarding barriers to

‘understanding, contribution’ and ‘impact.’ I believe that a similar sequence of psychological and cognitive conflicts continued to manifest themselves, which as a consequence, encouraged individuals to retain their main attention and focus within areas they felt comfortable interacting and operating. As one individual subsequently commented:

“Well I see its 4 key words ain’t it really understanding, expectations, reality and accountability?”

As I reflected on the implications of this view, it became apparent that two specific considerations had re-surfaced. Firstly, I realised that similar barriers had emerged as encountered earlier during the original exposure workshop whereby individuals found it extremely difficult to identify, quantify and understand what the national UPBs would ultimately provide. As both the specialist and I interacted with the co-participants in the workshop, we found it hard to quantify the expected impact. We were however extremely conscious of not simply providing a figure for the co-participants to work. As we accepted this would not only go against the agreed behavioural way of working, but reduce the degree of ownership and accountability the co-participants might subsequently feel and display, if what we suggested did not come to fruition. I accepted that this would provide yet another subject to be discussed at the first performance review. As a consequence, one of the specialists reflecting on the workshop commented that:

“Actions might have been put together on assumptions”.

As a result, although the co-participants had to deploy the national mandatory UPBs as one of their tasks, as the evidence proves they tagged limited impacts to them choosing instead to retain a high level of reliance on local activities. It was felt that individuals were more comfortable committing to local activities they had either previous experiences of, or devised themselves. It was seen that when this was the course of action followed, that expected impacts could be more robustly considered and included on the scorecards, and it was felt more likely achieved as they were viewed as being under their direct control and influence. As a number of co-participants later commented:

"A lot of the impact was guessed and we had to use local activities to fill in the gaps".

"Doing the scorecards was a bit frustrating, as I found it difficult to project the impact of the actions, particularly the national UPBs. I found it easy to say high, low or medium for the local ones, as in most cases we have used them in the past and know how useful they are. But I found the national ones difficult as I am not sure or comfortable about what they are supposed to give me".

"Well like we said earlier, it is all well and good putting down actions and timescales, but it is hard to understand what they will give and when. I think I am ok with the local ones, but the national UPBs are something else".

"The local actions are easier to tag as I have done them before and know what I can and can't expect from them".

Secondly, I believe it is clear from the co-participants views that misgivings exist whereby previous unresolved performance problems or particular aspects of the National UPBs are seen as counter productive and in certain instances removed from an individual's direct control and influence. I believe it is clear that when this is the case, individuals are encouraged to simply reject their use in supporting improvements, with the following views being extracted across a selection of the deployed UPBs:

"I am in a continuous state of recruitment which affects not only my budget but all mail delivered and time out".

"Also staff asking for annual leave in certain months so doing this (Way Forward Annual Leave Selection- Turning an individuals request down as no untaken slots are available) is going to effect how they think about me, remember it is me telling them they can't have the dates they want so who's EOS score is going to go down".

Additionally:

"I had problems with the individual performance standards and trying to put against it what it will give me. It frustrates me, as I think the principle is good, but we don't have agreements on the sorting rates, so I know we will have a lot of arguments with the CWU and staff".

Moreover within the case context:

"The same applies to the work time learning. I know my staff are going to hate it as they will see it as us managers stopping them getting out on delivery. So I expect to have similar arguments".

I must admit what when these are considered, I would have been more comfortable if the co-participants had recorded an increased level of adverse effect. It however became apparent that apart from the limited adverse impact previously discussed and recorded as part of the RCA and fix/action phase, this was not the case with individuals simply choosing to record either a high (red), medium (amber) or low (green) impact and not assign any resulting impact. A situation which is clearly illustrated in appendix 10 and evident to varying degrees across all dimensions of the scorecards, but none more so than both sections of the Shareholder dimensions, is due to what I have previously discussed in relation to Shareholder considerations.

6.4 Reflections on Managers Deployment of their Respective Unit Scorecards

6.4.1 Personal Ownership

I had decided earlier during the exposure workshop that I needed to revisit the issue of ownership and accountability as part of the deployment stage. This was due to the fact that this issue had previously surfaced as a topic of concern for both the co-participants and I. I wanted to see if the deployment workshop had eradicated these concerns. If this were the case, the co-participants would consequently feel they had both increased levels of ownership and accountability towards their targets, performance gaps, and recovery actions on their respective completed scorecards.

Through subsequent dialogue with the co-participants, it became increasingly apparent that individuals continued to retain a paradoxical disparity between how they viewed 'feeling' and 'understanding' that they had ownership, and in turn were accountable for the contents of the scorecards they had produced. I realised that in the majority of cases, participants did not view ownership as a major problem, as they readily accepted that they were ultimately responsible for the actual performance of their respective units. The issue however appeared to reside in the degree of accountability individuals displayed towards the targets, both present and future

performance gaps, and actions across two very specific areas, with the influencing factor residing in what they felt they could not directly influence or control.

The first area, which heightened uncertainty in the previous sections, related to mandatory projects and or policies, which individuals grudgingly accepted they had to deploy, such as National UPBs and changes in National and Area focuses. It was thought that these could generate situations which they were neither able to influence nor control. Ultimately, there was a feeling that this would lead to poorer performance in their units, with the following reflection from one of the specialists gained during the workshop (along with an additional comment from a co-participant), highlighting the depth and severity of feelings present:

“There are strong feelings from the DOMs that the EOS Fairness of Line Manager target is one which they have very little control over. It is only measured once a year, and can be significantly affected by a number of people completing the survey, as well as recent communications either at local or national level, conduct procedures, and (National/Area) policy decisions”.

“We always get new things to deploy as the year progresses, which like the UPBs, have not been thought through or understood on how it impacts on the delivery units. I get frustrated by this, as we end up working extra hours and sorting out the problems with the staff”.

In a similar context, it was felt that previous experiences have shown the adverse impact that other functions and processes (either directly or indirectly), can exert on unit performance, which in the majority of cases, the recipient manager feels he is not able to directly influence or control. In this situation, (which they considered had always been in existence), was in their view not likely to change and as such, they believed that personal accountability could not be directly attributed towards them for something they had not been involved in, or responsible for, due to someone else's decisions or actions. Consequently, individuals stated:

“I have no problem with being accountable and having ownership, but it has got to be against something that is achievable and I know I keep going on about it, but I need to be able to influence and control what is causing me a problem. I can't influence the Mail Centre, so how can I be held accountable for a problem in my unit when I am not causing it?”

“I think the main thing is if we think we can achieve targets and no outside influences like the Mail Centre are going to get in the way, then yes I feel I have ownership and you can hold me accountable, but if I can't improve anything because of someone else's actions I think it would be unfair”.

Across both discussion areas, repeated instances relating to being able to directly control and influence, continually surface as triggers linked to the topic of personal accountability. It would seem that when individuals believe they have direct control and influence over something, they view personal accountability positively. Alternatively, when they believe direct influence or control is not possible on their part as a result they feel they should not be held personally accountable. I believe that when this is closely compared against the previous section, a direct co-correlation exists whereby individuals (through their own previously acquired mindsets), have been encouraged to deploy local activities in preference to those opportunities provided at both a National and Area level which they view as less than robust or thought through. This may be either a sub-conscious or conscious act on the part of the co-participants triggered and directly linked to a need for self-perseveration, as they feel they are more likely to be able to directly control and influence their destiny through perusing activities they have previous experience of or if necessary devised themselves. This is a personal view on my part, which is supported through the following statement:

“I just rely on local actions as I understand them and they are mine, so I feel I am able to influence them. Don't feel that I can with the national ones as I think they are just going to cause me problems as they have not been well thought through”.

I would however be naive to believe that issues around accountability will simply be resolved through the adoption of local activities by the co-participants. Previous experience has taught me that even the best-laid plans will undoubtedly be exposed to influences that had not been considered or present at the time of their original conception and deployment. I believe that the co-participants were acutely aware of this possibility, and as such still retained concerns regarding the recording of planned actions on the scorecard, which in certain cases some still viewed ambivalently:

“I think it is a way of tying us down”.

“I still see it as tying me down. The contracting bit still worries me, as I am sure it will be used to bring me to task when I don't achieve my objectives”.

As I reflected on the deployment engagement, I was interested to ascertain how the support specialists viewed the diverse and topical issue of ownership. I was interested to see that the specialists approached this concern from a completely different perspective, viewing the role the SOM undertook as part of managing performance as critical in nurturing an environment of ownership amongst the sector managerial team. I realised that this impartial advice offered by experienced individuals who had daily contact with the front line managers, provided me with a valuable insight were it was felt that:

- *"I have concerns that unless SOMs are 100% on board with the process, it will give very little improvement".*
- *"SOMs need to ensure meetings are booked and held consistently, and need to challenge actions, which are 'woolly' and forecasts which are too optimistic".*
- *"SOMs need to ensure DOMs are not just completing the forms for compliance sake, but are tackling root causes. I think unless the SOM chases up with the DOM on Root Cause Analysis (RCA) each quarter, then it will not happen".*
- *Strong support is required from the SOM to give DOMs the confidence to turn the monthly reviews around from a SOM telling the DOM what he needs to do to improve his unit, to the DOM telling the SOM what he is doing already to make improvements".*
- *"Some DOMs will have difficulty getting to grips with the scorecards, and even more difficulty forecasting the impact of their actions. We need to ensure they do not waste a lot of time worrying and trying to be too accurate with their forecasts. A lot of support will be needed from both the SOM and Analyst in this area".*

I accepted that this provided me with a very honest insight (not only into possible practitioner shortcomings in relation to my role as a SOM), but also which I willingly accept as guidance regarding how I would need to adapt my professional practice to better support my front line team. I realised that by adopting this managerial style in conjunction with the agreed behavioural way of working, I would be better able to react to continuing concerns regarding the term 'contracting' and 'tying down' individuals, as well as dealing with future difficulties where individuals during the performance reviews might subsequently feel frustrated:

"Well it frustrates us and I can do as much root cause analysis and identify actions to sort out the problem, but if I can't influence it, what is the use of wasting all that time and effort?"

6.4.2 Robustness of Scorecards into the Usage Stage

A key activity I needed to undertake shortly after the completion of the workshop (as both a practitioner and researcher), involved a critical review of the produced scorecards, to assess their suitability for subsequent usage by the co-participants. As part of this, I required a rounded and impartial view. I therefore reasoned that this would be more possible through the involvement of the support specialists and the Area Senior Analyst. I was of the opinion that from this involvement, not only could I identify possible improvements applicable to the scorecards, but also opportunities to further support the previous guidance gained from the specialist against my practice during the usage stage.

As we discussed the individual's scorecards and personal experiences, it was evident the co-participants had approached the task in a positive manner. There was little indication of negativity in relation to what one of the analysts felt could have been instances where individuals may have simply resorted to saying, *"you know the old, we can't do it"*. This resulted in all individuals exiting the workshop with produced scorecards of varying degrees of robustness, which closed performance gaps across the different KPI dimensions in all but the two previously discussed instances. Additionally, those present believed that the main initial benefit derived from the managers participating in the workshop was raising awareness and related actions:

"I think it simply focused them down or raised awareness, which we built up in the workshop along with suitable actions, which is where I think the main activity and involvement happened" (Analysts).

As we assessed the contents of each of the scorecards, it was apparent that the workshop was viewed by one of the specialists as providing a springboard only. As such, the co-participants were just developing their own capabilities and competences in the use of a BSC approach. The analyst clarified his position with cautious optimism:

"Yeah as a starting point, my personal view is that its getting better, its better than it was last year, its not ideal, but its on the road to improvement".

I was encouraged by the nature of the comment and realised that I needed to expand the conversation further to understand the reasoning behind the expressed view along with the opinions of the remainder of the group.

As a vehicle and prompt for debate, I refocused the group back onto the RCA and fixes contained in the produced scorecards. As we commenced to work our way through the contents, there was a consensus that in certain cases (due to lack of experience), the risk existed whereby aligned fixes might not support either a full or a partial improvement outcome. Thus during the conversation, one of the performance coaches commented:

"Yes I think it is correct I had to keep questioning the DOMs as they went through their own scorecards".

As we explored this further, it was felt from interacting with the co-participants that difficulties existed in not only isolating suitable fixes, but also identifying, understanding, quantifying and in turn forecasting the expected impact over a realistic timeframe. As part of the discussion, the following varied views emerged from the group:

"Concerning the size of the gap and the time span individuals have put down to close the gap, I don't think they have thought it through properly and the risk is that they won't achieve it".

"Because they don't understand how to identify the impact of their actions and accurately forecast it, we have always done it for them in the past".

"I'm not convinced that we all know that an action we put in, actually delivers an improvement".

"I don't think they've got the skill as being being able to say, 'this action is done in isolation and therefore this action has driven that change in the results', because we do so many things at once".

"When improvements are seen, we don't know which one of the many actions that we do day by day has driven that improvement".

It was possible from the contents to extract guidance and a suitable assessment criterion, which as a group, we continually referred to in our review of the scorecards. On the completion of the review, all (apart "from 26 of the fixes") contained on the employee and customer elements of the scorecards and (detailed in appendix thirteen) were deemed as "reasonable" by the review team. Consequently, these elements were considered fit for purpose to support improvements

in the relevant units. As the review continued, I realised that I was also being provided with a suitably robust and focused framework to underpin the previously received guidance, upon which I could base my impending performance reviews with the co-participants.

I reasoned that if I followed a similar approach and framework, I could maintain a level of consistency, robustness and focus, as well as depth to the reviews. I considered this would encourage the co-participants to complete any required pre-work, allowing them to participate actively and constructively in the review. I also felt it would encourage individuals to fully consider all options before simply passing the problem up, where they might, (as one individual commented), be encouraged to assume:

"I would have thought it would then be up to Pete as our SOM to point us in the right direction and help us close the gap".

I believed this would go some way to reducing the analysts concerns:

"Yes I do and I think we will end up doing (identifying problems – causes - fixes) it for them".

"Well many of the operators find more difficulty because it's a, 'today I've got a problem today I've got to solve a problem' (what is happening today) rather than (an ongoing problem that might happen later) a week or month or 2 months".

"In your case, with having so many units whether or not feasibly you'd be able to go down sufficient details and focus on the actual nitty gritty, because you've got so many units".

On the conclusion of the meeting, we agreed that as the line manager, I would relay the recommendations back to the co-participants using the same framework to nurture understanding in the next meeting. I expected the recommended changes to be progressed by the co-participants prior to (and confirmed as actioned), as part of the first performance review of the new financial year. I saw this as formalising the process of signing off the scorecards with my team, as well as the 'contracting' or in other terms the 'agreement of the contents' being concluded on a one two one basis at the review session.

I adopted this approach as I realised that from the management meeting, the depth of focus and resulting areas of questioning would be fresh in the minds of the co-participants. I thought this

would help the co-participants and I acquire a more balanced view of the scorecards, and therefore increase their overall robustness and reduce the possible emergence of the analysts' concerns. I saw this as an important action, as I needed to include the shareholder KPIs along with any resulting cash/budgetary impacts resulting from the customer and employee dimensions, which (as previously discussed), were not available or included on the scorecards at the time the assessments had been undertaken.

6.4.3 Usefulness of Computer Based Performance Management System

As the co-participants, support specialists and I interacted with the RCA sheets and scorecards, it became extremely evident that problems existed which, as a group we considered if allowed to continue, would severely affect any resulting engagement within the usage stage. This is not to say that we viewed the entire system in itself as inappropriate. Individuals felt the activity/task listing provided to support managers and the process of RCA and alignment of fixes, was a valuable tool, where it was stated:

"I thought the activity listing was a good tool as it helped me to sense check that I have covered everything. It is easy to get into a blinkered state and the amount of work we have done today makes you forget the simple things [daily and weekly tasks] you take for granted. So yes, it was good".

The problem we encountered during the deployment workshop was that we were expected to use 3 distinctively separate computer based systems, which were not interlinked in relation to the root cause analysis sheet, unit planning tool and unit scorecard. Consequently highlighted the complexity of having to use three separate computer programmes:

"I think...a lot of the programs we get given are difficult to complete and not professionally developed. If it had been you, you would only have done one sheet and it would have been copied across to the other ones".

"Gaining access to computers and the day job will cause us problems. I think this system is too slow and takes up a lot of space. We need something that is simple to understand and complete".

"What I want is something that is easy and quick to access, rather than taking hours to open as would be the problem on the computers in the units",

It was clear that this generated an increased awareness amongst the co-participants around topical issues such as workload, access to computers and the complexity and difficulties associated with the system. I was however encouraged to see that they were not simply dismissing the system entirely, but requested they be provided with something that was user friendly and straightforward. I believe this indicated that they had accepted that some sort of system was indeed necessary to support their impending BSC engagements were the centrality of the system was acknowledged:

“Yep... I do like the process, but let's keep it simple so we can keep on top of it. Otherwise like everything else, it won't be updated and be a waste of time after a couple of months”.

I believe that to devise a possible solution, it is first necessary to understand the problems from which we may subsequently devise robust and agreed solutions. The first issue centred on the root cause analysis sheets (appendix seven), where although it supported the identification of root causes it became increasingly evident it was an isolated document and not linked electronically to either a control system (unit planning tool) or scorecard, requiring duplication of work on the part of the co-participants.

Additionally, the unit-planning tool (appendix nine) similarly was viewed as an isolated system, based on what individuals worried could eventually be an extremely large excel format. Team members feared that such a sizable application would require not only significant input at the start of the year to record activities over a 52-week period, but increasing in size and complexity as the year progressed. All concerned considered this as extremely over complicated, and not in any way or means user friendly with the following prudent view forwarded:

“The unit planning tool is a nightmare, how on earth are we expected to use that to track activities and update it? [The tool] goes over 52 weeks. I would need more than an A4 printer to print that off. It comes back to what we have said before: it is not user friendly”.

With regards to the unit scorecard (appendix ten), although it was viewed by some as confusing, it did enable the identification of initial performance gaps and recording of initial

actions, status and forecasting. It was however impossible in the later instance to go below a quarterly forecast or record the level of depth and detail contained in the RCA sheets. This was deemed necessary by all concerned in relation to what would undoubtedly be additional and or remedial actions and root cause analysis throughout the year. The following criticisms of the issued scorecard emerged from the co-participants:

"I also thought the scorecards are too complicated to support the recording of local actions. There is no space to put anything down and the calculations are confusing".

"[The scorecards] are too complicated and don't from what I have seen, allow enough space to do a root cause analysis and record cause and effect".

"The sheet only allows you to input into quarterly columns. So it won't allow us to do a monthly analysis".

As I reflected on the experiences and opportunities positioned, I was conscious that I wanted the co-participants in conjunction with the sector analysts to develop a probable working solution. In this way, I reasoned that such an approach would not only be workable as the co-participants had been involved but also fit for purpose, due to the analysts' involvement. I was encouraged firstly that when I put this forward as part of the syndicate exercise that one individual replied:

"Why not use these scorecards [present] as the start point but pull something together that is simpler to use?"

In addition, as the discussion focused upon the dilemma and possible solution that the analysts already had a similar devised format for their own use (appendix eleven), they believed they could adapt the format to meet the needs of the business. It was apparent that the system they had incorporated not only the process of root cause analysis, recovery actions and impact, but also supported both a monthly, quarterly and yearly effect and outcome to be included onto a excel based sheet. I also realised that an additional benefit of the suggested approach was that it allowed the complete recording of the review without requiring an additional process. In reaching a joint agreement, it was felt that we could:

"Use these as the base documents and use the ones produced by [the analysts] as the review documents. These can contain the same information as the ones on your computers".

"We could produce a similar format, but provide the right columns to allow monthly completion. But we will [sector analysts] need to continue to use the national scorecards for the quarterly impact, as it will link into the Area forecasting and performance management process".

I was conscious that by adopting this approach, we would be rejecting the nationally deployed system. Conversely I was also aware that to continue to use the deployed approaches after I had been exposed to the concerns of both the co-participants/analysts and shortcoming of the system itself, would possibly jeopardize the subsequent engagement into the usage stage. In addition, my relationship with the co-participants may also have been jeopardized.

I accepted that I needed to gain support for the changes in approach I intended to follow, which I intentionally raised as a discussion topic at the review meeting with the sector analysts' support. During the meeting, the following expressions of support emerged. Firstly from the sector analyst:

"The other SOMs will do something similar I think".

As a result of the debate, the Area Senior Analyst subsequently confirmed that the use of the revised format would be acceptable to her as long as the following requirements continued to be met from the sector team. This included the continued quarterly submission of the nationally issued unit scorecard by the sector analysts to support the Area Scorecard submission. In addition, monthly updates in relation to UPB status confirmations in the units would continue as part of the deployment workshop and included as a discussion topic at the monthly performance review, with updates submitted to the Area team.

"As long as the scorecards are completed as we use them for the area reports and forecasting".

"We can include this [monthly UPB status report to Area] in the monthly performance review and update a sector report so they don't have to submit from the units".

6.4.4 Practitioner Implications Emerging from Deployment Phase

The aim of the workshop was to examine each unit scorecard and identify gaps between current performance and targets. Where the gap required performance to be improved, a root cause analysis was made to address the reason for the gaps and an action plan drawn up. In the group setting extra assistance was provided to develop the analytical skills required and root cause analysis.

The managers could see their problems more clearly. Also they found they had common problems. In some cases, managers had already done work to improve performance and were able to share this learning with colleagues. Overall, managers were generally encouraged by the new approach, seeing it as a structured, supportive and time-scale process with fewer and more realistic objectives. The outcome was a more robust scorecard comprising detailed root-cause analysis and actions directed to close existing gaps. A particular improvement was that managers began to address cases where actions to improve performance against one measure caused a trade-off with another performance target. For example, an increased sick absence would raise mail cost through short or long-term recruitment to cover the resulting vacancy. The issue was getting the managers to weigh up different options as opposed to selecting the easiest or most obvious one. As a result, another positive effect of the workshop was to make it easier to reach agreement with each unit manager to sign-off their scorecard. However, the unit managers demonstrated they had a better understanding of the scorecard. They were pleased with the intentions to work in a new way.

Nevertheless, underlying frustrations remained as they approached the time when the scorecard would go live. These centred on their perceived ability to control performance directly to achieve targets in the different segments of the unit scorecard. They were positive about the repeat-complaints measure. Here they were confident that they could directly influence the performance of individuals for whom they were responsible. In the instance of the fairness of line managers, they felt they had a great influence but that the national employee satisfaction survey could be adversely affected by such effects as the timing of a national initiative imposed on the unit. The other two customer measures of all mail delivered and the MIPP

timeout are both heavily dependent on the smooth running of the national transport network and the efficiency of upstream functional process, as well as fluctuations in seasonable weather conditions. Similarly, the management of sick absence was seen by managers as involving support processes, particularly personnel in cases where national policy agreements could have overriding effects on performance.

The measures that continued to generate the most debates however, were associated with costs. Individuals recognised that the task would be both stretching and at times difficult with most of the other KPIs directly impacting on the budgetary performance of the unit. Managing these trade-offs was recognised as difficult. However, individuals felt frustrated again about the impact of upstream problems and unforeseen initiatives introduced during a year at a national level that would not have been taken into consideration when setting the unit budget. This often made it very difficult to meet targets. In addition to the concerns of my managers, I had reservations about the responsiveness of the measurement system, in particular the responsiveness of feedback and feed forward processes when trying to manage emerging trade-offs. I was aware that any delays in providing a speedy response to these factors would jeopardise both the behavioural commitments made and the credibility of the whole measurement system.

7.1 Usage Positioning

Following the deployment workshop over a period of nine months, the eight co-participants and two analysts who had agreed to continue into the usage stage provided continuous qualitative and quantitative feedback. I saw the purpose being not only to focus on the practitioner and cogitative implications of the co-participants use of the scorecards, but also how this subsequently affected the relationship between the co-participants and myself. It was reasoned that by following this joint interaction (linked to actual performance results), as well as drawing upon relevant commentary emerging from management meetings and performance reviews, practitioner practice on both sides could be supported, and more importantly improved, when opportunities were identified.

7.2 Engaging with the Co-Participants

To support this level of interaction, I have adopted a number of applied approaches. Firstly, I constructed and distributed a bi-monthly questionnaire targeted at the eight frontline co-participants. Secondly, I conducted two interviews with the co-participants at both the three and nine month stages of the research. In both instances, the two sector analysts were included. In each case, these activities were undertaken on the conclusion of a performance review to enable both experiences and feelings resulting from the engagement to be more easily recalled by the interviewees.

Finally, I conducted two focus groups during the fifth and eleventh months of the research period. I saw these sessions as serving two very important purposes. These specifically related to providing not only an opportunity for the co-participants to express their feelings and emotions in an impartial environment, but also a suitable medium to test and further explore a

number of conflicting messages which subsequently emerged from both the questionnaires and surveys.

7.3 Initial Insight into Practitioner Engagement

{My Initial Intention} It had been my intention that as part of the first performance review (PR) I would need to include a number of key activities which remained outstanding from the development and deployment stages of the individual scorecards into the delivery units. These tasks specifically related to reviewing not only the inclusion but progression of the additional recommendations (see Appendix 13), issued to the co-participants shortly after the robustness assessment of the completed scorecards was undertaken.

Additionally, I not only needed to review the National UPB position (which individuals had made little use of as part of the workshop), but also update the scorecards to include the shareholder dimensions. This was necessary, as it had not been possible to undertake the latter, due to the budget not having been confirmed at the time. This situation was further compounded by a strong reluctance from the co-participants to commit to a cash impact for the actions recorded in either the Employee or Customer dimensions.

{First Performance Review} When I agreed to commit to this process during the deployment workshop, it had not occurred to me that the simple process of arranging and undertaking a PR to complete these activities would prove so problematic. At the outset, I was well aware that I could only expect each manager to attend up to ten PR's when annual leave and sickness were taken into consideration. I did not see this as a major problem in relation to the first review, as all managers were scheduled to be at work. I also felt that if the owner of the scorecard could not attend as the year progressed, then a suitably briefed and empowered substitute cover manager (provided from either within the unit or acting pool), would suffice. I believed that by following this process, I would be addressing the earlier concerns of the analysts and co-participants in relation to PR's being booked and consistently undertaken.

It became apparent, however, that although attendance was to emerge as an extremely topical issue at an early stage of the research, it was not the most pressing concern. The immediate issue to be resolved as both the analysts and I prepared for the first PR centred on unforeseen performance system problems associated with the robustness and confirmation of actual results from the first performance period. Whilst we were encouraged that the budget had been confirmed by this stage, we were disappointed that it was still not possible to identify either budgetary or sick performance results from the first period (April) by the middle/end of May, which was well into the later part of the second period. As a result, we were concerned that the co-participants (already disillusioned and adversely critical towards the delayed confirmation of the budget during the deployment stage), would see the delay as serving to vindicate their concerns.

This was particularly worrying as the situation was further compounded in the customer dimensions, where both the ADM and TO results appeared to be raising concerns regarding their measurement focus alongside conflicting views and opinions regarding the precise measurement dimension. As such, we considered the initial results to be unreliable and confusing. It was felt that this could possibly encourage adverse feelings and reactions, already influenced by previous bad experience with performance management, to re-emerge, continue or to intensify.

We therefore concluded that the cash situation along with these factors made their use questionable in the first review. It appeared that although the BSC system had been deployed, the measurement aspect was experiencing problems in terms of its focus and likelihood of supplying accurate and timely results back to the frontline from which reviews could be undertaken. In addition, the actual measurement focus of both the ADM and TO KPIs seemed to indicate limited robust pre-testing and or awareness by the business of likely problems associated with their use at the frontline. I found myself in agreement with a number of previous comments expressed by one of the performance coaches shortly after the deployment workshop, such as the following from an e-mail dated April 2000:

“The process is supposed to be getting more bottom-up – yet the top can’t keep up with the bottom – the business needs to speed up”.

“Rolling out (the UPPMS system) without even testing it”.

At the early usage stage, it appeared that initial evidence would support the concerns of the performance coach bringing into question the overall robustness of the original trials conducted prior to the deployment across the business. It was felt that the 100 percent target (measured after 2nd deliveries had departed) implied that no letter failures on the day in question, for example due to late and/or mis-sorted mail being sent to another unit, would be allowed. When this occurred, this would lead to a recorded unit failure against the operation for the day in question, resulting in the suitability of the measurement criteria itself being challenged:

“Let’s compare Leeds City which handles (up to) 1.5 million letters a week and Bramley with only 25 thousand. Each is measured the same where only one letter is a failure [for the day, so I] don’t know how both can be compared and measured the same” (Source A1).

Consequently, doubts were thrown on:

“... how motivating that will be for (the City unit manager). All he has to do is fail one item a day (over each of the 26 operational days in a month) to fail to meet his total period target at all” (Source A2).

As I discussed the situation with the analysts, we started to question the precise nature of the measurement. We accepted that the measure focused on mail remaining in the unit after second deliveries had departed at 11:00 hrs, but found ourselves pondering the exact meaning of the definition. Did it imply all mail as suggested by the use of the term ‘mail remaining’, or did it only relate to mail received before the unit’s latest acceptance time, such as 05:15 and scheduled last mis-sort arrivals around 10:00 hrs?

As a group of experienced operational practitioners and analysts, we realised that if we found ourselves in the situation where we were confused, it was reasonable to conclude that those required to perform the measurement itself could harbour similar feelings. I did not realise at the time that this was going to emerge as an ongoing problem, which, as a group we would

shortly take to the business centre via the upward feed process after the third PR, and which remained unresolved till the 9th performance period.

As we considered our predicament as well as its impact over the remainder of the year, we found ourselves focusing on the results, which we realised would be required at least a week before any review could be undertaken. We considered that this would provide a reasonable amount of time to enable all parties to prepare themselves. However, it appeared from the current situation that once the budgetary teething problems had been resolved, the full matrix of scorecard results for each period would not become available until the second week of the subsequent performance period. This clearly placed undue pressure on all parties in relation to not only attending and completing the reviews over a two-week time slot, but also in that it required a degree of historical reflection on the part of the co-participants regarding possible causes. In this instance, it was unfeasible not only to undertake the Shareholder updates, but also to embark on any form of detailed review of performance across either the Employee or Customer dimensions, where recovery actions had been previously assigned.

In addition, it was felt by the analysts and myself that it would be sensible to wait for the shareholder results to be provided, and for us to acquire a second set of data from across the other Customer and Employee dimensions. We felt that this would ensure not only a better understanding of performance trends, but also address our initial assumptions regarding the discussed measurement problems. We believed that by following this approach, more robust and focused actions would emerge during discussions with the co-participants.

This decision was taken as we were conscious that we did not want to enter into what we hoped would be a proactive interaction, only to find ourselves changing direction the following month when results not only became available, but any previously revised actions based on incorrect or unreliable data had to be reassessed and changed. Additionally, we held concerns that the co-participants might (if this was not an isolated occurrence and ongoing delays along with frustrations regarding the way the KPI's were measured remained), might see it as an opportunity to deflect performance discussions.

Consequently, the consensus was that this could be highly destabilising and de-motivating for all involved. As I explored this further, it was felt that both our credibility and long-term relationship with the co-participants could ultimately be at stake in future PR's. As one of the analysts observed:

"We need to know that the results we are supplying and discussing are accurate so that we can reliably support the managers and focus on the right areas requiring improvement the first time round" (Source A1).

As we discussed the suggestion, the remaining analyst supported the view with the following reflection:

"I agree [that] if we don't get it right in the beginning, then they won't trust what we say in the future and we will have difficulties in getting them to commit to anything" (Source A2).

I accepted that this was sound and sensible advice. I was however conscious that I wanted to involve the co-participants. By maximising their direct involvement, I would be more likely to gain their understanding and tolerance towards the difficulties and delays encountered. In addition, I felt that by following this approach I would be more likely to gain their agreement to what we proposed thereby limiting any adverse reactions which might occur. I also saw this as a suitable medium through which to check not only the assumptions of the analysts and myself, but also those of the co-participants, thereby providing a frontline practitioner interpretation.

As I raised the issue of the delays and inconsistencies in available results with the co-participants during my next management meeting (22nd May), it was apparent from their reactions that they were not surprised. The co-participants had been somewhat sceptical that the new performance system, and in particular the cash/sick reporting element, would have been up and running in time to support the review in the first place. It was felt that previous experience had taught them otherwise, and they had not seen anything to suggest that the situation regarding the co-correlation of financial results and reporting from the central financial database would be any different. It appears that this was severely hindering not only their ability to accurately understand the financial effects of the actions they had taken, but also

their ability to quantify the probable cash impact of new actions they might wish to deploy as part of any review.

It was, however, recognised that after a month individual managers should be able to quantify either a positive or a negative trend. We thought that this could be done simply by referring back to existing sickness or workforce levels from which additional hours used to provide additional duty cover would offer a general explanation of the current cash situation. I was encouraged by the positive outlook. However, as I had suspected from both my observations and those of the analysts regarding the results prior to the meeting, the focus of debate swiftly returned to how both the ADM and TO KPIs were measured.

It was similarly felt that from the measurements taken to date, the ADM measure was extremely biased with no compensation being made for the total numbers of letters handled, which as previously indicated, could range from the low tens of thousands to over a million a week. It could be seen that it would not be valid for a failure to be simply attributed to either one or many hundreds of letters from this total remaining in the unit after second deliveries had departed.

As I explored this in greater depth, it became apparent that situations such as these provided the first instance where previous concerns expressed during the workshops regarding personal ownership, and in turn accountability, were to resurface. It was accepted that personal ownership and accountability for a failure of this nature would be attributed to the unit managers, but only if the failure (of mail left in the unit, or deliveries departing late) was a direct result of operational or staffing problems in the unit itself. Conversely, it was felt that when this was not the case, and the failure originated from outside of the unit's area of influence, then feelings of personal accountability would be reduced.

Reflecting on the meaning behind the outputs, it is clear that the triggering factor leading an individual to adopt this mindset not only related to where a problem originates, but also the perceived degree of direct personal influence and control which could potentially be utilised to

affect a performance event or outcome. This view is supported by the following comment from co-participant S2:

“I am always getting [Sherburn] mail which I am due but it is continually miss-sorted to other delivery offices [Garforth] by the Mail Centre staff. This then arrives back with me [in Sherburn] late and misses my deliveries. The changes [to the machine code sort breakdown to improve throughput rates] were made by the Mail Centre and I was not involved”.

At this early stage of the research, I feel it is possible to ascertain from the opinions expressed and our limited experience to date, that both KPIs were heavily reliant on the performance of upstream functions fulfilling their operational commitment to the delivery units. During the first period when there were instances of failure, individuals were discouraged by the fact that they found it extremely difficult to recover the situation or exert any degree of influence over the functional interface causing the problem. It was felt by those present, that from experience, the situation would not change, and that they would continue to struggle to meet the targets in both the KPIs.

Consequently, they questioned both the relevance and robustness of the actual measurement focus while failures occurring elsewhere would affect their operation and be directly attributed to them. At this stage the co-participants found the situation extremely frustrating and demotivating, as a delivery unit could simply fail either one or both of its targets through no direct fault of their own.

Co-participants perceived that as a result they were being put into an unfair position, whereby the options available to them were incompatible with the intrinsic need to provide customers with the level of service they had come to expect. It was thought that they needed to decide between keeping staff back and failing TO but achieving their ADM KPI, or alternatively achieving TO by letting staff leave on time, but as a consequence failing their ADM.

It was argued that the choice of either option would have an adverse impact upon the remaining customer RC KPI due to consumers complaining about later delivery times or the non-arrival of letters, held up in the unit. There would also be further budgetary implications. As one co-participant explained:

“It is going to cost us to recover [from] the situation no matter what we do, either by paying overtime to staff because they are late back or to pay staff to stay and sort the mail when they return, or get them to come in early the next morning” (Source Unknown).

We also understood that when this additional requirement was made of the operation in the unit, this was not covered by the predicted costs upon which the budget was produced in the first place. There existed little recognition or indeed acceptance from the business that this might be the case, with unit managers holding the view that when they tackle the problem they are further penalised:

“Even if we do overspend because of this, it will be forgotten by the end of the year and it won’t be remembered or [accounted for, so] I won’t get my bonus because of it” (Source M5).

Taking our experiences into consideration, we can ascertain from the discussions that individuals are acutely tuned to the cause and effect implications of performance management and measurement, particularly when problems originate from outside of their area of influence and control. In turn, it appears that this leads individuals to experience conflict in their professional practice as they strive to meet targets across different measurement dimensions when trade-offs in a number of performance dimensions are necessary to limit any adverse impact. Consequently, feelings of anxiety seem to be commonplace amongst the co-participants regarding how this will affect their professional practice and performance, as well as the perceptions held by the customer and the business when performance is reviewed at the year’s-end.

In coming to this initial conclusion at an early stage of the research, I am aware that it has only been 7 weeks since the conclusion of the deployment workshop. During this time, not only has the fledgling performance system experienced the teething problems discussed previously, but the co-participants, analysts and I have been required to develop our own skills and understanding in its use. When this is taken into consideration, I believe it would be incorrect to simply go along with the preliminary assumptions, which require further testing in the next performance review period to enable us to either support or dispel initial concerns.

I was encouraged to see that the meeting outcome was to wait for the system to produce reliable and timely data against which a better understanding of performance trends would be

gained. In the meantime, the co-participants would continue to focus on their existing actions until the period 2 PR, when the scorecards could be effectively updated.

In addition, as I discussed my concerns regarding actual attendance at the reviews (and my solution that a substitute should attend), it was reasoned that within large units with a number of permanent managers this should not present a significant problem. It was, however, strongly felt in the majority of cases that cover was inconsistent, as it would be provided via a string of acting managers (see footnote 13). This led to concerns expressed by the Singleton (units with one manager) managers regarding levels of *'knowledge, experience, skills* as well as the *ability'* of the individuals concerned to cover the units. I accepted that this could present a problem, which I would do my best to limit by agreeing to consistently assign the same acting managers to the singleton units.

To make this work effectively, I would need to agree with the unit managers assigned to cover the unit and release these individuals for one day, both before and after the period to be covered, to enable an effective handover. In addition, it was felt that after a short period these individuals would be well versed in the running of the unit and would therefore be able to provide cover at short notice during periods of sickness or absence in the future.

The meeting concluded with the consensus that the end of year reviews, which also by default fell into the same monthly period, would not only have diverted attention away from the first review, but would also have put additional strain on available time and both the co-participants and my own ability to find suitable cover managers. I had not considered this particular aspect prior to it being raised, but I soon found myself in agreement regarding the impact it could potentially exert. Consequently, I made a note to raise this as a topic for discussion later in the year during the first Area Management strategy and deployment-planning meeting.

Note 13 Acting Managers are drawn from the frontline postal grade, and cover substantive managers during periods of sickness and annual leave. This cover can be of either a single day or a number of weeks duration with varying periods in between, when the individuals will return to normal postal duties.

{Preparing for the Second Performance Review} Along with the analysts, I was encouraged to see that subsequently the full basket of scorecard results was available for the following performance period. On the other hand, I was disappointed to see that as a complete set, they were still not being made available until the 15th of the month following the period in question. In discussions with the Area Performance Manager, I realised that the late release of results would remain an ongoing performance system issue throughout the year. Reflecting on the situation, I realised that this would severely affect our ability to complete the PRs over a fortnight prior to the commencement of the next performance period, as we had planned.

I therefore came to accept that as previously suspected, I would need to extend this two-week period still further by a number of days prior to undertaking PRs to provide suitable preparation time for the analysts, the co-participants and myself. In coming to this decision, I was aware that as a sector we had already scheduled the review dates and that by taking this course of action, I would undoubtedly encounter unforeseen conflicts of schedule due to individuals having to make additional changes. I was willing to accept that this could result in a possible reduction in unit manager attendance levels at reviews, falling below what I have earlier laid out as the ideal number of ten meetings attended over the year.

I realised that in either case, I was being presented with a managerial trade-off. I could either have unit managers supplemented when necessary by empowered general cover managers, who are always available but were not adequately prepared, or my preferred option mentioned above. Attendees who have been provided with extra time in which to become more adequately prepared and conversant not only with the issues in question, but also primed to enter into a meaningful conversation regarding the underlying root causes and the potential actions which might be taken to address the areas of under performance.

{Second Performance Review} I had believed that the process agreed upon would have supported the completion of the reviews. However, it became apparent as I commenced with the second set of 17 scheduled PRs that barriers regarding participation remained.

As I interacted with the co-participants and considered their reactions, I found myself reflecting on the agreed attendance PR process and the number of completed reviews. It became evident that what had been seen as a logical solution in the intervening period quickly lost support as feelings of unease, apprehension and defensiveness emerged regarding individuals' actual commitment. In a subsequent telephone conversation, I was able to record the following representative view:

"I have been thinking things through [and] I don't think (name removed) will be up to it (attending PR) for me as he won't be able to talk you through either the detail of what I have done and what I have planned for the future. I think you will just end up in an unfocused conversation and get it wrong" (Source M1).

This view was prevalent, and in the majority of cases could not be changed. As a result, I found not only a number of substantive managers displaying varying degrees of resistance and reluctance to have either junior or acting managers attend in their place, but also that the majority of the cover managers were unwilling to put themselves forward to undertake the role. Consequently, three substantive co-participating managers, along with one junior cover manager (who I was able to persuade to cover his own multi managed unit), attended their respective second period reviews. This left three co-participating multi and one Singleton units' manager's reviews outstanding, as I was unable to identify individuals willing to attend the reviews, even when this was portrayed as a major personal development opportunity.

It was possible to identify a number of surprisingly similar underlying reasons from both the perspective of the substantive managers, and the junior cover manager who attended the review, regarding why this mindset existed. In the case of the managers, there was a general reluctance to delegate control over something they had personally developed and felt responsibility for, and as such did not want others to alter its contents and focus. Furthermore, the fact that the cover managers had not been involved in the unit's scorecards original deployment meant they would be unable to comprehend the original root causes and actions aimed at recovery. This inability would adversely affect their confidence and competency in subsequent reviews. In particular, concerns were expressed that individuals would not understand what was currently being done to improve performance, and therefore would be less likely to be able to explain the reasoning behind why and how particular courses of action

were being taken or had been rejected. It was felt that this could not only lead to inexperienced individuals being unable to quantify why particular results had come about, and also to forecast probable future performance improvement against an existing or outstanding action. In situations such as these, it was believed that individuals could put forward inappropriate recommendations, or be discouraged by my input. This outcome would be contrary to the agreed way of working whereby commitments are made to courses of action which might not otherwise have been agreed upon

I was aware from informal feedback that the junior cover manager had discussed his concerns with colleagues prior to attending the PR. I therefore made a conscious decision to raise the issue on the conclusion of his review. It emerged that surprisingly similar areas of concern existed to those expressed by the unit managers. This made individuals in attendance uncomfortable as they felt that their own shortcomings along with their lack of experience could be exposed to me as a senior manager, as well as to those who owned the BSC. It was believed this could put them in a situation in which they could be exposed to ridicule and criticism on the return of the substantive manager if they did not subsequently go along with what had been discussed or agreed upon. The one cover manager who attended stated that:

"I only did this as a favour for (name removed). I am not too sure how he will react to what I have agreed to and given him to do, [as] for all I know I might have got it wrong. I don't know why or what he has done in the past or what he might have planned to do in the future"
(Source: Junior cover manager, 21st June 2001).

I was aware that from the previously discussed telephone conversation feelings existed whereby substantive managers assumed that if they did not subsequently concur with the content of the PR, they could not be held accountable for or pressured to commit themselves to any decisions with which they did not agree. It was believed this would surface as an issue to be resolved particularly when overall performance worsened, or when, as a direct result, additional problems subsequently emerged. This would need to be considered when reviewing future performance due to the additional pressures placed on the substantive manager; valuable time, which could have been better used elsewhere, would have been wasted whilst inappropriate courses of action were reversed to recover from any slippage.

I believed it would only be correct for any bystander to assume that an attendance of fifty percent at this early stage was extremely disappointing, and as their direct line manager I strongly agreed. I was encouraged that as the research progressed, although it never actually achieved 100%, attendance did steadily increase to a high majority of PRs completed. This improvement was particularly noticeable in multi-managed units. I realised that their stable and experienced managerial base provided an ideal opportunity for me to dispel the unit managers' concerns and encourage them through close cooperation to identify and coach a responsible and willing individual. We achieved this by taking a number of actions.

Firstly, the scorecard process and PR outputs were replicated and disseminated into the individual reviews undertaken by the unit manager with his own team. It was believed this would provide depth of understanding and comprehension of not only the BSC process, but also unit targets, current performance and specific recovery actions across the various sections to address areas of under performance. It was felt that this was extremely beneficial, as was the case with the Singleton managers, where it was the section managers who were ultimately responsible in the larger units for performance and the conduct of recovery actions in their individuals sections. As was suspected, this exposure provided individuals with a depth of understanding across the unit, which over a period encouraged the more confident and experienced individuals to attend the PRs and feel well prepared.

Secondly, I was conscious that I needed to build upon what was being done in the units and decided with the unit managers that additional support would be provided whereby individuals would be encouraged to accompany the unit manager during a number of PRs. This proved invaluable, as it allowed individuals to experience a working PR during which they were actively encouraged to ask questions if anything regarding the performance of the unit was unclear, or if anything else about the content or proceedings of the PR concerned them. I believe that through following this process, both the professional relationship and confidence of both parties would be strengthened.

However, it proved impossible to apply the same method in the case of the Singleton units. I had intended for acting managers to be tagged to named units. When I tried to push forward

with what had been agreed, it proved impracticable and was perceived to be applying favouritism towards a small select group of individuals to the detriment of those who would remain unassigned. I therefore agreed that in the case of the small number of Singleton units, those which were low impact would be included in the subsequent PR, and high impact unit reviews would be undertaken as soon as the unit manager was available.

{Review Outcome} As previously discussed, additional time was provided for the unit managers to prepare for the reviews. Nevertheless, both the analysts and myself accepted that some individuals might be confused as to what was expected of them, as it was the first PR the managers would have encountered. In this instance, we decided we would take the lead. We felt that this would provide individuals with the skills and knowledge necessary to undertake relevant work from which they would update and submit their personal scorecards prior to attending future PRs (see footnote 14).

In reaching this decision, we accepted that at this time we did not have all 17 managers attending. On this occasion however, we believed this could possibly work to our advantage, as it allowed us additional time to focus our attention on those attending this particular review cycle. In turn, we recognized that we could provide this particular group with the necessary skills and the confidence which would encourage them to actually apply what they had learnt in their next PR. It was hoped that after having the scorecard pre-work completed, these PRs would progress unaided. Therefore, additional time would be freed up for the remaining managers, who we would be provided with the same level and intensity of support and encouragement.

I judged that undertaking the initial reviews in this manner had a number of positive outcomes. This approach built on the previous work undertaken during the workshop activities, and as such, was invaluable as it further embedded knowledge and understanding. Additionally, this

Footnote 14 Individuals would be expected to review and update the contents of their scorecards and submit them to both the analyst and myself prior to attending. This would include not only updating the results and performance gaps but also underlying root cause and actions against which a reflective commentary supported by proposed recovery actions would need to be included. It was thought that this would provide the framework against which the PR would be focused by either agreeing and or amending the contents for the coming actions.

demonstrated that I was not going to apply an autocratic and dictatorial approach, but rather allow individuals to take direct ownership and responsibility for their personal scorecards. This latter point is extremely important as I believe it underpins one of the major concerns leading to the agreed way of working. In subsequent sections, I critically reflect on and discuss both the three and nine month stages of the research, as well as the ultimate success of this particular approach and the lessons learned from it.

{Engaging with the KPIs} After testing and analysing the performance results, root causes, and recovery reactions with the four managers who attended, it proved possible for both the analysts and myself to obtain a preliminary understanding as to the degree of engagement which had taken place. We reasoned that in all probability, replication would occur in the remaining units, and we therefore believed that we would acquire a valuable insight into performance issues likely to be similarly discussed and addressed during the third reviews. On a personal note, I also appreciated that I was being provided with a valuable opportunity to test my own practitioner skills within the PR environment, and I decided to question the analysts in relation to my professional practice after the second cycle had been completed. I received the following response:

“To begin with you had a habit of interrupting and jumping to assumptions before the manager talked you through it. I think it was due to you having discussed a similar problem in a previous review and already [having] a good idea of what the problem was. So you told the manager without him coming to his own conclusions” (Source A2: 26th June 2001).

On reflection, it would appear that this behaviour was due to my intense enthusiasm for the subject. I accepted that this contrasted with my previously discussed desire not to adopt an autocratic or dictatorial approach. If I had continued to act in such a manner, individuals may well have confirmed my earlier fears and reverted to a back seat mentality in future PRs. When I asked for advice on how to change my approach it was recommended I support individuals to take responsibility for their actions during the PR. I simply needed to curb and control my enthusiasm by *“letting them think through and put forward their own explanations and conclusions and... then test[ing] their reasoning”* (Source A1: 26th June 2001).

Root Cause 3	Risk of A/L carry over to be quantified by DOM. (6 weeks)
Action 3 DOM	3 weeks to be taken in Period 4. Bring details to next review session.
Root Cause 4	New starters leave has to be honoured which will affect the calanderisation of budget.
Action 4 DOM	Retain local monitor of new entrants annual leave which will impinge on budget. Seek opportunities to realign to reduce effect on budget

(Source S3 PR Document 22nd June 2001)

In the case of M2, no remedial action was considered necessary as the cause and action had already been identified. However, this was not the case with S3, where it was felt that further encouragement was necessary; supported by the analysts, he was required to revisit his manpower and identify not only the effect on his budget but also opportunities to resolve the problem. It was reasoned that by doing this he would not only have an increased awareness of the problem, but also ownership of the outcome. In turn, this would provide valuable forecasting experience which could be applied in the future. Bearing in mind it was the individual's first experience of forecasting, I was comparatively comfortable with the outcome.

This, however, was not the case in all situations. As I reflected on the reviews, I realised that in one particular instance involving one of his (S3's) more experienced colleagues (M5), my comfort zone was less reassuring. I was aware of the managers' previously expressed need to be able to directly control or influence an outcome. I was therefore somewhat taken aback by the casual manner in which particular late overtime submissions were viewed as a reason for underperformance by a more experienced colleague. This was one particular area they were directly able to influence, but it appears this situation was viewed as the norm, and it was simply accepted that it was difficult to resolve and therefore likely to continue to reoccur.

Consequently, this seemed to encourage the individual concerned to adopt a defensive stance and take what could only have been viewed as a simple and quick way out without questioning all the possible causes. I believe that M5 thought it unnecessary to question the practice of either himself or his staff, but deemed it acceptable to deflect blame onto the distribution (transport) operation, who forwarded the overtime documents and/or transaction services (personnel) who processed them after receipt. During the PR, the following reason for underperformance was put forward:

Regarding unit specific issues, it was also possible to isolate from the discussions two interrelated problem areas, which, when considered across both the Shareholder and Employee KPIs, highlight the dilemma individuals experience when trade-offs, both within and outside the unit are encountered. To understand this further, it is first necessary to understand that a direct correlation exists between not only the achievements of sick targets but also budgetary performance, which I believe is in turn supported by two of the co-participating units achieving both.

It was clear from the PRs that this was due to effective and sustained internal controls in relation to the National UPB attendance procedure, as well as support provided to encourage individuals back to work. In the case of the two units concerned, this had been firmly in place prior to the start of the financial year in the form of in-house and conference recommendations. Therefore, it would seem that they were experiencing the ongoing leading effect of previous successes.

I believe this was less noticeable in the remainder of the units; although they had put into action the relevant conference recommendations, they were encountering the lagging effect, as improvements had not yet come to fruition. Consequently, the operational and measurement effect was that units incurred additional overtime costs covering for absentees or paying for additional staff until those on sick leave returned, while receiving no additional funding. Individuals accepted this situation only grudgingly.

It was felt that the lead-time it took to actually agree that recruitment could progress, and subsequently train the individual concerned, was outside of their control and influence. I believe that individuals perceived their own units' request as a unique priority case, requiring the full attention of personnel involved in both recruitment and case conference activities, whereas in reality, these might be only one of many requests for action, and those relating to higher impact units were often taking precedence.

This was one of the main reasons why there were strong feelings towards the experienced time delay. This was further compounded by the local employment market. Individuals expressed

reservations that this could attract unsuitable candidates who are selected due to a limited number of applications, and even if adequately supported and trained, could subsequently leave. These factors were perceived to be frustrating, having a major influence on the budgetary performance of the unit until recruitment requests had been met, locking the unit into a continuous cycle of recruitment and overspending. Individuals were anxious that if the latter situation occurred, it would be difficult to break the cycle and they would ultimately be held accountable.

However, the problem did not solely reside in encouraging individuals back to work as in most cases previous experience had shown that before the full range of duties could be resumed, a period of either reduced duties or rehabilitation was required. As previously suggested, this had a distinct trade-off of a reduction in sick absence, but no immediate reduction of expenditure, as both the individual concerned and the means of cover, which was not funded, would need to be paid for. Individuals viewed this in different ways. In a limited number of cases, light duties had been successfully recognised as a possible means to decrease expenditure by utilising the rehabilitation period to replace overtime or cover additional work.

Conversely, some individuals had in previous cases contested the wisdom of using light duties, seeing it as an additional and unnecessary cost. There were concerns that suitable work was not available at the time when these individuals could attend. In addition, it was believed that if non-regular staff were to undertake the tasks, they would be unable to achieve the required standards. As had happened previously, it was believed in the latter situation that additional costs would be incurred in resolving any mistakes. It is possible to gain an insight into the concerns expressed from the following recorded root cause:

Root Cause 1	Light Duty 41.5 hours per week now covering indoor work (no specific duty)
Action 1 DOM	Progress via Case Conference move to City or Stourton.

(Source S3 PR 22nd June 2001)

I believe some individuals felt that by following such an approach, the operational trade-off was unacceptable. Not only did it put additional strain on the unit in relation to finding suitably productive work, but resistance could be encountered both from individuals who had become

accustomed to light duties and did not want to revert to normal duties, or even staff facing the loss of overtime opportunities.

It had been decided earlier that to address these concerns opportunities would be sought whenever possible to transfer these individuals temporarily to M2, the largest unit in the sector. The rationale for this centred on a number of reasons; individuals would want to return ASAP to their units, workload was always available in the unit, centralisation of duties would make management and control easier, and hours transferred from the units would centralised costs, making monitoring and control easier.

I believe this was a major success regarding the agreement of trade-offs for the benefit of the overall sector, with all units up to this point realising individual beneficial outcomes. The solution was, however, not without its problems. I believe the previously discussed concerns simply encouraged some managers to take the easy option, as we saw from S3's request for individuals to be assigned to M2. As shown in the extract below, it was therefore felt by M2 that the unit had reached saturation point, which was putting at risk both industrial relations and the current under spend, which had reduced from £4.2k to £0.4k.

Root Cause	Potential risk (IR and Cash) to take on more light duties from other units.
Action	M2 to approach CWU and agree use in unit - seek opportunities to utilise additional staff to reduce/maintain existing spend
Action	DOM to identify sick absence incurred from transfers from other offices.

(Source M2 PR 19th June 2001)

It was feared that staff in M2 were aware of the reduction and would attribute this to the additional staff from other units, a state of affairs which could be seen to threaten the units' monthly bonus payment and overtime earning potential. I realised this was a trade-off, considered favourable by those transferring the effect, but as the outcome became clear was seen by the recipients as less than favourable.

In this instance, I realised that I had a difficult decision to make. I could not simply move everyone back to their parent units. I believed this would result in an increase in spending and

deterioration of sick attendance as managers could be less infused to encourage staff to return. I was encouraged that as a result of a proactive debate this was accepted by M2, who (as an extremely experienced colleague who had covered my own role on occasions) recognised that this might be the case, and that the needs of the sector, would in this instance have to take priority over his own unit. It was agreed that to reduce both staff and union concerns, M2 would need to hold a meeting in his unit. I would support this by identifying missing transfer costs from information provided by M2, which could be use in the discussions to reduce concerns.

Although these are areas of both immediate shareholder and employee considerations with suitable fixes, a successful trade-off had been assigned. The topics which dominated and generated the most concern in relation to future budgetary and customer performance clearly centred on the FTD UPB project and the MIPP UPB, which changed the way mail was measured in the unit. I was soon to realise that in subsequent reviews, as individuals gained confidence and improved their understanding of the case and the effects of their actions (or inaction), these concerns were to extend quickly to all dimensions of the BSC.

Concerning FTD, all units had a reduction in operating hours assigned from a particular week in line with expected operational changes. In progressing towards these deadlines, common reoccurring barriers appear to have emerged. These typically related to issues such as union resistance, waiting for equipment (vehicles, sorting frames) or unanswered deployment questions submitted to the Area or National project. The following extracts highlight the nature of the barriers encountered:

Root Cause 2	Unable to engage staff in FTD - issues with Meal Relief and reduction of fulltime duties which need answering
Action FTD Team	Feedback from FTD stage 4.

(Source S3 PR 22nd June 2001)

Root Cause	Conveyance problems as a result of the delay on vehicles scheduled for FTD implementation.
Action DOM	SOM to approach project teams to try to resolve blockages

(Source M5 PR 26th June 2001)

I found myself in agreement, thinking that this was the first evidence encountered that the National UPBs had not been adequately planned, or that in some cases support had not been provided. I could argue that I was excluded from this criticism and defend myself by pointing out that I was not part of the project teams. This would, however, be inappropriate on my part. I have a direct responsibility as the senior line manager to ensure that projects are deployed, and a key part of this responsibility entails providing support and dealing with barriers. In this instance, I believe that I had clearly neglected my duty to maintain an awareness of potential problems.

I recognised from the managers' reactions that the situation was becoming increasingly frustrating and discouraging, as it was felt that this would remain an ongoing issue hindering still further their ability to engage with and involve staff. It was believed that this would limit the extent to which individuals could actually progress and what they could achieve. In addition, I concurred that if these issues remained unresolved, deployment would slip beyond schedule, leading to a deterioration of budgetary performance. Reflecting back on the discussions held during both the exposure and deployment workshops, I concluded that this could lead to future control or influence arguments leading to increased feelings of non-accountability for any resulting performance beyond the planned budgets. I understood that I was in a difficult situation. I could not simply belittle the National project, which as a senior manager, I needed to be seen to actively and vocally support. Conversely, I was conscious that I needed to be seen by my team to be listening to their problems sympathetically, and it was my intention to actively back them up.

As the following extract illustrates, I agreed that the best course of action would be for myself and the Area Union Representative to visit units experiencing problems, such as S3, to try to resolve the issue, and also for me to apply direct pressure on the project teams for questions to be answered and resolved.

Other Discussions :
FTD reactions of staff and CWU in unit - SOM has agreed to take up with Area rep and planning teams - will also visit to provide support and brief staff -
seek opportunities to progress wherever possible

(Source S3 PR 22nd June 2001)

I explained to the relevant unit managers that in the meantime they had to seek opportunities to progress whenever possible. At the time I hoped that by following this approach we would reduce tensions and help free up and resolve any other problems which might subsequently arise in the remaining units.

Looking at the results emerging from both the ADM and TO KPIs, it became apparent that little movement had occurred across the units. In discussions with the co-participants attending the reviews, it emerged that when managers encountered problems such as late mail or unforeseen volumes of mail from the mail centre, or indeed staffing problems in their own units, they faced a professional dilemma of whether to meet their TO or ADM targets. Individuals had found this an uncomfortable situation to deal with. Reflecting back on their experiences, managers acknowledged that they gave little consideration to the volume of letters handled, against the total number of items failing, or indeed the reason for the failure in the first place. Moreover, the letters concerned might have been delivered later that same morning. As a result, they believed their initial fears were confirmed; for two months the measurement focus regarding ADM was both confusing, and when considered together in their present states, not mutually supportive with TO striving for 95%, and ADM requiring perfection at 100%. Consequently, we viewed this increasingly as both unrealistic and unattainable, particularly when outside influences had prevailed. Disparities existed between perceived ownership and accountability in relation to the trade-offs they were required to decide upon. Examples of this are additional costs and failing customer targets, as well as a potential adverse reaction from employees in the EOS survey, due to the management preventing them from leaving on time in order to sort late arriving letters.

As the analysts and I reflected on this situation, we realised that our initial concerns based on the outcome from four reviews were apparently being vindicated. We decided that the best course of action was to seek clarification from the remainder of the co-participants during the next set of reviews. If the same concerns emerged, we would utilise the National upward feed process to remedy the situation.

7.4 Three Months into BSC Usage

At the outset of the third cycle of PRs, I had expected that of the eight co-participants who attended, the four who had already received supported through a PR would have come prepared, leaving the remaining four to be similarly guided through their first encounter. As we progressed through the various PRs, I was increasingly disappointed to see that this was not the case, as preparation had clearly been very limited. Having been previously criticised, I now intended to adjust my approach and allow individuals to take the lead. However, the desired result was not achieved due to the fact that some participants still displayed a reluctance to take a more active role. As a result, the analysts and I sometimes had to resort to taking the lead. I gained the impression that they would come in, sit there and just look at me; I found myself impatiently trying to get things moving, and before knew it I was doing it for them.

Likewise, A2 felt that some individuals consciously or sub-consciously adopted an introvert approach, and consequently became more withdrawn. Nevertheless, there were others who felt confident in expressing their beliefs. It was reasoned that individuals who displayed confidence in rationalising the contents of the BSC had evidently taken time to prepare for the PR. On the other hand, those who lacked confidence in expressing themselves demonstrated a lack of preparation and understanding. As one explained:

"I think the majority will come back and not have looked at this until the day before the meeting and [will] not really [have] done anything. However, there are certain managers that would take things away and do something about it because of their failing on their scorecard, where others think I've always failed- I can't do anything about it now" (Source A2).

From the above, it can be seen that some individuals on returning to their unit become disillusioned or immediately preoccupied by their daily operational responsibilities. Subsequently, it is assumed that the PR is put to one side only to be retrieved shortly before it is required for the next review. A concern, which we believed was reflected in the lack of requests for assistance from the analysts. As A1 tells us:

"...one thing I am surprised about is the amount of phone calls we don't get asking for assistance, I think they are not looking at the results or the scorecards. If I was a DOM, I would be right on the phone asking why this happened so I can sort it out" (Source A1).

There was nevertheless a conflict of opinion between A1 and A2 regarding the explanation for this. According to A1, managers were not seeking any support whatsoever. However, according to A2, managers were seeking support from their peers rather than looking for assistance from the analysts. It was felt that historically, support was not easily accessible, meaning that individuals had no option but to seek support from each other, thereby encouraging them to take the aforementioned approach. In order to improve the situation, both analysts agreed that the best thing to do was to “get back out on the ground” (A2 July 2001) and personally visit the units. It was felt that this approach would raise the profile of the analysts by making them more easily accessible and approachable. It was hoped this would reduce chances of individuals, if they sought advice, returning with the same set of excuses.

Earlier discussions have already identified in some depth the degree of engagement achieved across various performance dimensions. My intention in the following section is to draw upon and expand these findings to provide an additional interpretation.

I believe that it is necessary for us to focus on a number of points raised by the PRs. Firstly, although one unit had performed less well, the remaining units were still achieving their RC targets, this suggested that previously positioned lagging impact (4-6 weeks) of new starters was yet to exert an influence on the remaining units’ results.

Root Cause 1	New entrants have generated repeat complaints - possible increase in future before training/support kicks in			
Action DOM	Continue coaching/support for all new entrants - Letter to customers effected (Highlighting new postman on delivery)			

Source (M2 PR 18th July 2001)

It was felt in all cases that this would not be a major problem as it was accepted that ownership was there, as remedial action (training/support) was under the direct control and influence of the managers, and performance would ultimately recover once these started to take effect. As M1 tells us, repeat complaints were different because ‘we can actually go to an individual and do something about it’ (Source M1).

I was also pleased to see that sick absence had remained fairly static. There was a similarly positive outlook for the second sequence of PRs in relation to supporting and influencing a decline in both short (STS) and long-term sick (LTS) absence and in turn, an impending reduction in associated costs.

It was similarly felt that the discretionary issuing of attendance stages at interviews, (which the co-participants were responsible for undertaking), should in time, reduce figures for both sickness categories. Previously expressed anxieties remained regarding suitable work being found to support additional light duties. From an ethical and business stance, it would be more beneficial if the period for which individuals remained on light duties was of limited duration, subject to regular review. This would prevent it from simply becoming an additional ongoing cost and would be the most suitable course of action to support those on LTS in returning to their full time duties. Based on recent experiences gained prior to and since the second cycle of reviews, however, it was understood that this could be a slow drawn out process. The prevailing sentiment was that 'sick absence isn't something you can solve... overnight' (Source S3).

Source (M2 PR 18th July 2001)

It emerged in the M2 PR (see overleaf) that the co-participants believed they were encountering delays in two particular areas of assistance provided by upstream support functions. The first related to inaccurate and late triggering of stages issued by personnel to the managers. The second, resulting from either the information contained in the stage or as an outcome of the interview conducted by the manager, involved in delays and lack of progression of medical referrals made by the co-participants to the medical specialist for advice and support.

Root Cause 1	Discrepancy on stage issuing	Stage 1 9 sent 5 issued 55.6%
Action DOM	DOM to confirm number of Stages issued.	Stage 2 2 sent 1 issued 50%
		Stage 3 1 sent 1 issued 100%
Root Cause 2	Transaction Services failure to issue timely stages	
Action DOM	Upward feed	
Root Cause 3	Long term sick	
Action DOM	Attend case conference and progress medical severance where appropriate.	

Source (M2 PR 18th July 2001)

In instances when this had occurred, managers expressed feelings of despair, frustration, and annoyance. As a consequence, it was believed that they had missed opportunities to support and encourage individuals back to work, or alternatively terminate employment or look to other solutions such as a medical severance or ill health retirement. Reflecting on the situation, I was reminded of my previous encounter with M5, when he had attempted to deflect my attention away from the unit as he appeared to be doing once more. I was aware that on this occasion, however, he was supported by M2 (my most experienced manager) and also the analysts, who, believed problems existed upstream, where 'transaction services [personnel were] not reacting quickly enough' (Sources A1).

Consequently, as recorded in M2's PR and shown in the upward feed request below, we agreed that the units would correlate the information. We also agreed that I would use this in conjunction with the analysts' pay concerns as upward feed to improve the support provided.

Items for upward feed :

Integrity of data regarding Stages issued - upward feed to transaction services

Source (M2 PR 18th July 2001)

In addition, I was conscious that managers had an important role to play in ensuring that information regarding transaction services was correct, and that actions arising from the conferences were being honoured. I reasoned that the formal consideration would be addressed by the unit review. This left the latter case, were it was felt that the best course of action was for managers from units experiencing problems to accompany me at the case conference. I was encouraged that this approach was deemed acceptable by the co-participants, as it would not only speed up individual case progression for both the manager and medical experts, but also help to remove inter-personal barriers between the case and unit managers. By taking this approach, the co-participants indicated that they were willing to become involved in resolving situations:

"...because in the past there's been return to work interviews... and stages that have never ever been accurate. I don't know why but we always claim that we've done them and they (personnel function) always claim that we haven't" (Source M2).

call in sick or leave the business prematurely, and the memory of the experience would encourage them to respond positively within the Employee EOS survey.

I was pleased the opportunity to reduce the number of leavers was recognised. I realised this would significantly reduce pressure on an already stretched personnel recruitment process. Furthermore, I was also aware that this would help managers address previous concerns by removing them from what had been viewed as a 'frustrating' process of recruitment and interviewing. Additionally, by reducing requests for M2 to utilise light duties in his unit, colleagues recognised the barriers he was encountering, which along with my drive to transfer previous costs, enabled M2 to elevate the concerns of his staff. We recognised that although this was too late for the recently completed survey, it would prepare M2 for the meeting by providing suitable areas for discussion and agreement with staff.

Root Cause 2	Long term sick transfers impact on budget currently 1% - reduced requests coming through
Action SOM/DOM	SOM to ensure transfers happen and variance recorded for end of year discussions (BONUS) - maintain existing levels to maintain ER/IR

Source (M2 PR 18th July 2001)

It was not possible to focus attention onto the impending EOS results as areas of concern where not 'evident' (A1, July 2001). However, in discussions individuals did express anxiety regarding the credibility of the results:

"I don't give a lot of credence to the EOS scores to be honest... I think ... they're not top of the charts in terms of my priorities, in the sense that if they were a genuine reflection every time, yeah, I'd give a lot of credence to them, but I don't think they are" (Source M1).

I was previously aware from the exposure workshop (see p. 150) of the probable existence of this mindset. It was apparent from my interaction with my team that feelings of unrest existed. As previously suspected, they believed employees would see the survey as an easy opportunity to express their discontent with their ongoing encounters with National (FTD/MIPP/IPS) initiatives by simply responding negatively to unit managers, despite them having no overall direct project control or influence. In addition, greater unease was felt with regard to the simple undertaking of their daily responsibilities, such as applying and embedding normal (operational/attendance/conduct) standards. As S1's comment below illustrates, concerns were

mounting regarding the impending results, as it was believed that a strong reactive culture was in existence, where some unscrupulous employees might take a similar stance, in the hope of changing managerial behaviour and influencing the outcome in their favour.

“Well there's mails cost, and there's the FTD, sick absence... probably... the EOS, fairness of line manager, because... if you get, if you're issuing stages to people, the chances are they're not going to give you good EOS marking” (Source S1).

It would appear from the responses of the co-participants that this is clearly of great concern to the managers. From the reaction of the co-participants concerned there appears to be widespread fear that individual performance may in itself come under scrutiny. Subsequently it was felt that the results might be viewed in isolation with little thought for the underlying cause, which may in fact be related to the business itself. This led one individual to level criticism at the upper management levels:

“Does London [the Headquarters] understand the difficulties that we are facing?” (Source A3).

Reflecting on the nature of the suggested difficulties, I realised that there were two main (or basic?) difficulties. The first centred on a strong belief that employees had become increasingly discouraged as the year progressed. Subsequently, employees were likely to vent this frustration by responding negatively in the pending EOS surveys. The results of the second PRs suggested that this was particularly true with regard to FTD. Here for example, the planned removal of 600hrs 1/6th of the operational budget in M3 and the reduction of full time duties from 27 to 15 in S3 was hindering progress. Therefore, this generated the following reactions from the co-participants:

“I mean the attitude that I got back [sic] from them [staff] was... they didn't seem to care” (Source S1).

“And now we've gone to FTD which I don't really feel... is FTD. I think again we're giving the customers a disservice, which is switching off employees because we're taking time out of their duties and we're reducing duties to part time. This is then causing unrest” (Source M3).

specific EOS results are known.

[illegible]

Source (M1 PR 25th July 2001)

his seven targets, it was stated that:

targets to concentrate on. I found myself particularly drawn to M4's personal view that when

individuals have their targets confirmed, they must believe at the outset that they are both achievable and realistic. If this is not the case, individuals may be encouraged to switch off and not even try to achieve them. Interestingly, another colleague, who was under achieving, supported this by admitting that 'if you can't achieve [a] target, then you just ignore it and go [onto] something else' (Source M3). I needed to explore this in greater depth. We could see that individuals did not just want easy targets. On the contrary, they wanted challenging yet realistic targets, where they could exercise direct control and influence. I believe the following opinions express this view:

"I don't think we should be given easy objectives, I think we should be given achievable objectives. There's a difference between easy and achievable" (Source M3).

"My view of... achievable is that I can actually control the outcome of that particular area of development... if it's not in my control, then the target's irrelevant to me because I can't control what's happened" (Source M4).

As I reflected on my interaction with the co-participants, it was evident that throughout both the PRs and data collection the behaviour of individuals was extremely task orientated, and they took immense pride in their performance, achievements and how others perceived them as managers. As one put it, 'because... of my job, you know... I want to be a success' (Source: S1).

Consequently, I believe individuals are self-conscious that if they work towards achieving all the set targets, they may achieve relatively few of them. The initial findings would suggest that individuals might be encouraged to focus on those targets which are achievable, as opposed to those which are not. The following views further support this:

"Because people will focus on the ones that they think they can achieve rather than the ones that they can't" (Source M4).

"I think it's an attitude, if you have a target that's achievable... [this] in turn makes you motivated" (Source: M3).

"It's one of those things where they shrug their shoulders and think 'well we can't achieve it'" (Source A2).

I believe this was clearly the case with both the Sick and RC KPIs, which encouraged a greater level of focus due to the perception of a high degree of personal influence and control. However, I consider this not to have been the case across the TO or ADM KPIs, or indeed either the FTD or Individual Performance (sorting) standards National UPBs. These were recognised nationally as important enablers, but increasingly problematic at the local level due to increasing cultural resistance and deployment barriers. As previously occurred during the 2nd review cycle, it was felt that these were beyond the direct influence of the individual, with particular concerns expressed around the FTD targets, which it was felt had been simply imposed and overlaid against the issued budget. Consequently, the analysts believed that as deployment dates approached and subsequently passed with no deployment achieved, individuals increasingly took the view that:

“...[the managers are] resigned to the fact there’s nothing they can do about it. They have no input in the setting of the (FTD reduction) budget” (Source A1).

I realised that the commitment I had made during period two to move the projects forward was becoming increasingly important. As I reflected on the situation, I was hopeful that some movement would shortly materialise through the involvement of both the Area Union representative and myself in meetings at an area project level. I hoped these meetings would address my own concerns and those of the analysts and co-participants.

There was similar frustration over the workshop activities and also the drive to introduce sorting standards into units. I gained the impression that individuals were acutely aware of the potential benefits from this initiative across both the ADM and TO KPI’s, but could not comprehend why such an initiative would be deployed without first setting out and agreeing the standards with the unions (see footnote 15 overleaf).

As a result similar to FTD, co-participants cited both cultural and union resistance as reasons for delays and the lack of progress. I accepted that this might be the case from my own discussions with the Area representative and agreed to revisit the subject with him again. I was unsuccessful in this case, however, as there was a reluctance to compromise the National union bargaining position by agreeing local standards with the co-participants and myself. The

co-participants believed this was a further instance whereby the business was deploying initiatives which were not fit for their perceived purpose to support both the TO and ADM KPIs. Although I did not realise it at the time, this was a stance which was to remain as a barrier for a number of years, and as such, highlights the deep-rooted resistance encountered which continues to this day in Royal Mail.

As previously discussed, it had been my intention as part of the third sequence of reviews to test the original concerns, which emerged in relation to both the ADM and TO performance dimensions. I was not surprised that similar issues relating to both the relevance and achievement of the targets alongside personal ownership and accountability resurfaced as issues for debate. In addition, I became increasingly aware that further issues, such as staff despondency, further compounded this problem (see footnote 16 overleaf).

In such instances, it was felt this was a direct reaction to the frustration felt by staff over the FTD project, which led to a further increase in expenditure to complete the effected deliveries and exerted additional pressure for the achievement of the ADM and TO performance targets.

As a consequence of the varying situations encountered, it was felt again that the targets were not relative to one another. This led M5 to admit:

"It's one target that I'm probably not going to be too focused on, because I know it's unachievable in this present climate with cut-offs and things like that" (Source M5).

On completion of the reviews, I decided to re-examine the situation with the analysts, who similarly felt that the position was untenable under the circumstances. As one analyst explained:

Footnote 15. Individual performance standards aimed to standardise the number of expected letters an employee was to sort in a minute and maintain until s/he had completed their allotted sorting responsibilities. At the time of the research, no agreed standards existed, with employees sorting at vastly different rates. Differential sorting rates could be attributed to their frame of mind at the time. As such, managers had little opportunity or ability to effectively take up a challenge.

“100% all due mail delivered is not achievable 100% of the time. Achieving a budget where we’ve taken out 10% of their [FTD] work hours is not achievable with traffic growing the way it is” (Source A2).

This was not the only problem we were now encountering. The measurement focus was raising worrying questions, and it was not unusual to hear individuals claim that:

“On all due delivery we’re not even sure what the measure is. It was only yesterday we realised the measure wasn’t what we thought it was” (Source A1).

We had previously suspected this might be the case during the second review cycle, and had already decided that in conjunction with the analysts, I would need to take this up urgently via the National upward feed process (see M1 performance extract overleaf).

[illegible]

Source (M1 PR 25th July 2001)

On completion of the third review cycle, I found myself thinking back to the additional actions to emerge from the BSC sign-off back in March 2001. I had believed prior to the period, during which I was only able to review 4 units, that I had made a fundamental mistake by not checking the additional suggestions had been actually included on the scorecards. However, as I went through the scorecards in detail during period three, I noticed that in the majority of cases individuals had resorted to similar actions in response to problems. This suggested to me that, as had been the case during the workshops, they felt more comfortable resorting to local

Footnote 16. In certain instances, employees took the stance that they would not work beyond their designated duty times. Therefore, if they left late or had what they felt was an excessive volume of mail, they would only agree to take what they claimed they could deliver. It was difficult for management to control the situation if more than one individual wanted to cut off. The reason for this is that with limited management resources available it would be unfeasible to meet all requested cut offs at the end of the duty hours to assess the situation. Also, if staff were accompanied by management to check the situation, staff would simply perform the duty in a way that would support their claims; for example, by shutting all gates to extend the time it takes. However, if the manager had not attended, it is unlikely that this would have been the case. In such cases, the management's hands were tied, as employment law stated that individuals could not be forced to work overtime, and internal agreements did not sufficiently address the problem.

This was not the only problem we were now encountering. The measurement focus was raising worrying questions whereby it was felt that:

We had previously suspected this might be the case during the second review cycle, and had already decided that in conjunction with the analysts, I would need (as shown in M1 performance extract), to take this up urgently via the National upward feed process.

Source (M1 PR 25th July 2001)

7.5 Nine Months into BSC Usage

I had hoped that by this stage individuals would actively lead and participate in the PRs. This hope was based on the reasoning that they had participated in several of them previously. In addition, they had also engaged in a fair amount of preparatory training. It became evident, however, that this was not the case. I only noted a marginal improvement in a little over half of the co-participants who had undertaken any groundwork. I believe the remainder were subconsciously distracted by their day job and/or consciously assigning the BSC to a drawer only to find that as the review day approached, they were inadequately prepared. Consequently, they found themselves yet again having to resort to phoning the analysts the day before, who noted that:

“What really worries me, now that we’ve got this far [is that] DOM’s [are] ringing up the day before the review asking me what they need to do, and that’s frightening. And that is 60% of them” (Source A1).

This was a disappointing outcome as we had anticipated that the support which was provided in the intervening period would have sufficiently addressed this problem. However, it was evident when this support was provided that individuals were ill prepared for the visits we made; they were unable to locate performance information and provide details of their actions, along with the impact they were likely to have. Consequently, they were unable to put themselves in a position to actively participate in the meeting and were easily distracted, some of them even requesting that the meeting be adjourned or re-scheduled. As a result, there was very little evidence that they had either used the encounter to prepare for the coming review, or indeed, adjusted their efforts to make improvements within their units as a consequence of the meeting. We believed a familiar situation was being encountered, whereby previously discussed operational and behavioural distractions were re-surfacing. This situation prevailed in the majority of cases, and was mistakenly seen as a personal failure on the part of the analysts and myself. As A1 revealed:

“My intention has been to train them sufficiently, lead them out in the operation so that they can [review and update the BSC] by themselves [without my guidance] within a year.

However, I couldn't leave them... to their own devices, because... from what I see [they simply] can't (or won't) do it" (Source A1).

As a consequence, the phone call for help would inevitably arrive. I was intrigued to know why we had received so few requests for support between the reviews, and also why the support which was provided through visits to the unit had so little impact.

I was therefore surprised to learn that the support which had been provided was widely perceived to be *'reactive,'* rather than more *'proactive'* as anticipated by the analysts and myself (M4, 2001). I consider the reason for this to lie in the earlier experiences of many individuals with performance management. When previous senior managers arrived at a unit to deal with a performance related issue, it would appear to have been normal for them to hold the managers to account with either very limited support and encouragement, or none whatsoever. Consequently, we were encountering a deeply rooted emotional barrier which meant that in spite of the agreed behavioural way of working being recognised as an important addition to performance management, there remained some lingering mistrust:

"I like the statement actually, it's a fresh approach that we've never been used to before, there's always been this element of 'them' (senior management) and 'us,' the cloak and dagger um [sic] approach" (Source M3)

Accordingly, I believe that individuals may have unconsciously responded to our presence by reverting to a familiar defensive posture. As a result, a covert approach was adopted as they *'sometimes [found it] hard to realise that [they] were in a new environment'* (Source S1).

I believe that in situations such as these, individuals were encouraged to fall back on the informal networking contacts they had established previously with their operational colleagues. As M3 explains;

"I think more experienced managers tend to know their problems and they tend to know the appropriate people to ring to resolve their problems. So they have their own support" (Source M3).

I decided to approach the subject of the relevance of performance management during the second interview stage. All interviewees readily and positively accepted both the BSC and PR as a scheduled activity and acknowledged that it helped them in their operational tasks, in spite

of the fact that it was a distraction from their day jobs. This was supported by a senior opinion-former within the co-participants, who claimed that:

"... everyone's quite happy with the type of approach that has been adopted and they're probably quite happy that we actually focusing on specific areas, and that give's them uniformity in what we're doing" (Source M2).

When asked the same question, the analysts agreed that the approach 'makes [managers] more focussed on things. [It] doesn't necessarily help them deliver, but it focuses them' (Source A1). Taking both sets of views into consideration, I believe that it was widely accepted that we had been focusing on the right areas, but still had some ground to cover with regard to following it through to support a noticeable improvement in actual performance. It is possible for us to speculate as to why this might be the case in relation to practitioner activities if we considering the following statements:

"Well firstly the DOMs aren't progressing and getting to the end of the action" (Source M2).

"We have not been specific enough in [our] actions and [timescales] deadlines" (Source A2).

"Actions [are] not being actioned [sic]" (Source A1).

In instances where preparatory work had been undertaken, it was believed by A2 that an improvement in terms of both comprehension and capability could be observed during the intervening period between the third and ninth review. However, it was felt that in the majority of cases the co-participants 'understood the why, why, why but weren't so good in coming up with remedial action' (Source A2).

As I reflected on the preceding comment and considered my own experiences of interaction with the co-participants, I found myself agreeing with the analysts. I had previously been criticised on two occasions for jumping in and leading the reviews, and had therefore made a conscious effort to address this. Nevertheless, I realised that from time to time it was entirely necessary to adopt this direct approach with those who were not prepared. In the case of those who were, my intervention in the majority of cases was restricted to the identification and clarification of improvement actions and subsequent forecasting. When I approached the

analysts as to why this might be the case, they suggested that the reason why individuals inadvertently concentrated on root causes over their actions resided in both their constant close proximity to the problems and an inherent desire for self-preservation. As A1 tell us:

“I think initially they came up with lots and lots of things... they thought they had to justify themselves because I just think, historically that's what they've always done” (Source A1).

Consequently, individuals appeared to become pre-occupied once the results became known with trying to understand and explain away reasons behind the performance gaps. We believed that this course of action was taken by some individuals because they felt uncomfortable, and were reluctant to find themselves in a position in which they would have to commit to a definite improvement opportunity, based purely on their own assumptions. It appeared to the analysts and I that this stretched some of the co-participants' comfort zones and as such, they turned to us to identify both the action and subsequent effect. This clearly raised doubts about the extent to which they would feel accountable and responsible for the proceedings. I believe the situation (particularly evident amongst less experienced colleagues) was compounded by difficulties experienced from being unable to link with any degree of accuracy a performance result to either an underlying cause, or an improvement activity. As A1 explains, *“They can't quantify as a result of what they have done, or want to do, how or why an action has improved or could improve performance” (Source A1).*

This situation was not confined to discreet performance KPIs. As suspected, the problem was vastly replicated across the various performance dimensions, with limited evidence emerging to suggest how we could accurately quantify how performance results and actions undertaken in one KPI would exert an influence across the remaining KPI dimensions. As one individual stated:

“I know that bringing staff back on light duties will reduce my sick [absence] but I can't say at this stage how it will improve either time out or all due mail” (Source S3).

I reflected back on the third review cycle and the commitment of co-participants to reduce sick and MC expenditure reduction opportunities. As mentioned earlier, these comprised of light duties, involvement in case conferences, issuing stages and improving cross-functional relationships with personnel. At the time I agreed with S3 when he stated that the problem of

“sick absence is not solved over night” (see p. 231). It was evident that there was a time lag in the effects of employee sick leave. In spite of this, a positive outcome was foreseen due to the level of influence and control perceived to be in existence (see p.236). Consequently, I had expected to see some level of improvement, but realised that in this case, S3’s reservations had been correct.

It was evident that the degree of influence and control exerted by the co-participants was limited. Consequently, only three of the eight units achieved the absence KPI. This marked a marginal improvement of only one unit since the third cycle, leading one of the under performing co-participants to comment that:

“I suppose currently the biggest concern I’ve got is that the actions that we’re taking on sick leave don’t result in a reduction of sick leave at the moment” (Source M1).

Taking the above into consideration, I believe that a positive sick performance, which if underpinned by a successful deployment of the improvement actions mentioned above, will have a corresponding positive effect on MC expenditure.

In coming to this conclusion, I am aware that some of the co-participants continued to hold personnel responsible for the late attendance stages and delays in the (medical) case conference process. However, the fact remains that three units achieved their targets. Therefore, I believe a constant proactive approach does achieve a positive outcome. This was achieved by focusing not only on those actions which you can influence, but also targeting those which you can’t by seeking solutions to limit any adverse impact. It is possible to demonstrate this in the following PR extract where support is provided to personnel to ensure that attendance stages arrive to time.

Action DOM 1	monitor and action stages as necessary (inform personnel when stages are due)
Root Cause 2	2 long term sick
Action DOM 2	Two members of staff awaiting RTU interviews - will visit at home to support XXXXXX still awaiting a EHS oppointment

Source: M4 PR Jan 2002

I base my reasoning behind the cumulative performance of two units (M4 and S2), each of which, as highlighted in appendix six, consistently achieved their quarterly targets across both dimensions over the nine month period.

I was also encouraged to note that M2 expenditure in relation to MS performance by the third quarter had recovered. This was partly due to refunds of medical severance, along with successes associated with cost transfers linked to employees on light duties taken on from other units. I believe that these light duties were managed effectively. In contrast, the cases of the remaining five units lead me to conclude that levels of control and deployment there were less effective. This further contributed to the adverse sick performance observed.

It would be incorrect on my part to solely attribute MC expenditure to sick performance, as at this stage I believe it is only one of the two major influences I have encountered. I consider the other topic of discussion to clearly reside in the area of FTD, which I intend to expand upon in later discussions. Firstly, it is necessary to position a sequence of inter-related cause and effect occurrences. I believe these to be influenced not only by FTD and sick absence but also by operational influences, both internal and external to the unit. My reasoning behind this is that I have become increasingly aware that they formed the ever present cortex of behavioural or practitioner triggers encountered by the co-participants.

I propose that the level of sickness in a unit has a direct impact on employee motivation and subsequent behaviour. The reviews have shown that regardless of whether high or low levels of sickness exist, there will always be staff turnover, and therefore always a need for recruitment, which can, as shown, take some time to be fulfilled I do however feel that high levels of sickness will inadvertently put additional strain on recruitment due to a resulting increase in the turnover of staff, which the existing reserves (based on covering annual leave and normal sick levels) will be unable to compensate for. Consequently, those managers whose units experience high levels of sickness increasingly find themselves having to rely on the good will of staff to keep their units operating effectively. I would question, therefore, their ability to even manage effectively when faced with later and/or increased unforeseen volumes of traffic, which may require even greater efforts from the staff. In an already overstretched

service made worse by high sickness levels, a culture has emerged whereby it is assumed by the management that the good will of workers can always be relied upon. I believe that during the period of research the co-participants have come to realise that this is not the case. In reality, when good will is so consistently depended upon there is inevitably an adverse reaction amongst employees, leading increasingly to de-motivation and displays of defiance, such as resistance to change (FTD) and cut offs (see footnote 16 on p. 240).

In contrast, managers not faced with the problem of high sickness levels may find that they only rarely have to rely on the good will of their staff. Employees in such cases are likely to be more highly motivated and less hostile to change, and consequently more willing to put in additional effort for their managers when it is required of them. I believe my assumptions are vindicated by the fact that those units (S2, M4 and M2) which displayed low levels of sickness seldom experienced instances of employees cutting off.

I believe from the discussions, in light of both the TO and ADM results along with the manpower, operational and cultural issues encountered, it is plausible that I could have expected a corresponding adverse impact on the remaining RC customer KPI (see p. 200). I was therefore surprised that this proved not to be the case, as all units, with only one exception (see appendix six) achieved the repeat complaint target over the entire nine month period. In discussions with the co-participants, similar concerns were expressed.

As previously suggested, co-participants believed that they had only been able to exert an influence on the complaints for which they felt directly responsible and could control. I was encouraged to note that in the majority of cases previously discussed actions had been applied, supported when necessary by direct coaching and “counselling for individuals” (M1) who continued to generate complaints. In addition, I had cascaded M2’s best practice into delivery units to underpin the results that had been achieved. I believe the results would clearly confirm the success of these actions. In the majority of initial complaint cases, the problems resulting from the number of new and employees cutting off appear to have been remedied before customers found it necessary to register a further complaint.

As the extract below illustrates, however, we should not assume that the majority of complaints were made in response to mis-delivery and redirection problems.

Source: M3 PR Jan 2002

Root Cause 1	0/25 (COMPLAINT LOG SHOW 1 REPEAT ARRIVING SAME DAY AS ORIGINAL COMPLAINT - REDIRECTION)		
Remedial Action	Implementing Gatwick best practice - local UPB.	6 misdelivery	
	STILL NEEDS EMBEDDING TO DISCUSS AT 121.	1 time of delivery	
		9 redirection	
		9 other	

Source: M3 PR Jan 2002

I believe that the continuously poor TO and ADM results, as previously suggested (see p. 200), increased the likelihood of complaints related to late receipt of mail.

I accepted that it was not possible to hold the delivery office directly responsible for lost letters, as mail can be held up at any number of places in the operational pipeline. Consequently, it was argued that in these instances it was out of the direct control of the individual. The situation frequently arose throughout the year whereby late or unforeseen volumes of mail continued to arrive from the Mail Centre. In these instances, where a failure occurred outside the delivery office, experience had shown that the power of those within the office to deal with the situation was reduced. It was argued by the co-participants that over the year this had had an impact on their ability to achieve both the TO and ADM. As one explained:

"I get fed up as there is only so much we can do when we get late traffic or stuff we don't expect from Mail Centre, it happens all the time. I have to sort the mess out when it happens and I get penalise." (Source M3).

Reflecting upon the effect this had had across the BSC, I realised that although the customer KPI regarding internal operational time out was affected, it was not, as M3s PR clearly shows, being reflected in the number of complaints about late receipt of mail. Therefore, either the majority of customers where not concerned about the time it took for them to receive their post, bringing into question the delivery specification in existence at the time, or the integrity of the results as show in the following extract need to be questioned. (see footnote 17 overleaf)

Comments	DOM questioned accuracy of reported results that he had no repeat complaints - he have had at least 3 in the last month
	Period 9 actual, looks to be correct
Action DOM/SOM	Integrity of results to be checked with Area Analyst

Source: M5 PR Jan 2002

I reflected on both the results and the contents of M3s PR in relation to the delays being experienced with regard to embedding best practice. I was of the opinion that in some instances, some of the co-participants were in some doubt as to the rationale for me questioning positive results, especially when this was seen as something which created new and unnecessary work.

From experience it was also believed that when underperformance is discussed, or when additional opportunities regarding further savings have been mentioned, reactions are often defensive and impartial. The impression gained by both the analysts and myself is exemplified in the following comment:

"They've never offered up intricate details about their operation, they only want you to see[the] top level and the rest doesn't concern you, and they're not voluntary going to offer anything up" (Source A1).

Consequently, it was felt that individuals either displayed a reluctance to have their operation subjected to close scrutiny, as this could expose operational and practitioner shortcomings, or reveal savings opportunities they would otherwise not have divulged. In the context of the previous discussions, I have highlighted numerous instances where I believe individuals appear to have been encouraged to deflect attention away from their unit. With regard to the issue of savings, I feel that one example of where problems occur is when individuals do not offer up details of additional opportunities due to fears that this might affect their budget the

Footnote 17: At the time of the research the existing delivery specification required a first letter to be delivered by 07:00 and last 09:30, with a second delivery to residential premises after 11:00. Subsequent changes were made to the regulations in 2004 when second deliveries ceased altogether, and the times of the first and last deliveries were changed to 09:00 and 14:00. I believe that the limited number of 'time of delivery' complaints received indicates that the majority of customers were receptive to the proposed changes, and this may have influenced the strategic decision to go ahead with them.

following year. I was surprised during the second set of interviews that our assumptions in this area were further vindicated by one of the co-participants who felt that:

“Managers may tend to do that for the simple reason [that] if they don't, they don't want that area to be noticed” and “because it may be a weakness of that particular manager, and people are always reluctant to actually show their weaknesses” (Source M4).

I was subsequently disappointed that this was confirmed during the latter part of the research period. In a budget recovery meeting held with the Area Manager to limit the effect of the FTD slippage, a number of the co-participants put forward actions they had never previously suggested, which they now believed they could implement to reduce expenditure to support the Area financial position. Reflecting on this after the meeting, I realised that this was in all probability a bonus-influenced decision on their part. In discussions after the meeting, A1 revealed the frustration the analysts and I felt when she asked:

“Why have the hours that they've offered up today not been offered [previously?] Was it that it's only come to light now that they can offer them up, or was it available 3 months ago?” (Source A1).

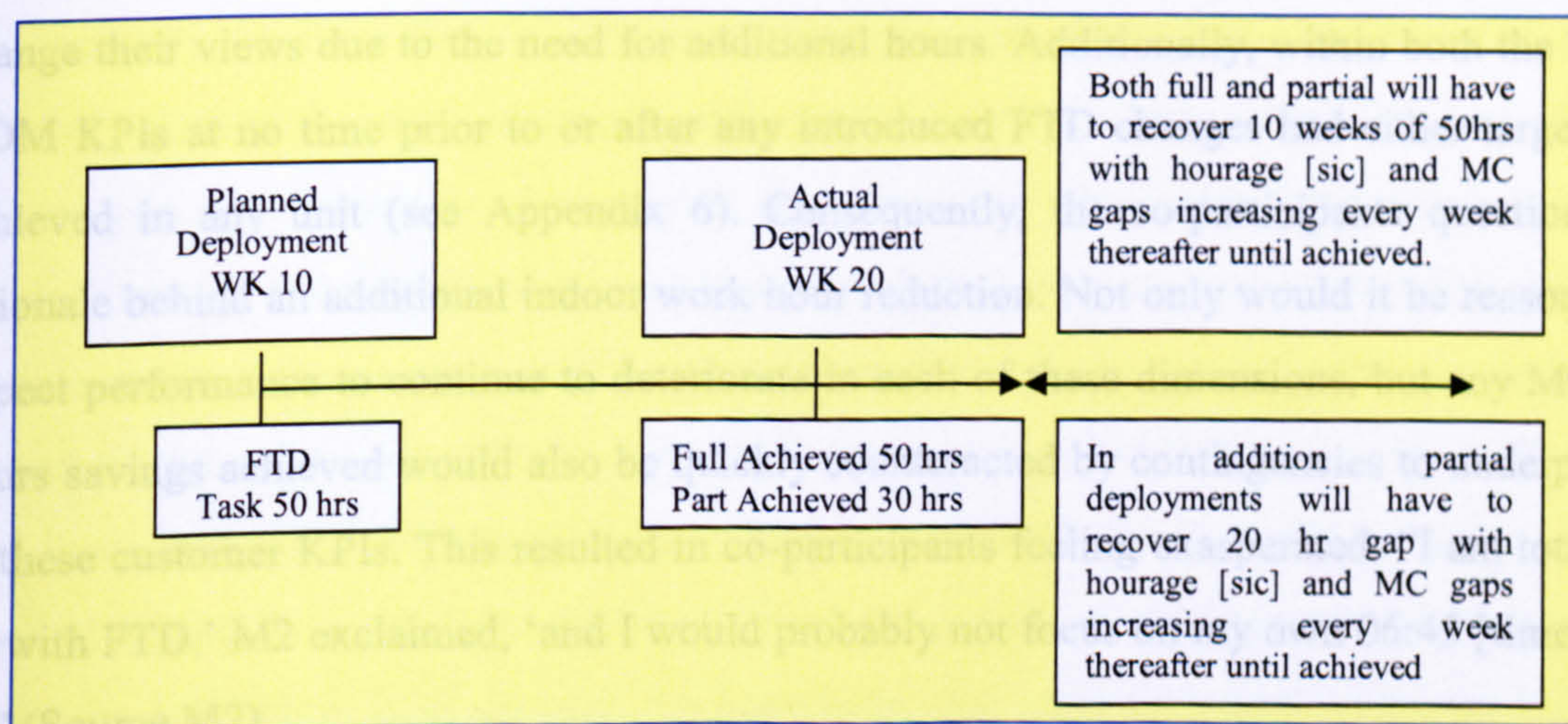
As discussed on two earlier occasions, I was already aware of instances in which individuals had openly sought to divert blame from their unit and focus attention elsewhere. I now came to realise, however, that a shift had occurred whereby a significant number of the co-participants were achieving their aims using more secretive methods. This was detrimental in terms of the potential beneficial trade-offs which could have been achieved across other performance dimensions. I believe this course of action was influenced by managers wanting to either focus upon the achievement of a particular target and buffer it against a widening gap in performance, or avoid responding to a target they viewed as both unrealistic and non-achievable. By this stage I believe this had become particularly noticeable against both the ADM and National FTD UPB, where in relation to the later initiative, it was seen to be exerting a major influence. The co-participants and I realised that over the intervening period between the third and ninth performance cycle ‘you couldn't [think about] achieving half the targets until you got FTD’ (Source S3).

This is not to say that once we had deployed FTD, achievement of the various targets across the BSC was guaranteed. In practice, there was a variety of outcomes. In all cases, slippage occurred beyond the planned deployment dates, when operating budgets were reduced. In conversation with the analysts it was believed that this was as a direct result of “budgets being set [based] on the constraints that FTD would be [subjected to] by a designated week but in reality the [unit managers couldn’t] deliver it until many months later” (Source A1).

In addition, past experience from both the analyst and co-participant perspectives had shown that when deployment had eventually been achieved FTD could “not deliver” the target (A2), and according to M3, that was why the unit results over the sector ‘aren’t improving’ (Source M3).

Despite at least being able to achieve a reduction in FTD operating hours, units now found themselves facing an additional incremental and related burden as a result of slippage. Consequently, I had to approach the unit managers in order to identify any necessary additional changes. These had to be agreed and implemented to recover the resulting MS overspending associated with the intervening weeks when deployment had not been possible. In addition, those unit managers who only achieved a partial deployment also faced the problem of recovering any adverse expenditure resulting from the remaining FTD hours which had not been successfully reduced. The following diagram highlights the effect of the delayed FTD.

Figure 8 - Delayed FTD Impact



Source: Developed from the author’s encounters with the co-participants.

I was not surprised that both the management and staff in these units reacted to the need for additional changes without enthusiasm. In these units, both the management and the union had to varying degrees successfully dealt with the issue of barriers such as the lack of support and the general unwillingness to become involved (see p. 230-239). As far as the staff and the union were concerned, deployment had basically been achieved. Therefore they had done what the business had asked by removing the hours from their unit. Any request for additional indoor sorting hours was perceived to be not only against the original FTD agreements, but also unreasonable in the eyes of both employees and the union. As a result, hostility towards any further reductions in duties or changes to duty content re-surfaced and remained in place as a barrier limiting what unit managers could hope to achieve. Similarly, the co-participants found this just as frustrating and discouraging, as they believed that barriers thought to be outside of their direct control and influence during the third review cycle had been dealt with, only to reoccur due to the additional task. This led to the widespread complaint from the co-participants that they had been 'penalised... for FTD that wasn't put in place until half way through the year, not because of [their] own problems' (Source M2).

In addition, it was felt that corresponding trade-offs and the effects of a reduction in additional costs would not only fail to recover, but possibly even adversely affect performance across a number of dimensions. Particular concerns existed that employees who had adopted a more proactive and positive attitude to change since the second review cycle, and as a result would have responded positively in future EOS surveys to the FTD deployment, may in actual fact change their views due to the need for additional hours. Additionally, within both the TO and ADM KPIs at no time prior to or after any introduced FTD changes had either targets been achieved in any unit (see Appendix 6). Consequently, the co-participants questioned the rationale behind an additional indoor work hour reduction. Not only would it be reasonable to expect performance to continue to deteriorate in each of these dimensions, but any MC work hours savings achieved would also be quickly counteracted by contingencies to underpin both of these customer KPIs. This resulted in co-participants feeling exasperated: "I am totally fed up with FTD," M2 exclaimed, 'and I would probably not focus on my own 06:45 [time out] at all' (Source M2).

I believe the situation was made even worse in relation to those units who could not deploy. I had made a commitment from the third cycle of reviews to progress upward feed with regards to ADM and also to become directly involved in the FTD project teams, which supported the unit deployments being discussed. However, in a small number of cases, it emerged from the previously positioned area meeting that the FTD task in some units was either excessive or completely unfeasible, resulting in a subsequent re-adjustment of the unit target. In a small number of instances, therefore, either an existing target was reduced, or what had been a savings task for a unit was subsequently turned into an investment. In relation to the former, I believe this was the behavioural trigger which had encouraged the earlier situation, whereby both co-participants and union representatives alike highlighted previously unaddressed opportunities.

As might be suspected, this situation was viewed differently according to where stakeholders fell within the equation. For those units which had deployed and experienced difficulties in meeting the issued targets, I believe this only intensified their feelings of frustration and discouragement. Whether rightly or wrongly, it was believed by the analysts that some colleagues may have made a concrete effort not to deploy, because it was 'hassle,' as A1 phrased it: 'it's telling the individuals that you're going to move their duties around, it's involving the union, it's restructuring and thinking about the whole picture, it's just additional work (Source A1).

Consequently, I believe that the view from certain quarters of those who had deployed was that if they had taken the same stance, not only would they have been spared having to face the cultural and engagement barriers encountered, but they would also have acquired either a reduced task or been given additional hours or staff. It was reasoned that when employees became aware of the situation, which was made all the more unsavoury by the continuing drive to recover and reduce expenditure, it would become more difficult to engage the staff. This, in turn, would put at risk what could actually be achieved in relation to an MS reduction. What is more, if asking for more hours to be removed did not cause employees to adopt a negative stance towards future EOS surveys, the knowledge that other units had a reduced task could prove the catalyst for them to do so.

With regard those units which had there targets changed. As a consequence of the meeting, the co-participants who were directly affected felt that the FTD targets had evidently been imposed without the initial involvement of the managers regarding what was actually realistic and ultimately achievable. This situation frustrated the co-participants involved, as M3 makes clear:

“Well I'm saying [the FTD targets] were imposed on us. We didn't have any influence to change these targets, for example, we were issued [an FTD reduction against my] budget... which I objected to... I said it wouldn't work [from the outset] and there were things wanted changing, and [it] didn't get changed” (Source M3).

As a result of the meeting, individuals felt that the business was now having to confirm that they recognised the impracticality of the previously task which had been set. For example:

“We [unit managers] started off with...400 hours and... after much disappointment, arguments [and] fallings out with everybody, we ended up... gaining 3 duties” (Source S3).

As was previously the case, there were concerns that relationships with employees and the union in the effected units may have been damaged. Consequently, it was felt that this might make it difficult to involve staff in future improvement activities, but also that there might be an adverse effect on future EOS results. I believe this concern to be fully justified, as out of the eight co-participating units, only two subsequently achieved their respective EOS targets, indicating that employees will, in all probability, use the survey to express their dissatisfaction towards managers and the business.

Taking both outcomes into consideration, we believed this could occur as a direct result of the employees not only losing confidence in both the business and ourselves as their managers, but also the union, who might be perceived as having let them down. The possible consequences of this are apparent in the resulting EOS scores, and in statements such as those made by M1 below:

“The CWU (union) are balloting on potential strike action, and that in itself could have a major impact on local EOS results, that we cannot do too much about and the problems I see with the EOS is the local opinion... that national things affect it” (Source M1).

Reflecting on the upward feed process and the outcome from the FTD changes, it would appear that the co-participants generally held one of two distinct view points. There were some who accepted the outcome when it was beneficial to them, even though there had been a lengthy delay. In contrast, when the outcome was viewed as unfavourable to them, other individuals seemed to argue that the decision was unrealistic and unachievable. It would seem likely that as a result, these managers had been reluctant to take on full ownership and accountability for either the actions or any resulting effect on performance. I believe this was not an isolated FTD occurrence. As explained earlier (see p. 238), I personally become directly involved in attempting to formalise (sorting standards) IPS for use by management in the units. As predicted, I was not able to achieve any success via the upward feed process as negotiations between higher levels of management and the union were ongoing. Although local union representatives recognised the need for an agreement, resistance remained as it was believed that any locally agreed rates would undermine national discussions. This was viewed with dismay by the co-participants who had always recognised that it would have been a major factor in helping to achieve not only MS, but also TO and ADM targets. Consequently they upheld their previous assertions regarding the lack of national support, and yet again questioned the rationale behind a national project that had been deployed without an agreement.

This was not the only problem I encountered. I had also hoped that my involvement in negotiations for a cut off policy and a yearly Christmas agreement would have supported the operation. Although there were no lengthy delays, however, in both instances there were some who did not agree with the contents, and felt that it was being imposed upon them:

“Christmas was a prime example where I felt I was forced to spend money on things that I didn't want to spend money on because [of] an Area Management Team decision” (Source M5).

Consequently it appeared that the co-participants were of the incorrect assumption that *“agreements had been formulated without their direct input, yet they still had to work with them” (M4).*

In contrast, the opposite was the case with regard to the ADM UPB, which with its 100 percent nationally set target, was increasingly perceived by all parties as being totally unachievable (see appendix 6 and 11). As A2 commented:

“The target is 100%. I mean, how many times in life would anyone like a target when you’re not allowed to fail. [A] 100% target means you’re not allowed to fail, [and] bearing in mind [there are] 365 days a year... I don’t like to fail” (Source A2).

Consequently the analysts and I had resorted yet again to the upward feed process to seek clarification regarding the measurement focus after the third sequence of reviews. After similar delays had been experienced, it eventually became apparent that, as was already suspected, the way the measure was taken was incorrect, even though the 100 percent target remained. This resulted in the analysts and I having to introduce modifications regarding when the actual measurements were to be undertaken. In discussions with A1 it was sensed that the co-participants believed they were being forced into a situation whereby they had no choice but to take ownership, despite recognising that the target was unattainable from the outset. From earlier discussions it would appear that the co-participants held similar views regarding EOS due to the impact of national initiatives, MC expenditure in relation to the imposed nature of FTD, and TO with its close association with ADM. A statement from M3 is typical here:

“We have a target of achieving 95% of all staff out on time, on first delivery, and... my opinion is that it’s virtually impossible because of the volumes of mail that are arriving late, the turnover of staff that we have, and the equipment that we have to use” (source M3).

In discussions with the analysts it seemed likely that the existing and the newly emerging unrealistic targets were having a profound negative impact on the degree of involvement from the co-participants. The analysts and I were of the opinion that as well as being unfeasible, working “towards either a wrong or a changed target had a demotivating effect in that it caused co-participants to switch off” (A1).

During the third review cycle, we had already concluded that individuals may have been encouraged to adopt this stance (see pp. 229-232), and it now appeared that this view had been vindicated. I believe it is reasonable to assume from the evidence gained that when these

situations are encountered managers may be encouraged to focus their attention solely upon those targets which they feel they can achieve, to the detriment of those which they perceive to be beyond their control, and therefore unachievable. Comments such as the following support our assertions:

"I think it's fairly natural for them to look at 5 out of eight targets and say 'I can do those 5' and concentrate on [them] and switch off [when it comes] to the 3 [others], and at the end of the year think they will position [sic] this with you [myself] that they've achieved 5 eighths of what they've been asked to do. Now the business might say 'well it's more important that we address the 3 that you can't do rather than the 5 that you can'" (Source M4).

This view was also supported by M3:

"Because... to start with you're destined to failure, You know you're not going to achieve it, so you're going to focus on other areas that [you] are close to achieving, so at least you can turn round at the end of the year and say, right I've valued my performance [for] this year, and I've achieved that target, that target, and that target, and that one's way out because I haven't focused [on] that because those other targets have been met" [sic] (Source M3).

I hold that we can infer from such comments that individuals do, as previously suggested (see p. 230), value their own performance, and as such wish to maximise what they can ultimately achieve. In line with M3, I believe that individuals "do take it personally when they fail to achieve their targets" and may, as a consequence, seek to deflect the responsibility for any subsequent failures away from themselves, blaming either the "flaws in the performance system" (A1), or the business itself (see footnote 18).

Consequently, it would appear that managers are reluctant to shoulder responsibility for their failures, preferring instead to project the blame by countering any discussion I may have held at a performance review by arguing that:

"By moving the goal posts it gives people [control]... it gives them a get out clause." [Therefore,] "if somebody can't achieve their goal [target] then what they do is they put up their own defences and make their own excuses, they put their own smoke screens up" (Source M4).

Footnote 18: I believe flaws in the system relate to previously discussed considerations, such as the need to change deployed BSC, the lateness of performance results, changing measurement focus and targets once deployed. Additional weakness included delays in the responsiveness of the upward feed process along with the failure to include a behavioural element recognised as an important inclusion by the co-participants. It would appear that a significant degree of carryover exists regarding how individuals perceive the role of the business when these factors are considered, which I believe has been compounded by the issuing of unrealistic 100% targets perceived to be unobtainable by the co-participants.

Chapter 8 Discussions of Findings

Through action research, the complex web of interactions between the concrete and abstract aspects of an implementation process has been revealed. The research sample was comprised of mainly experienced managers who were familiar with various measurement systems. In the preceding chapters I have provided a unique and critical reflective practitioner account of the experiences, emotions and behaviour of a managerial team as it sought to put into effect a newly formulated unit based BSC. It is now necessary to take this discussion further, and explore its full theoretical implications for the wider academic community. This is necessary in order to unite 'theory and practice' (Armistead and Meakins, 2007:18) and enable a more empirical approach to emerge.

8.1 Contribution - How Theoretical Knowledge Has Been Expanded

The aim of this research was to advance understanding of how a senior manager and his team were able to engage with a newly introduced unit based BSC in a large network organisation. This was necessary as the literature generally lacked examples of research undertaken from the perspective of those 'exposed to and required to use performance management and measurement' (Holloway 2000:13 and Neely *et al.*, 2000:1131), and accounts of observed encounters with a BSC covering deployment and subsequent usage were scarce.

In adopting this approach the study reaches beyond the detached and peripheral view of the performance environment, commonly associated with previous research findings, as it explores more deeply as suggested the issue of how managers' emotions and behaviours evolve and how this impacts on their ability to engage with and react to a unit based BSC in a centrally imposed performance environment.

The explored theory has looked at the interaction between performance strategy, performance measurement systems and the process of improving actual performance. The success or failure of a PMS and thereby overall performance management within a large network organisation is

ultimately influenced by the behavioural and emotional responses of the managers engaging within the performance environment. Earlier identification of tensions and understanding and predicting emotional and behavioural responses that may impact negatively upon the implementation of and engagement with a PMS is vital. Addressing these will not only lead to a more confident approach to both the implementation and sustained use any PMS, but also encourage better strategic alignment and motivation of managers.

In positioning the findings it is not my intention to provide a definitive account, but to offer a critical discussion of these contributions to theory. The value of taking such an approach not only provides researchers with a theoretical foundation whereby the contributions made might be further explored and developed, but will also in turn inform future practice, providing practitioners with a valuable foundation to employ when looking to improve either current and or future practice.

The framework devised was then tested over a 10 month period with the adoption of a process of rigorous reflective collaborative inquiry. By focusing on real life experiences of those involved as they were exposed to, deployed and used the unit BSC, the behavioural and emotional outcomes were used to inform the final adjustments to the framework. As such the resulting theory emerged from the methods employed and was tested and validated by virtue of the applied interviews, surveys and focus group activities. The advantage of this was that it allowed the final adjustments to the original model developed from the literature to be based upon actual practice.

8.1.1 Lessons to be Learned (Strategic Alignment and the Centrally Deployed PMS)

The findings indicate that the approach to be taken by the company is to cascade the use of the balanced scorecard (Nivan, 1999) whilst attempting to keep a line of sight for the measures through the deployment and desegregation of targets (Schneiderman, 1999). Given the large size of the company and its scale of operations, the plan for deployment at the national, area and unit

level has been implemented at what the organisation considers to be a cautious pace, with the first two taking two years to complete.

It was necessary to hold a series of workshops in order to enable the unit managers to use the unit scorecard as intended. The decision to resort to such workshops should not necessarily be taken as a criticism of the complexity of the measurement system. Rather, these workshops were seen as a beneficial team building exercise to discuss the issues of the impending interaction and interrelation between measures at the unit, area and national levels within and between business processes.

The type of interaction held further significance, as it emerged that national enablers were poorly defined, in relation to their anticipated performance contribution. It also became apparent that there had been insufficient testing or review of the trial results prior to the deployment into the remaining units. Consequently some targets and measures were misunderstood, with missing budgetary performance targets and results hindering any ability to complete or understand the impact on the shareholder element of the scorecard. Furthermore it was also deemed necessary to introduce locally designed unit BSCs to make them more user friendly and ultimately, fit for purpose. As a result, the following situation which needs to be addressed emerges:

- While managers agreed with the rationale and purpose of the BSC, they also revealed their own personal doubts about how the measures and targets might actually support unit performance, or conflict with their own goals.

The present system is widely perceived by senior managers to be a success. Nevertheless, there remains some considerable anxiety at unit level regarding the apparent imposition of targets, mitigated to a greater or lesser extent by external factors. The possibility of discouragement resulting from what are perceived to be 'unreasonable or imposed targets' has been well documented (Strebler *et al.*, 2001), and has continually resurfaced throughout the research. Arguably this needs to be addressed if any PMS is to be effective. Despite the measures being beneficial to the performance of the company as a whole, (and being simple to maintain when translated to the unit level), their relevance remains unclear in the eyes of operational managers.

When considered in relation to the notion of strategic alignment, this aspect would appear to be satisfied from the corporate level perspective, but not necessarily from that of the unit managers. It might be argued that this is largely irrelevant, so long as the operational targets are achieved. In this instance however, this was not the case, where the majority of targets across all units were not achieved.

It is possible to conclude from the findings that centrally imposed performance measurement systems elicit a level of objective understanding and dispassionate discussion from managers, while at the same time resulting in an underlying turbulence of frustration and cynicism caused by perceived lack of control over their own destiny. Consequently, when this situation occurs there emerges a reluctance to engage with the system. It is here that managers resort to localised systems in order to enable them to interact with the centrally devised system. The findings would indicate that while the present centrally derived PMS meets Hudson *et al's.*, (2001) need for a system to be 'derived from strategy,' its suitability regarding 'relevance, understanding and linking operations to strategic goals' (Hudson *et al.*, 2001) is not the case at the lower level of the BSC usage where strategy is realised. In its present format unit managers are unable to see or accept the inter-relationships, suggesting that while the scorecard was designed for line of sight down from the corporate level this is not the case when looking up. This indicates that counter to Sedecon (1999:9) recommendations a 'common language' is not evident, and as such front-line managers are unable to 'understand or share' in what Schneiderman (1999:9) suggests is their 'contribution to the organisations' strategy.

8.1.2 The Impact of a Centralised PMS on Front Line Managers

It is evident that although the co-participants viewed the nationally devised PMS with scepticism, acceptance was present regarding the declared need for a BSC, although in a revised format, and believed the use of a workshop to support its deployment was a suitable method on dissemination. By contrast, it is questionable how the workshops could in reality be perceived as successful, when many scorecards remained incomplete across all the performance dimensions. Despite this however, co-participants exhibited a greater awareness as to why targets were not

being met. In reality, the efficacy of what they intended to do and being able to quantify a result from the performance environment they encountered was less noticeable, with managers finding themselves continually during the exposure, deployment and usages stages relying heavily on local initiatives. As previously discussed, the findings suggest that the business itself was to some extent responsible for this situation, lacking essential prerequisites for any 'good PMS' deployment within the parameters of 'understanding, relevance and clearly defined and explicit' purposes as prescribed by Hudson *et al.*, (2001). This brings to the forefront the importance of organisations addressing encountered topical issues such as; weak evaluations of trial sites, contradictory, missing and or incorrect KPI information and un-quantified national enabling projects.

Taking the above points into consideration, the question of how the experience actually improved the co-participants' practice comes into even sharper focus. Despite encountering the problems described here and knowing the shareholder dimensions remained incomplete, individuals were able to complete the workshop, and produce and deploy scorecards to close performance gaps. Furthermore, they still expressed a positive attitude towards the encounter as a whole, and the need for a scorecard throughout the research period. The generally positive outlook of the participants serves as an indication that the BSC and the workshop environment had been accepted, and that the benefits of mutual support and the sharing of ideas were widely recognised. This provides a valuable foundation for future work and highlights the value of such an approach if organisations address the previously discussed barriers.

8.1.3 How Managers Rationalise the Performance Environment

The research demonstrates that the way individuals view and define their behaviour in relation to the performance environment is influenced to a greater or lesser extent by those encounters (either within or outside of the PMS) which have been experienced. Actions are therefore directly tied to the perceived relevance and realism of either the task set or encounter experienced, as well as the degrees of influence and control employees' reason to be at their disposal. In addition, behaviour is also defined by how employees view the negative and positive

aspects of either the actual or predicted environment in terms of the causes of under performance, trade-offs and/or consequential effects of decisions and actions. Consequently it became apparent that individuals were continually improving their awareness of the performance environment, using arguments of control and influence from which a defensive mechanism was adopted in an attempt to justify and rationalise their behaviour. (See footnote 19). It would appear that by deflecting responsibility for the failure to meet high impact or difficult targets away from themselves, managers were choosing to devote their time and energy towards a never-ending analysis of the problems and its causes, rather than drawing upon their experience and actually developing solutions which could be implemented. The study shows that any one of these factors, alone or in combination, can impact on how managers perceive the level of ownership and accountability they held. This clearly brings into question how senior management can react positively when faced with these tensions, and whether it is realistic for them to be able to bring within reach what is perceived by their managers as unattainable.

My findings demonstrate that the ability of a senior manager to alter what are perceived to be externally imposed business targets is limited, although this would not prevent senior management from representing the concerns of their team. The study showed that it was possible to support change regarding unachievable targets and the misinterpretation of measurement dimensions via the upward feed process, although this was not without some degree of risk. Firstly, findings suggest that the upward feed and response back aspects of the system that was in place were deficient, not in terms of the quality of the response, but with regards to its timing, which would without doubt have failed to satisfy Hudson *et al*'s., (2001) desire for 'fast and accurate feedback.' In addition, when resulting changes occur to already issued and achieved targets, and feedback regarding misinterpretation of the KPIs comes to fruition, it is apparent that levels of motivation to 'stimulate continuous improvement' as prescribed by both Hudson *et al.*, (2001) and De Waal (2002 a, 2002b, 2002c) are likely to be affected. In terms of the outcome, this is arguably dependant on whether managers perceive themselves to be winners or losers.

Results indicate that a similar situation occurred regarding the impact that other functions were

Footnote 19: The encountered performance environment would include not only the cause and effect, and resulting trade offs, but also the consequences of actions taken either by the co-participants or others.

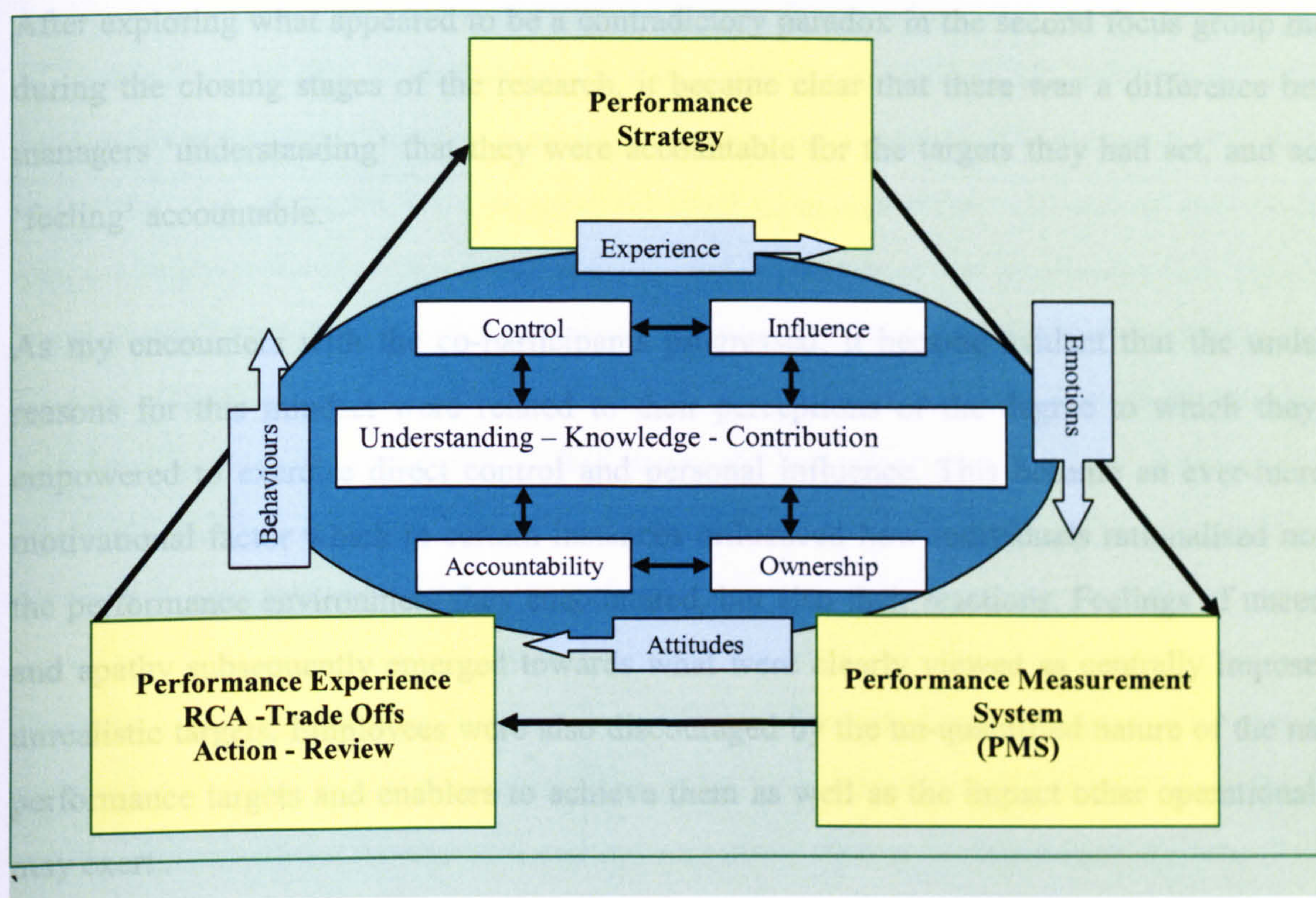
able to exert on a unit's performance, and how the co-participants in relation to influence and control were able to impact on this. It was hoped that the study would confirm that the intervention of senior management could indeed resolve the issue of trade-offs and operational consequences for the benefit of all. Although it was possible for senior management to resolve some issues when the outcome was seen as important and equally beneficial to all parties, this was not the case when either party perceived their own needs to be greater than those of other stakeholders.

It is suggested that due to both distance and detachment, this effect intensified as management ascended the seniority ladder within functional management structures. It is evident from the study that through the use of the PMS, 'stakeholders interests' (De Waal 2002a, 2002b, 2002c) can be tested when difficulties emerge, and also that support for 'linking operations to strategic goals' (Hudson *et al.*, 2001) is questionable throughout the different managerial levels in a large network organisation.

8.1.4 Resulting Emotional and Behavioural Reactions

Considering the engagement as suggested in the provisional framework it is apparent that the performance environment as suggested contains three interlinked and cyclical areas of activity. These are defined as the performance strategic process, its measurement system and zone of engagement where the organisational task is taken on and realised by front line managers. My findings have shown as illustrated in 9 overleaf that throughout and between each of the discussed areas, a central behavioural and emotional core exists. It is within this environment, when an individual experiences any exposure to a situation that rationalisation of this experience will take place. As a result, cognitive emotions and attitudes as discussed are thereby generated, which in turn have been shown to exert an influence on an individual's behaviour and reactions, and how they view and make sense of the experienced environment.

Figure 9 - The Behavioural And Emotional Impact On The Performance Environment



Considering the above, it is of value to understand how behaviour and subsequent cognitive states can be affected. It is proposed that two significant findings emerge from the engagement, supported by the surveys undertaken over the nine month research period:

- Managers fully understood the set targets, agreed that they had ownership and accountability for the targets. In spite of the fact that the majority of targets were not achieved, managers did agree that they understood how to achieve them.
- Despite such understanding and agreement, more than half felt the targets were in fact unrealistic, and therefore unachievable, irrespective of the fact that the co-participants saw performance management as a useful aid in helping them to focus on and achieve their operational tasks.

In line with Malino and Selto (2000:72), the co-participants 'did not object to stretching targets,'

but in accepting such targets, they needed to be self-assured that the targets were 'attainable'. After exploring what appeared to be a contradictory paradox in the second focus group meeting during the closing stages of the research, it became clear that there was a difference between managers 'understanding' that they were accountable for the targets they had set, and actually 'feeling' accountable.

As my encounters with the co-participants progressed, it became evident that the underlying reasons for this mindset were related to their perceptions of the degree to which they were empowered to exercise direct control and personal influence. This became an ever-increasing motivational factor which in certain instances influenced how individuals rationalised not only the performance environment they encountered, but also their reactions. Feelings of uncertainty and apathy subsequently emerged towards what were clearly viewed as centrally imposed and unrealistic targets. Employees were also discouraged by the un-quantified nature of the national performance targets and enablers to achieve them as well as the impact other operational areas may exert..

As a consequence, individuals frequently expressed the view that there seemed to be little point in striving to achieve something which was apparently unachievable or of their making. This is demonstrated in the views of the co-participants which emerged during the final group setting:

"If managers believe targets are [both] unachievable and unrealistic, they do not feel sufficiently motivated to meet them" (Focus Group Co-participant, January 2002).

This is counter to what Kaplan and Norton (1992) or Schneiderman (1988, 1999) would expect, where 'the knowledge and means of achieving' these targets, either nationally or locally, was not 'understood.' When this was further explored during the same session, the following valuable insight emerges to explain why this situation occurs:

"Managers said there was a difference between feeling accountable and understanding that they are accountable for targets set without their involvement. Some do not feel accountable for what they perceive as someone else's targets but know they are accountable for achieving results" (Focus Group Co-participant, January 2002).

This supported previous assertions (see page 162) that 'increased accountability can be seen as

threatening' (Stivers and Joyce's 2000:61-62), and confirmed initial workshop assumptions, further highlighted during the performance reviews, that conflicts can emerge between the level of ownership and the accountability felt by individuals towards the contents of their unit scorecards and actions. This was particularly apparent in a number of instances. It was clear from the outset that managers are extremely reluctant to accept either national or area projects to support improvements within units, and retained a preference for locally devised initiatives to boost performance. It appeared that individuals were not eager to hinge their own destiny on the success of initiatives which were not their own, choosing instead to rely on local actions which had been previously successful. This presented an underlying level of frustration which adversely affected how managers viewed the desired need for agreeing or contracting to the contents of their respective BSCs.

Furthermore, in cases where the degree of difficulty increased, and the gaps to be closed were widened with time, or when initiatives which had been introduced failed to produce the desired results, feelings of disillusionment, and reduced motivation to continue to strive towards targets resulted. It is evident these states are increasingly evident with regard to those targets perceived as unachievable and unrealistic (such as FTD) and having a major impact on the achievement of a unit's budget, along with misunderstood (TO and ADM) KPIs. These were always viewed unfavourably and were open to varying upstream influences and interpretations. Thus resulted in the need for local action which had an impact on KPIs in terms of costs as well as adversely influencing the perceptions of the staff in local surveys, for which managers perceived they were not directly accountable.

Throughout the research, the latter KPI continually re-surfaced as a performance dimension, influenced not only by local but also national initiatives for change, such as FTD and its subsequent target realignment, with targets being previously positioned as immovable. Strong cultural, emotional and behavioural triggers, whether dormant or active, were always present and increasingly emerged throughout the period of BSC usage amongst both managers and employees. This was particularly noticeable amongst those co-participants achieving FTD targets, who now found themselves faced with a situation whereby under achievers were having targets reset to make them more attainable.

Considering the situation, it becomes apparent that Neely *et al.*'s (1997) 'golden rule of not measuring someone against a target they have no control over' had been ignored, and also, that the 'behaviour likely to be displayed' by those already achieving their targets had not been considered when the decision was made at the national level to change targets. As a consequence, negative responses were encountered from co-participants, who typically wondered why they should 'bother'. My findings not only imply that this is applicable to the issuing of 100% targets where such reactions emerged, but also clearly draw attention to the possible effect that the 'memory of the experience' (Liljander and Standvik 1997:155) might later have on managerial and staff motivation to positively engage with targets.

The research confirms that the effects will not be confined to the management, but will be felt by all employees exposed to performance improvements. As a result, both parties will arguably be less receptive to any future changes due to a loss of confidence in their management, and that this discontent will be expressed as suggested below via future employee surveys.

"EOS forms [surveys] are filled in by staff – if they're in a good or bad mood it reflects on the scores" (Focus Group Co-participant, January 2002).

The discouraging impact of both 'unfair and imposed targets' has been discussed above (see Strebler *et al.*, 2001:xi). Individuals reported feeling that their hands were tied when they lost the power to directly control the solution of problems which arose. This was particularly evident when other unit or functional managers came to a decision or proceeded with an activity which had an adverse impact on units for which the co-participants were responsible. Further exploration of this issue revealed that the co-participants tended to see their own particular unit's difficulty as 100% of the problem. In contrast, support or other operational (processing, distribution and personnel) managers in a network organisation, who were responsible for supplying or supporting a number of units, might only see a particular unit's problem as forming only a small percentage of the overall task at hand. Consequently, other functional managers are encouraged to direct their available time and resources towards resolving what they saw as the problem in its entirety, often involving a number of different units.

Managers generally demonstrated a clear understanding of the complexity of interacting

measures, and the impact which other functions and processes had on their own performance. Unfortunately, this tended to sidetrack performance discussions, as the co-participants believed that ultimately, they were not responsible. This would appear to support Lipe and Salterio's (2000:284) assertion that the 'features of a task will generate a psychological reaction, which will influence any decision making process pursued by an individual'.

8.1.5 Motivation to Improve Performance

This clearly raises questions about the level of motivation to improve performance, and points us towards the desired state described by Hudson *et al.*, (2001) and De Waal (2002a, 2002b, 2002c) in which 'continuous improvement is stimulated' in the performance environment. This aspect is clearly satisfied by the gap analysis process in addition to the action plans for improvement. It is evident, however, that across the majority of KPIs, improvements did not materialise, with the main area of practitioner focus residing on understanding reasons behind the results and undertaking root cause analysis in relation to the why, why, why process.

In addition, awareness also appeared high regarding the consequences of decisions, trade-offs and actions across the different performance dimensions. Despite this however, the negative aspect of such considerations received greater attention from the co-participants. This brings to the forefront Da Silveira and Slack's (2001:949) assertion that the 'idea of trade-offs is not a problematic issue for practicing managers.' Conversely, my research demonstrates that such trade-offs are indeed problematic and in contrast to what Kaplan and Norton (1992:79) have suggested, when a negative outcome is anticipated, individuals experience difficulties in accepting or 'understanding interrelationships'.

This raises a number of important consequences whereby managers may be tempted to take the easy option, rather than taking effective action. The findings suggest that individuals might simply identify problems, or use the lead-time involved to seek opportunities to shift the focus of attention onto other issues. It was also apparent that when improvements were not 'readily identifiable', individuals were likely to shift their focus onto those targets and improvements

which were easier to achieve or quantify. This was clearly demonstrated in cases where it was difficult to determine whether a recognised improvement could, actually be 'attributed to a given course of action' taken by a co-participant (Neely and Bourne 2000:6). Such a situation is not unusual, having been previously recognised as a 'major weakness in organisations, with regards to the verification of cause-and-effect relationships' (Sedecom Consulting, 1999).

The reactions of the co-participants strongly support the earlier positioning of Holloway's assertion that individuals are 'self-conscious about their own performance' (2000:53) and particularly how they were viewed by others' earlier reactions, from a number of the co-participants, would suggest that the adoption of this particular mindset was pursued to maximise the number of targets which could be achieved. It could be perceived that maximising the number of targets achieved would be beneficial for the business; however, if these are of lower impact than those which are not achieved, then the value of this course of action would be highly debatable.

8.1.6 How Managers Rationalised Performance Improvements

Consequently, individuals are either consciously or sub-consciously encouraged to maximise the number of targets they achieve in order to build the perception among others that they were successful managers. This was also evident from the outcome from the workshops, whereby the majority of the participants chose to fully close performance gaps, despite realising that what they had said might not produce the desired outcome. A common sentiment was that 'I have completed my scorecard, I have done what you wanted; therefore I have successfully completed the task'. In other words, it would appear that many people simply felt that 'tomorrow is another day.'

This outlook goes a significant way toward explaining why managers chose to maximise target achievement by focusing on a higher number of more easily achievable targets, whilst avoiding the more challenging ones. The evidence suggests that this particular course of action may have been preliminarily taken to appear more successful, and to win favour from the review manager,

thus deflecting attention away from the unit in the hope that senior management might equate this achievement of a high number of low impact targets with greater success. In reality the opposite should be the case, as those who have successfully achieved albeit a small number of high impact targets, should be the ones credited with bringing greater benefits to the company.

It can be concluded from the findings that whilst managers generally are highly motivated to succeed, it is essential that they move away from the belief that the number of targets achieved corresponds to the level of success. Rather, manager should move towards a realisation that success ultimately involves the achievement of the more difficult targets which are most beneficial for the business. In order to achieve this, there clearly needs to be a cultural shift away from an aversity to risk taking in order to meet targets, towards a willingness to take risks, possibly failing a target and learning from the experience.

By providing a greater level of awareness of the three distinctly interlinked segments, it has been possible to supplement and build upon existing 'PMS' (Hudson *et al.*, 2001) and 'behavioural' (De Waal 2002a, 2002b, 2002c) knowledge and frameworks. As the model was devised from actual situations and experiences, it provides an extremely useful reference tool for managers. When all elements of the framework are in place, effectively balanced and both emotionally and behaviourally accepted at all operational levels, a more sustainable application of a performance management and measurement system will become possible.

8.2 Implications for Practice

Considering that the ultimate intention of action research is to produce improvements in practice, it is disappointing that as far as the organisation was concerned, there was no such improvement. It could be argued that because the majority of the targets were not achieved, the research had failed to meet its overall objective, which was to improve performance. It is difficult however to accept that this was the case, and indeed this could be considered to be a somewhat narrow and short-sighted perspective, exposing the complexities and difficulties of any action research conducted by a manager with his own team in an organisational setting. It

could be argued that within similar organisational settings this dilemma would undoubtedly resurface as an issue for any research practitioner. Although it might generally be considered necessary for improvements in performance to be readily quantifiable, I believe this does not always necessarily have to be the case.

As has been argued, it is necessary to take a less narrow approach when evaluating why there was no significant improvement to practice. It is necessary to gain a deeper understanding of how the co-participants' experiences raised their awareness of the working environment, and how this affected them on a more personal level. It is within this area that potential improvements in practitioner understanding, and therefore future practice, are most clearly evident from the undertaken research. It is therefore vital that as practitioners we nurture this newly developed consciousness and put it to good use by addressing previously encountered barriers such as direct control, influence, accountability and ownership. In other words, whilst quantitatively measuring impacts such as raised awareness and personal insights is difficult, such changes are indeed positive ones that should not be overlooked. Indeed, these action research outcomes promise to bear further fruits in future approaches and BSC applications. Furthermore, in having identified several barriers to successful implementation, further BSC applications may be pursued with managers' awareness (and anticipated solutions) for countering such barriers. This in turn, will hopefully lead to more substantial and ultimately measurable, desired outcomes.

8.2.1 The Impact of Previous Experiences

The findings would suggest that previous experiences with a PMS, where it was expected that there would be little possibility of reproach for underachievement or a failure to meet targets may encourage a recall into the present situation. As a result this may influence the current feelings and behaviours of individuals when difficulties in performance are encountered. To resolve this situation, the study demonstrates that organisations need to address previously discussed issues of control and influence, so that individuals might be encouraged to feel they were accountable and had ownership.

The research suggests that when problems are encountered, individuals themselves need to invest an equal amount of energy into embracing the challenge and finding solutions; although a change in the underlying degree of positive opinion would be necessary for this to materialise. The study demonstrates that individuals generally accept the need for a scorecard. Findings also indicate a shift in their outlook, from the current attitude of 'I can't and won't' to 'I can and will', even when the attempt leads to failure. At the outset, a behavioural way of working, seen as a key enabler, had been agreed upon to limit any possibility of such instances occurring. The way of working was continually viewed as a valuable factor in any performance process. It appears that when individuals' comfort zones are challenged due to entrenched thought and work patterns, a reversion to a previous, more familiar mode of working and behaviours occurs.

It is clear from the findings that problems exist with regard to work culture and the resulting engagement, which both the business and individuals need to be aware of and address. As previously argued, it is evident that individuals are receptive to new ideas brought up within a workshop environment, and are conscious of their own performance, all of which provides a valuable foundation from which to build upon. This evidently presents a clear challenge for both senior operational and unit managers, where they must encourage and support lower level unit managers to take a more proactive and adventurous approach to the achievement of targets. They also need to persuade line managers to step back and accept that such an approach is beneficial for the business as well as their own personal development.

8.2.2 Embedding Accountability and Ownership in a Centralised PMS

It would be misplaced to purely reflect on the practice of front line managers, as in any interaction or experience the actions and behaviours of a more senior reviewing manager will undoubtedly have some influence on the co-participants, and vice versa.

From the study it could be seen that the positive reactions from the co-participants in the workshops were encouraging, as they actively participated in devising changes to the scorecard format to make it easier to use. Managers also approved of the behavioural work approach that

was advocated. Despite this, the actual application and testing of the BSC during the usage stages was adversely influenced by the prevailing culture. It could be argued that senior management had no influence on this; nevertheless, whether they accept this or not, reviewing managers are partly responsible, given that they are themselves part of the prevailing work culture.

This assertion is supported by a number of key outcomes emerging from the undertaken research. It is recognised that the performance review process forms an integral part of any performance system. It is through this activity that the responsibility of the reviewing manager lies both in encouraging and supporting those managers under review. It is within this interaction that learning occurred.

When difficulties emerged during review meetings, it was observed that individuals chose to focus on their reasons for under performance, and had very little to say regarding the actions they intended to take, or the impact such action was likely to have. In addition, it became increasingly apparent that in the majority of cases, individuals had completed little or no preparatory groundwork prior to the performance reviews. Cited reasons for this included other daily job commitments, difficulties in deciding on which courses of action to follow or in predicting what impact could be expected. As the researcher I could claim ignorance regarding the possibility of this occurring, however this would be incorrect as it originally surfaced during the workshops.

To counter the possible reoccurrence of this situation, it was agreed with the co-participants that all preparation needed to be completed prior to the reviews with unit managers taking the lead. We were unable to commit ourselves on this point, however, as both the analysts and I, despite increasing doubts about our approach, found ourselves going against what had been previously agreed, by taking control of and leading discussions. As a consequence of this, individuals were not encouraged to learn from the experience, or to develop the competence to lead the reviews themselves. Considering the findings, it is now evident that a fundamental mistake was made by allowing this situation to continue, as the problems only increased as the reviews proceeded.

The general lack of preparation among managers exposed their hesitancy in allowing themselves or their operation to be open to scrutiny, encouraging displays of defensiveness which hindered any proactive interaction. This in turn, nurtured within the reviewing managers increased feelings of anxiety and frustration. Consequently, if either the reviewer or the analyst failed to intervene, not only would the scorecards not be reviewed and updated, but further reviews scheduled to be undertaken on the same day would either need to be rearranged or cancelled. The danger is that if this route was taken, the managers affected would have become discouraged, due to the belief that the reviews were considered to be of low importance.

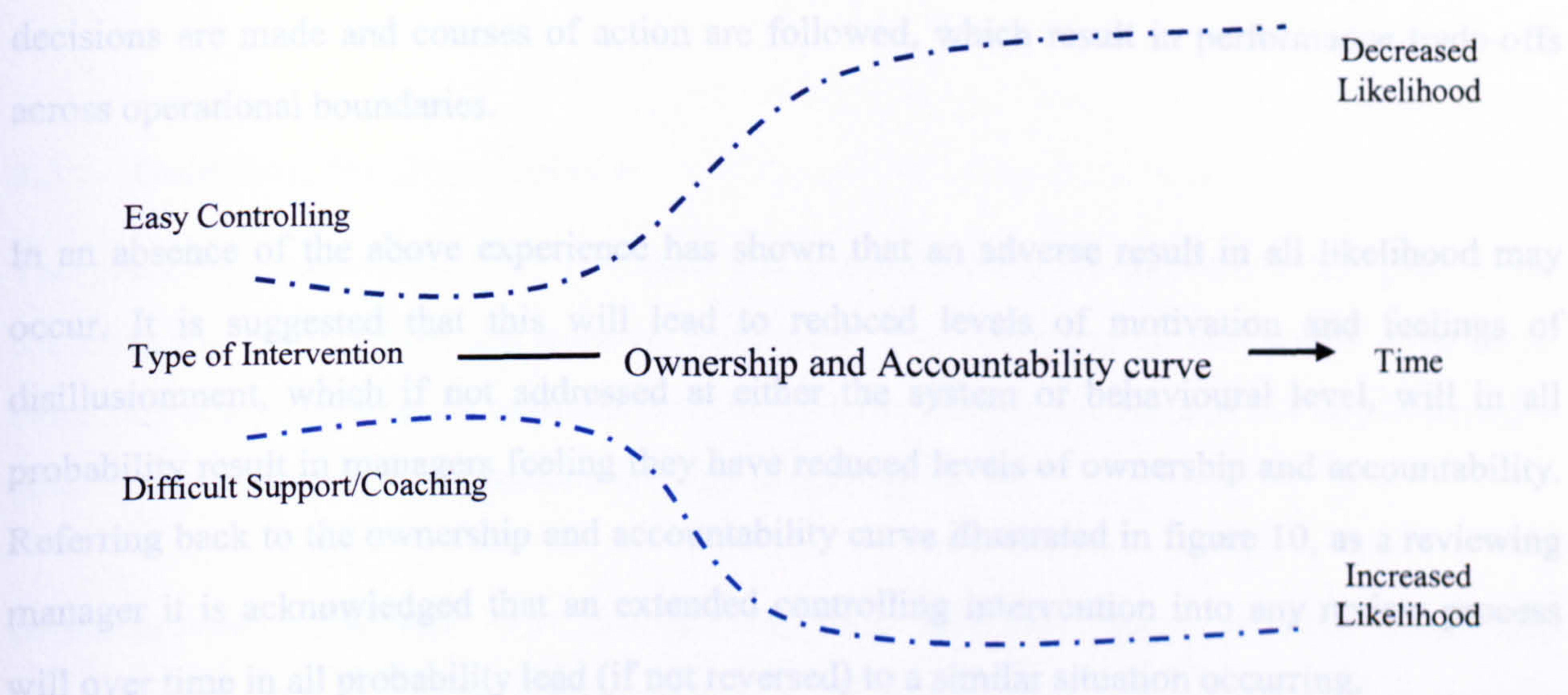
This presents reviewing managers with a dilemma; whether to take an interventionist course of action or to step back and adopt a coaching approach, allowing managers to learn from their own mistakes. For the purpose of the research the former was adopted, although this was intended to be only a short-term solution, being at the time the easiest option to adopt. Unsurprisingly, the intervention was met with little opposition, and individuals who failed to react positively and proactively were eager to accept assumptions and suggestions for improvement from both the reviewing manager and analysts with little questioning.

It was apparent over time that this could present problems, in that if a desired outcome did not materialise, individuals would believe they had a means by which to exonerate themselves, deflecting the blame and countering any accusation of under achievement with reactions such as 'it was not my idea, but you told me to do it.' Although it was intended to be a short-term intervention and solution, both the reviewing manager and analyst found themselves inadvertently becoming absorbed into a cyclical process from which it was increasingly difficult to escape with the reverse effect occurring. Adopting this approach encouraged complacency amongst the co-participants concerned, and led them to expect both the reviewing manager and the analysts to retain responsibility, which ultimately occurred. As a consequence, the scorecards affected contained a large amount of input from outside sources, and bore little resemblance to those originally deployed by the managers.

In the short-term, it may have been correct to intervene, providing a quick, easy and immediate solution; however as the intervention continued it was increasingly difficult for managers to

accept accountability and ownership for the content of the BSCs, which they did not perceive to be their own. Alternatively, if what initially appeared to be the more difficult option and had adopted a more supportive and coaching stance, working through initial difficulties with managers, individuals would, over time, have been more inclined to accept increased accountability and ownership of the scorecards. (see figure 10 below).

Figure 10 – Accountability And Ownership Curve



Taking the above into account, the question facing review managers concerns the type of intervention which would be most appropriate for the situation encountered. If a controlling approach is considered, it needs to be decided when it would be appropriate to revert to a supporting and coaching approach, to encourage a long-term improvement in ownership and accountability. It would be encouraging to be able to guarantee that increased feelings of ownership and accountability would naturally follow if the latter course of action is decided upon. However, the findings demonstrate that this may not be the case.

Results from the study suggest that both the eight measurement system design characteristics positioned by Hudson *et al.*, (2001) and the positive behavioural environment suggested by De Waal (2002a, 2002b, 2002c) need to be continually in existence at all operational levels to support a positive approach to any performance management system. When disparities occur

regarding how individuals view direct control, influence and the relevance and realism of what is being encountered across either of the above, emotions and behaviours have been shown to be adversely affected to the detriment of overall performance.

Considering the above, it is apparent from the research that actions can be taken to avoid such disparities. It is vital that individuals at either a national or local level 'understand' not only what is required of them, but also have the appropriate 'knowledge' and are able to achieve what is being asked and appreciate their expected 'contribution' (Kaplan and Norton 1992, Schneiderman 1988, 1999). This level of awareness becomes increasingly more crucial when decisions are made and courses of action are followed, which result in performance trade-offs across operational boundaries.

In an absence of the above experience has shown that an adverse result in all likelihood may occur. It is suggested that this will lead to reduced levels of motivation and feelings of disillusionment, which if not addressed at either the system or behavioural level, will in all probability result in managers feeling they have reduced levels of ownership and accountability. Referring back to the ownership and accountability curve illustrated in figure 10, as a reviewing manager it is acknowledged that an extended controlling intervention into any review process will over time in all probability lead (if not reversed) to a similar situation occurring.

It is clear from the reactions of the co-participants that the mindsets discussed will not be restricted to what De Waal (2002a, 2002b, 2002c) defines as the 'starting, deployment or usage stages' of any performance system, as such states have been encountered across each of these sequential stages. This concurs with De Waal (2002a:) in that 'although attention needs to be directed towards the first two stages in chronological order, it is of higher importance that an increased level of focus be continually maintained during the usage stage'.

Having tested and adapted the research framework in a live situation over an extended period of time, it can be seen that its applicability and relevance extends far beyond simply the BSC. The framework offers a practitioner perspective drawing attention to the performance system and behavioural inter-relationships, which are likely to be present in other types of performance

systems. I believe that a major deficiency was revealed during the workshop, in that the centrally deployed PMS was shown to lack a behavioural commitment as to how we would work and interact together. This appears to support De Waal's (2002a, 2002b, 2002c) assertion regarding the need for a positive behavioural environment to sustain any PMS through its initial commencement, development and use. This study highlights the importance of this, and emphasises its value to the overall success of any PMS implementation. In addition, I am inclined to concur with De Waal's (2002a, 2002b, 2002c) assertion that not only does a positive 'behavioural environment need to be in existence during the usage stage, but crucially it needs to be continually maintained'.

8.3 Guidelines for Organisations

The preceding discussions have conveyed and explored both the theoretical and practitioner contributions derived from the research undertaken. The following section builds upon these, extracting and presenting the acquired practitioner knowledge in the form of key implementation guidelines, from which organisations are able to draw upon.

Organisational Challenge: The findings highlight that the biggest problem facing any organisational use of PMSs centres not only on encouraging and maintaining a positive emotional and behavioural reaction from those managers who are exposed to it, but also on ensuring improvements in performance are obtainable and maintained. Importantly, De Waal (2007b:10) similarly suggests that the main problem facing organisations resides in getting individuals to actually engage with and continually use the PMS to accomplish sustainable improvements. Consequently, in line with my own conclusions the author proposes that 'organisations need to focus on both the 'instrumental and behavioural aspects of PM' (ibid: 10). This clearly brings into focus how organisations are able to achieve a more positive outcome.

The first lesson organisations need to reflect upon centres on the sobering fact that simply progressing through each of the phases of deployment, cascade and usage in any PMS without considering the consequences of each phase and reacting accordingly, will not ultimately guarantee a successful outcome. As such it would be wrong for organisations to believe that any

of the phases of development, deployment, cascade and ultimately usage of a PMS are of lesser or greater importance than previous stages. It was evident from the research conducted that each phase must be designed and acted upon in such a way that it becomes a positive springboard, thereby proactively informing subsequent phases. As such due to the transfer effect exerted, each of the stages becomes of equal importance. Significantly, as has been shown in the study, along with more recent literature (Bititci *et al.*, 2006:1344) a 'cross-functional perspective' must be included to reduce the likelihood of any undermining of the PMS.'

The PMS and Behaviours: A key recommendation emerging from these discussions, must be considered by organisations, whereby both the various phases of the PMS and behaviours are interrelated and indivisible. It can be argued from experiences gained that the two should not be viewed in isolation from each other but need always to be considered jointly. The importance of this becomes increasingly apparent as it has been shown that managerial behaviour is directly influenced by the PMS and how it is used to both measure and focus improvements in performance. The relevance of this to organisations is well documented within the literature and supported within the previously discussed works of both Neely *et al.*, (1997:1136) and Bourne (1999:23).

When this direction is considered, the study has further shown that any performance encounter within a PMS environment will exert both positive and negative emotional and/or attitudinal behavioural influences. Subsequently organisations need to be mindful that both previous and encountered experiences and/or triggers manifest themselves into either positive or negative covert or overt responsive outcomes directed towards the PMS. As discussed by Bourne (1999:23) this raises two fundamental questions, which need to be considered if any desired use of a PMS is to be both sustainable and of added value to an organisation.

Firstly, when performance measures are introduced, what behavioural outcomes will emerge?

Secondly, is the resulting behaviour acceptable?

The challenge facing organisations therefore resides in not only encouraging and nurturing those attitudes and behaviours which are positive, but also addressing and dispelling instances of negativity in order to encourage the emergence of improvements in performance across the various phases of a PMS.

The Importance Of Getting It Right At The Outset: From the research conducted it is clear that whichever mindset and/or behavioural response an individual has gained from previous encounters, or acquires when first exposed to the PMS during the deployment and cascade stage, is likely to be transferable and thereby to continually resurface throughout the usage of the PMS.

This emphasises the fundamental importance of organisations getting it right at the outset, by not only achieving a successful and robust deployment and cascade, but also more importantly seeking answers as part of the development stage to the following fundamental questions, which are relevant across all phases:

- How may individuals' previous experiences of PM impact either negatively or positively on the newly devised PMS? Have potential barriers been identified and resolved, and how can positive experiences be used to underpin the new PMS.
- Does the organisation clearly comprehend what it is actually striving to achieve across and within the various functional and cross-functional levels. A proposition previously raised by McCunn (1998:34) within his 11th commandment for organisations to address.
- Are organisations clearly aware of how what is being asked will be achieved, its impact across various CSFs and KPIs, and in what timeframe changes are expected?
- Similarly, organisations need to critically question the appropriateness of devised national enablers. Will they emerge as unusable due to unforeseen problems associated with 'detachment and/or reality' (Roest 1997:164-165) leading to loss of motivation and in turn greater reliance on local initiatives, as individuals will be reluctant to hinge their own destiny on what is viewed as impracticable. Encouragingly however, national projects are more likely to be viewed positively alongside local initiatives if frontline managers have been not only involved in their formulation and testing but also as suggested by Decoene and Bruggeman (2006:445) they are accompanied with 'limited comprehensive directives' regarding how to achieve them.
- Have potential obstacles such as culture, functional barriers and mindsets, as well as capability and competence been identified and worked through, either in order to remove

them or to reduce any adverse impact they may exert towards objectives, CSFs and associated KPIs?

- What are the envisaged behavioural consequences of what individuals and teams are being asked to do?
- Will individual managers and teams understand and concur with what is required of them. More importantly will they appreciate the relevance and actively accept direct ownership and accountability by agreeing both an outcome and the personal role they have to full-fill. Attainment of this state would nurture Sedecon's (1999:9) need for a 'common language' to be obtained, where individuals can 'understand or share' in what Schneiderman (1999:9) argues is their overall 'contribution to the organisations strategy.'
- Can managers actually control and influence what they are being tasked with achieving. Positively addressing this would eliminate Neely *et al's.*, (1997:1136) 'golden rule criticism that it is pointless for organisations to measure individuals against something over which they have no direct control.'
- Finally, is the PMS fit for purpose and easy to use, with clearly defined measurement dimensions, CSFs and KPIs, providing not only both timely and accurate information which is relevant and easily understood, but also usable in that it positively informs and focuses action.

When the above areas are considered their relevance to a successful outcome clearly emerges. If undertaken successfully this allows the opportunity for any necessary adjustments within either the PMS and/or its enablers, thus supporting the emergence of desired behaviours across the organisation prior to entering into any deployment or cascade, thereby optimising their chances of a successful transfer into the usage of the PMS. In applying such an approach, organisations need to ask themselves three fundamental questions.

- *Are the unit scorecards strategically aligned?* Do the completed scorecards align with and support, both functionally and cross functionally, the organisation's strategic intentions and objectives through the various levels, without exerting a compromising effect?
- *Are they fit for purpose?* Are the underlying root causes of underperformance personally identified against each KPI and agreed by the owner. From this are appropriate trade offs and fixes identified, understood and again agreed with the same managerial owner, which both close performance gaps and are actionable with clearly defined timescales and importantly perceived outcomes recorded.

- *The question of robustness?* Do organisations genuinely have the necessary skills and confidence in their own abilities when testing and agreeing a course of action? As is shown in the research and concurred by Holloway (2000:53) individuals are self-consciousness about their own performance and how it is viewed by others. In reality therefore, this may result in scorecard owners agreeing on a superficial level only to actions/outcomes, which in reality they perceive as unachievable, or deflecting and proportioning blame elsewhere.

The importance of an effective and robust process of confirmation to check understanding and knowledge between both the reviewer and those being reviewed, cannot be under stated. If undertaken correctly organisations will more likely achieve a sound foundation which supports progression into the usage stage, where performance via the cyclical performance review process will be more effectively managed. Research shows that a failure to achieve this will result in knowledge and understanding becoming increasingly questionable. Evidence suggests that this may result in some individuals displaying reduced levels of perceived ownership and accountability towards the contents of their respective scorecards.

As demonstrated on the accountability and ownership curve (figure 10 p277), the challenge facing organisations therefore resides in determining at what point support and coaching is to some extent withdrawn from the perspective of the reviewer, and no longer the dominant factor in the completion of any scorecard or review. Adopting this approach better enables reviewing managers to encourage or compel individuals at the earliest opportunity to take on ownership and accountability of their respective scorecards. In following this approach however, organisations need to be mindful of whether this behaviour is a competence and/or capability issue or whether in fact unmotivated individuals see extensive support from the reviewing manager as the easiest option, deflecting ownership away from themselves.

This brings to the forefront the need for organisations to be aware that both the acquirement and maintenance of these states and the relevance of the raised areas of questioning as suggested will not be solely restricted to the cascade and deployment stages, but becomes even more important as momentum gathers during the usage stage of the PMS. Research shows that the occurrence of either a positive or negative event during the usage stage in all probability may act as a catalyst,

altering an individual's current or earlier acquired perception of and therefore behaviour towards the PMS, be it in a constructive or unconstructive way.

In addition, it is well recognised that linking rewards to measurement metrics to encourage desired behaviours is beneficial (Allio 2006:263). As a result, organisations may be of the opinion that simply linking rewards to measurement metrics will in turn focus attention and therefore more likely promote improvements in overall performance. In reality however, organisations need to be aware that as shown this is not as simple as it may first appear, because as Robson (2005:141) suggests 'such systems can cause levels of conflict'.

Considering this further, the research concurs with the findings of Decoene and Bruggeman (2006:436-444) in two significant areas. Firstly, it has been shown that extrinsic rewards will exert an effect whereby individuals will attribute their task motivation to the extrinsic reward, but do so in preference to their own intrinsic motivation. Secondly, intrinsic motivation may likewise be effected if extrinsic rewards are removed and/or control or influence is unattainable, resulting in individuals directing less effort towards the tasks they have been assigned. This clearly brings to the forefront three important areas for organisations to consider in any decision to link rewards to performance measures.

- Firstly, it is vital as part of the development stage and prior to entering into any deployment and cascade, that organisations need to be clear about how linking rewards to performance outcomes may be perceived. In particular, attention needs to be directed at appreciating that desired behaviours and thereby improvements in performance can only be achieved if rewards and measures are linked successfully, thereby creating intrinsic motivation.
- Secondly as organisations progress into the usage stage initial assumptions may emerge as unfounded and/or incorrect, requiring adjustments and changes not only to set objectives, but also associated reward and/or measurement metrics to support the attainment of strategic objectives. Organisations need to be mindful that the motivational outcome will be determined to a greater or lesser extent by whether individuals perceive themselves as either winners or losers, and how they react to these changes.
- Finally, some individuals may perceive that maximising the number of targets achieved would be beneficial for the business and thus deflect attention away from those areas performing less well. If the achieved targets were however of lower organisational impact than those which were not achieved, then the value of this course of action would

be highly debatable.

A Final Thought For Organisations: In conclusion it is clear that the behavioural and emotional reactions of those managers engaging within the performance environment ultimately influence the success or failure of a PMS, and thereby overall performance management within a large network organisation. It is paramount that organisations are able to identify any tensions at an early developmental stage, as well as understanding and predicting any emotional and behavioural reactions that may impact negatively upon the implementation of and engagement within a PMS. Addressing these early will not only lead to a more confident approach to both implementation and sustained use of any PMS by a more effective deployment and cascade, but also encourage better strategic alignment and motivation of managers. For this to occur however, it is vital that organisations address important enablers such as direct control and influence, with the ultimate aim of encouraging increased levels of personal accountability and ownership amongst those managers using the PMS.

Finally, it is important at this point to reflect back upon the previously mentioned well-established fact that '70% of PM implementations are destined to failure' (Neely and Bourne 2000:3). This astounding statement clearly brings into focus the need for organisations to actively accept and address the above guidelines, undoubtedly any failure to do so may cause them ultimately to become part of this disturbing statistic.

Chapter 9 Bringing My Research to a Conclusion.

I had decided beforehand that the period of engagement would be ten months, with my decision being heavily influenced by the business planning phase, which would commence shortly thereafter. I believe that the important question of when to draw my research to a conclusion had to some extent already been made for me; if I had continued, the research would have been exposed to a completely new set of influences requiring investigation, and raised additional questions, such as how an engagement with a BSC would influence the business planning process.

9.1 Revisiting the Research Aims

The research centred on determining how managers react to and engage with a newly imposed performance management system based on the BSC, whilst also attempting to encourage a more positive outcome amongst the managerial team involved. In view of this three clearly defined research aims were established at the outset. It is now necessary to revisit each of the stated aims in turn, and establish the extent to which they have been achieved by summarising the relevant research outcomes.

Aim 1

To gain a deeper understanding as to how front line managers perceive and react to a new performance measurement system (PMS) based on the BSC.

In summary, the research has shown that managers are sceptical towards the introduction of centrally imposed BSCs, perceiving that they will have little or no control over their own destiny. The research also revealed that individuals are cynical as to how imposed measures and targets might actually support unit performance and therefore conflict with their own personal goals, leading to frustration and pessimism towards the encountered PMS.

Aim 2

To establish those progressive attitudes and behaviours that may contribute to, or hinder the way in which the BSC is understood, accepted and used by managers.

Acknowledging that barriers do exist which have an adverse affect no how managers view and engage with the PMS, the research has exposed how these attitudes and behaviours can be influenced. The findings have shown how managers perceive the encountered performance environment will, dependant on the level of direct influence and control perceived to be in existence, exert either a positive and/or negative motivational influence, impacting in turn upon perceived levels of accountability and ownership. It emerged that these acquired mindsets are subsequently transferred to the contents and actions contained within those respective individuals BSCs.

Aim 3

To provide guidance in the form of recommended development guidelines for organisations to follow regarding the sustainable use of a BSC at a front line unit level.

By exploring and working through the problems encountered from the perspective of those managers required to use the PMS, the research undertaken has provided a unique and invaluable insight into how managers perceive and are able to use the PMS. By drawing and reflecting upon these experiences it has been possible to develop and position sound recommended guidelines drawn from actual practice for organisations to follow, which will prove invaluable if sustained usage of any PMS is to be achieved successfully.

9.2 Recommendations for Further Research – Advancement of Practitioner Practice

My decision to end the research at this particular point does not necessarily mean I felt that the research in the area of performance and behaviour had reached a satisfactory conclusion. I firmly believe that I have made a valuable contribution to the field by building on the behavioural insights of others (De Waal 2002a, b, and c), yet I am aware that my work has only just begun to scratch the surface. It would appear that a number of important issues remain outstanding. For instance:

- I have argued that a correlation exists between direct control and influence, and the level of perceived ownership of and accountability for performance targets, gaps, and the consequences of recovery measures. Further research is necessary in order to explore the insights provided, and to discover how best to resolve these conflicts from both an organisational and a management perspective.
- Research aimed at furthering understanding of how perceptions may vary and change within different organisational and industrial settings, and in relation to various performance management and measurement approaches.
- It is desirable to gain an understanding of how managers' experiences of using a unit based BSC over a sustained period support and influence the yearly business planning process.

Reflecting on the outcome of the research, I find myself thinking back to my previous assertions regarding objectivity, and questioning who ultimately stands to benefit from my work. I believe that in this instance, although my work has wider academic implications, those who gained the most benefit were the practitioners themselves.

At an organisational level, I believe it is reasonable to assume that the problems associated with BSC usage which were uncovered by this project also exist within other teams across the country. As a consequence, these teams may also not be meeting the targets issued, but unlike my own team they may lack awareness of the underlying reasons. I also feel that I gained a valuable insight into problems which were unknown by the organisation, having not been identified from the trials, adjusting practice whenever possible to limit the impact on my team. On an individual level, many positives came out of the experience which were of benefit not only to myself as the line manager, but also to the co-participants, who gained a distinct advantage over other colleagues who had not participated, becoming more aware of their performance environment. These reflections justify the use of action research in organisational settings, and I believe underperforming teams and units would benefit from a similar experience.

In an attempt to disseminate this knowledge, I sought opportunities to circulate and discuss my findings and recommendations within the organisation. However, outside of my own line manager, the response from my peers was disappointing, with most people displaying reluctance to accept advice or even acknowledge that similar problems could exist within their own teams. I believe the reactions encountered were a consequence of colleagues perceiving suggestions to be a challenge to their management skills, rather than merely an attempt to share knowledge. This, it would seem, is a risk faced by any research practitioner within an organisation, and raises issues of 'politics, power and control' (Winstanley and Stuart-Smith 1996:69), which delayed the commencement of my research, and hindered my dissemination of knowledge. Although this was a disappointing outcome, I was encouraged by Tipping's (1998, 2000:8) observation that '*much of the benefits to be gained from performance measurement systems is from going through the process and evaluating the feedback from the users.*' Having conducted such an evaluation, I therefore sought other means to disseminate learning and further advance the knowledge of the wider theoretical and practitioner community.

- The research was undertaken between 2001 and 2002. I retained the same team for a period of a year, and subsequently managed two further teams over the next four years. During this period I actively sought to change my own practice, and that of my changing managerial team, with the benefit of my experience.
- My initial findings were discussed during the *Internal Conference on Performance Management and Measurement*, held in 2002 in Boston USA, as part of a presentation on the topic of Managerial Reflections on the Deployment of Balanced Scorecards. I feel it is now necessary to build upon these assumptions, and I will be seeking an opportunity to present my more recent results at the next conference, to be held during 2008.
- I intend to build upon my previously published work (Baughan *et al.*, 2002) by focusing on the key findings to emerge from the research and developing them into a number of journal articles to be submitted for publication over the coming year.

9.3 Advancing My own Professional Practice

The question I now find myself facing centres on what the future ultimately holds for me. I have in the last nine months left my previous employment, the organisation upon which the research focused. I now view the future with optimism as I have recently commenced employment within the National Blood and Transfusion service as an Area Donor Services Manager for the National Health Service. Being involved in a further large network organisation, facing similar issues regarding performance management I have been given a new found opportunity to progress my findings and advance theoretical and practitioner knowledge still further.

In addition, during 1997 I gained some valuable experience when I had the opportunity to teach an operational management module on the part time MBA programme run by Bournemouth University. I intend to seek similar opportunities in the future in the North of England, which might allow me to further extend and disseminate knowledge.

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Appendix One – Behavioural Statement

Leeds Delivery Sector Performance Management Management Behavioural Statement

The objectives and targets are set by the organisation - as individuals we have to accept that the task is there and take ownership and accountability as we continually strive to achieve the task set

I am here to support, guide and coach you to enable you to achieve the objectives and targets that have been set

I give a personal commitment that threat centred or autocratic approaches will not be followed in either the contracting meeting or the performance reviews as we progress through the coming year.

The contracting meeting will provide the forum by which all parties will clarify the issues important to them as they impact on or effect the issued objectives and targets applying the behaviours and approaches outlined within this statement

Performance Reviews will be held monthly applying the behaviours and approaches outlined within this statement

It is essential that there is mutual trust and respect between us. Where difficult decisions arise I expect us to openly and honestly debate the issue agreeing a joint way forward.

At times a joint decision will not be possible - when this occurs I promise to honestly explain the rationale behind the decision and to agree support, guidance and coaching as necessary

I promise to actively and honestly represent DOMs interests at all levels - communicating issues as they arise.

I expect you to challenge both my behaviour and approach, truthfully telling me where you feel I may be falling short in helping you to achieve these objectives. I promise to reflect on this feedback and adjust my approach as necessary. This is a two way commitment and I ask you as individuals to commit to the same undertaking.

Many thanks for your assistance

Yours faithfully

Peter Baughan
SOM Leeds

Appendix Two – Confidentiality Statement

P Baughan
Sector Operations Manager
Leeds Delivery
Leeds Mail Centre
Stourton
Leeds
LS10 1ZA
PL 5297 6687
14-Feb-01

Dear Colleagues

Over the last four years I have been studying for an external qualification, which includes a research project focusing on a particular issue in the client organisation. The focus of this project involves a critical review of the objective setting and performance review process, in particular how set targets and objectives impact on managers.

The aim of today's workshop is two fold:

Firstly, the workshop has been designed to support and launch the objective setting and performance preview process within the Leeds Sector.

Secondly, the outputs from the workshop will be used to influence the initial stages of the research process and provide research data which will support any chosen direction the research might take.

A key stage of this involves the use of a video, which will only be used with your consent. I am fully aware that the video equipment might be unsettling and cause some concern to individuals, and can offer the following reassurances:-

1. No individual will be placed in a situation they do not feel completely comfortable with during the workshop.
2. No individual will be placed in a position of duress whilst participating in any activity that is videoed.
3. No individual will be named within either the boundaries of the research or within the wider parameters of the organisation.
4. The video will not be seen by any other parties or individuals in the organisation.

A key aspect of the research entails the identification and reflection on individuals' perceptions and experiences as they progress with the performance management approach. To enable me to capture these interactions I would like to undertake 10 minute reflective feedback sessions at the end of each performance review. Again, I give a commitment that these discussions will be held in complete confidence. If you have any questions regarding either the workshop or any aspect of the research, please do not hesitate to contact me on the above number.

Many thanks for your assistance

Yours faithfully

Peter Baughan
SOM Leeds

Appendix Three – Interview Schedule

Interview 3 & 9 MONTH 2001 Schedule Unit Managers

PRELIMINARIES

Introduction State Name

- Thank you for giving up your time to talk to me again. As you may remember, for the last 4 years I have been studying for an external qualification, which includes a research project focusing on Royal Mail. I've been looking at the objective setting and performance review process, focusing particularly on how issued targets and objectives affect unit managers.
 - What I am interested in today, is finding out more about how you feel about the objectives and targets and the effects they have on you as an individual
 - I'd like to focus on your views, experiences or thoughts about the objectives and targets you have been exposed to over the last 3/9 months and would also like to discuss any improvements you feel could be made.
 - To support the interview copies of the behavioural statement, unit scorecard and sector objectives are provided. Are you comfortable with what I am going to be looking at? Do you have any questions so far or is there anything about the interview you want me to explain further?
 - Duration of Interview 1 Hour.
 - Confidentiality - refer to Sector Behavioural Statement
 - Use of Tape Recorder
 - Any Questions
-

INTERVIEW FOCUS (Open Questions **Blue** and Lead's in Black with Focus's in **Red**)

1. Over the last 3 months, you've been set targets and objectives for the coming year. What is your view of these targets and objectives? How do you feel about them?
Focus onto Achievable Reward/Bonus - Relevant - Easy/Hard - Understand
 - Why do you feel this way?
 - What do you think could be improved? *Either Organisationally - Individually*
 - What would you expect the outcome to be?
 - Do you foresee any problems?
 - How do you think these could be resolved?
2. What would be your overriding concern about the targets and objectives?

- Why is this your major concern?
 - What do you think could be improved? *Either Organisationally - Individually*
 - What would you expect the outcome to be?
 - Do you foresee any problems?
 - How do you think these could be resolved?
3. What do you think you are going to have to do to make sure that your individual and group targets and objectives are met? Does this cause you any concerns? Why? *Focus onto - Accountability - Ownership*
- What problems do you think could be encountered?
 - How do you think these could be resolved? *Either Organisationally - Individually*
 - *May have to use* If you cannot - why?
4. You have just raised some interesting points. What bothers you most regarding being able to meet your objectives and targets?
- Why have you chosen this particular issue?
 - To what extent do you feel this is an issue for your colleagues? Why?
 - What other concerns do you think your colleagues might have? Why?
5. You've recently taken part in a number of activities supporting the implementation of performance management. For instance, workshops, and syndicate exercises, development of sector behavioural statement and more recently the sign off meeting. What are your thoughts and opinions of these activities?
- Were they relevant?
 - How could they be improved?
 - were they useful?
6. As a sector we have now deployed performance management at a unit level, what is your current view of the approach? How do you feel?
- What role do you feel you have to play within the approach?
 - Do you have any concerns?
 - How do you feel these could be addressed?
7. As a sector we have developed and agreed a behavioural statement, what are your thoughts and opinions of this statement?
- What concerns do you have regarding the commitments made within the statement? Why?
 - How do you feel it could be improved?
8. If we reflect back over the interview is there any particular issue that concerns you?
- Why have you chosen this particular one?
9. Is there anything further you would like to comment on?

CONCLUSIONS

- Do you have any questions regarding today's interview?
- Future involvement

As you know, the performance management approach requires monthly performance reviews to be undertaken, during which we'll review the achievement of the issued targets and objectives, agree remedial actions etc. To help me with my research, would you be willing to take part in a further interview in July. What I'd like to do in July is find out about your thoughts and experiences as you progressed through the performance review process between April to June.

- Restate Confidentiality
- Thank you for taking the time to participate in this interview

Appendix Four – Bi Monthly Survey

Thank you for taking the time and agreeing to complete this questionnaire, which will be issued to you after a monthly performance review bi-monthly over the next six month period. Please focus on each question in turn circling the number which best describes how you feel about each statement as it applied to you over the last monthly performance period and it's associated performance review. I am particularly interested in your own views, experiences and thoughts about the objectives and targets and the performance management approach currently applied. To enable me to identify these reflections and thoughts I have included a comments section to each question for you to give an overview/reflection of your marking. A section has also been included at the end of the questionnaire for any other comments you might wish to make.

As previously stated you are assured of complete confidentiality. The questionnaire has an identification number for my own research purpose only so that completed questionnaires can be correlated. No one outside of my research will have access to the completed questionnaires. Individuals names will never be recorded or placed on the questionnaire.

I am more than willing to answer any questions you might have and can be contacted on 5297-6692. I am also available at the end of each performance review session. Once again thank you for agreeing to enter into this research program the results of which will identify how I can adapt my own practice and identify improvement opportunities regarding how objectives and targets link into and support the performance management approach currently employed by the business.

Question (1)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
I fully understand the objectives and targets I have been set?	1	2	3	4	5
Comments:					

Question (2)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
I feel that the targets and objectives I have been issued are relevant?	1	2	3	4	5
Comments:					

Question (3)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
The targets and objectives I have been set are realistic?	1	2	3	4	5
Comments:					

Question (4)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
I feel I have ownership of the issued targets and objectives?	1	2	3	4	5
Comments:					

Question (5)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
The targets and objectives I have been set are achievable?	1	2	3	4	5
Comments:					

Question (6)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
I feel accountable for the targets and objectives I have been set?	1	2	3	4	5
Comments:					

--

Question (7)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
I understand what I need to do to achieve my objectives and targets?	1	2	3	4	5
Comments:					

Question (8)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
I fully understand my role in Performance Management?	1	2	3	4	5
Comments:					

Question (9)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
Performance Management helps me in my managerial task?	1	2	3	4	5
Comments:					

Question (10)	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
The performance review was undertaken within the sector behavioural statement commitment? (Copy attached for reference)	1	2	3	4	5
Comments:					

Any Other Comments:

Thank you for taking the time to complete this questionnaire

Appendix Five - 57 Reasons To Work With Max Qda 2

*

1. MAX is so easy to learn.
2. It is clearly structured and has a straightforward layout with only four main windows.
3. Code references are so well visualized – you may select colours for codes.
4. A separate system for managing memos allows you to work so easily with all of your memos.
5. It includes the Code Matrix Browser (CMB), a revolutionary tool for visual representation of categories coded with different texts.
6. It includes the Code Relation Browser (CRB), a new tool for visual representation of the intersection of categories.
7. The extended rich text format allows all kinds of embedded objects to be integrated such as photographs, graphics and even PowerPoint sheets and Excel objects.
8. There are ten different memo types with different icons that allow you differentiate between different kinds of memos such as theory memos, code memos and so on.
9. You can link codes to memos and use these codes to find memos.
10. The weight scores allow relevant text segments to be identified.
11. MAX is so well integrated into the world of Microsoft Office: you work with Excel style tables that can be sorted according to selected columns, you may export parts of the tables to other Windows programs by use of the Windows clipboard or even drag-and-drop.
12. It has a full text search procedure allowing you to search for a couple of words or strings in hundreds of texts at the same time.
13. It allows the results of such full text searches to be coded automatically.
14. The Colour Code procedure allows you to mark (and code) text with a selected colour like you do with highlighters in your books and articles. Later on you may start to categorize those text passages and attach one or more of your codes.
15. You can distinguish between different text groups and move a text from one text group to another simply by drag and drop.
16. The code system is so clear and displays the code memos.
17. You have the best integration with SPSS and other statistics software.
18. A project is stored in one single file that can be backed up or sent to other people by email – no complicated file structures with hundreds of files.

19. MAX has the control over all your texts – nobody can change texts or change their location, no complicated synchronization of different text versions is necessary.
20. It allows you to switch into different language versions (currently available are English, Spanish and German).
21. It gives special support to Arabic, Cyrillic and Greek, which means your codes can also be in non-western languages. For instance you can create Arabic codes by in-vivo coding.
22. The text pre-processor reads pre-coded text files and creates codes automatically.
23. It has a non restricted trial version that makes it possible to run a realistic test with your own data.
24. The texts displayed in the Document Explorer can be arranged as you like, there is no alphabetic sequence dictated by the software.
25. The user who has imported a document, created a memo or coded a segment is always displayed in a tool tip in the Document Browser.
26. Descriptions of a document or annotations concerning the interview can be attached as a memo beside the text's name, thus always visible and available with one click.
27. MAX is so sparse with opening more and more Windows – a clear structure of an interface with four windows prevents you from an inflation of windows.
28. The Codings Stripes in the Document Browser are active: you can click on them and delete the code attachment.
29. The Coding Stripes move synchronized with the text when you scroll up and down
30. A colour may be associated with every single code, the Coding Stripes of that particular code are always displayed in the same colour
31. You may attach a score to a coded segment indicating its relevance for your research question
32. The text retrieval can be restricted to the „relevant segments“(indicated by the associated weight score).
33. The add-on module MAXdictio offers a couple of functions for quantitative content analysis.
34. An automatic numbering of paragraphs is done when importing a text, thus making communication in your team easy, you always know which paragraph you are talking about.
35. You have an undo function for coding.

36. The text in your Document Browser is wrapped like you are used to in programs like Word, a whole text line is visible and no text runs out of the window.
37. The codes in your Code System can be freely arranged according to your needs.
38. Tool tips are displayed in your Codes System: when moving the mouse over a code the author and creation date shows up.
39. You can attach a code memo to each code which states the code's definition and examples for the usage of this category. The code memo is always visible on the screen and not hidden somewhere in the depth of your data.
40. You always see how many coded segments are available for a particular code.
41. Tables in Excel style give you information where a code has been assigned, one click and the segment appears in screen.
42. You can reduce (or enlarge) the size of a segment with one click.
43. Your code may be arranged as you like (and not always arranged alphabetically by the software).
44. Memos are not hidden anywhere in a text, but displayed in an extra column and thus can be identified easily.
45. Memos have a meaningful structure with title, author, creation date and linked code in different sections of the entry form.
46. A tool tip appears when you move the mouse over a memo giving you information about the memo's author and showing you the first lines of the memo.
47. Text passages that you mark in other programs like Word can be simply dragged with the mouse into the Text Browser or into a memo.
48. Links allow you to connect a text passage with another text passage – may be in the same text or in another text.
49. You can have hyperlinks to websites in your texts.
50. External links can be integrated in texts thus allowing photos, or even start audio and video files to be displayed
51. A set of attributes (variables) can be assigned to each text.
52. You may import a variable matrix from a statistics program such as SPSS.
53. You may use the value of attributes as selection criteria for text retrieval.
54. A comprehensive online tutorial is available on the website (www.maxqda.com)
55. MAX has a printed introduction manual.

56. MAX has an extended 250 pages PDF manual.

MAX is the result of 15 years of development.

Source: www.maxqda.com

Measures Leads SCM Area for 2001/2002

Measure	Target	Actual	Variance	Comments
Lead time	10 days	12 days	+2 days	
Inventory	1000 units	1100 units	+100 units	
Cost	\$100,000	\$110,000	+\$10,000	
Quality	95%	98%	+3%	
Customer satisfaction	85%	88%	+3%	
Supplier satisfaction	80%	82%	+2%	
Employee satisfaction	75%	78%	+3%	
Environmental impact	10%	12%	+2%	
Social impact	15%	18%	+3%	
Health and safety	20%	22%	+2%	
Community relations	25%	28%	+3%	
Government relations	30%	32%	+2%	
Media relations	35%	38%	+3%	
Public relations	40%	42%	+2%	
Investor relations	45%	48%	+3%	
Analyst relations	50%	52%	+2%	
Rating agencies	55%	58%	+3%	
Non-governmental organizations	60%	62%	+2%	
Academic institutions	65%	68%	+3%	
Trade associations	70%	72%	+2%	
Professional associations	75%	78%	+3%	
Industry associations	80%	82%	+2%	
Government associations	85%	88%	+3%	
International associations	90%	92%	+2%	
Global associations	95%	98%	+3%	
Worldwide associations	100%	100%	0%	

Measures Leads SOM Area for 2001/2002

[illegible]

Appendix 7 - Organisational Root Cause Analysis (RCA) Sheet

Delivery Office Planning & Performance Management RCA					
Stakeholder		Customer		Unit	XXXXX
Unit Measure		Repeat Complaints		Period	0
1st Why	2nd Why	3rd Why	Key Root Cause	Potential Solution	
Misdeliveries occurring on the same duties	Trained reserves not tagged to same walks to cover sick & annual leave	Walk logs not read to identify previous complaints	Reserves covering duties are unaware of complaints and not reading walk logs before they leave the unit	All reserves to be tagged to same duties and read walk logs prior to departure, checked by unit manager	
Same duties are generating late delivery complaints	Unable to cover duties due to high sick levels	Staff on overtime will pick and chose and only cover certain duties	Sickness and high overtime levels enable staff to chose which overtime they want to cover	Recruit temporary staff to cover duties vacant due to sickness	
Redirection complaints	Different names on the redirection instructions	Staff not reading instructions and redirecting correct named items	Items for redirection and delivery are not being checked against redirection instructions for the address concerned	Staff to complete redirections, endorse and check items with manager prior to leaving unit.	
Misdeliveries to similar addresses	Staff unclear of correct duty to sort item to	Primary overhead opal labelling not up to date	Items with similar address being sorted to wrong duties due to out of date opal and untrained staff	Update opals and train staff in primary sorting	

Appendix 8 - UPB Usage And Impact Table

Instances of Usage				% by KPI				Impact			
ADM	National	Area	Local	Total	National	Area	Local	Nat	Area	Local	
Time Out	7	10	14	31	22.6	32.3	45.2	17.2	69.2	247.5	333.9
Complaints	17	6	11	34	50.0	17.6	32.4	154	46	97	297
EOS	10	12	22	44	22.7	27.3	50.0	1.7	8.6	18	28.3
Sick	6	12	13	31	19.4	38.7	41.9	1.8	7.4	6.8	16
Total	42	46	71	159	10.5	31.6	57.9	176.5	135.6	382.9	
Overall %	26.4	28.9	44.7								
IMPACT				USAGE							
	L	M	H		ADM	TO	RCP	EOS	SICK	Possible usages	%
UPB	38	2	0	0	5	2			1	40	20
UPB	16	0	0	0					1	40	2.5
UPB	0	8	0	0				1		40	2.5
UPB	7	0	1	1				1		40	2.5
UPB	1	3	12	15			2	4		40	15
UPB	0	3	5	8						40	0
UPB	8	0	0	0			2			40	5
UPB	1	1	6	8			2			40	5
UPB	10	19	3	32		2	2			40	10
UPB	0	4	28	32	1	3				40	10
UPB	1	2	5	8	4	1				40	15
UPB	13	1	2	16	2					40	12.5
UPB	7	1	0	8						40	5
UPB	5	1	2	8						40	0
UPB	2	1	13	16						40	0
UPB	109	46	77	232	7	17	10	6	2	600	7
%	47.0	19.8	33.2	100.0					42		
Area	11	13	0	24				2	1	40	7.5
Area	23	1	0	24				4	5	40	22.5
Area	1	4	3	8				6		40	15
Area	24	5	3	32	5	6	5			40	40
Area	0	16	0	16	4		2			40	15
Area	8	0	0	8	1		5			40	0
Area	67	40	6	113	10	6	12	12	6	280	15
%	59.3	35.4	5.31	100.0					46		16.4
National				Area				Local			
	No	Used	%	No	Used	%	No	Used	%		
MC	40	0	0.0	24	0	0.0	23	0	0.0		
WUC	32	0	0.0	0	0	#DIV/0!	0	0	#DIV/0!		
ADM	32	7	21.9	24	10	41.7	27	14	51.9		
Time Out	40	17	42.5	8	6	75.0	14	11	78.6		
Complaints	40	10	25.0	24	12	50.0	26	22	84.6		
EOS	32	6	18.8	24	12	50.0	15	13	86.7		
Sick	16	2	12.5	16	6	37.5	15	11	73.3		

Appendix 9 - Organisational Unit Planning Tool

Appendix 10 - Organisational Unit BSC

Unit Planning Tool

Area

SOM Sector

Unit Name

Unit Type

Scorecard

UPBs Selected

Delivery Office

E1 EOS - fairness of line manager

All UPBs

Period

Apr - 01

Display Control Panel

Change Columns Displayed

Save and Close

Print Preview

UPB	Key Milestones	Category	Status	Planned start date	Planned completion date	Comment	Period	1	2	3	4	5	6	7	8	9	10	11	12
16-01 Uniform Review	Unit Managers to receive brief then cascade to employees including roll out on: entitlement, allocation and issue	Mandatory	Green	Y					Y										
16-01 Uniform Review	Unit Managers to monitor issue, completion of return of forms to ensure all employees order correct entitlement	Mandatory	Green	Y					Y										
16-01 Uniform Review	Unit Managers to issue new uniform	Mandatory	Amber	Y					Y										
16-01 Uniform Review	Encourage employees to return old uniform to ensure brand image and security standards maintained	Mandatory	Amber	Y					Y										
16-01 Uniform Review	Approach in place to manage ongoing maintenance	Mandatory	Amber	Y					Y										
18-01 Unit Performance Management	Attend Sector Workshop	Mandatory	Green	Y				Y	Y	Y	Y								
18-01 Unit Performance Management	Develop deployment plan MCM/SOM	Mandatory	Amber	Y				Y	Y	Y	Y	Y							
18-01 Unit Performance Management	Carry out process for 1st, 2nd and 3rd month as described in section workshop and performance management guidelines	Mandatory	Amber	Y				Y	Y	Y	Y	Y							
18-01 Unit Performance Management	Complete Self Assessment and produce development plan	Mandatory	Amber	Y				Y	Y	Y	Y	Y							
18-01 Unit Performance Management	Approach in place to manage ongoing maintenance	Mandatory	Amber	Y				Y	Y	Y	Y	Y							
20-01 Way Forward - Annual Leave Selection		Mandatory	Amber	Y									Y	Y	Y	Y	Y	Y	Y
20-01 Way Forward - Annual Leave Selection		Mandatory	Amber	Y									Y	Y	Y	Y	Y	Y	Y
20-01 Way Forward - Annual Leave Selection		Mandatory	Amber	Y									Y	Y	Y	Y	Y	Y	Y
20-01 Way Forward - Annual Leave Selection		Mandatory	Amber	Y									Y	Y	Y	Y	Y	Y	Y
20-01 Way Forward - Annual Leave Selection		Mandatory	Amber	Y									Y	Y	Y	Y	Y	Y	Y
22-01 Way Forward - Annual Leave Selection	Approach in place to manage ongoing maintenance	Mandatory	Amber	Y															
22-01 Way Forward - Job Descriptions	Produce Job Description during revision	Mandatory	Amber	Y															
22-01 Way Forward - Job Descriptions	Agree with Union	Mandatory	Amber	Y															
22-01 Way Forward - Job Descriptions	Communicate to employees	Mandatory	Amber	Y															
22-01 Way Forward - Job Descriptions	Issue to employees	Mandatory	Amber	Y															

Appendix 10 - Organisational Unit BSC

Delivery Office Planning & Performance Management Scorecard 2001/02															
Stakeholder:		Customer		Unit:		Period:		Plan							
Unit Measure		Repeat Complaints		Target		Remaining Gap		Unit Plan Forecast 2001/2							
Start of Year f'cast/ Current Performance		Full Year 2000/01 f'cast including Planned Actions		Gap between Target and Forecast inc Planned Actions e.g. UPB's		Full Year f'cast inc Planned Actions & Remedial Actions		Quarter 1		Quarter 2		Quarter 3		Quarter 4 (Full year)	
Month				Box 5 - Box 2				Box 5 - Box 4							
1		2		3		4		5		6					
14.1		11.5		0.0		11.5		11.5		0.0		0.0		0.0	
2000/01 Impact of Vital Few Actions															
Ref	Vital Few Actions	Lead Role	Status ie Amber	Q1				Q2		Q3		Q4		Total Cont	
				Plan	F'cast/A ct	Plan	F'cast/ Act	Plan	F'cast/A ct	Plan	F'cast/A ct	Plan	F'cast/A ct	Plan	F'cast/A ct
UPB	Plan Actions - What you plan to do at the start of the year														
UPB	Customer complaints	Supp DOM	Green	0.0				0.0					0.0		0.0
UPB	Re-direction Review	Supp DOM	Red	(1.0)				(0.5)					(0.5)		0.0
UPB	Unit Manpower Planning	DOM	Amber	0.0				0.0					0.0		0.0
UPB	Absence Performance Management	Supp DOM	Green	0.0				0.0					0.0		0.0
UPB	Work Time Learning	DOM	Red	0.0				0.0					0.5		1.0
Local	Missort Campaign	Howard	Amber	0.0				0.0					0.0		0.0
Local	Manpower Planning Process - PIFs	DOM	Amber	0.1				0.2					0.4		1.0
Local	Customer Complaints Management System	Supp DOM	Green	0.2				0.3					0.3		1.0
Local	Improve prep fittings by highlighting potential problems.	DOM Supp	Red	0.5				0.2					0.2		1.1
Local	Introduce customer complaint conduct procedure.	DOM	Amber	0.1				0.2					0.1		0.6
Local	Update walk logs to include customer requirements.	DOM Supp	Amber	0.2				0.2					0.0		0.4
TOTAL				0.1	0.0	0.6	0.0	0.9	0.0	1.0	0.0	2.6	0.0		
Remedial Actions - as the year develops				Root Cause		Lead Role		Status							
Local														0.0	0.0
Local														0.0	0.0
Local														0.0	0.0
Local														0.0	0.0
TOTAL				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Agreed - DOM				Agreed - SOM				Date:				3rd Apr 01			

[illegible]

Balanced Scorecard Measures	Period 7				Period 8				Period 9				Quarter 3				Year to Date			
	Target	Actual	Gap	F'cast	Target	Actual	Gap	F'cast	Target	Actual	Gap	F'cast	Target	Actual	Gap	F'cast	Target	Actual	Gap	F'cast
Employee																				
Sick Leave % of Ordinary Hours	6.30	5.10	1.20	6.30	8.40	7.50	0.90	8.40	4.80	4.90	(0.10)	4.80	0.00	0.00	0.00	0.00	5.20	4.30	0.90	5.20
Root Cause 1	target 4.8 and actual 4.9 gap = 0.1																			
Action DOM 1	monitor and action stages as necessary (inform personnel when stages are due)																			
Root Cause 2	2 long term sick																			
Action DOM 2	Two members of staff awaiting RTU interviews																			
	XXXXXX still awaiting a EHS appointment																			
Other Discussions :																				
Very good performance - DOM to brief and thank support manager and staff																				
Items for upward feed :																				

Actions Requiring Further Work

Appendix Twelve – Survey Results

		May	July	Sept	Nov	Jan		
		%	%	%				
I fully understand the objectives and targets I have been set?	Agree/Strongly Agree	100	85.7	100	100	100		
	Disagree/Strongly Disagree		14.3					
I feel that the targets and objectives I have been set are relevant?	Agree/Strongly Agree	87.5	85.7	75.0	100.0	87.5		
	Disagree/Strongly Disagree	12.5	14.3	25.0		12.5		
The targets and objectives I have been set are realistic?	Agree/Strongly Agree	75.0	71.4	37.5	57.1	37.5		
	Disagree/Strongly Disagree	25.0	28.6	62.5	42.9	62.5		
I feel I have ownership of the issued targets and objectives?	Agree/Strongly Agree	62.5	71.4	75	71.4	75.0		
	Disagree/Strongly Disagree	37.5	28.6	25.0	28.6	25.0		
The targets and objectives I have been set are achievable?	Agree/Strongly Agree	37.5	14.3	37.5	57.1	35.5		
	Disagree/Strongly Disagree	62.5	85.7	62.5	42.9	62.5		
I feel accountable for the targets and objectives I have been set?	Agree/Strongly Agree	100	100	100	100	87.5		
	Disagree/Strongly Disagree					12.5		
I understand what I need to do to achieve my objectives and targets?	Agree/Strongly Agree	100	100	87.5	85.7	87.5		
	Disagree/Strongly Disagree			12.5	14.30	12.5		
I fully understand my role in performance management?	Agree/Strongly Agree	100	100	87.5	100	100		
	Disagree/Strongly Disagree			12.5				
Performance management helps me in my managerial task?	Agree/Strongly Agree	75	85.7	75	100.0	87.5		
	Disagree/Strongly Disagree	25	14.3	25		12.5		
The performance review was undertaken within the sector behavioural statement?	Agree/Strongly Agree	100	85.7	90.9	85.7	100.0		
	Disagree/Strongly Disagree		14.3					
	Don't Know				14.3			

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Appendix Thirteen - Leeds Scorecards Review Outcome - 16th March 2001

Actions Requiring Further Work

<u>Repeat Complaints</u>	City D.O.	- More depth required - drill down with (Name Removed) by Pete - sign off or 1:2:1
	Bramley D.O.	- Walk log displays of issues - Name shame by walk (or individual) to focus attention
	Pudsey D.O.	- Basics look sound
	Holbeck D.O.	- New Manager (Name Removed) will also add experience/ tackle individuals
	York Road D.O.	- Expand beyond counselling issue as above
	Ireland Wood D.O.	- Proposals OK but when/how introduce
<u>MIPP - Time Out</u>	Bramley D.O.	- Need more on Manpower (re: absence) - link - Needs better retention rather than recruitment in a training/coaches link to low morale (S/L) - How? Actions.
	Chap Road D.O.	- Needs to reflect increased prep time - Link into FTD revision possibilities - Drill down into specifics
	Pudsey D.O.	- Accurate DODR completion of results since revision - Review manpower in light of revision and comments
	Holbeck D.O.	- Need RCA review (Name Removed) - Tackle acceleration / link to firms duties - PHG activities elsewhere eg SD locker so not delay out if in Callers
	Moortown D.O.	- Look for local solutions to space i.e. limit impact
<u>Due Mail Delivered</u>	City D.O.	- Missorts large task eg M.C. on 15k missorts for LS to LS1-5 - 3:30 - 5:30am
	Aireborough D.O.	- Remove M.C. element - problem not action - Clarify on S/L cover issues
	Harehills D.O.	- Extract QofS - FTD link
	Moortown D.O.	- Same as MIPP - Remove space reference - consider checks within office so no mail left around
	Sherburn D.O.	- Add core standards as most units need to do.
	All	- Raise issues on firm flick checks & missort frame

		clearance after flick aim at 06:30 - missort frame - Peter to pursue
<u>S/L Absence</u>	City D.O.	- Define which Manager (section/EL2) does what - accountable
	Bramley D.O.	- As MIPP time out - actions
	Chap Road D.O.	- Remove No LTS reduce S/L - Already progressing targeting
	Hunslet D.O.	- OK, looks sound
	York Road D.O.	- Wrong way round - balance bulk receipts - counselling - Needs more specifics eg RTW, home visits, stages
	Aireborough D.O.	- OK, looks sound
	Ireland Wood D.O.	- Need actions as nothing shown
	Seacroft D.O.	- Clarify 506a, otherwise OK
	Sherburn D.O.	- DOM Support hours unlikely unless from within unit - Look to do home visits

Appendix 14 - Managers Experience Of Performance Measurement 1988 – 2001

The starting point for my research investigates how my managers and I planned to meet the requirements of engaging with a unit based balanced scorecard deployed in 2001. At this point in the thesis however, I feel it is first desirable to position the drivers for change and to review Royal Mail's progressive engagement with continuous improvement and performance systems in the preceding thirteen years. Against this background I address the workings of a scorecard approach and review how exposure to these systems has adequately prepared individuals for an engagement with a unit scorecard.

The following section draws from a variety of literary sources and documents published from within the business. Analysis is also provided through the inclusion of relevant reflections drawn from my own experiences working within the deployed systems in a variety of frontline and managerial grades. It does however need to be recognised that I was not party to some of the deployed systems and as such, any reflections from my part refer only to those times when I was party to specific deployments.

Need for Change

It is well documented that as Royal Mail entered the late 1980s it was starting to experience deterioration of its overall market share. An environmental concern further compounded by adverse levels of dissatisfaction amongst its customers and employees, subsequently resulted in a period of national industrial action in 1988 (Wood and Walker 1994; Armistead and Machin 1998; Zairi and Whymark, 2000).

In response to these pressures, Royal Mail Managing Director, Bill Cockburn established the role of Quality Director, reporting directly to himself. Ian Raisbeck subsequently filled this post and brought six years of total quality management experience gained in the Rank Xerox Corporation.

Mr. Raisbeck's appointment is seen as an important turning point for Royal Mail (Wood and Walker 1994) from which it commenced its engagement with total quality management, seen as the logical way forward. The commencement of this journey, recognised as a long-term process (Total Quality in Royal Mail, 1992; Raisbeck, 1994; Wood and Walker, 1994) taking anything up to a decade can be directly traced back to an important announcement made by Raisbeck in a Royal Mail publication titled Current States and Future Desired states (1988:1) where he stated that:

"Before we can plan a journey it is essential to know the start point and the destination. Total quality represents a journey for an organization and we need to know where we are now (Current State) and where we want to arrive (Future State)".

To arrive at the level of detail required, the business actively sought the involvement and input of a cross section of 120 managers drawn from throughout the business, who along with the Royal Mail Executive Committee (RMEC) were split into small focus groups of six members.

The findings and recommendations from the sessions were published on the 24th April 1988 focusing on the identification of existing weakness and strengths, areas for improvement, as well as future desired states across six critical areas; *"marketplace, management style, culture, management processes, operational processes and the organization"*. Raisbeck recognised that the outputs from these sessions did not imply *"a totally definitive or concurred position"* of the business, but rather a useful contribution towards the *"development of an implementation plan for Total Quality,"* subsequently published in October of the same year.

The very detailed nature of the contents of the April 1988 document with approximately 280 bullet points makes it impractical to fully explore in any depth the recommendations in the confines of this thesis. It is however possible to extract from a business perspective the following high level summary of the 1988 discussions from a later Royal Mail publication which reviewed the position of Total Quality in (1992).

Shortcomings;

"A lack of structured feedback from the majority of customers and a mechanism for acting on expressed customer needs".

"A lack of understanding of the product range internally, and therefore, not surprisingly, among external customers".

"A poor external image and a failure to promote the positive aspects of the business".

"The creation of expectations of the mail service that were not being delivered".

Future states;

"A well structured product range based on market research of customer needs".

"An effective measurement of customer satisfaction and a framework for acting upon it".

"Understanding by employees and customers of all products and services".

"Customer confidence generated by the presentation of a professional image in everything from uniforms and vans to enquiry offices".

"Reliability in meeting the performance specification of each product, based on the needs of customers, without failure".

Source: Total Quality in Royal Mail (March 1992:2).

What particularly interests me in relation to my research is the recognition that there existed a distinct lack of performance awareness, measurement or involvement across the employee and customer dimensions.

This does not come as any surprise to me. I was at the time a postman, and the impression I gained from casual observations was that the only discussions undertaken between the managers related to the number of actual hours used to complete a task. There was little or no observable understanding or linkage back to actual cash or other performance dimensions in relation to employees, internal customers, or most importantly, the external customer.

There existed either consciously or subconsciously a single minded focus amongst the majority of managers just to get the mail through their particular part of the pipeline, with little thought for the impact of what they did on either the internal or ultimately, the external customer. It would be wrong to purely proportion this to the managerial grade. I can honestly say that we (postal grade) felt the same, and we never actually experienced any involvement in, or were

party to discussions relating to budgets, customer or employee topics or ultimately involved in how we could improve processes. The focus at the time in relation to the employee as far as I can remember, seemed to solely reside on my part in passing the new entrant sorting tests, which once achieved, seemed to eradicate any managerial interest in applying any follow up activities.

This was not to say that measurement systems did not exist. The Letter Information System for reporting budgetary performance (LIS) was well established, as was the RRP traffic recording system, along with methods to measure mechanised performance and utilisation of employee resource against workload, known as effective performance (EP). Supporting these, there was also an internal quality system measuring performance between the mail centres where letters are date stamped, and delivery offices where they are made ready for delivery (Wood and Walker, 1994; Armistead and Machin, 1998).

The problem with the latter system (from both an operators perspective who worked in the business and customer as a recipient), was that the internal bias of the measure clearly did not bring into the equation failures outside of the measurement profile. This could include failures to actually clear the pillar-box by a collection driver or at the other end if the item remained in the delivery office, or had been subsequently mis-delivered by a post person on their walk.

The way the system was designed would cause these potential setbacks to be overlooked and as far as the business was concerned, the then existing measurement points were acceptable. This disparity caused a misrepresentation of the actual first class next day delivery performance to emerge with the business seeing the service as being 90%, but customers' own indications showing only a 70% achievement. Once the measurement system had been changed, the actual performance measurement was 74% (Armistead and Machin, 1998) clearly indicating that the business was not aware of its true performance and that customers were right to feel dissatisfied.

Interestingly, Raisbeck (1994:14) provides an informative and honest example of this through his explanation that;

“In one case, a product (letter) was put in a post-box and we did not collect it for two weeks. So we kidded ourselves that we were giving close to 90 per cent next-day delivery”.

As I reflected back on these experiences, I was encouraged to revisit both the April 1988 focus group outputs and the October 1988 deployment document. A number of interesting performance management considerations emerged. These are not intended as a definitive overview, but provide a useful insight into how performance was perceived as managed at the time by the focus groups and RMEC, as well as underpinning a number of the views and assumptions I have previously positioned.

I feel the extraction of these is important, as it provides both an informative and valuable set of criteria against which the research findings can be cross-referenced to assess the degree to which they have been resolved over the intervening years and ultimately through the use of the unit scorecard.

At the deployment level the following views can be extracted;

- The business was criticised for not applying an integrated approach to strategic planning but deploying large numbers of functional initiatives with little realisation of the postal districts capability to implement them successfully. Subsequently positioned as a route cause for the existence of ineffective policy deployment and the emergence of fragmented practices.
- It was also felt that when policies were set there was a tendency to not fully think them through regarding their impact on employees which in turn could have a less than motivational impact on the workforce.
- There was recognition that there was ineffective communications throughout the organization and that when objectives were actually set they did not link back to the business plan, or in turn were effectively cascaded through the business.

At the engagement level;

- It was recognised that there existed an inherently strong focus on budgets, which in turn could materialise into what was described as game playing by individuals.
- The monopoly surfaced in numerous guises, but was seen in many cases to be a cause for employees to display an inwardly focused perspective to the detriment of customers. Similarly, it was also viewed that the prioritization and needs of functions could be seen as overriding the needs of the business as a whole.
- It was felt that there existed a predisposition for the application of a reactive as opposed to a proactive approach. In addition, there was a tendency to apply a crisis approach to management with post validation or *“we act today and think tomorrow”*. Quite appropriately summarized in the feedback as *“ready – fire – aim”* or *“flavour of the month”*. Seen by some as a *“scatter gun approach”*.
- When problems emerged, the view was that there seemed to be a lack of enthusiasm to set aside time to tackle underlying causes. Basic root causes were therefore not identified.

At the measured level;

- Concerns existed that there was no *“basic management information”* and *“real time control”* systems for the districts with dominance toward upward feed of information nationally, rather than for use locally.
- It was accepted that no structured method was in existence where levels of customer satisfaction could be identified, assessed and in turn, acted upon.

Finally, with regards to the way performance is managed;

- It was seen that there was a tendency to be more focused on the relative than the absolute measures and that managers' performance was viewed as being only as good as the previous month's, summarized in the document as *"short term focus"*.
- It was also felt that when the topic of performance was discussed, any feedback (whether positive or negative) was not always undertaken in an effective manner. Additionally criticisms were present regarding what was seen as *"management by confrontation and unreasonableness,"* as well as *"threat-centred and failure-orientated"* discussions *"with little emphasis regarding strengths"*.

It will come as no surprise, if we reflect back on the previous two paragraphs and the messages conveyed in the earlier extractions from the feedback, that included in the culture bullet points was an opinion that there existed at the time a;

"Focus on failure/shoot the messenger rather than emphasis on recognition"

The appearance of this particular type of feeling is not a singular occurrence in the text, appearing again in the management style section where it was felt that there existed an underlying:

"Fear of making mistakes or sharing problems as have tendency to shoot the messenger"

The level of effective performance planning, deployment and engagement present in the 1988 document is clearly questionable with a variety of inhibiting factors, functionalisation and lack of awareness of actual business performance across the business. In turn, exerting undue pressure on and influencing how individuals perceive and react to the process of performance measurement, its monitoring, improvement and subsequent management at this point in time, closely aligns with Neely *et al's.*, (2000) portal of dysfunctional behaviours.

The issue of 'shaping ideas' and subsequently the 'behaviours of managers' are discussed by Armistead *et al.*, (1998), who suggest that 'Quality Management' has played a considerable part in the way managers structure their thoughts in later years.

Developing a Culture of Continuous Improvement

As previously stated, Royal Mail's approach to adopting a behavioural culture that is both receptive to and involved in quality management and continuous improvement, can be traced through a number of years and definitive stages;

- Total Quality (Customer First) 1988–1991
- Changing how performance is measured 1988-1991
- Adapting the EFQM model 1992
 - Business Excellence 1993-1998
 - Unit Excellence 1994-1998
- Managing the Integrated Product Pipeline MIPP 1994-Present
- Post Office Management Model POMM 1999–2001
 - Balanced Scorecard 1999-Present

It would be impractical in the time available to review each of these in any depth as their complexity alone would warrant any one of them having a thesis in their own right. It is however nevertheless important to extract the incremental form/method of changing:

Total Quality (TQM)

The process of total quality was committed to by the RMEC on the 26th September 1988 with the positioning of a business mission statement, agreed set of values and confirmation of Customer First as; (Customer First The Total Quality Process For Royal Mail. 1988:i)

“The way of working that will enable the business to achieve its mission and objectives”.

To nurture this change in approach, Customer First workshops of 5 days duration were undertaken at the highest level of the business in January 1989 and cascaded throughout the different layers up to early 1991. The latter were supported by 85 Quality Support Managers recruited and trained by the business between 1989-1990, of whom 64 were assigned to

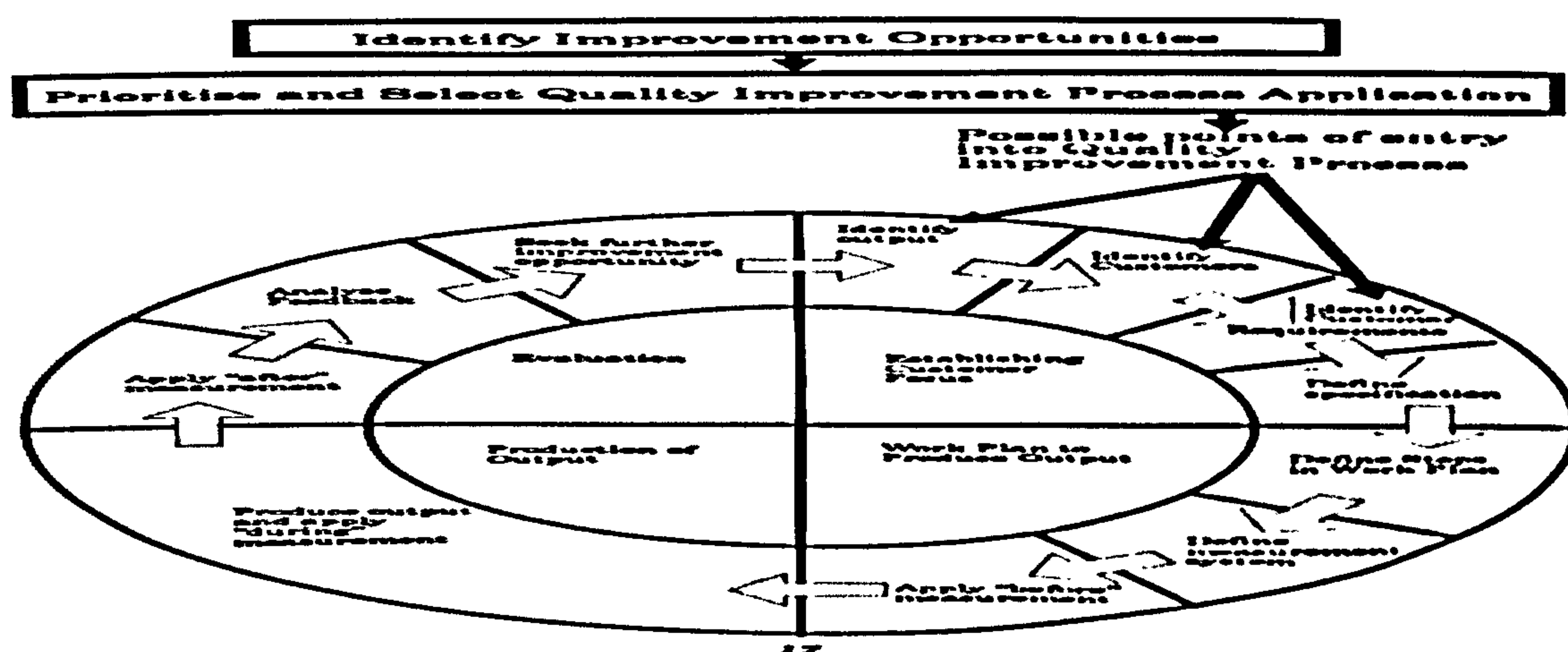
individual postal districts to coach and provide facilitation to the management teams on the principle of TQM (Armistead and Machin, 1998). The workshops undertaken in a team environment can be seen as the first instance of exposure of the managers to the concept of internal and external customers and suppliers. They also asserted that the achievement of total quality in this inter-relationship was dependant on them achieving a “*conformance to agreed customer requirements*”. To develop managerial capabilities and competencies required in the new performance environment the workshops aimed to;

“Provide all employees with the knowledge, skills and understanding of ‘Customer First’, necessary to support the change process that will result in Royal Mail becoming a customer focused and cost effective business”.

Source: The Total Quality Process for Royal Mail, Participant Workshop Manual, Customer First, (1990:no number).

A major element of the interactive coaching required an improvement opportunity to be progressed around Royal Mail’s Quality Improvement Wheel. This involved the application of brainstorming exercises and sharing of best practice, as well as more technical analytical tools and techniques such as histograms, cause and effect, Pareto and variance analysis to produce an improvement outcome (See figure 11).

Figure 11 - Quality Improvement Process Wheel



Source: “Customer First” Quality Improvement Guide, Royal Mail (no date: 4).

On completion of the workshops, individuals were expected to apply the same process in their workplaces, consequently resulting in “*hundreds of quality improvement activities*” (Armistead *et al.*, 1998:41), emerging and recognized at annually held teamwork events between 1990 and 1994. The aim of the events was to actively encourage and nurture a process of benchmarking and sharing of best practice, as well as knowledge between the participants and guests, thereby developing what can be seen as a quality network (Armistead and Machin, 1998).

In order to further embed Customer First into the organisation, over 100,000 frontline employees completed three-hour workshops between 1991 and 1993 focusing on the simple question “*let’s improve what you do*” (Wood and Walker 1994:20). The success of this involvement is evident when we consider that these frontline groups participated in the teamwork events for the first time in 1991.

Changing How Performance is Measured

To support the process of continuous improvement, a number of new measurement methods alongside radical changes to the existing measurement systems were deemed necessary. At the external customer level, this involved replacing the internal mode of measuring quality with an ‘*end to end*’ method, whereby performance is measured from actual time of posting to time of delivery. Additionally, to provide further depth of analysis, a customer satisfaction index was introduced to gauge how effectively complaints were dealt with, underpinned by a network of mystery shoppers. Armistead *et al.*, (1998:41) reviewed the benefits of the external customer measurement changes where it was concluded that they more accurately “*reflected the true experience of the service*” provided to the customer.

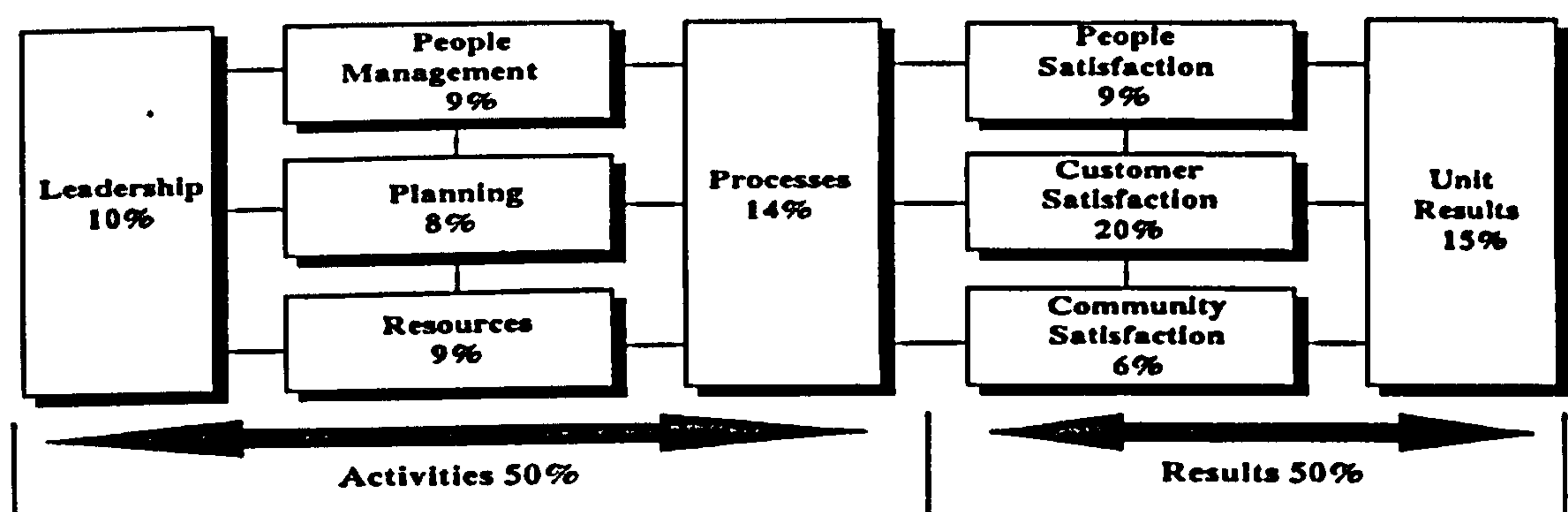
This left the internal customer interface, which (although rudimentary and ad hoc in nature) was not fully addressed until the introduction of in-process and cross functional measurements throughout the operational pipeline in 1995. A further area of measurement requiring attention, centred on improving employee attitudes and relations. This led to the deployment of both a yearly Employee Opinion Survey (EOS) to provide an input into the development of employee policies, and a bi-yearly Effective Leadership Feedback (ELF) survey, undertaken by employees

regarding their direct line manager. The ultimate aim of the latter survey was to nurture a more supportive management style across the organisation (Fojt, 1995 and Armistead *et al.*, 1998) recognised as important for the new way of working (Anon, 1992).

Adapting the EFQM Model

To embed still further the concept of Customer First between 1990 and 1992, a number of senior managers benchmarked the use of the Malcolm Baldrige, National Quality Award in the USA. These visits subsequently led in 1992 to the announcement of the Business Excellence Process, which included the use of an internal Business Excellence Review (BER) audit based on the European Foundation for Quality Management (EFQM) model. See figure 12.

Figure 12 - Royal Mail Business Excellence Model



Source: Business Excellence Self-Assessment in Royal Mail. The Post Office (1993:5).

The organisational structure was however seen as what has been rightly been defined as “*too complex*” (Armistead and Machin, 1998:326) to manage in this way and slow to accept and adapt to change leading to a far-reaching structural change, known as Business Development (BD) (Armistead and Meakins, 2007:19). These changes included reducing headquarters by 90%, and moving from 70 to 19 business units, part of which included the realignment of the previous 64 postal districts into 9 operational divisions with designated distribution, processing and delivery vertical functions reporting directly to Divisional General Managers (DGM). Additional support was provided to the functions via the Quality Support Managers who were re-assigned as dedicated Business Process Support Managers to individual functions. This

structure remained until 1996, when due to the emergence of functional foxholes and a reluctance to work together, functions were realigned to report horizontally across functional boundaries to an Area General Manager (AGM), who in turn reported to the DGM, providing a cross-functional culture that was seen as more conducive to effective work processes.

To support the voluntary and confidential process of internal assessment, 200 senior managers were trained as internal assessors with the first BER review undertaken on a complete business unit in January 1993. The dynamics and complexity of this task, focusing on both the enabling activities and results of the business unit under review is clearly evident in Armistead *et al.*, (1998) who observe that this could involve up to 20,000 employees spread over a large geographical area.

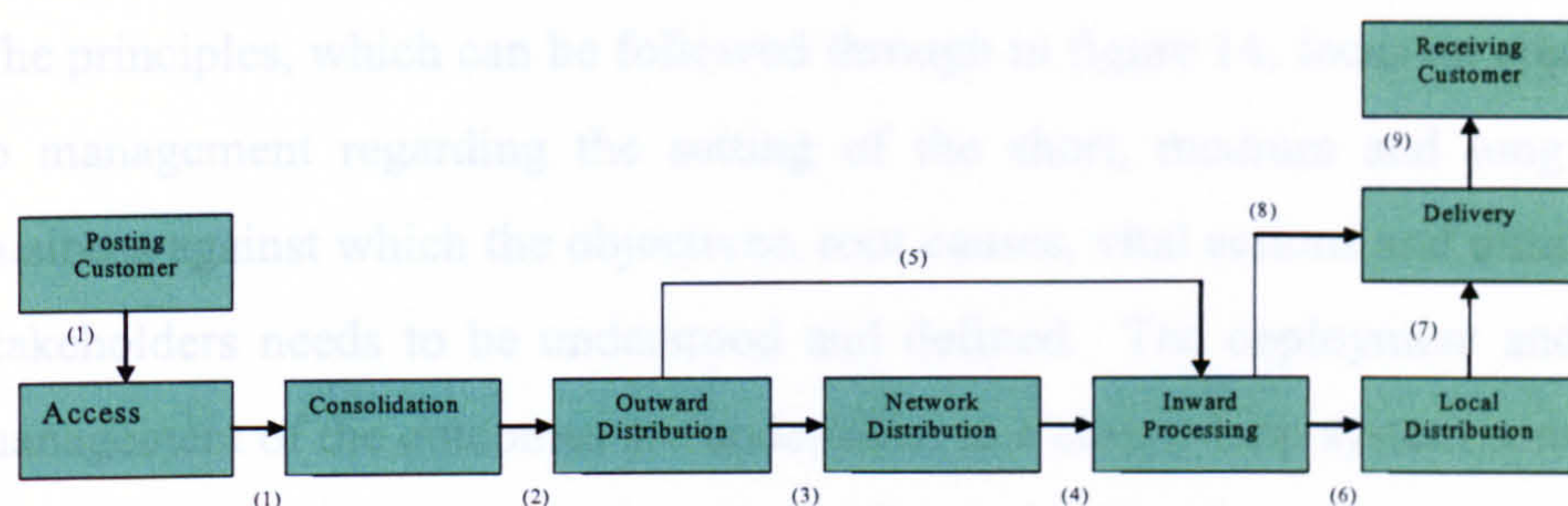
The highly structured nature of the reviews sought direct input from employees at different levels throughout the organisation, with scoring against the model undertaken, and strengths and areas for improvement identified and converted into a single scorecard for deployment (Armistead and Machin, 1998). The problem with the business unit assessment however, was that beyond some interviews, it never really involved front-line employees, thereby failing to realise the true potential by including frontline staff in the process. This was rectified in 1994 with the deployment of Unit Excellence (UX) which similar to the BER, was voluntary and confidential in nature, focusing on the same enablers and results. The difference was that coaches as opposed to assessors were used to lead the unit members through a self-assessment, scoring process and improvement plan. Participation however was limited in that few units actually participated in the approach, therefore minimising the actual impact of the plan.

Managing the Integrated Product Pipeline (MIPP)

In 1994, the focus shifted to an emphasis upon the internal customer via the introduction of MIPP. The simple philosophy behind the process was that if all internal customer and supplier requirements were previously specified, agreed and measured at designated handover points by the internal customer, corrective action at the frontline could then be immediately undertaken and any defect occurring against the specification rectified.

To ensure that a consistent approach was applied throughout Royal Mail, a national mapping exercise was undertaken at three levels to agree and define key interfaces at a cross and sub functional levels against which core specifications and measurement profiles would be observed. (See figure 13)

Figure 13 - Integrated Product Pipeline



Source: Royal Mail Produce Pipeline (July 1995, Version 7).

A key element of the MIPP process focused on improvement activities at two levels. Firstly on a daily basis customers and suppliers were required to review the previous day's operation and the challenges for the coming day with the emphasis on jointly solving problems as they occurred. Secondly, if issues fell outside the customer/supplier capability to resolve the problem, it would be referred to an Interface Improvement Team (ITT). In this instance corrective action would be agreed upon or recommendations submitted to the Area Pipeline Group, chaired by the AGM for funding or a resolution. The usefulness of this means of supporting improvement is evident in the present form of the Pipeline Improvement Forums (PIFs), which replaced the IITs.

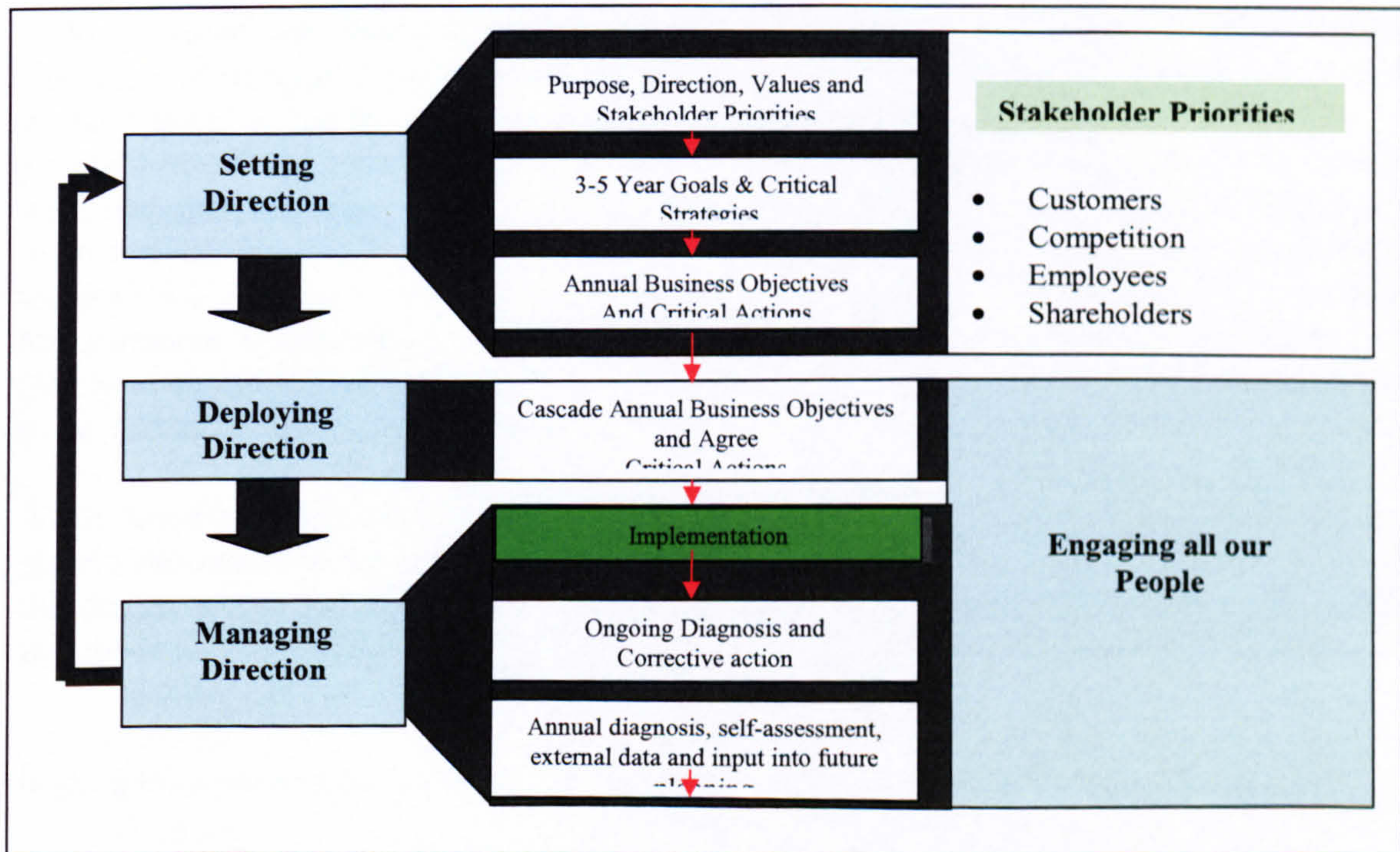
It was reasoned that this change in working practices would lead to a drastic reduction in the amount of work required to correct errors amounting to 10% of total costs prior to MIPP. The MIPP process is still very much in existence across the business, being the catalyst that helped expose and more importantly embed the concept of core specifications, process boundaries, in-process measurement, improvement and team working via daily and monthly performance reviews. The question as whether managers applied MIPP or used the diagnostic tools deployed as part of Customer First to support the improvement process, is debatable (Baughan, 1996).

Post Office Management Model (POMM)

Prior to researching the POMM, I had thought it inferred a model, when in fact it is simply a *“rigorous yet flexible, way of working”* (Anon, 1999) that enables Royal Mail to focus its direction, engage its people and in turn respond to the commercial environment.

The principles, which can be followed through in figure 14, focus on applying a holistic method to management regarding the setting of the short, medium and long term direction of the business against which the objectives, root causes, vital actions and ultimately the benefit to the stakeholders needs to be understood and defined. The deployment and ongoing performance management of the outcomes are undertaken in a closed-loop system continually being assessed, updated and adjusted throughout the different levels. Importantly as part of the process, the engagement of people throughout the organisation is recognized as the enabling factor critical for the progression and achievement within the business.

Figure 14 - Post Office Management Model (Pomm)



Source: Introducing the Post Office Management Model (Anon, 1999:2)

The Balanced Scorecard is the selected approach deployed to manage performance in the closed-loop system and has been in continual use in its present form, since 1999 at the National and Area Levels. The deployment of the unit scorecard into front-line units commenced in earnest January 2001. This deployment occurred shortly after an initial series of what was seen by the business as successful trials undertaken in the previous year.

MANAGERIAL REFLECTIONS ON THE DEPLOYMENT OF BALANCED SCORECARDS

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Abstract

The purpose of the research was to understand and influence the reactions of a senior manager and his immediate team to a business scorecard-based performance management system. Action research was used to understand the issues of the organisation, to initiate change aimed at improving the situation, to evaluate these changes, and to make adjustments and further iterations of change as appropriate. The findings indicate that managers have a level of objective understanding while at the same time show an underlying turbulence of frustration and cynicism caused by perception of lack of control over their own destiny.

Introduction

There are a number of key publications explaining and expanding the notion and practice of balanced scorecards (Kaplan and Norton, 1992; Kaplan and Norton, 1993; Kaplan and Norton, 1996a; Kaplan and Norton, 1996b; Kaplan and Norton, 2000). The virtue of adopting a 'portfolio of integrated performance measures' or 'balanced scorecard' makes intuitive sense. As does the idea that the use of scorecards can drive performance by measures designed to pull people toward the overall corporate vision, forcing managers to focus on the handful of measures that are most critical and helping managers understand, at least implicitly, many interrelationships. Such thinking is not unique. It is evident in other performance management frameworks such as those in Total Quality Management (Deming, 1986), Performance Measurement Questionnaire (Dixon et al, 1990) and more recently the Performance Prism (Neely et al, 2001). But there has been relatively little research into the effect on those exposed to the measurement systems (Holloway, 2000).

While these models make intuitive sense and are appealing to senior managers they are not always successful in use throughout an organisation. Much of the existing literature focuses on the design stages for performance management systems (Neely et al, 1995, 1997, 2000 and Bourne et al, 2000) and comprehensive reviews of the literature on design characteristics

leading to recommendations (Neely et al, 1997); summarised by Hudson et al, 2001 as:

- Derived from strategy
- Clearly defined with an explicit purpose
- Relevant and easy to maintain

- Simple to understand
- Provide fast and accurate feedback
- Link operations to strategic goals
- Stimulate continuous improvement

The issue of implementation of measurement systems has not been ignored. Previous investigations regarding barriers to implementation (Kaplan and Norton, 1996b) have been undertaken, including the development of McCunn (1998) eleven commandments for a successful implementation of the balanced scorecard and Sedecon Consultants 10 Recommendations (1999). But there has been relatively little research into the effect this has had on those exposed to the measurement systems (Holloway, 2000). This may be because there seems to be limited empirical studies over an extended period exploring how 'managers at an operational level' reacted to the measures they were exposed to within models and approaches (Neely et al, 2000). In the main, existing research has remained in the domain of case study investigations (De Toni and Tonchia, 2001). There appears to be a lack of studies that investigate in detail the effect on managers and their teams.

In the case of the implementation of performance measurement systems like the balanced scorecard the problems might be expected to be evident to a greater extent in large organisations. Here the full scale of deployment can be attempted as prescribed by Kaplan and Norton (1996b). They positioned three very distinct information/measurement levels through an organisation, supporting their explanation through an example classified as a 'personal scorecard'. Within the example, at the third level individuals and teams are asked to describe how their own objectives would support the strategic and business unit, focusing on what initiatives they would pursue to meet their objectives. The process involves:

- corporate objectives and measures
- corporate targets into targets for each business unit
- business unit targets interpreted by individuals and teams into their objectives

The desired outcome is to cascade, (Niven, 1999), desegregate and 'deploy downward' (Schneiderman, 1999) objectives and measures to achieve a line of sight throughout the different scorecard levels. How managers and their teams at the unit level react will be expected to have a critical effect on the overall effectiveness of the performance measurement system.

Methodology

The purpose of the research was to understand and influence the reactions of a senior manager and his immediate managerial team to a balanced scorecard based performance management system. The main researcher was the senior operations manager in a large postal service responsible for 17 unit managers and their staff with overall responsibility for the

implementation of the scorecard system across these units. The researchers saw the investigation being ideally suited to action inquiry, as a methodology designed to deal with the complexities of social, and organisational, life in a manner that remains focussed on actionable results. Tranfield and Starkey (1998) provide solid motivation for the application of action inquiry strategies to management research, and Ellis and Kiely (2000) add structure to the discussion by distinguishing between four action inquiry strategies: action research, participatory action research, action learning and action science. Action research was considered the most applicable for the present research (Lewin, 1952).

As Cunningham describes it (1993): An action researcher is a person with a scientific attitude, an understanding of qualitative research principles, an understanding of the dynamics of change, and a commitment to studying problems that are relevant in real settings. Allport endorses such views in phrases as 'his conviction that theories to be worth their salt must be tested in action, and his conviction that the social ground of mental life must be considered in virtually every psychological act'. It is this practical aspect of Lewin's work that the current research primarily draws from. It was envisioned that a number of cycles of action research would be used to understand the issues of the organisation being researched, to initiate change aimed at improving the situation, to evaluate these changes in terms of their effectiveness in the real-world setting, and to make adjustments and further iterations of change and evaluation as appropriate.

The research group comprised the senior manager and 12 of the 17 managers as research participants to cover the initial exploration and understanding of the balanced scorecard system and its subsequent implementation. Reflection is an integral component of action inquiry, the process of stepping back from experience to contemplate what the experience means, with a view to planning further action (Daudlin, 1996). This process promotes a deeper understanding of the growth and development of the organisation within the context of change in behaviour of individuals and teams in business processes. The balanced scorecard deployed from a corporate business unit level and aligned through operational areas imposed a number of standard performance measures at a unit level. The first cycle of the research was exploratory with the purpose of gaining an understanding of the extent to which the managers understood and were able to work with the scorecard. Outcomes from this cycle would then be expected to influence the next cycle that investigated the process of using the scorecard. The time-scale of the research reported here was approximately 9 months.

Findings

The findings are presented my reflections as the researcher-manager on two cycles of action inquiry with greater weighting being given to the first cycle. When asked to implement a balanced scorecard approach into my operational area, which consists of 17 separate operational units, I had some concerns. I was aware that individuals' previous experiences or indeed engagement with performance management had at times been unfocused and disjointed. Different approaches and levels of focus had been applied in varying formats throughout the business at operational unit level. I was aware that previous projects or indeed improvement initiatives had generated criticisms such comments as; "will it change anything" or "here we go again another flavour of the month project." Was I to expect any different reactions from my

own team who saw any extra work as simply distracting them away from what they perceived as their day job?

Here resided my dilemma. My own DBA studies had nurtured an understanding of the importance and benefits to be derived from performance measurement. It also raised my awareness that a large majority (Schneiderman, 1999) of performance measurement implementations fail, or are limited (McCunn, 1998; Neely and Bourne, 2000) in their effectiveness (Schneiderman 1999) or expectations. As both a researcher and practitioner I did not want my own team to become a further statistic in this depressing portrayal of performance measurement. Individuals' degree of engagement with the process is clearly a major factor that either supports the success or leads to it's downfall. Bourne (1999) provides an insight into this through comment that 'measuring performance explicitly focuses attention, this influences behaviour.' In my own case I needed to support the emergence of positive behaviours towards the new approach whereby individuals engaged with the scorecard in a positive and constructive way.

Cycle 1 -First impression from the Unit managers about the scorecard

The balanced scorecard used in the company had associated scorecards at three levels; the national scorecard was linked to scorecards for each of 61 geographic areas that in turn linked to smaller geographic units, typically there would be 20-30 units within an area. The same format of scorecard was used at each level with the intention of giving a 'line of sight' through the levels. The national and area scorecards had been in use for nearly two years before the process to introduce them at a unit level was begun. The unit scorecard consisted of three segments, each with a number of imposed key performance indicators (KPIs) and their related measurement dimensions. (see Table 1)

Delivery Unit Scorecard 2001-2002		
Shareholder	Customer	Employee
Mails Costs – Unit performance against issued budget.	All Mail Delivered –measurement of a unit's performance against plan.	EOS Fairness of Line Manager –Monitoring of the staff perception of how treated by line manager.
Weighted Unit Costs The efficiency of a unit's performance measured against how much it cost to process 1 item of mail through the delivery operation.	MIPP Time Out* – Measurement of a unit's performance against delivery specification.*Managing the Integrated Product Pipeline	Sick Absence as a % of ordinary hours - The measurement of sickness levels within a unit.
	No of Repeat	

	Complaints – Measurement of customer satisfaction within a unit.	
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Table 1 Unit Scorecard

Some targets were imposed nationally on all units. In other cases, an area could meet its targets either by allocating the same target to each unit or different targets to the units so long as the overall area target was achieved. In my case the following approach was taken:
Customer and employee measures and targets:

All Mail Delivered and Time Out targets - nationally imposed with standard targets. The same targets applied across all units to ensure conformance to delivery standards.

Fairness of Line Manager and Repeat Complaints – nationally imposed targets into areas with different targets assigned to units. The level of the target depended on current performance and an assessment of the perceived capability of a unit to contribute to meeting the area target.

Sick Absence – nationally imposed area targets applied equally across all units.

Shareholder measures and targets:

Mails Cost – issued unit budget adjusted both positively and negatively in line with any business plan projects

Weighted Unit Costs – this is calculated by taking traffic and dividing by cost, and the result is then uplifted by a national growth factor.

Within the above KPIs the units' tasks were to close any gaps identified by comparing current performance against the issued target for the coming year. Individual managers would be expected to link their own performance to targets in the scorecard. They would achieve this through the identification and progression of actions they would pursue to close the gaps and achieve the targets they had been set. I expected that this might pose a perceived threat to individuals. They might be uncertain as to how to proceed and be fearful of the outcome. My fears began to be realised when I explained the scorecard in one of my regular management meetings. Individuals could see the benefits of a more focused approach that reduced the number of measures. But they were still concerned that when things became difficult the approach might fall by the wayside.

The deployment of the scorecard into the units required each unit manager to attend a performance management workshop. I decided prior to this workshop to use my next management meeting to discuss the issue of behaviours needed for successful deployment of the scorecard. This would enable me to begin to resolve them without jeopardising the performance

management approach. I facilitated some reflective syndicate group sessions in the management meeting. I found issues arose that related to an individual's past experiences of performance management as well as their expectations of the new scorecard. Some managers perceived that measures and their associated targets were imposed without consultation and were unrealistic. In addition some targets were considered to be unachievable.

The reasons behind these perceptions were associated with a number of themes: confusion about the choice of measures; their ability to influence performance and the effect on payment systems. Managers expressed their confusion about the choice and relevance of the measures compared to existing measures in use. They questioned how the measures supported the business strategy. This was particularly evident as discussions focused on the trade-offs between different dimensions of performance.

Although individuals understood the necessity of trade-offs they still regarded it as a personal failure on their own part if success could not be maintained across all performance dimensions. As one individual commented "although a particular issue might be a problem in a number of other units – it does not say I have the same problem." This suggested that individuals felt that by reducing or changing the focus, problems could occur in areas where previously they did not exist. Managers had already experienced several changes in the performance management systems in the recent past and expressed scepticism about some of the new measures:

"I get extremely frustrated when I am unable to achieve a target I have been set, particularly when I know the cause but I am unable to influence any outcome."

They were also concerned about their ability to influence directly performance against a particular measure when the effects of external contributions were perceived to be overriding. For example the performance of a unit from upstream activity in the same process from different operational processes could have an adverse impact.

"I thought this was only my problem – why doesn't the business resolve this as it is clearly outside of my control?"

They considered that this could be de-motivating and could affect the degree of ownership and accountability accepted by individuals in the units. In addition there was fear that the payment of bonuses would be adversely affected by the system and by the upstream problems they were unable to influence. As the syndicate activities progressed we started to discuss issues of openness, honesty, trust and support being seen as important factors in making the new scorecard approach work. The openness of the discussion and syndicate exercises led to a joint development and agreement of a statement of behavioural commitment addressing the concerns raised.

A key factor emulating from the statement was the agreed need for openness and honesty between all parties, as well as the use of non-threat centred management styles. It was hoped this would address the concerns of individual managers regarding previous experiences with performance management which had been conducted in a more threatening and authoritarian manner. As a result individuals would be encouraged to discuss performance openly and honestly rather than simply agreeing and saying what they felt I wanted to hear. I realised that this would not be a one-way process. I would need to make changes. I wanted to nurture the process of my managers taking ownership of the scorecard. I decided to try to nurture this through listening constructively to concerns. I would also try to use the feedback process through the levels of the scorecard to identify how any changes made at unit level would support both the business plan and help unit managers take ownership.

When I tested the feedback and feed forward process through the levels considered it worked well to give an appropriate response but the process was slow, making it difficult for me to respond to questions raised in discussions with my managers. I was encouraged that when questioned at a later date, managers felt the scorecard approach had been successfully managed within the context of the behavioural commitments made between all parties. On reflection I can see that the robustness of the commitments supported the view of Winstanley and Stuart-Smith (1996) that 'four ethical principles needed to be built into the process' when 'policing performance.'

- Respect for the individual
- Mutual respect
- Procedural fairness
- Transparency of decision making.

Cycle two: Putting the unit scorecard into use

The success of the interactive syndicate sessions encouraged me to use the same approach during the deployment workshops each manager was required to attend. The aim of the workshop was to examine each unit scorecard and identify gaps between current performance and targets. Where the gap required performance to be improved, a root cause analysis was made of the reason for the gaps and an action plan drawn up. In the group setting extra assistance was provided to develop the analytical skills required and root cause analysis. The managers could see their problems more clearly. Also they found they had common problems. In some case managers had already done work to improve performance and were able to share this learning with colleagues. Overall managers were generally encouraged by the new approach, seeing it as a structured, supportive and time-scale process with fewer, more realistic objectives. The outcome was a more robust scorecard comprising detailed root cause analysis and actions directed to close existing gaps. A particular improvement was that managers began to address cases where actions to improve performance against one measure caused a trade-off with another performance target. For instance, an increased sick absence would raise mail cost through short or long-term recruitment to cover the resulting vacancy. The issue was getting the

managers to weigh up different options rather than going for the easiest one. As a result another positive effect of the workshop was to make it easier to reach agreement between myself and each unit manager to sign-off their scorecard. However the managers of the units showed they had a better understanding of the scorecard. They were pleased with the intentions to work in a new way.

But underlying frustrations remained as they approached the time when the scorecard would go live. These centred on their perceived ability to control performance directly to achieve targets in the different segments of the unit scorecard. They were positive about the repeat-complaints measure. Here they were confident that they could directly influence the performance of individuals they were responsible for. In the instance of the fairness of line managers they felt they had a great influence but that the national employee satisfaction survey could be adversely affected by such effects as the timing of a national initiative imposed on the unit. The other two customer measures of all mail delivered and the MIPP timeout are both heavily dependent on the smooth running of the national transport network and the efficiency of upstream functional process, as well as fluctuations in seasonable weather conditions. Similarly the management of sick absence was seen by managers as involving support processes, particularly Personnel in cases where national policy agreements which could have overriding effects on performance. But the measures that continued to generate the most debates were associated with costs. Individuals recognised that the task would be both stretching and at times difficult with most of the other KPIs directly impacting on the budgetary performance of the unit. Managing these trade-offs was recognised as being difficult. However, individuals felt frustrated again about impact of upstream problems and unforeseen initiatives introduced during a year at a national level that would not have been taken into consideration when setting the unit budget. This often made it very difficult to meet targets. In addition to the concerns of my managers I had reservations about the responsiveness of the measurement system, in particular the responsiveness of feedback and feed forward processes when trying to manage emerging trade-offs. I was aware that any delays in providing a speedy response to these factors would jeopardise both the behavioural commitments made and the credibility of the whole measurement system.

Over the next six months all twelve participating managers provided *reflective feedback* on the use of the scorecard within their own unit. This was done in two ways: first each individual completed a questionnaire after their monthly review meeting and second, two workshops were facilitated by a third party to discuss the use of the scorecard. The results from the questionnaires provided a number of conflicting messages that were explored in the workshops.

A significant finding was that managers indicated that they fully understood the targets they had been set, agreed that they had ownership of these targets and felt accountable for them. They also agreed that they understood how to achieve their targets. But despite this, more than half felt the targets were unrealistic and were therefore unachievable, even though they saw performance management as a tool in helping them achieve their operational tasks. When this paradox was explored it became clear that managers perceived a difference between 'feeling' accountable and 'understanding' that they are accountable for the targets they had been set. Individuals felt that any engagement with imposed measures generated a feeling of uncertainty and apathy. There seemed little point in striving to achieve something that was seen as

unachievable. It was felt that this was particularly true in cases where the initial gaps to be closed were stretched or widened as time progressed, or improvement activities introduced failed to produce the desired effects. They considered that this was particularly evident in the Time Out KPI, which was always open to varying degrees of upstream influences, resulting in local action that impacted on KPIs for costs and staff perception. In a similar context, individuals said they felt their hands were tied when problems or solutions were passed outside of their direct control. Further exploration of this issue revealed that managers saw their own particular issue as 100% of the problem. In contrast support or other operational functions might only see solving the units request as 2% of their overall task. Consequently they directed their available time and resources to resolve what they saw as 100% of their own problem that could involve a number of different units. Instances where this might occur included local recruitment availability, the lead times to complete the recruitment process and the management of long term sickness. Managers also revealed that at times they could be tempted to take the easy option rather than taking action. They might simply identify problems or they might use the lead-time involved to get anything done to deflect any discussions or they might shift focus onto other issues. It was also felt that when improvements were not readily seen individuals could choose to deflect their focus onto those improvements which are easier to achieve. This was especially true when it was hard at times to quantify if a recognised improvement was actually attributed to a given course of action.

All of these remain on-going issues for me to manage. The overall picture is however not as bleak as these findings might suggest. The application of the unit scorecard has had a major impact on supporting improvement activities across a number of KPIs – particularly evident in the customer complaint and some important quality targets that lie outside of the unit scorecard.

Conclusions

The findings so far indicate that the approach taken by the company is to cascade the use of the balanced scorecard (Nivan, 1999) while attempting to keep a line of sight for the measures by the deployment and dis-aggregation of targets (Schneiderman, 1999). Given the large size of the company and its scale of operations, the process of deployment through three levels, national, area and unit, has been cautious, with the first two taking two years to complete.

Through action research the interacting web of the concrete and abstract aspects of an implementation process has been revealed. The research sample were mainly experienced managers who were used to measurement systems. At the same time they demonstrated an understanding of the complexity of interacting measures and the impact of other functions and processes on their own performance. The findings to-date demonstrate that performance measurement systems elicit from managers both a level of objective understanding and dispassionate discussion while at the same time showing an underlying turbulence of frustration and cynicism caused by a perception of lack of control over their own destiny.

The experiences of this implementation can be examined within the framework of the design characteristic of a 'good' performance management system (Neely et al, 1997 and Hudson et al, 2001). A PMS should be:

Derived from strategy - while the present system has been conceived at the national and area level to fulfil this prescription, the implication from the present findings were that this is not the case at the lower level of the unit scorecard. Unit managers are unable to see the relationship with strategy, suggesting that while the scorecard was designed for line of sight down from the corporate level this is not the case when 'looking up.'

Clearly defined with explicit purpose - the action research revealed that a paradox could arise. While managers were saying they could see the sense and purpose of the measures at the same time they were demonstrating a conflict with their own goals.

Relevant and simple to maintain - the measures are relevant to the performance of the company as a whole but when translated to unit level this relevance becomes blurred when looked at through the eyes of operational managers.

Simple to understand - it was necessary to undertake a series of workshops to equip the unit managers to use the unit scorecard. This process should not necessarily be taken as a criticism of the simplicity of the measurement system, it probably reflects the issues of the interaction and interrelation between measures at unit, area and national level within and between business processes.

Provide fast and accurate feedback - the feedback and feed forward aspect of the current systems are wanting, not so much in the quality of the response but in timeliness.

Link operations to strategic goals - as with the strategic alignment this aspect would seem to be satisfied from the corporate level perspective but not necessarily from that of the unit managers. We might argue this does not matter so long as the operational targets are achieved.

Stimulate continuous improvement - this aspect is clearly satisfied by the gap analysis process in addition to the action plans for improvement.

Considering this framework for a 'good' PMS, demonstrates a major deficiency. There is no statement that addresses the behavioural aspects that this study has demonstrated are so important in the overall implementation success. The present system is perceived by senior managers as being successful even though at the unit level there is a fairly high level of anxiety about having targets that are, for the most part, influenced to a greater or lesser extent by external factors. A good PMS must surely try to address these issues. The present work demonstrates the power of the action research process, of including reflection, to surface and help resolve issues.

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