

## ***Section 1 : Executive Summary***

---

The decade since the salary scales for Principals and Assistant Principals were last subject to comprehensive review has witnessed a radical transformation of the roles of the two grades. The intensive process of public service modernisation which was initiated during this period, and which still continues, has placed Principals and Assistant Principals centre-stage in the introduction to the Civil Service of organisational change, devolved decision-taking and personal managerial accountabilities intended specifically to reflect those found in the business sector.

### ***Section 2***

Principals carry out a wide range of top managerial roles, typically heading up a major policy development, business planning or service delivery unit, or managing a function which provides core management services. As such, they are also key participants in the top management process of their Departments.

### ***Section 3***

In discharging these 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, to the Department's customers/clients, to the media, and to the general public.

In similar vein, Assistant Principals also carry out roles 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/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 but also outside their Departments (the Oireachtas, the Department's customers/clients, the media, and the general public).

Inbucon Ireland Limited report 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 pay of Principals and Assistant Principals do not reflect this equivalence of responsibility. Inbucon reports that the salaries of Principals in the Civil Service need to be increased by 36.7% to match those of Rank 4 managers in business sector organisations of equivalent size. Similarly, the salaries of Principals need to be increased by 39% 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 55.1% and 51.1%, respectively.

Inbucon's report to the Association also dispels the myth that these shortfalls are defensible on the basis of the superior pension benefits and security of tenure sometimes alleged to be enjoyed by our members. This is because the 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 this level.

Adding to our concerns is the fact that, over precisely the period when our members' accountabilities were being progressively aligned with those of their business sector comparators, the gap between their remuneration and that of those comparators has dramatically widened.

## **Section 7**

So also – by a very wide margin – has the gap between our members' pay and that of their Assistant Secretary and Secretary General colleagues in senior management.

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.

## **Section 8**

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.

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

- 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 those available elsewhere in the economy.
- 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.

- 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 de-motivational as a remuneration regime can get.

We submit, therefore, that the Benchmarking Body should, on the grounds of logic and equity, first, confirm the benchmarking of Principals and Assistant Principals to, respectively, Inbucon Rank 4 and Rank 5 managers in the business sector; and second, require that steps be taken to ensure that the remuneration of these two grades directly reflects this benchmarking, specifically by:

- ❑ immediately increasing the salary scales for both grades by 37-39% in order to establish parity, at least at **basic salary** level, with the average salary of equivalent managers in large business sector organisations; and
- ❑ initiating specific procedures to ensure, within a reasonable time frame, that the overall remuneration of Principals and Assistant Principals is set, and will remain, at a level that is fully market-competitive with the business sector.

These seem, in the light of all the material presented in this document, to constitute fair and reasonable submissions. Their endorsement by the Benchmarking Body, and acceptance by Government, 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.

## ***Section 2 : Public Service Modernisation***

---

The decade since the salary scales for Principals and Assistant Principals were last subject to comprehensive review (in 1991) has witnessed a radical transformation and modernisation of the Civil Service, and especially of the roles of the two grades.

### ***2.1 Nature of the modernisation process***

May 1996 saw publication of the government's white paper *Delivering Better Government*, which set out the roadmap for this change process ( a process which, we should add, 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 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 all aspects of service delivery.

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

### ***2.2 Components of the modernisation process***

Conversion of this statement of intent into a radical programme of practical action has been swift and sustained. Key elements of the implementation programme – which continues apace – have already included:

- 
- 1996**     □ Establishment of a Co-ordinating Group to drive the process of change through the medium of the *Strategic Management Initiative* (SMI)
-

- 
- 1997**
- ❑ Announcement of the Public Service *Quality Customer Service Initiative*, followed by publication by Departments of individual *Customer Service Action Plans*
  - ❑ Initiation of the *SMI Implementation Group*, followed by Government approval of the Group's first report
  - ❑ Enactment of the *Public Service Management Act*
  - ❑ Enactment of the *Houses of the Oireachtas (Compellability, Privileges and Immunity of Witnesses) Act*

- 
- 1998**
- ❑ Enactment of the *Freedom of Information Act*, followed by presentation to the Oireachtas of the first *Strategy Statement* under the Act
  - ❑ Government approval of proposals on *Multi-Annual Budgets* and enhanced *Administrative Budgets*
  - ❑ Commencement of work by an all-party *Oireachtas Committee on the SMI*
  - ❑ Government approval of the second report of the SMI Implementation Group

- 
- 1999**
- ❑ Publication by Departments of the first annual reports under the Public Service Management Act
  - ❑ Design of new Civil Service policies and systems on *Human Resource Management* and *Performance Management*
  - ❑ Government approval of major new *Financial Management* systems, and announcement of a radical programme of *Regulatory Reform*
  - ❑ Major initiatives relating to the *Information Society* in general, and to *e-Government* and *e-Commerce* in particular

- 
- 2000**
- ❑ Launch of the new *Performance Management and Development System* for the Civil Service
  - ❑ Publication of the *Civil Service Code of Standards and Behaviour*
  - ❑ Development of the *Principal Network*
  - ❑ Announcement by the Taoiseach of new *Gender Equality Policy*
-

Scheduled future elements of this continuing process of modernisation include:

- ❑ Introduction of *Upward Feedback* within the *Performance Management and Development System*.
- ❑ Final design and implementation of the *Gender Equality Policy*.
- ❑ Development of integrated *Human Resource Management* strategies.
- ❑ Reform of the *Civil Service and Local Appointments Commissions*, and devolution of recruitment to individual Departments and agencies.
- ❑ Amendment of the *Civil Service Commission and Civil Service Regulation Acts 1956* in relation to the tenure and conditions of employment of Civil Servants.
- ❑ Legislative provision for the *devolution of dismissal functions* as envisaged in the Public Service Management Act .
- ❑ Measures to secure improved *organisational flexibility* and strengthened *organisational capability*.
- ❑ Design and implementation of programmes for more precisely targeted *training and development*.

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

- unprecedented devolution of managerial authority, responsibility and accountability, including radical new initiatives in the areas of to financial, HR and IT management;
- vastly extended external accountability; and
- the introduction of a new regime of performance management.

### ***Devolution of authority, responsibility and accountability***

The ***Public Service Management Act*** of 1997 provides a framework for assignment by the Secretary General of authority, responsibility and accountability for functions to grades and individual officers at lower levels, most particularly the Principal and Assistant Principal grades. Such assignments include the requirement that the officers to whom the 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 responsibility for the statutory schemes or programmes specified in the assignments;

- ❑ assume 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 is towards the creation, within the Civil Service, of a framework of management structures and accountabilities directly analogous to that which characterises organisations of similar size and complexity in the business sector.

### ***External accountability***

The Public Service Management Act also established an unprecedented degree of external accountability (i.e. outside the organisation itself) by providing that a Secretary General may designate appropriate officers to appear before Committees of either of the Houses 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 1997 ***Freedom of Information Act*** and the ***Houses of the Oireachtas (Compellability and Privileges and Immunity of Witnesses) Act***, by the development of the Committee System in the Houses of the Oireachtas, and by the creation of a radically innovative framework of Social Partnership. Taken together, these recent developments mean that Departmental managers are now more readily identified, and held accountable for their decisions and recommendations, by the Oireachtas (by way of 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 – rightly – well and truly past.

### ***Performance and HR management***

Introduction of a regime of performance management constitutes a further radical change in the way the Civil Service is managed, and is a core component of the development of a management culture more closely aligned with that found within organisations in the 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.

This new regime – which is complemented by a concerted drive towards an integrated overall human resources management process – is a major

undertaking requiring committed leadership, and highly developed planning, business management and people-management skills, on the part of those – notably this Association’s members – charged with its implementation.

Taken in its entirety, 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 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 unparalleled in the business sector.

### ***2.3 Profound importance of the process***

The radical nature and profound importance of this process of modernisation are neatly expressed in the words delivered by the Taoiseach in his address at the launch of *Delivering Quality Public Services* in July 1999:

***I would like to take stock of the progress which has undoubtedly been made in recent years. I believe that the amount of change which has taken place is not recognised clearly enough. Over the past three years, within the Civil Service, we have developed the systems for clearly setting and achieving our goals through the publication of Strategy Statements, the Business Planning process, and the delegation of authority and accountability under the Public Service Management Act. . . . Allied to this, we have seen the introduction in 1997 of the Quality Customer Service Initiative and the successful implementation of the Freedom of Information legislation since April 1998. . . . Looking back, the change which this represents in how the Civil Service organises itself to deliver services is profound.***

And, with more specific reference to Civil Servants themselves, he noted on the same occasion that the degree of change already achieved, even at that point, was:

***testament to the flexibility of our public service and its willingness to embrace far reaching change.***

### ***2.4 The impact 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 administration 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 pounds;
- ❑ 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 Government, Ministers, Secretaries General, and Assistant Secretaries, 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, health boards, State and semi-State organisations, 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 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 this senior management level – by a deep understanding and appreciation of the overall constitutional, governmental, legal, economic and social context – national and international – 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 which this poses.

Official figures for June 2000 list a total of 30,934 non-industrial civil servants, of whom 126 are employed at Assistant Secretary level or higher, yielding a ratio of 245 subordinates to each Assistant Secretary, Deputy Secretary General or Secretary General. (There are also 250,000 others employed in public sector organisations – Garda Síochána, Defence Forces, education and health services, local government, State-sponsored bodies – in respect of which various individual Departments carry direct responsibility). This manifestly poses enormous “span of control” challenges, particularly when account is taken, not only of the diverse range of functions carried out by virtually all Departments, but also of the additional demands posed by the new management regime.

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 the “span of control” problem 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 – through the SMI and other initiatives stemming from *Delivering Better Government* – not merely in the implementation, but also in the formulation and development, of 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 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 and, in particular, in the creation of highly innovative e-Government structures, where senior managers – both technical specialists and generalists – in the Principal and Assistant Principal grades have taken the lead role;
- radically enhanced responsibility and accountability, within the framework of the *Public Service Management Act*, for the operation of specified statutory schemes or 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 responsibility and accountability, within the terms of the integrated human resource management initiative, for management of human resources, 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*, 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 clients/customers, to the social partners, to the news media, and to the general public – for business and job performance of a nature, and on a scale, unparalleled at equivalent level in any other sector of the economy.

The former Taoiseach, Mr John Bruton TD, in writing to the Association in 1995 referred as follows to the role of the Association, and our Principals and Assistant Principals, in the modernisation process:

*“I welcome the positive contribution already made by the Association, and Principals and Assistant Principals, to strategic management reform. Many of the issues raised by the Association are now at the heart of the political and administrative agenda. I would emphasise that the Association represents key managerial grades at Principal and Assistant Principal level in the Civil Service whose integrity I and the Government respect and who have a particularly important role to play in public sector renewal.”*

In short, the Principal–Assistant Principal nexus is now established, and officially recognised, as the essential core of senior management within the Civil Service; as critical to the effective planning, administration and control of Departments generally; and, most particularly, as the essential glue which holds the modernised management

regime together. Indeed, the time may well have come for formal recognition of the grades of Secretary General, Assistant Secretary, Principal and Assistant Principal as together constituting the de facto *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.

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

### ***Section 3 : Role, responsibilities and accountabilities of the Principal***

---

In this Section, we describe – in bullet-point format – the role, responsibilities and accountabilities of the Principal, using the following general headings:

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

The series of brief “pen-picture” profiles included in ***Appendix B*** illustrates the range of roles actually carried out by individual Principals within this general framework.

#### ***3.1 Role***

- Head of a major policy development, business planning, regulatory or service delivery division, or of a central Departmental function providing core services in such areas as planning, HR management, financial management, IT, 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 often complex pattern, of activities conducted by organisations with budgets of up to £3.8 billion and employing as many as 6,000 people.

#### ***3.2 Reporting accountabilities***

- Reports, in the main, to an Assistant Secretary, and frequently, for specific functions and responsibilities, to the Secretary General and/or Minister.
- Explicit accountability, under the terms of the Public Service Management Act, for personal job performance, for the performance of assigned functions and business units, and for the job performance of subordinates.

### **3.3 *Other accountabilities***

- Additionally accountable, under the terms of the Public Service Management Act, 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 for decisions and actions, to the media, under the terms of the Freedom of Information Act.

### **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 Government, Ministers, Secretaries General, and Assistant Secretaries.
- 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, for the operation 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.
- Overview (including unremunerated directorships of State Boards) of policy formulation, strategy development, financial planning, and legislative and regulatory development, with respect to local authorities, health boards, 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 innovative and strategically important framework of regional authorities which is now being introduced.
- 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.
- 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, and participation (including as advisors to Ministers) at meetings of international organisations where the agreements negotiated, or decisions reached, may be of vital importance to Irish economic and social well being.

### **3.6 Competencies**

- 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 accountability, and translates those goals into practical and achievable plans.
- Organises work processes to deliver on time, on budget, and to agreed quality standards.
- Demonstrates sensitivity to wider political, social and economic issues, a deep understanding and appreciation of the constitutional framework and workings of government, and a commitment to securing value for taxpayers' money.
- Demonstrates the sound judgement and high standards of integrity, honesty, impartiality and fairness expected of the public servant.
- 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 commitment to using modern management techniques, and information and communications technology, as important resources.

### **3.7 *Contacts***

- ❑ 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.
- ❑ Boards of directors, top management 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 new Social Partnership framework.
- ❑ Local authorities, health boards, State and semi-State bodies, and private sector and national organisations.
- ❑ National, regional and local organisations, representative bodies, NGOs, and other interest groups, including the news media.

## ***Section 4 : Role, responsibilities and accountabilities of the Assistant Principal***

---

In this Section, we describe – in the same format as Section 3 – the role, responsibilities and accountabilities of the Assistant Principal, which, as will be apparent, closely mirror those of the Principal.

The series of brief “pen-picture” profiles included in *Appendix C* illustrates the range of roles actually carried out by individual Assistant Principals within this general framework.

### ***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 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.
- ❑ Explicit accountability, under the terms of the Public Service Management Act, for personal job performance, for the performance of assigned functions and business units, and for the job performance of subordinates.

### ***4.3 Other accountabilities***

- ❑ Additionally accountable, under the terms of the Public Service Management Act, 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 for decisions and actions, to the media, under the terms of the Freedom of Information Act.

#### **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 Government, Ministers, Secretaries General, and Assistant Secretaries.
- 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, 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 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 Act, for the operation 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) 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, health boards, 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 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, 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**

- ❑ 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 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.
- ❑ Organises work processes to deliver on time, on budget, and to agreed quality standards.
- ❑ Demonstrates sensitivity to wider political, social and economic issues, a deep understanding and appreciation of the constitutional framework and workings of Government, and a commitment to securing value for taxpayers' money.
- ❑ Demonstrates the sound judgement and high standards of integrity, honesty, impartiality and fairness expected of the public servant.
- ❑ 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 commitment to using modern management techniques, and information and communications technology, as important resources.

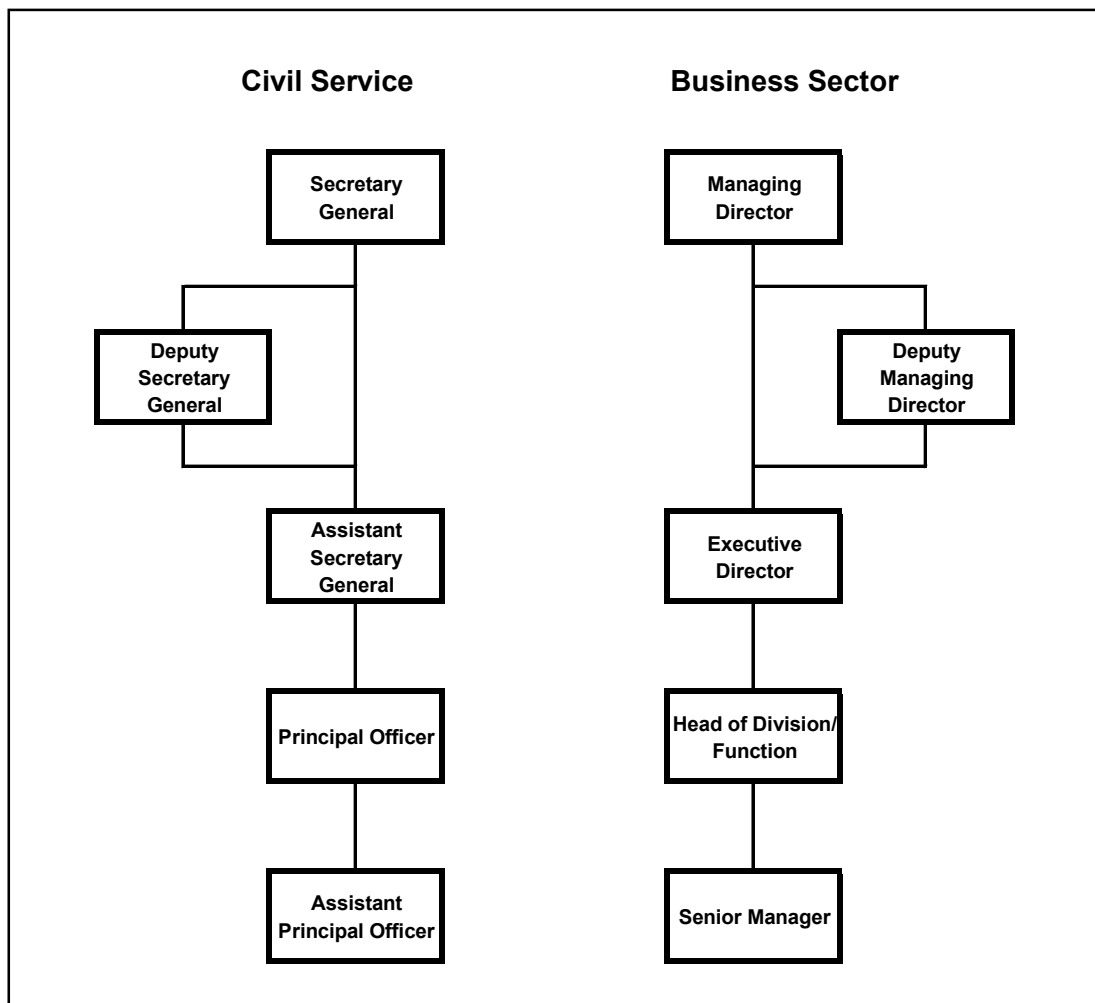
#### **4.7 *Contacts***

- ❑ 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 new Social Partnership framework.
- ❑ Local authorities, health boards, State and semi-State bodies, and private sector and national organisations.
- ❑ National, regional and local organisations, representative bodies, NGOs, and other interest groups, including the news media.

## ***Section 5 : Business sector Benchmarking : Job Content***

---

The two preceding Sections, and their associated Appendices, strongly suggest an 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 included herein in its entirety as *Appendix D*.

### **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:

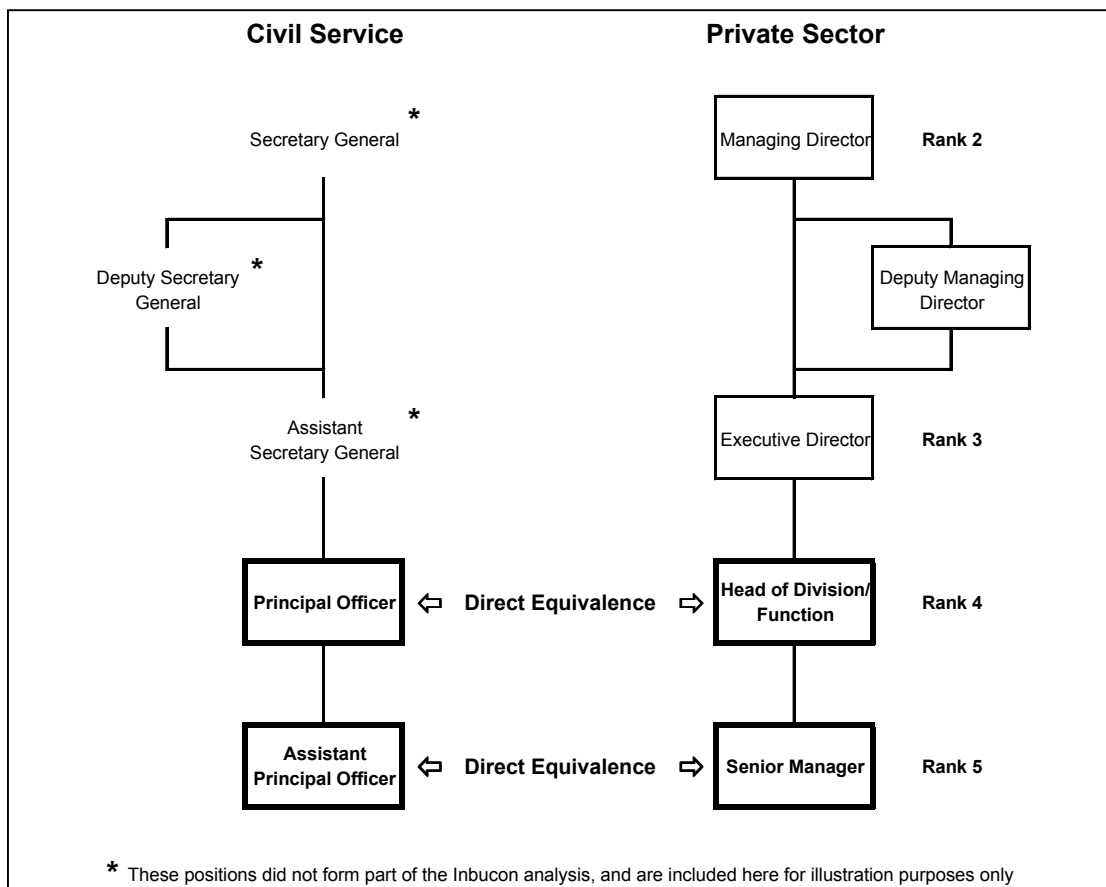
*conclusively establish that – in terms of job content, roles and responsibilities – there is direct equivalence of Principal and Assistant Principal jobs in the public sector with, respectively, Rank 4 and Rank 5 management jobs in the business sector*

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 on page 11 above):



## ***Section 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\*, with additional data on the actual distribution of Principal and Assistant Principal jobholders over these scales obtained from a large-scale survey carried out separately for the AHCPS by its advisors, Burnham House.

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 2000. 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 which 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 June 2000 list a total of 30,934 non-industrial civil servants employed in fifteen Government Departments and their related offices/agencies – an average of over 2,000 per Department. This is without taking account of the 250,000 others employed in public sector organisations (Garda Síochána, Defence Forces, education and health services, local government, 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 500 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.

*This Association endorses Inbucon's adoption of the **average** as the most appropriate basis for comparison. Conversely, 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**. The Review Body's approach, which is neither*

---

\* 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.

*elaborated nor justified at any point in their report, is 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.*

## **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 as % of Civil Service</i>
	<i>Civil Service</i>	<i>Business sector</i>		
<b><i>PO / Rank 4</i></b>	49,464	67,616	-26.8%	136.7
<b><i>APO / Rank 5</i></b>	38,031	52,855	-28.0%	139.0

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 36.7% and 39%, 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 2000:

	<i>Percentage of managers entitled to bonus</i>	<i>Average bonus paid to eligible managers</i>	<i>Bonus as % of recipient's salary</i>
<b>Rank 4</b>	63.9%	£13,082	21.8%
<b>Rank 5</b>	52.5%	£8,602	17.3%

Other non-salary elements of total cash remuneration available to Rank 4 and 5 managers in the business sector include profit sharing (22.5% at Rank 4 level and 21.2% at Rank 5), commission earnings and directors' fees. Inbucon calculates that, taken together, these bonus, profit share and other non-salary cash payments amounted as of July 2000 to £9,099 in the case of Rank 4 managers and £4,624 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 (after adjusting for the percentage incidence of each pay category, and with the July 2000 business sector data updated by 3% to January 2001), 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 as % of Civil Service</i>
<b>PO / Rank 4</b>				
Basic salary	49,464	67,616	-26.8%	136.7
Non-salary cash	n/a	9,099	...	...
<b>Total cash remuneration</b>	<b>49,464</b>	<b>76,715</b>	<b>-35.5%</b>	<b>155.1</b>
<b>APO / Rank 5</b>				
Basic salary	38,031	52,855	-28.0%	139.0
Non-salary cash	n/a	4,624	...	...
<b>Total cash remuneration</b>	<b>38,031</b>	<b>57,479</b>	<b>-33.8%</b>	<b>151.1</b>

The inescapable conclusion is that scales for Principals and Assistant Principals need to be increased by 55% and 51%, 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 – company cars, car allowances, share options, subsidised lunches, free medical insurance, and widespread personal availability of mobile phones and phone allowances – 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.

### □ *Company Cars*

Inbucon state that the proportion of business sector managers provided with a company car is 50.5% in the case of Rank 4 managers (average list price of vehicle £27,400), and 30% in the case of Rank 5 managers (average list price £22,600). 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 would add approximately £3,500 (5.2% of basic salary) to the overall average remuneration of Rank 4 managers, and approximately £1,700 (3.2% of basic salary) in the case of Rank 5 managers.

### □ *Share options*

Inbucon state that 21.6% of Rank 4 managers, and 13.8% of Rank 5 managers, currently participate in corporate share option schemes, the incidence of which at these management levels has continued to rise over recent years. They are unable, however, due to the complexities involved, and the varying pattern of individual scheme design, to place a value on this benefit.

### □ *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 benefits 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. Key considerations which they state need to be taken into account include:

- the fact that non-contributory, defined-benefit pension schemes appear to be the norm rather than the exception in the business sector;
- the fact that the vast majority of business sector pension schemes make no deduction in respect of State pension benefits;
- the fact that some form of indexation of pension is enjoyed by 73% of business sector managers;

- the fact that death-in-service benefit for business sector managers is, on average, more than double the level that applies in the Civil Service; and
- the fact that 21% of companies provide, for some or all of their executives, “Top Hat” pension arrangements additional to the general pension scheme (usually to enhance pension benefits and/or shorten the period of service needed to reach full pension entitlement).

Inbucon conclude that, taking all these considerations into account, it would be surprising if a detailed actuarial comparison of the two pension/life cover regimes valued the relative advantages of the Civil Service regime at more than that of their business sector equivalents.

□ *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, and widespread personal availability of mobile phones and phone allowances – which are not, of course, available within the Civil Service remuneration regime.

□ *Security of tenure*

Another element of “conventional wisdom” which Inbucon consider needs qualification is the proposition that civil servants – Principals and Assistant Principals included – benefit to a significantly greater extent than their business sector counterparts in terms of security of tenure. The following considerations must, they state, be taken into account:

- Business sector executive suffering loss of job (for reasons other than job performance) will usually be re-employed fairly quickly at the same or a more senior level and without reduction in remuneration.
- Business sector executives enjoy the freedom – and frequently exercise this freedom – to change job voluntarily, not only for increased salary and benefits, but also for increased rank, based on experience.
- Levels of demand for competent managerial professionals in the business sector have, over recent years, created a “seller’s market” which – as evidenced by sustained high levels of recruitment advertising and head-hunting – places a premium, rather than a discount, on inter-employer mobility.

Taken together, these considerations constitute, in Inbucon’s view, a significant dilution of traditional views on the relative monetary value of public sector job security.

Inbucon’s emphatic conclusion regarding the generality of non-cash benefits is that the relative value to Principals and Assistant Principals of the Civil Service pension regime and the imputed value, if any, of Civil Service job security are plainly outweighed by the value of other benefits – company cars, car allowances, share options, subsidised lunches, free medical insurance, and widespread unrestricted availability of mobile phones and phone allowances – 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:

<b>Salary</b>	The salaries of Principals and Assistant Principals need to be increased by 36.7-39% to match the <b>basic salaries</b> of their business sector equivalents.
<b>Total remuneration</b>	Principal/Assistant Principal salaries need to be increased by a further 12-15% to match the <b>total cash remuneration</b> of equivalent business sector managers.
<b>Pension &amp; life cover</b>	The two Civil Service grades may enjoy a marginal advantage, but even this – as acknowledged in the recently-published Buckley Report – is open to considerable doubt.
<b>Other benefits</b>	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 Civil Service job security.

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.

## ***Section 7 : Loss of Pay Competitiveness***

---

The harshness of the reality just highlighted might be softened – albeit to a limited 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 progressively widened over recent years. 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.

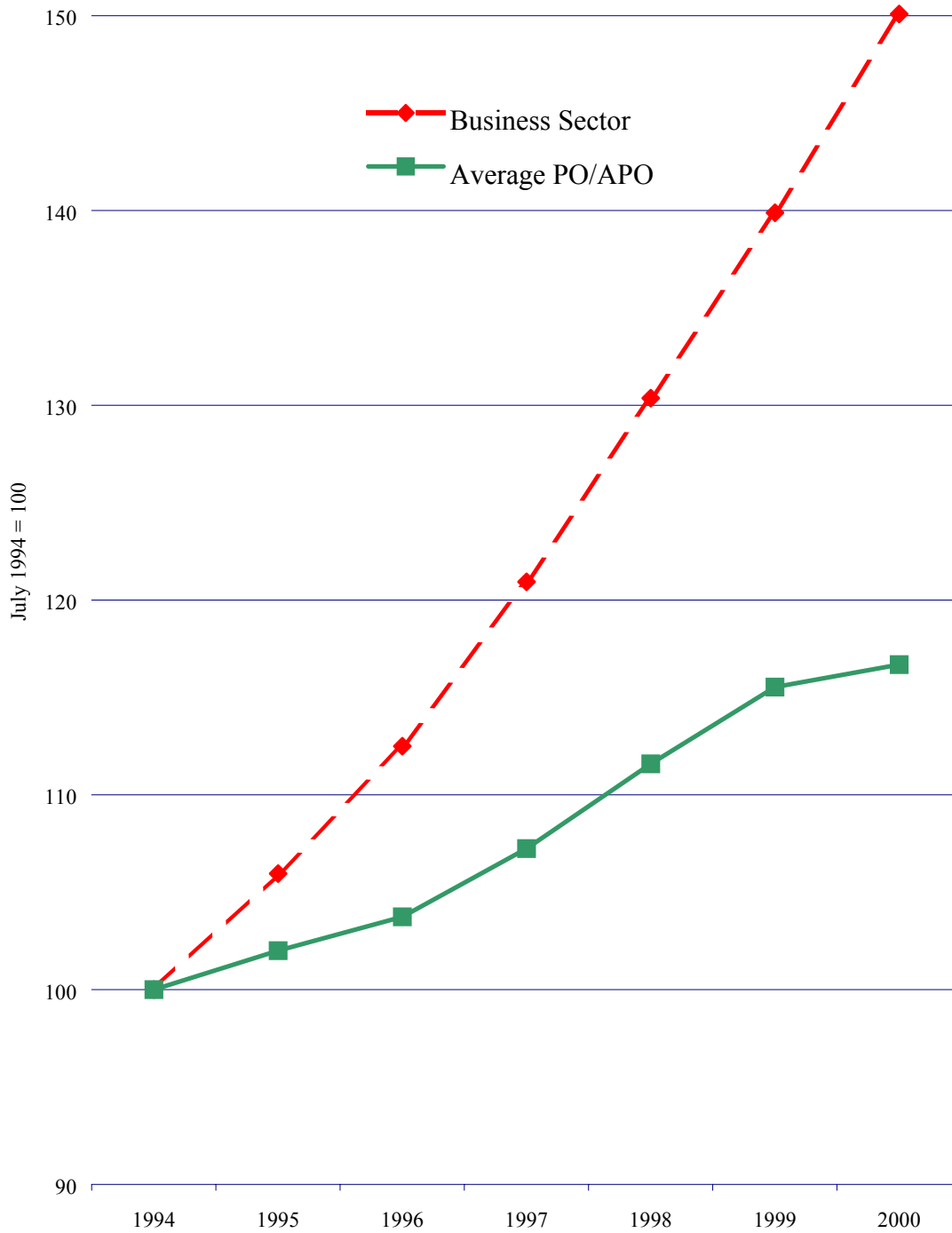
### ***7.1 External competitiveness***

The following table, and the chart overleaf, track Principal and Assistant Principal salaries for each July (the reference date for Inbucon’s data) from the conclusion of the PESP to the conclusion of Partnership 2000, and compares them with salary movements at management level in the business sector over the same period, as compiled and reported by Inbucon. 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 to the average points within the respective scales as computed in the survey conducted on the Association’s behalf by consultants, Burnham House.

<b><i>Date</i></b>	<b><i>Salary (£)</i></b>		<b><i>Index (Base July 1994 = 100)</i></b>			
	<b><i>PO</i></b>	<b><i>APO</i></b>	<b><i>PO</i></b>	<b><i>APO</i></b>	<b><i>Average PO/APO</i></b>	<b><i>Business sector Managers</i></b>
July 1994	38,532	30,362	100.0	100.0	100.0	100.0
July 1995	39,303	30,969	102.0	102.0	102.0	106.0
July 1996	40,030	31,434	103.9	103.5	103.7	112.5
July 1997	41,391	32,486	107.4	107.0	107.2	120.9
July 1998	43,107	33,774	111.9	111.2	111.6	130.4
July 1999	44,629	34,967	115.8	115.2	115.5	139.9
July 2000	45,075	35,317	117.0	116.3	116.7	150.1

These figures demonstrate beyond challenge that, over the period when the public service modernisation process was being rolled out, the pay of Principals and Assistant Principals (whose role in the process is crucial, and who have given it

**Salary movements : APO and PO compared with business sector managers, July 1994 to July 2000**



their positive support from the outset) has fallen dramatically 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, and whose pay has risen at a much more rapid rate than amongst other groups in the national workforce. Indeed, had even July 1994 relativities – already adverse from our members’ standpoint – been maintained, their salaries would now be almost 29% higher than they actually are.

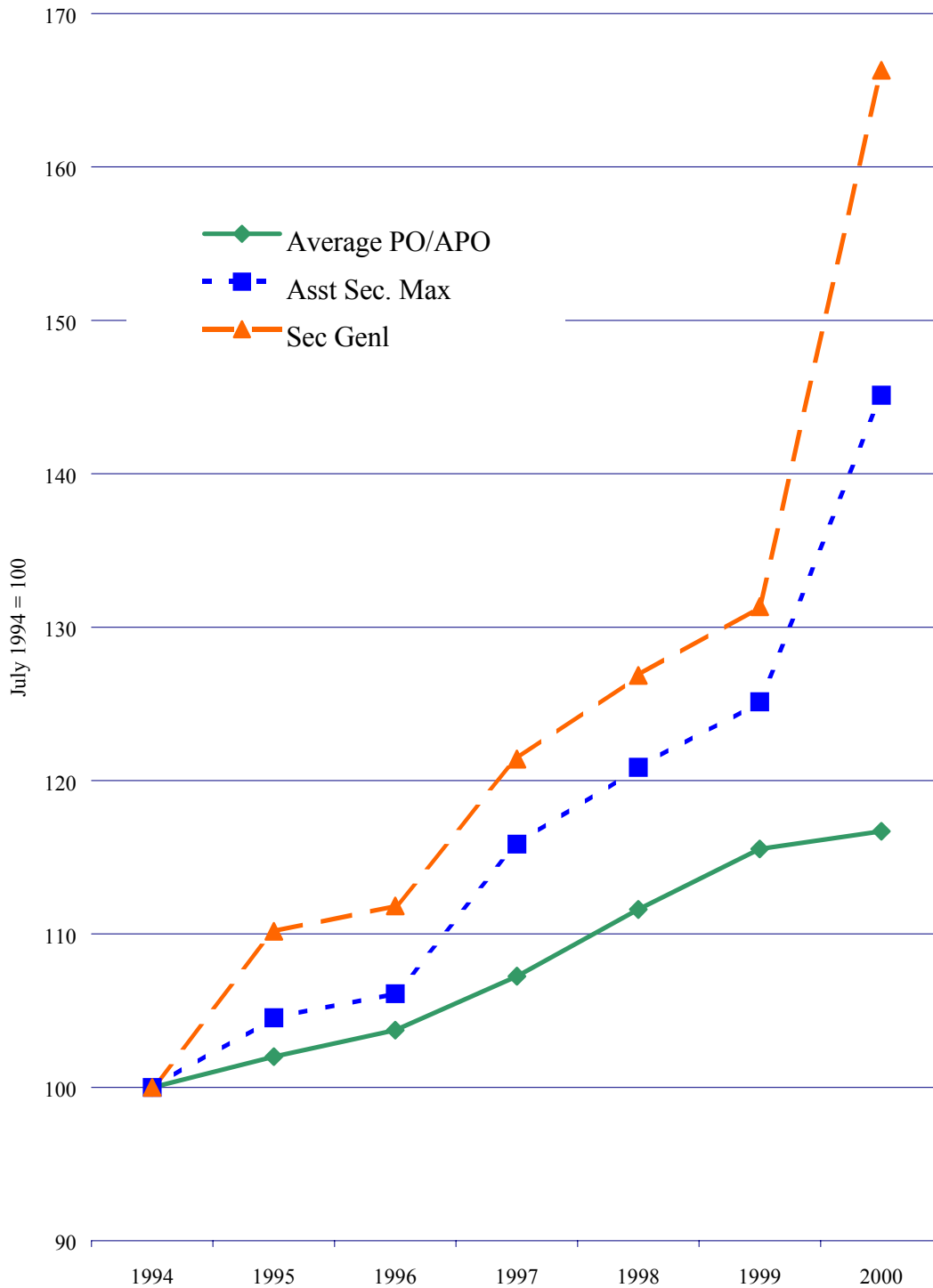
## 7.2 *Internal competitiveness*

Recent years have also seen a significant erosion of the competitiveness of Principal and Assistant Principal pay relative to colleagues at higher levels within the Civil Service itself. The table below and the chart overleaf track the pay of Principals and Assistant Principals, and that of Assistant Secretaries and Secretaries General Level II (the most populated category of Secretary General) over the same six-year period as the previous table and chart. The actual July 2000 salary figures for Assistant Secretary (£61,836) and Secretary General (£95,720) have been adjusted to reflect the increase of 14.8% awarded to Assistant Secretaries, and the increase of 25.4% awarded to Secretaries General II, on the recommendation of the *Review Body on Higher Remuneration in the Public Sector* in its September 2000 report.

<i>Date</i>	<i>Salary (£)</i>		<i>Index (Base July 1994 = 100)</i>		
	<i>Assistant Secretary (Max)</i>	<i>Secretary General II</i>	<i>Assistant Secretary (Max)</i>	<i>Secretary General II</i>	<i>Average PO/APO</i>
July 1994	48,928	72,159	100.0	100.0	100.0
July 1995	51,143	79,494	104.5	110.2	102.0
July 1996	51,910	80,686	106.1	111.8	103.7
July 1997	56,686	87,604	115.9	121.4	107.2
July 1998	59,137	91,541	120.9	126.9	111.6
July 1999	61,224	94,772	125.1	131.3	115.5
July 2000	71,000	120,000	145.1	166.3	116.7

The figures demonstrate that, taking the recent Review Body awards into account, Principal and Assistant Principal salaries need to be increased by 24.3% to restore the relativity that existed vis a vis Assistant Secretaries at the conclusion of the PESP, and by 40% to restore the relativity that existed vis a vis Secretaries General at that time.

## Salary movements for higher Civil Service grades, July 1994 to July 2000



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 unreasonable and inequitable, and thus entirely 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 several years, 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 – either as logical and equitable, or by neglect or default – a sharp reduction 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 PO and APO members should be expected to accept it, is unreasonable, indefensible and inequitable.

## ***Section 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 Principals and Assistant Principals need to be increased by 37-39% to match the basic salaries of their business sector comparators, and by 51-55% to match the total cash remuneration of those comparators.
- ❑ Moreover, Principal and Assistant Principal pay, compared to the two groups – business sector managers, and their own Civil Service superiors – to which they are most directly linked within the public service modernisation process, has dramatically disimproved as that process has been rolled out. Principal and Assistant Principal salaries need to be increased by almost 29% merely to restore their end-PESP competitiveness with their business sector comparators; by over 24% to restore relativities at that date with Assistant Secretaries; and by 40% to restore relativities with 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 managerial skills and capabilities 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 will grow still further as the process 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 those 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 the Benchmarking Body should, on the grounds of logic and equity, **first**, confirm the benchmarking of Principals and Assistant Principals to, respectively, Inbucon Rank 4 and Rank 5 managers in large business sector firms; and **second**, require that steps be taken to ensure that the remuneration of these two grades directly reflects this benchmarking, specifically by:

- immediately increasing the salary scales for both grades by 37-39% in order to establish parity, at least at **basic salary** level, with the average salary of equivalent managers in large business sector organisations; and
- initiating specific procedures to ensure, within a reasonable time frame, that the **overall remuneration** of Principals and Assistant Principals is set, and will remain, at a level that is fully market-competitive with the business sector.

These seem, in the light of all that we have presented in this document, to constitute fair and reasonable submissions. Their endorsement by the Benchmarking Body, and acceptance by Government, 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.