



Association of Higher Civil and Public Servants

*Submission to the
Public Service Benchmarking Body on behalf of
Principals and Assistant Principals*

July 2006

This submission has been prepared by the Association with the assistance of Burnham House Limited, which advises boards and top management in the areas of Corporate Governance, Strategic Management and Management Reward.

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1. Executive summary

The period since the salary scales for Principals and Assistant Principals were last reviewed by the Benchmarking Body has witnessed continued transformation and development of the roles of the two grades. The progressive roll-out of public service modernisation has placed Principals and Assistant Principals centrally in the implementation of radical organisational change, devolved decision-taking and – most particularly – increased levels of personal management accountability. These changes are explicitly intended to reflect the patterns of management responsibility and accountability found in the business sector. Moreover, the two grades bear levels of external public accountability much heavier than that of their business sector counterparts.

Section 2

Principals carry out a wide range of top management roles – considerably wider, certainly, than those conveyed by the brief role profile set out in the Benchmarking Body’s previous report. Typically, they manage a major policy development, business planning or service delivery unit, or a function that provides core management services. As such, they are key participants in the top management process of their Departments.

Section 3

In discharging their management roles, Principals are accountable to superiors at Assistant Secretary, Secretary General and Minister levels. The new managerial regime requires that they also be personally accountable for job and business performance to the Oireachtas (and, to a lesser degree, the European Union), to the Department’s customers/clients, to a growing range of independent government agencies, to the media, and to the general public.

In similar vein, **Assistant Principals** also carry out roles – again, over a wider range than those set out in the Benchmarking Body’s previous report – of an explicitly senior managerial nature. The Assistant Principal is intimately involved in developing strategies and policies; advises superiors on the practical ramifications of key business decisions or proposals; is responsible for translating high-level decisions into practical programmes of action; and commonly heads up specific service delivery units or key areas of functional specialisation within his or her Department.

Section 4

In discharging these roles, the Assistant Principal is accountable to superiors at Principal and – in specific matters – Assistant Secretary or Secretary General levels. As in the case of Principals, Assistant Principals are now, within the new Public Service management regime, accountable for job and business performance, not only within their Departments, but also outside (the Oireachtas, the Department’s customers/clients, the growing range of government agencies, the media, and the general public).

Inbucon, which conducted similar work on the Association’s behalf at the time of the previous benchmarking exercise, reports that the role, functions and accountabilities of the Principal are “directly equivalent” to those of what Inbucon defines as Rank 4 managers (head of a major division or function), and that the role, functions and accountabilities of the Assistant Principal are “directly equivalent” to those of Rank 5 managers (senior managers).

Section 5

The **current levels of salary** of Principals and Assistant Principals do not reflect this equivalence of responsibility. Inbucon reports that the salaries of Principals in the Civil Service would need to be increased by **44%** to match those of Rank 4 managers in business sector organisations of equivalent size. Similarly, the salaries of Assistant Principals would need to be increased by **19%** to match those of Rank 5 managers in the same organisations. *Section 6*

Moreover, if account is also taken of the **bonus earnings, profit shares and other cash remuneration** enjoyed by Rank 4 and Rank 5 managers in the business sector, the required pay increases for Principals and Assistant Principals rise to **84%** and **38%**, respectively.

Inbucon's report to the Association also dispels the myth that these shortfalls are defensible on the basis of the superior pension benefits said to be enjoyed by our members. This is because the comparative value – if any – of these is manifestly less than that of the wide range of other benefits, from company cars to share options, enjoyed by business sector managers at these levels.

Adding to our concerns is the fact that, over precisely the period when our members' accountabilities continued to be progressively aligned with those of their business sector comparators, the gap between their remuneration and that of those comparators has again significantly widened. *Section 7*

So also has the gap between our members' pay and that of their Assistant Secretary and Secretary General colleagues in senior management.

These anomalies are unsustainable and, if not addressed immediately and effectively, will present major future problems. *Section 8*

The terms of reference for the Benchmarking Body explicitly acknowledge that the most crucial characteristic of a soundly-based pay regime is its ability to **attract, retain and motivate** employees of the calibre needed for effective discharge of their complex roles and accountabilities. It follows that, if the modernisation process is to be successfully sustained into the long term future, three fundamental pre-conditions must be fulfilled:

- First, the Civil Service must be able, on a continuing basis, to **attract high-calibre entrants** who can anticipate advancement to management roles, the rewards of which will be commensurate with those available elsewhere in the economy.
- Second, as senior management roles and accountability structures within the Civil Service increasingly emulate those of the business sector, the remuneration of these roles must be pitched at a level which will **prevent longer term loss of the relevant skills** – most particularly where they are best developed and most effective – to the business sector.

- Third, it must be explicitly acknowledged that the proposition

You should fulfil similar roles, and perform to the same standards, as your business sector equivalents, but accept lower levels of pay

is ***unlikely to motivate key senior managers*** towards creating and sustaining a modernised Civil Service, and indeed is just about as de-motivational as a remuneration regime can get.

We submit, therefore, having regard to the substantially more favourable remuneration packages enjoyed by equivalent senior managers in large business sector firms, that the Benchmarking Body should, on the grounds of both logic and equity:

- recommend substantial increases in the respective ***salary*** scales for both Principals and Assistant Principals; and
- recommend procedures to ensure that the ***overall remuneration*** of Principals and Assistant Principals becomes matched to, and will then remain at, a level fully market-competitive with the business sector.

These seem, in the light of the material presented in this document, to constitute reasonable and equitable submissions. It is only their endorsement by the Benchmarking Body, and acceptance by Government, that will clearly signal that a modernised public service, managed to standards that will provide the best advice to Government, the best service to the citizen, and the best value to the taxpayer, is indeed a real national priority.

2. Achieving Public Service Modernisation

The five years since the salary scales for Principals and Assistant Principals were last submitted for review by the Benchmarking Body have witnessed an enormous increase in the transformation and modernisation of the Civil Service, and especially of the management roles, responsibilities and accountabilities of the two grades.

2.1 Modernisation up to 2000

In our 2001 submission, we noted that May 1996 had seen publication of the white paper ***Delivering Better Government***, which set out the roadmap for this change process (a process which was anticipated and promoted by the AHCPS as far back as 1992, when the Association published its paper *Corporate Strategic Reform of the Civil Service*). The objective of the process would be to meet the needs of a modern, highly diversified and rapidly changing economy, and those of an increasingly complex society, by delivering a high-quality spectrum of responsive, flexible and innovative public services. This would be achieved through:

- ❑ promotion of a more strategic approach to public service management;
- ❑ devolution of management authority, responsibility and accountability within Departmental structures;
- ❑ better management of resources, particularly human resources;
- ❑ increased accountability to the Oireachtas, the media and the general public;
- ❑ maximised use of modern information and communications technologies in support of Ireland's radically innovative approach to e-Government;
- ❑ openness and transparency in every aspect of service delivery.

All of this would, it was anticipated, critically depend on the commitment and contribution of public servants to all aspects of the modernisation process.

Conversion of this statement of intent into a radical programme of practical action had, up to early 2001, been swift and sustained. Key elements of the implementation process had already included:

- ❑ Establishment in 1996 of the ***Strategic Management Initiative*** (SMI)
- ❑ Announcement in 1997 of the Public Service ***Quality Customer Service Initiative***, followed by publication by Departments of individual ***Customer Service Action Plans***
- ❑ Enactment of the ***Public Service Management Act 1997***
- ❑ Enactment of the ***Houses of the Oireachtas (Compellability, Privileges and Immunity of Witnesses) Act 1997***
- ❑ Enactment of the ***Freedom of Information Act 1997***

- Presentation to the Oireachtas of the first *Strategy Statements* under the Public Service Management Act 1997
- Government approval in **1998** of proposals on *Multi-Annual Budgets* and enhanced *Administrative Budgets*
- Commencement of work in **1998** by an all-party *Oireachtas Committee on the SMI*
- Publication in **1999** of the first *Departmental Annual Reports* under the Public Service Management Act 1997
- Design in **1999** of new Civil Service policies and systems on *Human Resource Management* and *Performance Management*
- Government approval in **1999** of major new *Financial Management* systems, and announcement of a radical programme of *Regulatory Reform*
- Major initiatives in **1999** relating to the *Information Society* in general, and to *e-Government* and *e-Commerce* in particular
- Launch in **2000** of the new *Performance Management and Development System* for the Civil Service
- Development in **2000** of the *Principal Network*
- Announcement by the Taoiseach in **2000** of a new *Gender Equality Policy*

2.2 Modernisation and related developments 2001 to date

Over the most recent five years, this implementation programme has been greatly accelerated and developed. In summary, the key developments year-on-year have included:

2001 OECD Report *Regulatory Reform in Ireland*. Government Agreement on Action Programme and National Action Strategy on Better Regulation

2002 Independent **Evaluations** completed in relation to **SMI** (PA Evaluation), **QCS** (Butler Report), and **Partnership** (JJ O'Dwyer & Associates)

Benchmarking **Report** published

Enactment of *European Union (Scrutiny) Act 2002*: Increased scrutiny by Oireachtas of EU business, with related increased reporting arrangements by Departments

Agreement at General Council on Upward Feedback – 3 year phased rollout

Management Information Framework Report of the Working Group on Training to the Project Management Subgroup

2003 Social Partnership Agreement *Sustaining Progress* contained commitments in relation to a substantial modernisation programme for the public service. The implementation of this programme has impacted especially on the

management role and responsibilities of the Principal and Assistant Principal grades. *Sustaining Progress* also provided for limited open recruitment to senior grades and for improvement in promotion systems. These terms of the agreement were fully complied with by the Association and, in particular, competitive based promotions are now the norm at the levels represented by the Association.

Establishment of **Performance Verification Groups** to monitor and report on progress with implementation of the modernisation agenda.

Enactment of *Official Languages Act* 2003

Year 1 of *Upward Feedback* rollout

2004 Publication of *Regulating Better*, the White Paper on Better Regulation

Piloting of *Regulatory Impact Analysis* commenced

PMDS Evaluation completed by Mercer. Its main message was that there is a need to integrate PMDS with wider HR policies, including assessment systems

Public Services Management (Recruitment and Appointments) Act 2004

Development & rollout of *e-Cabinet System*. All memoranda for Government now submitted through e-Cabinet system

Civil Service Code of Standards and Behaviour published, setting out the standards required of civil servants in the discharge of their duties, and also detailing specific requirements placed on certain civil servants on leaving the Civil Service

Pensions Reform, including the introduction of cost-neutral early retirement and extension of the normal retirement age to 65 for new entrants

Rollout of *Upward Feedback* to all Departments

2005 *Integrated PMDS model* agreed by PMDS Subcommittee of General Council (subject to ratification by union executive committees). This will enable the integration of PMDS with increments, promotion, higher scales, and so on

Introduction of *Regulatory Impact Analysis (RIA)*

Year 3 of *Upward Feedback* rollout, including integration with PMDS evaluation forms

2006 Agreement of *Towards 2016* [subject to ratification by ICTU] – successor national partnership agreement to *Sustaining Progress*. This provides for

further modernisation and change and, in particular, for enhanced open recruitment at Principal and Assistant Principal levels.

2.3 Impact of selected modernisation initiatives

As illustrated, a significant number of modernisation initiatives have taken place since 2001. This listing does not, however, provide an insight into exactly how the rollout and implementation of each of these initiatives and developments is impacting on the role and function of staff at Assistant Principal and Principal level.

In order to illustrate more clearly the impact that implementation of modernisation developments has on the daily work and functions of the grades represented by the AHCPS, eight of the more challenging modernisation initiatives have been chosen from the above listing for further examination. The following paragraphs chart the development of these initiatives in additional detail.

Regulatory Reform

2001 The 2001 publication of the OECD report ***Regulatory Reform in Ireland***, acknowledged that very considerable progress had already been made by Ireland in the regulatory field, but highlighted that a remarkably wide range of regulatory reforms were still required if the country were to be enabled to overcome current and emerging economic and competitiveness challenges.

The Government agreed on an ***Action Programme*** and ***National Action Strategy*** on better regulation. The main burden of this new approach rests with senior management (especially Principals and Assistant Principals) in the Civil Service.

2002 Major public consultation process takes place with publication of ***Towards Better Regulation***.

2004 Publication of the White Paper on Better Regulation, ***Regulating Better***. This sets out the Government's policy for improving the quality of regulation, and the operation of the regulatory process, utilising six core principles – necessity, effectiveness, proportionality, transparency, accountability, and consistency. It contains a detailed and timetabled implementation action plan.

Piloting commenced, under the terms of the White Paper, on an Irish model of ***Regulatory Impact Analysis (RIA)***.

2005 Conclusion of, and report on, the piloting of ***Regulatory Impact Analysis (RIA)***. Updated Irish model of RIA is introduced in June 2005 across all Government Departments. Drawing from the EU's Impact Assessment model, the Irish model of RIA is an evidence-based policy-making tool that allows for more systematic early consideration of the benefits, costs and enforcement/compliance issues of new regulatory proposals. RIA

must now be conducted on all proposals for primary legislation, on significant secondary legislation (SIs), and on all draft EU directives and regulations. RIA marks an emphatic move towards more proportionate, systematic and transparent evidence-based policy making.

Independent Evaluation

- 2002** Independent evaluations were completed with respect to the *Strategic Management Initiative* (PA Consulting); the *Quality Customer Service Programme* (Butler Report); and the *Partnership Programme* (J J O'Dwyer & Associates). All three evaluations clearly identified that considerable progress had already been achieved, and also stressed the need to intensify effort in each of the three areas, especially by affording them additional senior management commitment and involvement.
- 2003** Establishment of a *Performance Verification Group* to monitor and report on progress with implementation of the *Sustaining Progress* public sector modernisation agenda. The Group concluded that there had been co-operation with flexibility and ongoing change; that there had been strong progress in many areas across the Civil Service; that the extent of the activity aimed at improving levels of customer service was impressive; that the delivery of services electronically has already led to direct benefits to the public through making a broad range of services increasingly accessible and convenient; and that the types of organizational restructuring, new methods of service delivery, changes to work practices/procedures, and changes to work-team structures and work patterns, will all contribute to delivering services in a manner that matches the expectations of the public. It accepted that Departments and Offices were engaging in more consultation with customers, with increasing steps to increase the transparency of the service they provide through the introduction of customer charters. The Group felt that this strong customer focus was extremely important in the modernisation process. The Group has also decided, in a series of reports, that payment of all increases due under Sustaining Progress up to June 2006 was warranted for all grades in each of the organizations under its remit.

European Union Scrutiny

- 2002** Enactment of the *European Union (Scrutiny) Act* 2002 provided for increased scrutiny by the Oireachtas of EU business. The Act requires Departments to submit an information note to the Oireachtas Scrutiny Sub-Committee on the likely impact, and issues of significance for Ireland, of all new EU proposals (directives, regulations, etc.) within four-weeks of their publication by the EU Commission. The Act also requires Departments to report on a six-monthly basis, and to provide further information to the Scrutiny Sub-Committee (including where appropriate attendance by Minister and/or Officials).

Performance Management Development System (PMDS)

- 2002** Agreement at General Council on a three-year rollout of the *Upward Feedback* element of the PMDS programme. Its purpose is to give job holders the opportunity of constructively commenting on how they are being managed; on the running of the Division in which they work; and on how the PMDS is organised within that Division. The ultimate objective of Upward Feedback is to raise awareness of personal strengths and development needs to enable improvement of individual performance; enhance the effectiveness of the PMDS programme; contribute to a more proprietary climate and culture, both locally and in the Civil Service as a whole; and enhance the achievement of strategic and organisational goals.
- 2003** First year rollout commences of the *Upward Feedback* element of the *Performance Management Development System*.
- 2004** Evaluation completed by Mercer consultants of the *Performance Management and Development System*. The main message was that there was a need to integrate PMDS with wider human resources policies, including those on performance assessment systems. Senior management – specifically including Principals and Assistant Principals – must remain a visible role model for the PMDS. In particular, it must be recognised that restructuring and other dynamic changes (such as decentralisation) are occurring simultaneously with PMDS. Senior management must therefore ensure that the PMDS is maintained as organisational changes are implemented.
- Second year rollout of the *Upward Feedback* programme, now extended to cover *all Government Departments*.
- 2005** Union agreement on a new *Integrated Performance Management and Development System (PMDS)* enabling integration of the PMDS with increments, promotion, higher scales, and so on.
- Third year rollout of *Upwards Feedback*, including integration with PMDS evaluation forms.

Civil Service Recruitment, Appointments and Discipline

- 2004** Enactment of the *Public Service Management (Recruitment and Appointments) Act 2004*. This reforms the recruitment processes within the Civil Service and other public service bodies, enabling Civil Service Departments and Offices to recruit staff directly. It also permits greater flexibility, enabling Departments and Offices to manage their organisations more effectively. It provides for the dissolution of the Civil Service and Local Appointments Commission (CSLAC) and the establishment of two new bodies, *the Public Appointments Service (PAS)* and the *Commission for Public Service Appointments (CPSA)*. The establishment of the CPSA marks the beginning of a new era in

public service recruitment by offering Civil Service Departments and Offices an option to be licensed to recruit staff. The new Commission has the role of regulating recruitment under the Act, and ensuring that high standards of probity are maintained in the system. The PAS, also established under the Act, acts as the centralised recruitment, assessment and selection body for Government Departments and other public service bodies within its remit.

- 2005** Enactment of the *Civil Service Regulation (Amendment) Act 2005*. This provides that each Secretary General will be responsible, by virtue of being the “appropriate authority”, for managing all matters pertaining to appointments, performance, discipline and dismissal of Civil Servants below Principal level, while each Minister will be the appropriate authority for Civil Servants at and above Principal level. It also provides for extending the scope of the Unfair Dismissals Act to cover Civil Servants; widening the range of disciplinary sanctions; and introducing a fuller range of sanctions for underperformance. In effect, the Act has had the effect of ensuring that HR management practice within the Civil Service is now much more closely aligned with equivalent practice in the business sector. It also means, of course, that both Principals and Assistant Principals now carry, by virtue of their devolved management authority, significantly greater accountability for the HR management function.

Civil Service Code of Standards and Behaviour

- 2004** Establishment of a *Civil Service Code of Standards and Behaviour*, setting out the standards required of Civil Servants in the discharge of their duties, and detailing specific requirements placed on certain of those leaving the Civil Service. This is a *statutory code*, drawn up by the Minister for Finance under Section 10 of the Standards in Public Office Act 2001, and now forms part of the terms and conditions of employment of all Civil Servants.

Value for Money Assessment Initiative

- 2004** Establishment of the *Value for Money Assessment Initiative*. Its objectives are to analyse in a systematic manner what is being achieved by Exchequer spending, and to provide a basis on which more informed decisions can be made on priorities within and between programmes. The VFM Assessment Initiative forms part of the drive to ensure that value for money considerations are paramount in the consideration and implementation of public sector programmes and projects. Departments and Offices now carry out the VFM Assessments according to a template terms of reference and guidelines laid down by the Department of Finance. Completed reports are forwarded to the Oireachtas, and published on the websites of the relevant Departments and Offices. Each Department/Office is required to put systems in place to ensure that the response to the VFM Assessment reports is tracked and reported

regularly to its management committee.

Budget 2004 announced the introduction of a *Capital Envelopes* programme. Departments and Agencies have delegated authority to manage their Capital Programmes and Projects within five-year capital envelopes, provided they adhere to Department of Finance guidelines for Capital Appraisal, Public Procurement and other Value for Money requirements. The capital envelopes provide Departments with greater certainty for managing their spending, further supported by the facility to carry over to the next year unspent capital up to 10 per cent of the total capital budget, if that is required to improve project management.

- 2005** The formal *Peer Review Process*, announced by the Government in October 2005, is now operational. The introduction of VFM procedures on major projects means that all major capital and ICT projects must have an individual project manager, responsible for managing and monitoring the project and for reporting progress to a Project Board. Regular progress reports – to the Management Advisory Committees of Departments and to the Boards of State Agencies - are also required on capital programmes and major projects, and on value for money generally. The peer review is carried out at key decision points – preliminary business case assessment, detailed assessment, pre-tender, post-tender, and project close-out – by a team of experienced people external to the Project Board and the organisation. The process particularly focuses on examining the preparation of good business cases; cost benefit analysis; affordability within the approved budget for the organisation; detailed planning; governance arrangements, and so on. Peer review teams are selected by the sponsoring Department or Office of each project subjected to the process, and these selections are subject to agreement with the Department of Finance. Review teams include people with relevant experience, and these people can be drawn from both within and outside the public sector.

Other

- 2003** Enactment of the *Official Languages Act* and of the phased rollout of its provisions. The requirement that all policy documents and published reports must now be simultaneously published in both English and Irish has placed additional pressures on management staff, particularly in relation to adherence to project deadlines and related budgets.
- 2004** Rollout of the *e-Cabinet system*, through which all Civil Service memoranda to the Government are now submitted. The new system places Ireland to the forefront in applying Information and Communication Technologies to the entire Cabinet process. In particular e-Cabinet provides for the electronic distribution and management of Cabinet papers (both draft and final stage); the use of ICT technologies in direct support of Cabinet meetings; the use of similar technologies to improve presentation of complex issues at Cabinet; and the creation of new information resources. Alongside the use of touch screen terminals at the Cabinet table itself, it has provided for fully electronic drafting of

documents for Cabinet and electronic inter-departmental consultation processes.

A new *Pensions Reform* programme. Among the main initiatives are the introduction of cost-neutral early retirement, and the extension of the normal retirement age to 65 for new entrants.

Departments established working groups to support the development of performance indicators for the *Management Information Framework (MIF)*. An updated MIF project plan, covering the period to end-2006 was also published, which aimed at ensuring that the new financial management information will be used in conjunction with non-financial performance information to monitor and, where possible, improve business performance.

Standing back from this detail, five strategically crucial themes of the Modernisation Process warrant highlighting:

(i) Devolved management authority, responsibility and accountability

The Public Service Management Act 1997 provided a framework for assignment by Secretaries General of management authority, responsibility and accountability to grades and individual officers at lower levels, most particularly the Principal and Assistant Principal grades. This included the requirement that officers to whom such assignment is made shall:

- provide policy advice in relation to the subject matter of the assignment and related matters;
- achieve the defined outputs and results specified in the assignments;
- assume management responsibility for the statutory schemes and programmes specified in the assignments;
- assume management responsibility for the quality of services delivered within the framework of the assignment;
- ensure that related expenditure accords with the provisions of the relevant Appropriation Account, and that value for money is obtained; and
- perform functions in respect of appointments, performance and discipline of personnel in the area of the assignment.

In short, the essential thrust of the Act was towards the creation, within the Civil Service, of a framework of management structures and accountabilities directly analogous to that in organisations of similar size and complexity in the business sector.

(ii) Performance management and development, and other HR initiatives

The introduction – and continued extension and elaboration – of the new regime of performance management and development constitutes a further step towards a management culture directly analogous to that found within business sector. Its essential purpose is to provide the crucial link, and attain the necessary synergy, between the high-level business goals of Departments – as expressed in their Strategy Statements – and the specific objectives of the teams and individuals expected to achieve those goals.

The Civil Service HR management system has, since 2001, been further radically modernised by enactment of the Public Service Management (Recruitment and Appointments) Act 2004, which for the first time permits Civil Service Departments and Offices to recruit staff directly. Moreover, the Civil Service Regulation (Amendment) Act 2005 provides that each Secretary General will be responsible for managing all matters pertaining to appointments, performance, discipline and dismissal of Civil Servants below Principal level, and each Minister responsible for Civil Servants at and above Principal level. It also provides for extending the scope of the Unfair Dismissals Act to cover Civil Servants; widening the range of disciplinary sanctions; and introducing a fuller range of sanctions for underperformance.

This new approach, complemented by a concerted drive towards an integrated overall human resources management process, is a radical undertaking. It requires committed leadership, and highly developed planning, business management and people-management skills on the part of those – mainly this Association's members – charged with its implementation.

(iii) Regulatory reform

The Government's agreement in 2002 on an action programme and strategy for regulatory reform, and its 2004 White Paper on Better Regulation, will ultimately lead to an improved and more transparent regulatory environment in Ireland, which this union supports. In the short to medium term however, work on advancing the programme has led to increased work and accountability for senior managers in the Civil Service. All departments must for example give consideration to regulatory reform issues within their business plans, including consideration of legislation that can be consolidated, repealed or re-enacted in more modern form. The workload on departments and on senior managers has intensified with the rollout of Regulatory Impact Analysis (RIA). RIA requires departments to give earlier systematic consideration to the benefits and costs to the economy and to society of all new regulatory proposals, and to give consideration to alternatives to regulatory change. The integrated model of RIA requires departments to give consideration at the earliest possible stage to the impacts and benefits of legislative proposals on business (particularly on small business), society and the environment. RIA must then be submitted to Cabinet to inform the final decision-making process.

While it can be argued that the RIA model is essentially applying a consistent approach to policy-making across departments, its rollout and implementation

requires significant support from the senior management grades of Assistant Principal and Principal in ensuring changes in work practices take place, and represents a substantial culture change within and across certain departments. The publication of RIA will lead in time to increased (and welcome) transparency regarding policy-making in Ireland. This however, does place additional accountability on Assistant Principals and Principals in drafting and preparing RIA.

(iv) Scrutiny of EU business

The European Union (Scrutiny) Act 2002, requires Departments to submit information to the Oireachtas Scrutiny Sub-Committee on the likely implications for Ireland of all new EU proposals (directives, regulations, etc.) within a four-week timeframe, and additionally to implement increased reporting arrangements on a new six-monthly basis. The Oireachtas Scrutiny Sub-Committee can also request attendance and additional reporting on such EU proposals from the Ministers and/or Officials. This also has radically increased the burden of accountability of the Principals and Assistant Principals whom this Association represents.

(v) External accountability

The Public Service Management Act 1997 established an unparalleled degree of external accountability (i.e. outside the organisation itself), by empowering Secretaries General to designate appropriate officers to appear before Committees of either House of the Oireachtas in relation to the elements of the Department's Strategy Statements for which they have been assigned responsibility.

This external accountability is strongly reinforced by the terms of the Freedom of Information Act 1997 and the Houses of the Oireachtas (Compellability, Privileges and Immunity of Witnesses) Act 1997; by the development of the Committee System in the Houses of the Oireachtas; by the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001; by publication of the Civil Service Code of Standards and Behaviour; by the Department of Finance's Code of Governance for State Bodies (on which boards many Principals and Assistant Principals serve); by the range of independent bodies – Office of the Ombudsman, the Information Commissioner, the Comptroller & Auditor General, the Social Welfare Appeals Office, the Ombudsman for Children, the Agricultural Appeals Office, the Pensions Ombudsman, the Ombudsman for the Defence Forces, and so on – which oversee the work of Civil Servants, especially at senior management level; and by the creation of a radically innovative framework of Social Partnership.

These developments mean that Principals and Assistant Principals are now more readily identified, and held accountable for their decisions and recommendations, by the Oireachtas (through evidence to Dáil and other Committees), by participants in the Social Partnership process, by the media, and by the general public. The day of the anonymous senior civil servant is now well and truly past.

Taken in its entirety, therefore, the modernisation process is the most fundamental culture change in the Civil Service since the foundation of the State, and constitutes an entirely new approach to managing the Civil Service. What it has yielded – and will continue to yield as the process continues to evolve in future years – is a Civil Service, strategic in outlook, focused on results, operating along business lines, with clear lines of management authority and accountability, and with a degree of transparency and external accountability without any parallel in the business sector.

2.4 The impact of modernisation on our members

This broadly based process of radical change and modernisation, and parallel changes in the external environment in which the Civil Service operates, have had a profound impact on the roles, responsibilities and accountabilities of the Principal and Assistant Principal grades, in terms of both their traditional – and continuing – roles and the radically enhanced roles, responsibilities and accountabilities which they have accrued by virtue of the modernisation process itself.

2.4.1 Continuing role

Traditionally, Principals and Assistant Principals have fulfilled an exceptionally wide range of particular public management roles. These roles, which continue to be discharged within the new management regime, include:

- general administration and management of Government activities with expenditure running to billions of euro;
- participation in the development of economic, social and general strategy and policies across a wide spectrum of national issues, including appropriate attendance at committees of the Houses of the Oireachtas;
- provision of top level advice on emerging proposals to Assistant Secretaries, to Secretaries General, to Ministers and to Government, as appropriate;
- preparation of legislation, and provision – including through attendance – of expert advice to Ministers and members of Oireachtas Committees in relation to estimates and debates, and during the passage of legislation through the Oireachtas;
- overview (including through unremunerated directorships of State boards and agencies) of policy formulation, strategy development, financial planning, and legislative and regulatory development with respect to local authorities, the Health Service Executive, State and semi-State agencies, and private sector and national organisations;
- chairmanship and membership of interdepartmental and other committees established to address and report on particular issues and problems arising in the public service arena;

- communication and negotiation with national, regional and local organisations, and with representative bodies, NGOs, and interest groups, both generally and within the developing Social Partnership framework; and
- representation and negotiation on behalf of the State, including at Chairman level, at the EU, on Anglo-Irish and Cross-Border bodies, at international conferences, and at meetings of the committees of international organisations where the agreements negotiated, or decisions reached, may be of vital importance to Irish economic and social well-being.

Importantly, these roles are now being discharged in an environment of rapid economic, social and cultural change, and growing public expectation that State services will be delivered in a responsive, timely, cost-effective and transparent manner. Thus, the traditional Civil Service values of commitment, honesty, integrity and political impartiality must increasingly be supplemented – most particularly at senior management level – by deep understanding and appreciation of the overall constitutional, governmental, legal, regulatory, economic and social context of what is now one of the world’s most successful economies.

2.4.2 New dimensions and accountabilities

In seeking to define the radical additional impact of the modernisation process on these roles, an important initial consideration is the sheer size of the Civil Service, and the nature and scale of the management challenges that this poses.

It is, of course, evident that Secretaries General and Assistant Secretaries have roles of strategic managerial importance in the initial implementation of the modernisation process, and in the subsequent maintenance and continuous improvement of the new management regime.

It is equally evident, however, that their ability to discharge these accountabilities is – by virtue of “span of control” problems and related issues – inextricably linked to their ability to harness the resources, commitment, and managerial skills and abilities of their senior management colleagues in the Principal and Assistant Principal grades. It is the members of these grades who are primarily responsible for the crucial task of translating the prescriptions of high-level business strategy into a management framework, which will inform the roles and activities of individuals and teams throughout the entire Civil Service.

The impact of the modernisation process on Principals and Assistant Principals, and on the nature of their responsibilities and accountabilities, has therefore – inescapably – been truly profound, encompassing:

- more extensive and formal involvement not merely in the implementation and management, but also in the formulation and development, of strategic cross-sectoral policies, business plans and expenditure budgets, both for their Departments generally and for those particular functions and business units and for which they are, by assignment, individually responsible and accountable;

- adoption, elaboration and implementation of business and organisation structures, management methods and systems, devolved decision-taking processes, and reporting frameworks, all of which are more closely aligned than ever before with those found at equivalent level in the business sector;
- particularly extensive involvement in the development and implementation of the wide range of Government and Civil Service initiatives in the fields of information and communications technology (ICT) and, in particular, in the creation of new e-Government structures, where senior managers in the Principal and Assistant Principal grades have taken the lead role;
- radically enhanced management accountability, within the framework of the *Public Service Management Act 1997*, for the operation of specified statutory schemes and programmes; for defined outputs and results; for the quality of services delivered; and for financial management and expenditure control, including in the critically important new areas of Internal Audit and Value for Money (VFM) Auditing;
- similarly enhanced accountability, within the terms of the integrated human resource management initiative, for HR management, including manpower planning, appointments, discipline, performance appraisal, and staff development and training;
- more explicit *internal* accountability, including within the framework of the *Public Service Management Act 1997*, for personal job performance, for the performance of their functions/business units, and for the job performance of subordinates; and
- a newly established regime of *external* accountability – to the Oireachtas, to an increasingly wide range of independent agencies and similar entities, to clients/customers, to the social partners, to the news media, and to the general public – for business and job performance. This accountability is of a nature, and on a scale, which is quite simply without parallel at equivalent level in any other sector of the economy.

In short, the Principal–Assistant Principal nexus is now firmly and explicitly established, and officially recognised, as the essential core of senior management within the Civil Service; as critical to the effective planning, management and control of Departments generally; and, most particularly, as the essential glue which holds the modernised management regime together. Indeed, the time is now well overdue for formal recognition of the grades of Secretary General, Assistant Secretary, Principal and Assistant Principal as together constituting the *Senior Civil Service*, which will drive the modernisation process into the future, and entry to which will be on the basis of undisputed merit and competency.

2.5 Achieving the Modernisation goal – impact of Decentralisation

The implications and requirements of the ongoing modernisation programme for the Assistant Principal / Principal Officer nexus are significant. However, the impact of

the Government's Decentralisation Programme, announced in the 2003 Budget, on the ability of these grades to continue to implement effectively and in a timely manner, the necessary modernisation programme, must also be taken into account.

The requirement in the Government's programme to relocate outside Dublin some 10,000 public servants to no fewer than 53 separate locations across 25 counties, constitutes one of the largest ever development programmes for the public service, and places particularly heavy demands on senior managers in the Civil Service. The programme requires the removal to locations outside Dublin of the Office of Public Works and eight entire departments (including Ministers, Secretariat and Senior Management).

As has been reported in the media and expressly outlined by this union since the 2004 Report by the AHCPS Executive Committee *Public Service Relocation Programme: An opportunity missed, a challenge to meet*, the impact on those staff in Departments listed for decentralisation, but who do not themselves wish to decentralise, is without precedent.

Latest figures indicate that the numbers currently based in Dublin who wish to decentralise will meet about one-third of the total numbers required for the programme to work. Such figures also do not indicate the numbers of staff who are willing to decentralise with their current job. In certain departments and offices, the turnover in staff will be in the region of 90%. The role of overseeing and managing the movement of staff, the retention of corporate knowledge and experience in light of the near 90% turnover in staff that is occurring in many offices, while simultaneously ensuring that quality service provision is maintained and that modernisation continues in parallel, falls largely to the grades of Principal and Assistant Principal.

This means that in addition to the usual reporting and accountability requirements, Principal and Assistant Principal grades are now also accountable for ensuring that the decentralisation process is successfully achieved; that there is no loss in the quality of service to the public while new staff arrive and are trained, or during the physical relocation process; and that offices continue to operate to the ambitiously high standards of the entire Civil Service modernisation programme. The need to achieve these requirements arises while substantial numbers of Assistant Principal and Principals themselves may not be relocating, and are unsure as to which Department or office they will ultimately end up working in. The demands posed on these senior managers cannot be overstated.

The next two sections of this submission describe in greater detail the roles of the Principal (Section 3) and Assistant Principal (Section 4) within this new management framework.

3. Role, responsibilities and accountabilities of the Principal

Appendix F of the Benchmarking Body's June 2002 report set out what it termed a *Generic Job Profile* for the Principal Officer grade. This profile did not, the report conceded, constitute a job description purporting to describe all of the functions, duties and responsibilities of the grade. Rather, it was a distillation of this wide range of duties into a generic form suitable for discussion with Principal Officers prior to its final evaluation by the Benchmarking Body's consultants.

In this light, Appendix F set out the Generic Job Profile for the Principal Officer grade as follows:

- *Job holders should be educated to primary degree or equivalent level.*
- *Experience required ranges from 7 years to over 15 years depending on the nature of the job.*
- *The job often requires the application of specialist or expert knowledge and skills depending on the nature of the actual posts.*
- *Work is highly diverse, with jobs involved in the development of strategy or complex casework.*
- *Leadership roles over a number of teams with full management responsibility for a number of supervisors/team leaders with key responsibilities specifically ascribed under Departmental/Office business plans and the Public Service Management legislation.*
- *The jobs involve the need to communicate in a lead role with, and respond to, people inside and outside the Department/Office, including interest groups, senior members of Departments/Offices and Ministers.*

It is the Association's view, and that of its advisors, that this profile constitutes a substantially understated definition of the Principal Officer job, and that it inappropriately ignores a considerable number of crucially important job features.

Accordingly, we now re-define, in bullet-point format, the current – and considerably expanded, compared with five years ago – role, responsibilities and accountabilities of the Principal, using the following general headings:

- Role
- Reporting accountabilities
- Other accountabilities
- Subordinates
- Managerial functions
- Competencies
- Contacts

3.1 Role

- Head of a major policy development, business planning, regulatory or service delivery division, or of a central Departmental function, providing core management services in such areas as planning, human resources, financial management, ICT, business and corporate promotion, and press and public relations.
- Key participant in the Department's top management process, which is concerned with strategy and business policy formulation; with the initiation, elaboration and validation of proposals for decision by the Minister or the Government; and with the overall planning, direction and high-level management of the wide range, and complex pattern, of activities conducted by organisations employing as many as 6,000 people.

3.2 Reporting accountabilities

- Reports, in the main, to an Assistant Secretary, and frequently – for specific management functions and responsibilities – to the Secretary General and/or the Minister.
- Is explicitly accountable, within the Public Service Management Act 1997, for personal job performance, for the performance of assigned functions and business units, and for the job performance of subordinates.

3.3 Other accountabilities

- Under the terms of the Public Service Management Act 1997, and the various other Acts and initiatives already discussed in Section 2 above, is also managerially accountable for job performance to the Oireachtas (including Oireachtas Committees, before which he/she may be required to appear), to a growing number of independent agencies, to the Department's customers/clients, and to the general public.
- Is identifiable, and potentially held accountable, for management decisions and actions to the media, both directly and under the terms of the Freedom of Information Act and other pieces of recent legislation.

3.4 Subordinates

- Personnel at Assistant Principal and/or middle management level and below.

3.5 Management functions

- Participation in the development of national economic, social and business strategy and policies.

- Provision of top level advice on emerging policy proposals to Assistant Secretaries, Secretaries General, Ministers, and Government.
- Preparation of legislation, and provision of expert advice to Ministers and members of Oireachtas Committees during the passage of legislation, including attendance as advisors to Ministers during appropriate Oireachtas proceedings.
- Formulation and development of policies, business plans and expenditure budgets, both for the Department generally and for the particular functions and business units for which they are, by assignment, individually responsible and accountable.
- In respect of specifically assigned areas of responsibility and accountability:
 - Overall planning, management and control of all dimensions of the assigned business division or function.
 - Initiation, development and implementation of business and organisation structures, management methods and systems, devolved decision-taking processes, and reporting frameworks, benchmarked to best practice in the business sector.
 - Responsibility and accountability, within the framework of the Public Service Management Act 1997, and other Acts already mentioned, for managing specified statutory schemes or programmes, for defined outputs and results, for the quality of services delivered, for financial management (including the value-for-money dimension), and for expenditure control.
 - Management of human resources, including manpower planning, appointments, discipline, performance appraisal and staff development and training.
- Overview (including through unremunerated directorships of State Boards) of policy formulation, strategy development, financial planning, and legislative and regulatory development, with respect to local authorities, the Health Service Executive, State and semi-State organisations, and private sector and national organisations.
- Chairmanship and membership of inter-Departmental and other committees established to address and report on particular issues and problems arising in the public service arena, including the strategically important framework of regional authorities which have now been introduced.
- Communication and negotiation with national, regional and local organisations, and with representative bodies, NGOs, and interest groups, both generally and within the continuously developing Social Partnership framework.

- Representation of the State, including at chairman level, on organisations and agencies of the EU, on Anglo-Irish and Cross-Border bodies, and at international conferences.
- Participation (including as advisors to Ministers) at meetings of international organisations where the agreements negotiated, or decisions reached, may be of immediate and vital importance to Irish economic and social well-being.

3.6 Competencies

Note: The competencies now listed are fully consonant with those currently used for the selection of Principal by interdepartmental competition.

- Contributes effectively to the strategic thinking of the Department's senior management team, by developing and influencing strategic aims; by anticipating future demands, threats, opportunities and constraints; and by offering objective advice without fear or favour.
- Creates, and secures commitment to, a clear vision of the strategic goals of the areas for which he/she has assigned management accountability, and translates those goals into practical and achievable management and delivery plans.
- Demonstrates awareness of, and sensitivity to, wider political, social and economic issues; an understanding and appreciation of the constitutional framework and workings of government; and a commitment to securing value for taxpayers' money.
- Demonstrates a creative, innovative and constructive approach to problem solving, and makes sound and timely decisions, even in uncertain circumstances.
- Encourages change, and is open to new information and approaches. Readily adapts behaviour and work methods in response to new information, constant and ever changing conditions, increased complexity, and unexpected obstacles.
- Quickly absorbs and critically analyses large amounts of complex information. Demonstrates clarity of thought, and anticipates and evaluates the consequences of different approaches.
- Co-ordinates and ensures optimum use of human, financial, material and information resources to deliver on objectives. Identifies and makes a case for securing resources required; makes optimum use of the frequently limited resources available; and monitors progress, ensuring that projects are delivered on time, within scope, to budget and to agreed quality standards.
- Takes personal responsibility for delivering results on key work activities, even in difficult situations. Identifies and grasps opportunities to drive an

agenda forward, while appreciating the limits to which that agenda can be pushed. Consistently demonstrates drive and enthusiasm to achieve results.

- Builds consensus, and gains the co-operation of others to accomplish goals. Is calm and persistent in promoting key objectives and benefits, using rational arguments. Manages and chairs meetings effectively to deliver on the stated agenda.
- Actively develops relationships, and builds networks and alliances. Engages in cross-functional and inter-departmental activities; actively identifies, manages and maintains critical relationships; and collaborates and finds common ground with a constantly widening range of stakeholders.
- Displays confidence in his/her own judgement, while responding constructively to alternative ideas, and encouraging initiative and innovation in others.
- Anticipates and is dedicated to meeting the expectations and requirements of internal and external customers. Manages internal and external relationships in a sensitive and productive manner. Gathers information on, and is responsive to, customer needs, reacting quickly, and delivering quality end-products and services.
- Is concise and persuasive, both orally and in writing. Negotiates effectively. Is comfortable and effective in a representational role, and displays good presentational and media skills.
- Adapts quickly and flexibly to new demands, and shows resilience, stamina, composure and reliability under heavy pressure.
- Demonstrates commitment to using modern management techniques, and information and communications technology, as important resources.
- Builds trust, good morale and teamwork, and develops staff to meet challenging organisational needs.
- Delegates wisely and effectively, inspiring, motivating and challenging others to deliver and perform to their potential. Manages and resolves conflicts and disagreements in a positive and constructive manner.
- Demonstrates the sound judgement and high standards of integrity, honesty, impartiality and fairness expected of the public servant.

3.7 Contacts

- Assistant Secretaries, Secretaries General, Ministers, Oireachtas Members, Oireachtas Committees, and interdepartmental and other committees.
- The European Union, the Civil Service of EU member states, Anglo-Irish and Cross-Border bodies, the United Nations and its associated agencies, and other international organisations and agencies.

- Boards of directors, top management and other key decision-takers in the public, voluntary and business sectors, both domestic and international.
- An increasingly wide range of consultative, advisory, regulatory, supervisory and other entities, including those established to underpin the Social Partnership framework.
- Local authorities, the Health Service Executive, and State and semi-State bodies and agencies.
- National, regional and local organisations, representative bodies, NGOs, and other interest groups, including the news media.

3.8 Accurate recognition of the Principal's job

We are not suggesting that the Benchmarking Body's 2002 generic job profile for the Principal grade should be of the same length and detail as Sections 3.1 to 3.7 above. We do, however, strongly contend that this profile clearly failed to reflect a wide range of the particular characteristics of the Principal's job, including:

- the Principal's role as a key participant in the Department's top management process, including strategy and business policy formulation; initiation, elaboration and validation of proposals for decision by the Minister or the Government; and planning, direction and high-level management of a wide range, and often complex pattern, of activities;
- in the same vein, the exceptionally wide and complex range of management functions discharged by the Principal within and – both nationally and internationally – outside the Department, as clearly documented in Section 3.5 above;
- the fact that the Principal reports in the main to an Assistant Secretary, but frequently to the Secretary General and/or the Minister;
- the Principal's accountability, under the Public Service Management Act 1997, for personal job performance, for the performance of assigned functions and business units, and for the job performance of subordinates;
- and the fact that, as well as his/her internal accountabilities within the Department, the Principal also bears explicit levels of external accountability for job and business to the Oireachtas (including Oireachtas Committees, before which he/she may be required to appear), to a growing number of independent agencies, to the Department's customers/clients, to the media, and to the general public.

Neither, of course, does the Benchmarking Body's 2002 generic job profile for the Principal grade some take account of the remarkably significant increases in the nature, scope and depth of the Principal's accountabilities since 2001, including in particular those relating to:

- regulatory reform, and the introduction Regulatory Impact Analysis;
- the various independent evaluations which have verified the extent to which the modernisation agenda has been successfully implemented since 2001;
- the impact of the European Union (Scrutiny) Act 2002;
- the similarly profound impact of the continued rollout of the Performance Management and Development System, including the programme of Upward Feedback covering all Government Departments;
- the demands imposed on Principals by the Government's Decentralisation Programme, without doubt the largest scale development programme for the public service in a very long time;
- the establishment in 2004 of the Value for Money Assessment Initiative, the introduction the same year of the Capital Envelopes programme, and the establishment in 2005 of the formal Peer Review Process;
- and enactment of the Public Service Management (Recruitment and Appointments) Act 2004, and establishment of the Public Appointments Service.

Accordingly, the Association strongly believes that the Benchmarking Body should now:

first, revise and expand the framework of its 2002 profile for the Principal grade, especially in respect of the crucial management dimension of that profile;

and second, ensure that in so doing it takes full account of the further significant increases in the nature, scope and depth of the accountabilities of the Principal since our last submission in 2001.

Failure to do so would, we consider, render it impossible to undertake a valid benchmarking exercise, and thus constitute a grave injustice to our members in the Principal grade.

4. Role, responsibilities and accountabilities of the Assistant Principal

Appendix F of the Benchmarking Body's June 2002 report also set out a *Generic Job Profile* for the Assistant Principal grade. Once again, this profile did not constitute a job description purporting to describe all of the functions, duties and responsibilities of the grade. Rather, it was a distillation of this wide range of duties into a generic form suitable for discussion with Assistant Principals prior to its final evaluation by the Benchmarking Body's consultants.

The Generic Job Profile for the Assistant Principal grade is set out in Appendix F as follows:

- *Job holders should be educated to primary degree or equivalent level.*
- *Experience required ranges from 3 to 10 years depending on the nature of the job.*
- *The job often requires the application of specialist knowledge and skills depending on the nature of the actual posts.*
- *Work is highly diverse with jobs involved in the development of strategy or complex casework.*
- *Leadership roles over one or more teams, responsible for work allocation, quality and reporting with specific responsibilities delegated from more senior levels under Departmental/Office business plans and the Public Service Management legislation.*
- *The jobs involve the need to communicate at a high level with, and respond to, people inside and outside the Department/Office, including interest groups and senior members of Departments/Offices.*

It is again the Association's view, and that of its advisors, that this profile constitutes an understated definition of the Assistant Principal job, and that it ignores a considerable number of crucially important job features.

In this Section, we now re-define, in the same format as Section 3, the current role, responsibilities and accountabilities of the Assistant Principal – considerably expanded compared with five years ago – which, as will be apparent, closely mirror those of the Principal.

4.1 Role

- Head of a specific policy development, business planning, regulatory or service delivery sub-division or unit, or of a Departmental function – or a key element thereof – providing key services in such areas as planning, HR management, financial management, IT, business and corporate promotion, and press and public relations.
- Advises and interacts with top Departmental management, and – with respect to areas of assigned management accountability – participates in the

Department's top management process. Specifically responsible for elaborating the practical ramifications, and managerial and operational implications, of key business decisions or proposals; and for translating high-level decisions into practical programmes of action at management and operational levels.

4.2 Reporting accountabilities

- Reports, in the main, to a Principal, but frequently in certain cases, or for specifically assigned functions and responsibilities, to an Assistant Secretary or the Secretary General.
- Is accountable, under the Public Service Management Act 1997, and other pieces of recent legislation, for personal job performance, for managing the performance of assigned functions and business units, and for the job performance of subordinates.

4.3 Other accountabilities

- Accountable, under the terms of the Public Service Management Act 1997, and other recent legislation and initiatives, for job and business performance to the Oireachtas (including Oireachtas Committees, before which they may be required to appear), to the Department's customers/clients, and to the general public.
- Identifiable and potentially held accountable to the media for management decisions and actions, both directly and under the terms of the Freedom of Information and other Acts.

4.4 Subordinates

- Personnel at middle management (Higher Executive Officer) level and below.

4.5 Management functions

- Participation in the development of national economic, social and business strategy and policies.
- Provision of top level advice on emerging policy proposals to Principals, Assistant Secretaries, Secretaries General, Ministers, and Government.
- Preparation of legislation, and provision of expert advice to Ministers and members of Oireachtas Committees during the passage of legislation, including attendance as advisors to Ministers during appropriate Oireachtas proceedings.

- Formulation and development of policies, business plans and expenditure budgets, both for the Department generally and for the particular functions and business units for which he/she is, by assignment, managerially responsible and accountable.
- In respect of specifically assigned areas of responsibility and accountability:
 - Overall planning, management and control of all dimensions of the assigned business unit or function.
 - Initiation, development and implementation of business and organisation structures, management methods and systems, devolved decision-taking processes, and reporting frameworks, benchmarked to best practice in the business sector.
 - Responsibility and accountability, within the framework of the Public Service Management and other recent Acts, for the management of specified statutory schemes or programmes, for defined outputs and results, for the quality of services delivered, for financial management (including the value-for-money dimension), and for expenditure control.
 - Management of human resources, including manpower planning, appointments, discipline, performance appraisal and staff development and training.
- Appellate functions (for example, in the Social Welfare Appeals Office, the Agricultural Appeals Office, the Office of the Information Commissioner, the various Ombudsman offices, etc.) in areas of public administration where explicit provision is made for appeals by members of the public against administrative decisions.
- Overview (including unremunerated directorships of State agencies) of policy formulation, strategy development, financial planning, and legislative and regulatory development, with respect to local authorities, the Health Service Executive, State and semi-State organisations, and private sector and national organisations.
- Chairmanship and membership of inter-Departmental and other committees established to address and report on particular issues and problems arising in the public service arena.
- Communication and negotiation with national, regional and local organisations, and with representative bodies, NGOs, and interest groups, both generally and within the Social Partnership framework.
- Representation of the State, including at chairman level, on organisations and agencies of the EU, on Anglo-Irish and Cross-Border bodies, at international conferences, and at meetings of the committees of international organisations where the agreements negotiated, or decisions reached, may be of vital importance to Irish economic and social well-being.

4.6 Competencies

- ❑ Has a strategic perspective, and contributes to the strategic thinking of the Department's senior management team, by developing and influencing strategic aims; by anticipating future demands, threats, opportunities and constraints; and by offering objective advice without fear or favour.
- ❑ Creates, and secures the commitment of superiors and subordinates to, a clear vision of the strategic goals of the areas for which he/she has assigned accountability, and translates those goals into practical and achievable plans.
- ❑ Demonstrates sensitivity to wider political, social and economic issues, an appropriate understanding and appreciation of the constitutional framework and workings of Government, and a commitment to securing value for taxpayers' money.
- ❑ Manages work processes to deliver on time, on budget, and to agreed quality standards.
- ❑ Demonstrates commitment to using modern management techniques, and information and communications technology, as important resources.
- ❑ Demonstrates a creative and constructive approach to problem solving, and makes sound and timely decisions, even in uncertain circumstances.
- ❑ Displays confidence in his/her own judgement, while responding constructively to alternative ideas, and encouraging initiative and innovation in others.
- ❑ Recognises customer/client needs, and manages internal and external relationships in a sensitive and productive manner.
- ❑ Builds trust, good morale and teamwork; develops staff to meet challenging organisational needs; and delegates effectively, knowing when to step in and when not to.
- ❑ Is concise and persuasive, both orally and in writing; negotiates effectively; is comfortable and effective in a representational role; and displays good presentational and media skills.
- ❑ Adapts quickly and flexibly to new demands, and shows resilience, stamina and reliability under heavy pressure.
- ❑ Demonstrates the sound judgement and high standards of integrity, honesty, impartiality and fairness expected of the public servant.

4.7 Contacts

- ❑ Principals, Assistant Secretaries, Secretaries General, Ministers, Oireachtas Members, Oireachtas Committees, and interdepartmental and other committees.

- The European Union, Anglo-Irish and Cross-Border bodies, the United Nations and its associated agencies, and other international organisations and agencies.
- Managers and other key decision-takers in the public, voluntary and business sectors, both domestically and internationally.
- The wide range of consultative, advisory and other entities established to underpin the Social Partnership framework.
- Local authorities, the Health Service Executive, and State and semi-State bodies.
- National, regional and local organisations, representative bodies, NGOs, and other interest groups, including the news media.

4.8 Accurate recognition of the Assistant Principal's job

We are, again, not suggesting that the Benchmarking Body's 2002 generic job profile for the Assistant Principal grade should be of the same length and detail as Sections 4.1 to 4.7 above. We do, however, strongly contend that this profile clearly failed to reflect a wide range of the particular characteristics of the Assistant Principal's job, including:

- the Assistant Principal's function to Advise and interact with top Departmental management, and – with respect to areas of assigned accountability – participates in the Department's top management process, in particular with Specific responsibility for elaborating the practical ramifications, and managerial and operational implications, of key business decisions or proposals, and for translating high-level decisions into practical programmes of action at management and operational levels;
- in the same vein, the exceptionally wide and complex range of management functions discharged by the Assistant Principal within and – both nationally and internationally – outside the Department, as clearly documented in Section 4.5 above;
- the fact that the Assistant Principal reports in the main to a Principal, but frequently to an Assistant Secretary or the Secretary General;
- the Assistant Principal's explicit accountability, under the Public Service Management Act 1997, for personal job performance, for the performance of assigned functions and business units, and for the job performance of subordinates;
- and the fact that, as well as his/her internal accountabilities within the Department, the Assistant Principal also bears explicit levels of ***external accountability*** for job and business to the Oireachtas (including Oireachtas Committees, before which he/she may be required to appear), to a growing

number of independent agencies, to the Department's customers/clients, to the media, and to the general public.

Neither, of course, does the Benchmarking Body's 2002 generic job profile for the Assistant Principal grade some take account of the remarkably significant increases in the nature, scope and depth of the Assistant Principal's accountabilities since 2001, including in particular those already outlined at Section 3.8 above in relation to the Principal grade.

Accordingly, the Association again strongly believes that the Benchmarking Body must now:

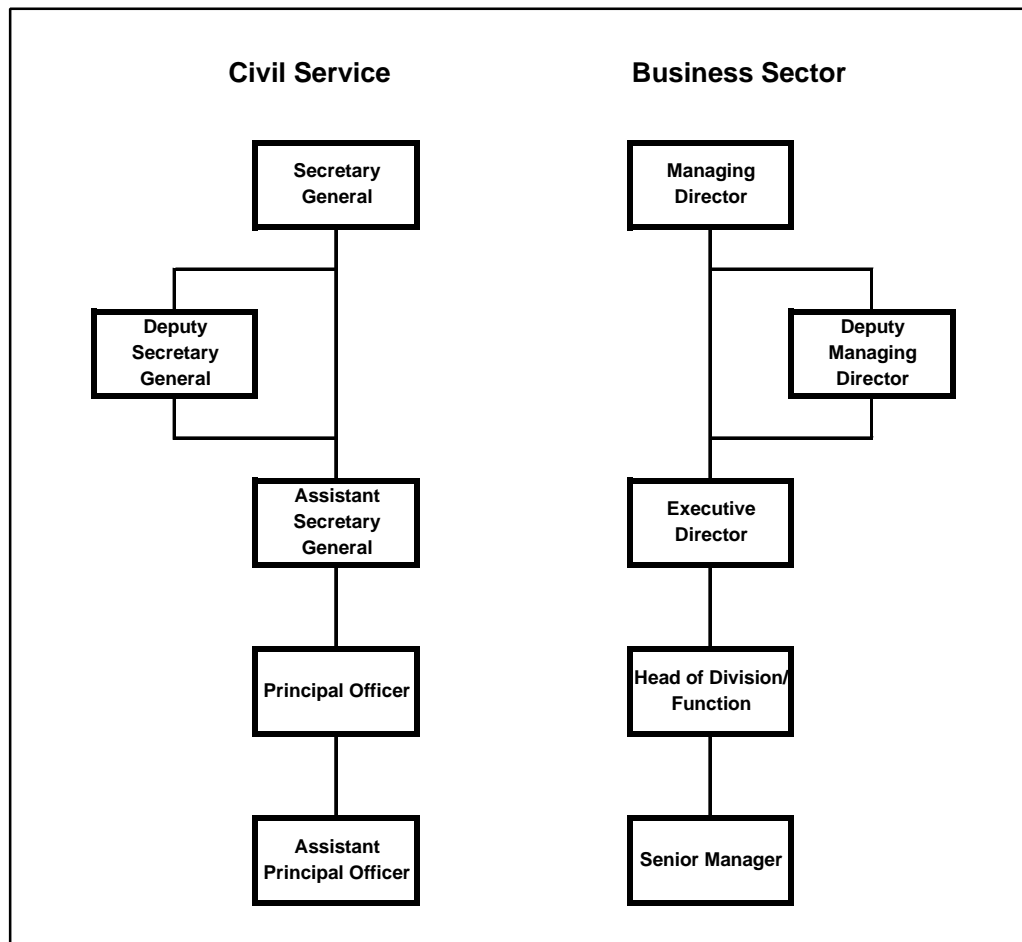
first, revise and expand the framework of its 2002 profile for the Assistant Principal grade especially in respect of the crucial management dimension of that profile;

and second, ensure that in so doing it takes full account of the further significant increases in the nature and scope of the accountabilities of the Assistant Principal since our last submission in 2001.

Failure to do so would, we consider, render it impossible to undertake a valid benchmarking exercise, and thus constitute a grave injustice to our members in the Assistant Principal grade.

5 Business sector benchmarking : Job content

The two preceding Sections, and their associated Appendices, strongly suggest equivalence between the work performed by Principals and Assistant Principals in the Civil Service and that performed at higher levels of management in the business sector. More specifically, the suggestion is equivalence of the Principal with Head of Function/Division, and Assistant Principal with Senior Manager, illustrated as follows:



We recognise, however, that verification of this equivalence is the prerogative of those with extensive professional credentials in the specialist field of job evaluation. Accordingly, we engaged the services of Inbucon Ireland Limited, a leading human resource consultancy, to evaluate both grades and to benchmark them reliably against

equivalent jobs in the business sector. *Inbucon's report is attached hereto in its entirety as an Appendix.*

5.1 Benchmarking methodology

The methodology adopted by Inbucon for evaluation and benchmarking purposes (described fully in their report) comprised two phases

Phase 1: Assembly of analytic job profiles for Principals and Assistant Principals by means of a questionnaire survey and interview programme.

A questionnaire survey and interview programme were used to prepare a range of individual job profiles for a representative sample of Principals and Assistant Principals under the following headings:

- ❑ Identification (e.g. grade, Department)
- ❑ Position in Organisation, including organisation chart
- ❑ Main Purpose of the Job
- ❑ Main Duties
- ❑ Dimensions, including budget and other indicators of size
- ❑ Skills, Knowledge and Experience
- ❑ Education Level
- ❑ Decisions/Recommendations (i.e. responsibility for, and influence over)
- ❑ Contacts, both within the organisation/Department and externally
- ❑ Special features

Phase 2: Evaluation of these job profiles, and identification of business sector comparators, using the Inbucon Pay Points © system.

In the second phase of the exercise, the job profiles assembled in the manner just described were first evaluated through use of the *Inbucon Pay Points* © job evaluation system. Briefly, this involved the following exercises:

- ❑ The system was used to evaluate each sample job with respect to a range of factors, including Knowledge and Experience, Complexity and Creativity, Judgements and Decisions, Influence, and Contacts
- ❑ Evaluation points were allocated in respect of each factor, and these were then summed to yield the aggregate points total for the subject job.
- ❑ Once this aggregate had been calculated, the job was then compared against other jobs in the extensive Inbucon database, which have also been evaluated within the framework of the system.

5.2 Benchmarking results

The outcome of the Inbucon analysis, as set out in Section 4.1 of their report, is clear-cut and unambiguous. The results, they state:

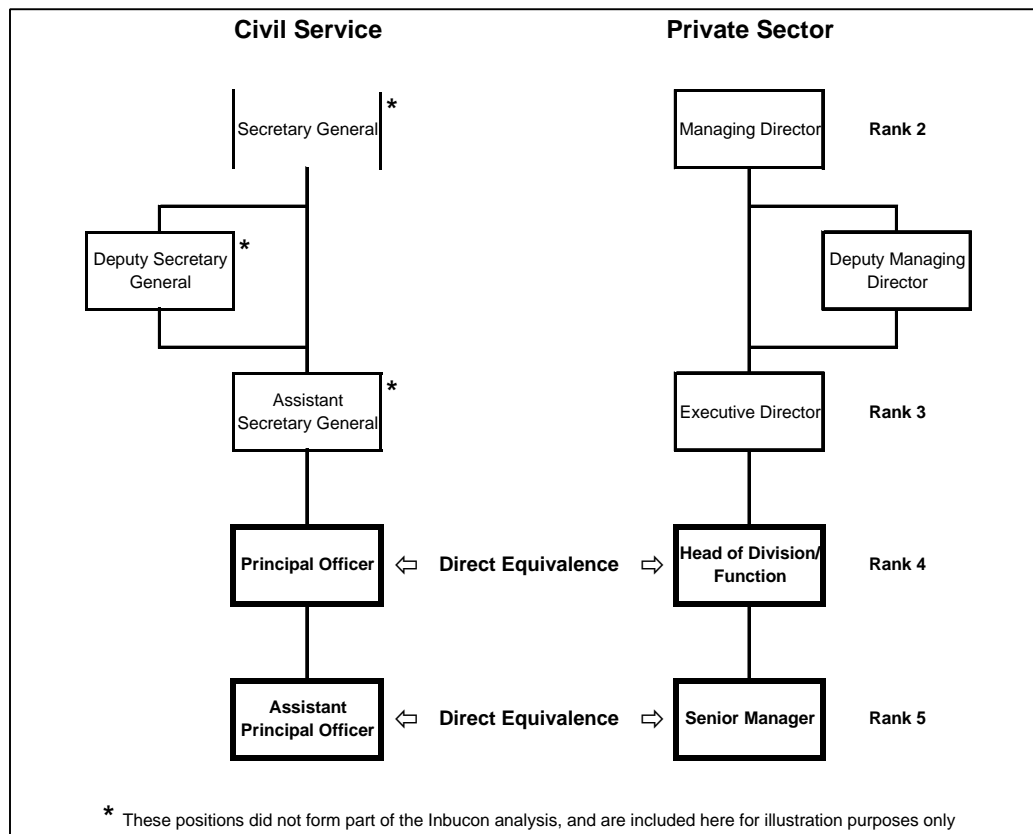
conclusively establish that – in terms of job content, roles and responsibilities – there is direct equivalence of Principal and Assistant Principal jobs in the public sector with, respectively, Rank 4 and Rank 5 management jobs in the business sector

The following are Inbucon’s definitions of “Rank 4” and “Rank 5” management jobs:

Rank 4 The Head of a major Division or Function of the unit who, although operating at policy level, is NOT a main board member. Normally reporting to a Rank 3 (Full-Time Director) jobholder, he/she can also report to a Rank 2 (Chief Executive/Managing Director) jobholder.

Rank 5 Senior Manager of the unit, responsible to a Rank 3 or 4 jobholder.

The equivalence that Inbucon have established is, perhaps, best illustrated as follows (using the same general format as the chart already set out):



6. Business sector benchmarking: Remuneration

As part of their terms of reference, Inbucon were requested by the Association to compare the pay and benefits package of the Principal and Assistant Principal grades in the Civil Service with that of equivalent jobs in the business sector.

The former was documented by reference to the official standard scales for the two grades*.

In the case of business sector comparators, use was made of the data contained in the Inbucon Ireland Survey of Executive Salaries & Fringe Benefits in Ireland for September 2005. This survey, which spans the full spectrum of management jobs and industrial sectors in Ireland, provides basic data on levels of remuneration at all ranks of management, and is widely regarded as one of the most comprehensive, detailed and authoritative of such surveys in the Irish management market place.

A key issue that Inbucon had to determine in this regard was which size category of business sector organisations should properly be adopted as the basis for comparison. Official figures for 31 December 2004 list a total of 34,735 non-industrial civil servants employed in fifteen Government Departments and their related offices/agencies – an average of over 2,300 per Department. This is without taking account of the 246,000 others employed in public sector organisations (Garda Síochána, Defence Forces, education and health services, local government, non-commercial State-sponsored bodies) in respect of which various individual Departments carry direct responsibility. Accordingly, Inbucon concluded that, for pay and benefits comparison purposes, the relevant size category within the business sector was companies employing more than 1,000 people, and it was on this basis that they conducted their comparative analysis.

Given the existence, within the Civil Service, of incremental salary scales and, within the business sector, a markedly wide range of individual salaries within any particular management Rank, a further issue which Inbucon had to resolve was which statistical measure (average, median, quartile) should be adopted for comparison purposes. Their decision was to adopt – for both the Civil Service and the business sector – the arithmetic mean, or average.

*We wish to stress that the Association strongly endorses Inbucon's adoption of the **average** as the most appropriate basis for comparison, and that we see no merit – in either logic or equity – in adopting such arbitrary measures as the maximum (in the case of the Civil Service) and the lower quartile (in the case of the private sector). Accordingly, we vigorously reject the explicit suggestion by the Review Body on Higher Remuneration in the Public Sector (Report No. 38) that, in the case of the business sector, the **lower quartile** constitutes the proper basis for comparison; and its implicit suggestion – never actually spelt out – that the equivalent comparison point for Civil Service scales is the scale **maximum**. Put*

* The overwhelming majority of Principals and Assistant Principals are on the standard scales for the two grades, with a small number positioned (mostly on a purely personal basis) on higher scales explicitly linked to the respective standard scales.

simply, adoption of these measures means that the maximum pay of the Civil Servant would be pitched at a level compared with which 75% of his/her private sector comparators are paid more. This approach is neither elaborated nor justified at any point in the Review Body report, and is justifiably viewed by the Association and its professional advisors as arbitrary, statistically spurious, inequitable and prejudicial. We urge the Benchmarking Body to reject it as a model for its own deliberations, and to focus instead on the average figures on both sides of the comparison.

6.1 Salary comparisons

With regard to basic salary levels, Inbucon’s analysis yielded the following results:

	<i>Average Basic Salary (€)</i>		<i>Civil Service compared with business sector</i>	<i>Business sector compared with Civil Service</i>
	<i>Civil Service</i>	<i>Business sector</i>		
<i>PO / Rank 4</i>	85,415	123,122	- 31%	+ 44%
<i>APO / Rank 5</i>	66,896	79,550	- 16%	+ 19%

These figures, Inbucon state in their report, confirm that the salaries earned by Principals and Assistant Principals are considerably lower than the basic salaries of their analogues in the business sector. The two Civil Service scales would, Inbucon concludes, need to be increased by 44% and 19%, respectively, to ensure the same degree of equivalence at salary level that they have established applies in respect of job content.

6.2 Non-salary remuneration

The Inbucon report goes on to state that, while basic salary comprises the main component of remuneration in both the public and business sectors, the basic salary data just set out constitute an incomplete picture of the comparative remuneration, in overall terms, of the two Civil Service grades and their business sector equivalents. A more complete picture, they state, requires that account also be taken of the range of non-salary components of remuneration to be found in both the public and – particularly – the business sector.

6.2.1 Non-salary cash remuneration

While the Principal and Assistant Principal grades do not currently have access to performance-related bonus earnings, such earnings constitute a significant element of remuneration across all management ranks in the business sector, including Ranks 4

and 5. Inbucon quote, in this regard, the following data from their Survey of Executive Salaries & Fringe Benefits in Ireland for September 2005:

	<i>Percentage of managers entitled to bonus</i>	<i>Average bonus paid to eligible managers</i>	<i>Bonus as % of recipient's salary</i>
Rank 4	82.9%	€20,309	20.9%
Rank 5	67.1%	€13,010	18.8%

Other non-salary elements of total cash remuneration available to Rank 4 and 5 managers in the business sector include profit sharing (26.7% at Rank 4 level and 30.6% at Rank 5), commission earnings and directors' fees. Inbucon calculates that taken together, these bonuses, profit share and other non-salary cash payments amounted in total, as of September 2005, to €34,456 in the case of Rank 4 managers and €12,718 in the case of those at Rank 5.

Inbucon's report states that, when these various non-salary cash items are added to the salary data already set out, the following position emerges:

	<i>Average Civil Service (€)</i>	<i>Average business sector (€)</i>	<i>Civil Service compared with business sector</i>	<i>Business sector compared with Civil Service</i>
PO / Rank 4				
Basic salary	84,515	123,122	- 31%	+ 44%
Non-salary cash	n/a	34,456
Total cash remuneration	85,415	157,578	- 46%	+ 84%
APO / Rank 5				
Basic salary	66,896	79,550	- 16%	+ 19%
Non-salary cash	n/a	12,718
Total cash remuneration	66,896	92,268	- 27%	+ 38%

The inescapable conclusion is that scales for Principals and Assistant Principals need to be increased by 84% and 38%, respectively, if equivalence with the business sector at job content level is to be matched at the total cash remuneration level.

6.2.2 *Other benefits*

Inbucon point out that Rank 4 and Rank 5 managers in the business sector additionally enjoy a range of benefits – share options, company cars, car allowances, subsidised lunches, and free medical insurance – which do not apply within the Civil Service. They also enjoy death-in-service (life cover) benefits, which are more than double the Civil Service level.

Share options

Inbucon state that 13.3% of Rank 4 managers, and 6.5% of Rank 5 managers, currently participate in corporate share option schemes. They are unable, however, due to the complexities involved, and the varying pattern of individual scheme design, to place a value on this benefit.

Company Cars and Car Allowances

Inbucon state that the proportion of business sector managers provided with a company car is 41.0% in the case of Rank 4 managers (average list price of vehicle €1,717), and 42.4% in the case of Rank 5 managers (average list price £32,411).

The proportion provided with a car allowance is 24.1% in the case of Rank 4 managers, and 13.3% in the case of Rank 5 managers.

Based on Revenue BIK rules, and adjusting for the percentage incidence of the benefit in each case, they estimate that provision of a company car or car allowance would add approximately €10,100 (8.2% of basic salary) to the overall average remuneration of Rank 4 managers, and approximately €5,415 (6.8% of basic salary) in the case of Rank 5 managers.

Pension and life cover

Inbucon state that the position regarding pension and related benefits is unavoidably complex, and that precise comparison of the pension and life cover entitlements of Principals and Assistant Principals relative to their business sector equivalents requires a degree of detailed evaluation which is beyond the scope of the exercise which they were commissioned to carry out.

They consider, however, that the “conventional wisdom” that civil servants enjoy pension and related benefits considerably greater than their business sector counterparts warrants serious qualification.

In overall terms, certain aspects of pension schemes operated in the public sector are generous in comparison to private sector pensions, in particular the lump sum payable on retirement, the indexation of pensions to public sector salary increases after retirement, and the fact that the Irish Government is the main pension guarantor. There is thus a public perception that public sector pension benefits are greater than those on offer in the private sector.

But it must, in contrast, be appreciated that there are a number of relative positives associated with private sector pension schemes. These include the relatively high levels of contribution by both employer and employee; the flexibility of investment options; the fact that 20.5% of companies base pension on all emoluments, rather than on basic salary alone; and the potential for the benefits of defined contribution scheme to exceed those of defined benefit schemes. To these must be added the fact that total private sector remuneration is, in any event, very considerably higher for Rank 4 and Rank 5 managers than for POs and APOs in the Civil Service.

In short, Inbucon conclude, it is difficult to be in any way definitive as to the relative value to employees of the private sector and Civil Service pension regimes at senior management levels.

Other fringe benefits

Inbucon also note the enjoyment by the most business sector managers of a range of other benefits – including subsidised meals, free medical insurance, professional subscriptions, low interest loans, and educational assistance for employees’ dependents – which are not, of course, available within the Civil Service remuneration regime.

The emphatic conclusion that must be drawn from Inbucon’s analysis is that the relative value to Principals and Assistant Principals of the Civil Service pension regime is plainly outweighed by the value of other benefits – company cars, car allowances, share options, subsidised lunches, free medical insurance, professional subscriptions, low interest loans, and educational assistance for employees’ dependents – enjoyed by their business sector equivalents.

6.3 Remuneration : The Overall Picture

The overall picture emerging from this extensive analysis of comparative pay may be summed up as follows:

Salary

The salaries of Principals and Assistant Principals need to be increased by 44% and 19%, respectively, to match the ***basic salaries*** of their business sector equivalents.

Total remuneration

Principal and Assistant Principal salaries need to be increased by 84% and 38%, respectively, to match the ***total cash remuneration*** of equivalent business sector managers.

Other benefits

Business sector equivalents enjoy a range of non-cash benefits(unavailable to Civil Servants), the total value of which clearly exceeds the imputed value – if any – of relatively advantageous Civil Service pension entitlements.

It is a bleak picture. The reality is that, while the work performed by Principals and Assistant Principals is defined by independent consultants as “directly equivalent” to that of readily identifiable high-level managers in the business sector, their remuneration fails by an intolerable margin to reflect this equivalence.

7. Loss of pay competitiveness

The harshness of the reality just highlighted might be softened – albeit to a degree – were it the case that the gap between our members’ pay and that of their equivalents in business sector management was narrowing with the passage of time. Regrettably, precisely the opposite is true. The gap has widened over recent years, despite the awards made by the Benchmarking Body almost four years ago. And to make matters worse, so also has the gap between their pay and that of their colleagues at senior management level within the Civil Service.

7.1 External competitiveness

The following table tracks the relationship between Principal and Assistant Principal salaries and those of their counterparts in the business sector as compiled and reported by Inbucon from just over ten years ago until September of last year. The Civil Service salary figures refer to the fourth point on the Principal scale, and the sixth point on the Assistant Principal scale. These correspond, broadly, to the average points within the respective scales as computed in the survey conducted on the Association’s behalf by its consultants, Burnham House.

<i>Date</i>	<i>Inbucon Rank 4 advantage compared with Principal</i>	<i>Inbucon Rank 5 advantage compared with Assistant Principal</i>
July 1995	+ 14%	+ 17%
Sept 2005	+ 44%	+ 19%

These figures demonstrate beyond challenge that, over the past ten years, the pay of Principals and Assistant Principals (whose role in the process is crucial, and who have given it their positive support from the outset) has actually fallen relative to precisely that group – high level managers in the business sector – whose roles, methods, work practices and behaviour patterns they are urged to emulate. Indeed, in the case of Principals, had even July 1995 relativities – already adverse from their standpoint – been maintained, their salaries would now be almost 24% higher than they actually are. And we again stress that this is despite the fact that the Benchmarking Body has already, in 2002, made an attempt to bridge the gap between the two groups.

7.2 Internal competitiveness

Recent years have also seen a renewed erosion of the competitiveness of Principal and Assistant Principal pay relative to colleagues at higher levels within the Civil Service itself. The table below tracks the relationship between Principal and Assistant Principal salaries and those of their Assistant Secretary and Secretary General II colleagues in the Civil Service from – again – just over ten years ago until September

last. It should be noted that the Assistant Secretary and Secretary General II figures take account of the interim award made by the Review Body on Higher Remuneration in the Public Sector last year.

Date	Assistant Secretary compared with:		Secretary General II compared with:	
	Principal	Assistant Principal	Principal	Assistant Principal
July 1995	+ 25%	+ 65%	+ 54%	+ 102%
Sept 2005	+ 38%	+ 78%	+ 106%	+ 159%

The figures demonstrate that Principal and Assistant Principal salaries need to be increased by very considerable percentages to restore the relativity that existed vis-a-vis Assistant Secretaries and Secretaries General in 1995. Moreover, it is virtually certain that the required increases will be even higher when the Review Body on Higher Remuneration in the Public Sector completes its present full review and makes its recommendations.

As we have already stated, our Principal and Assistant Principal members acknowledge the crucial role played by their superiors in the introduction, implementation and maintenance of the modernisation process. However, by the very nature of that process, the role played by Principals and Assistant Principals is, as clearly demonstrated in this submission, of similarly crucial importance.

Not the least consideration in this regard is that the process of devolution entails, by its very nature, a radical and broad-based transfer of senior management accountabilities downwards from Secretaries General and Assistant Secretaries to the members of the Principal and Assistant Principal grades.

We therefore find it entirely inequitable, and thus unacceptable, that the role performed by Principals and Assistant Principals should, over the period of the process, have been so relatively devalued at pay level within the senior management structure of the Civil Service itself.

7.3 Contradictory messages

The members of this Association have, over the past decade, been in receipt of two clearly expressed messages.

- The first – to which they have positively responded – is that they should support, and actively contribute towards, the public service modernisation process, specifically by adopting the roles, methods, work practices and

behaviour patterns of managers in the business sector; by participating in the leadership role of their Civil Service superiors; and by accepting the downwards devolution of a wide range of management accountabilities.

- The second is that they should, in return, accept – as somehow logical and equitable – sharp reductions in their pay relative to both these groups.

That these messages are mutually contradictory is manifestly clear. That this situation should have emerged, and that our Principal and Assistant Principal members should be expected to accept it, is unreasonable, inequitable and indefensible.

8. Action required : Correct the anomalies

The matters encompassed by our submission are necessarily detailed and complex. But the main thrust of the submission is clear-cut and compelling:

- The work performed by Principals and Assistant Principals is, Inbucon states, “directly equivalent” to that performed by, respectively, Rank 4 and Rank 5 managers in large organisations in the business sector.

- In contrast, their remuneration for this work falls short of that of their business sector equivalents. The salaries of Assistant Principals and Principals need to be increased by 19% and 44%, respectively, to match the basic salaries of their business sector comparators, and by 38% and an enormous 84% to match the total cash remuneration of those comparators.

- Moreover, Principal and Assistant Principal pay, compared to the two grades – Assistant Secretary and Secretary General – to which they are most directly linked within the public service modernisation process, has also disimproved. Moreover, and crucially, this disimprovement has occurred over precisely the period when the modernisation process has been rolled out, and when there has been extensive devolution of management authority and accountability from Assistant Secretaries and Secretaries General to Principals and Assistant Principals. The fact is that Principal and Assistant Principal salaries need to be increased by margins ranging from 10% to almost 100% *merely to restore their 1995 relativities* with Assistant Secretaries and Secretaries General.

The window of opportunity now clearly exists for the Benchmarking Body to resolve these gross anomalies, which are plainly unsustainable and which, if not addressed now, will present insuperable problems in the future.

The terms of reference for the Benchmarking Body’s review of public sector pay explicitly acknowledge that the most crucial characteristic of a soundly based pay regime is its ability to *attract, retain and motivate* employees of the calibre needed for effective discharge of their roles and accountabilities.

That consideration carries particular weight in the context of the Civil Service modernisation process, and the role therein of this Association’s members. The demands made on the leadership and management skills of Principals and Assistant Principals have manifestly, and by explicit intent, grown enormously as the modernisation process has been rolled out, and as they have accrued entirely new responsibilities and accountabilities through the devolution process.

These demands have continued to grow over the past five years, and will grow still further as the process further develops and matures. At the same time, rapid business

growth continues to intensify competition for scarce management skills in all sectors of the economy.

It follows that, if the modernisation process is to be sustained and consolidated into the long-term future, three fundamental pre-conditions must be fulfilled:

Attraction The Civil Service must be able, on a continuing basis, to attract high-calibre entrants who can anticipate advancement to management roles whose reward will be commensurate with that available elsewhere in the economy.

Retention As senior management roles and accountability structures within the Civil Service increasingly emulate those of the business sector, the remuneration of these roles must be pitched at a level which will prevent loss of the relevant skills – most particularly where they are best developed and most effective – to the business sector.

Motivation It should be explicitly acknowledged that the proposition

You should fulfil similar roles, and perform to the same standards, as your business sector equivalents, but accept a lower level of pay

is unlikely to motivate key senior managers towards creating and sustaining a modernised Civil Service, and indeed is just about as demotivational as a remuneration regime can get.

We submit therefore that, having regard to the substantially more favourable remuneration packages enjoyed by equivalent senior managers in large business sector firms, the Benchmarking Body should, on the grounds of both logic and equity:

- recommend substantial increases in the respective **salary** scales for both Principals and Assistant Principals; and
- recommend procedures to ensure that the **overall remuneration** of Principals and Assistant Principals becomes matched to, and will then remain at, a level fully market-competitive with the business sector.

These seem, in the light of the material presented in this document, to constitute reasonable and equitable submissions. It is only their endorsement by the Benchmarking Body, and acceptance by Government, that will clearly signal that a modernised public service, managed to standards that will provide the best advice to Government, the best service to the citizen, and the best value to the taxpayer, is indeed a real national priority.

APPENDIX

**Inbucon report on Job Evaluation and Remuneration Benchmarking
of the positions of Principal Officer and Assistant Principal Officer**