Enhancing Performance Capacity in the Workplace: A Reflection on the Significance of the Individual

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INTRODUCTION

Ireland's move to a knowledge-based economy, backed by supportive government policies, has been acclaimed for its success and questioned for its sustainability. Green (2002) praises the National Development Plan 2002–2006, but identifies adverse implications in the 2003 budget. O'Higgins (2002) describes the beneficial role of foreign direct investment, but ponders the consequences of a global economic slowdown and worries about the competitiveness of indigenous Irish enterprise. These observations focus attention on macro-level considerations, raising important issues for policy consideration. Another and similarly important set of issues can be raised, and answered, at the micro level of analysis.

Although government can create a positive environment for economic development, this alone cannot guarantee success. Long-term, sustainable advancement depends on the creation of a management infrastructure capable of taking full advantage of emerging environmental opportunities. Favourable government policies and actions are best considered as "investments" in an economic environment whose eventual "returns" are uncertain and subject to risk. In order to achieve sustainable progress on national economic development goals, a compelling majority of Irish firms must be managed well enough to deliver constant high performance results. This requires the alignment of firm-level executive leadership priorities with the demands of organisation development for high performance in times of transition.

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Cassells (2003), in his role as Executive Director of the recently formed National Centre for Partnership and Performance (NCPP), reflects on the challenge Ireland faces in the new economy. He points to the importance of achieving competitive advantage and continued economic growth through innovation and creative approaches to problem solving. Significantly, he notes also that "changing how we work at the ground level" is the often-neglected key to these performance capacities. A nation committed to success in a knowledge-based economy requires a management infrastructure that excels at mobilising, activating and supporting human talent. Although there are many points of attention for building this infrastructure, this paper specifically focuses at the "ground level" on developing leadership that fully values individuals as basic building blocks of organisational capacity. Using insights from the emerging literature on positive organisational behaviour, organisational citizenship behaviour and an individual performance framework, the paper discusses the key role employee ability, managerial and organisational support, and work effort play in enhancing individuals' performance capacity in the workplace. Our premise here is that such performance capacity begins with people and is significantly affected by the ways in which they are managed at all levels of the enterprise. Only when leadership is fully infused with a positive mindset, one that respects and fully values people as irreplaceable human resources, will organisations be able to achieve and sustain competitive advantage in a changing business environment.

From Marginal Performance to Discretionary Behaviour: The Impact of Performance Expectations and Leadership

In most organisations, individual performance levels can vary substantially across employees. Organisational citizenship behaviour (OCB) theory is useful for understanding why differences occur in the level of effort employees expend at work which, in turn, affects performance outcomes. Organ (1988: 4) defined OCB as "individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes effective functioning of the organization". Bolino and Turnley (2003) contend that citizenship behaviours generally have two features: firstly, they are not technically required as part of the job description; secondly, they represent extra efforts employees give to their organisations to enable them to be successful. Work by Van Dyne and LePine (1998) on extra-role behaviour is related to the concept of OCB. More recently, it has been argued that OCB can lead to the creation of social capital. Intellectual capital theory posits that social capital is a desirable feature of organisational functioning and can lead to a competitive advantage (Bolino et al., 2002; Cohen and Prusak, 2001). The research to date on OCB has tended to explore the link between OCB and performance. It has generally been reported that OCB has a positive impact on performance outcomes such as customer service (Koys, 2001), organisational effectiveness (Lee, 1994) and teamwork and productivity (Podsakoff and MacKenzie, 1997). It could be argued then that lower levels of OCB reflect

lower or marginal individual performance and higher OCB is expected to result in individuals engaging in discretionary behaviour at work leading to higher performance.

One of the major risks to organisational performance capacity is under-utilisation of human capital. Research has found that a proportion of an organisation's workforce can be classified as marginal performers – employees who merely do enough in their jobs to get by and do not fully apply their capacity to their jobs (Schermerhorn et al., 1990). The potential impact of marginal performance on lost productivity in organisations is a significant issue under any circumstances. But the possibilities of marginal performance or worker disengagement is further complicated by the possibility that it can become somewhat institutionalised within organisational norms. The logic of the self-fulfilling prophecy and its counterparts the Pygmalion effect (Eden, 1990, 2000; Livingston, 1969) and the expectancy effect (Rosenthal, 1973) help explain how marginal performance survives in organisations and satisfactory underperformance can even become a norm. Low performance becomes self-reinforcing; the leader who accepts it actually encourages it. The evidence in the social sciences is that high expectations can make a significant performance difference (Rosenthal, 1973), with a prime example in the workplace being the extensive research on the motivational properties of task goals conducted by Locke and Lathan (1990).

When reflecting on global challenges in the 21st century, Daniell (2000: 1) describes satisfactory underperformance as "generating a continuing state of outcomes, which by objective assessment is not acceptable, but which has over time become accepted as the prevailing norm". Whether this notion of satisfactory underperformance is applied to individuals, groups or organisations, the possibilities are equally disturbing. The possibility is that we get so used to marginal performance that it creeps into organisational norms and is no longer viewed either as a problem to be corrected or as a baseline from which continuous improvements can and should be made. Rather, underperformance becomes viewed as "not too bad" and even "quite okay".

The concept of marginal performance is closely related to worker disengagement. In the US, a recent survey of 1,000 American workers (Crabtree, 2003; Gallup, 2001) explored the degree to which respondents were "actively disengaged" or "fundamentally disconnected" from their work. From the first quarter of 2000 to that of 2003, the percentage disengagement ranged from a low of 14 per cent to a high of 19 per cent. The disengaged workers in the Gallup surveys report that they are absent more often, less loyal and less productive in their work. Gallup estimated the annual cost of lost productivity to the US economy of these actively disengaged workers at some $240–$370 billion per year.

In an effort to explore what leads to higher individual performance at work, the concept of discretionary behaviour has gained increasing currency in the arena over the past decade (Appelbaum et al., 2000; Bailey, 1993; Purcell et al., 2003). Bailey (1993) argues that work reform efforts are aimed at address-

ing the problem of HR under-utilisation and attempt to elicit discretionary behaviour. Discretionary behaviour refers to the human effort and imagination that workers exhibit above and beyond what is expected for acceptable performance. In other words, employees who use discretionary effort at work attempt to exhaust the potential contribution they make to the organisation (Appelbaum et al., 2000). Organisations that have policies, practices and management styles in place that elicit employee discretionary behaviour avoid the problems inherent in marginal performance efforts.

In Ireland, there is a dearth of research exploring worker attitudes, engagement and work effort. Hitchens et al. (1990) allege that the Irish put too little effort into their work and that employers expect too low a standard from their workers, resulting in an undesirable approach to work. However, as Black (1994) points out, this assertion remains to be tested empirically. Some related self-report statistics are available from the recent study of over 5,000 employees conducted by the ESRI, and commissioned by the NCPP, investigating the experiences and attitudes of Irish employees to the workplace and change. The report concludes that respondents generally reported high levels of job satisfaction, high levels of commitment to work in general and high levels of organisational commitment (O'Connell et al., 2004). While organisational commitment and discretionary behaviour are not meant to be used interchangeably here, research has shown that higher levels of organisational commitment can predict to some degree higher levels of effort and performance (Wright et al., 2003).

While the findings of the ESRI/NCPP study are positive, care must be taken when interpreting their meaning regarding discretionary effort in the Irish context. These are self-report measures and may be affected by score inflation due to social desirability error. Furthermore, only one item in the commitment scale explored the concept of discretionary behaviour asking respondents to rate agreement/disagreement with the statement, "I am willing to work harder than I have to in order to help this organisation succeed". Of the respondents, 80 per cent either agreed or strongly agreed with the statement. However, it is difficult to establish if these respondents *are currently* working harder than expected or if they are indicating that they *would* work harder if organisational success were in jeopardy. If their responses are indicating the latter, this means respondents are not currently working to their optimum and are not engaging in discretionary effort at work but that they acknowledge they have the potential to do so.

In a review of the factors that promote employee citizenship, Bolino and Turnley (2003) enumerate several variables which have a positive impact on OCB. These include job satisfaction, transformational and supportive leadership, interesting work and job involvement, and organisational support. The role of line managers in terms of their leadership abilities is central in a discussion of what leads employees to "go the extra mile".

The impact of front-line managers on employee performance has been well-established in the research. Purcell et al. (2003) report on the key role that

front-line managers/leaders play in determining employee performance. They report that it is the enactment of policies and practice that is most important and not merely their existence. They argue that "employees are more likely to go 'beyond contract' or that 'extra mile' for the organisation if managers behave in ways that stimulate and encourage positive attitudes" (2003: x). Furthermore, due to the longitudinal nature of their study, Purcell et al. (2003) report that organisations that had engaged in improving line management behaviour between Time 1 and Time 2 reported improved employee attitudes and performance.

A recent study conducted by Torc Consulting and Cranfield University School of Management of 74 senior foreign nationality managers' perception of Irish managers reveals that "Irish managers work only moderately hard and efficiently" (Bennett and Brewster, 2003: 11). While this study has its limitations in terms of the lack of rationale regarding scale items used and their validity, it does point to some worrying perceptions of Irish managers by their foreign counterparts. The findings have two important implications for the discussion in this paper. Firstly, the report finds that Irish managers are not perceived to exert maximum effort in their jobs indicating only a marginal level of performance. Secondly, the behaviour of these managers not only affects their own performance but acts as a poor example to their subordinates. It is most likely that employees who perceive that their managers are not performing to their optimum capacity will not be motivated to expend maximum or discretionary effort either.

Building Individual Performance Capacity
In order to maximise the productive potential of human capital in organisations, a basic building block is the individual contributor. One straightforward but insightful framework for building individual performance capacity is the equation: *Performance* = *Ability* X *Support* X *Effort* (Blumberg and Pringle, 1982; Schermerhorn, Gardner and Martin, 1990; Wall et al., 1992). This US model closely resembles recent research in the UK examining the impact of people management on organisational performance. In the UK study, Purcell et al. (2003) explored specifically how and why HR practices impact on performance. Their empirical study was developed from a framework which claims that performance is a function of *ability* + *motivation* + *opportunity* (AMO).

Viewed from a managerial perspective, these factors take the following meaning. *Ability* creates the capacity to perform through job-relevant knowledge, aptitudes and skills. *Support* establishes the opportunity to perform in an environment that provides people with what they need to best apply their capabilities in a job. Support equates with opportunity as operationalised by Purcell et al. (2003). *Effort* displays the willingness to perform and is similar to motivation. The multiplicative relationships among the three factors in this equation indicate that each must be maximised for an individual to achieve high performance results; the absence of any one will greatly limit perform-

ance. In simple "0-1" logic, a "0" for any factor on the right side results in a "0" for performance; when all right-side factors have values of "1", performance equals "1".

Although a highly simplified view of a far more complex reality, this equation is a reasonable and practical summary of research and conceptualisation on leadership and motivation as advanced by Lewin (1951), Vroom (1964), Porter and Lawler (1968), Mitchell (1984) and others historically, as well as more recently by Campbell (1999). Further, the logic enables a discussion of positive and practical research and leadership agendas fitting well with the theoretical perspectives referred to earlier. The basic question is how to invigorate leadership agendas that help organisations achieve success and high performance impact while avoiding the marginal performer and satisfactory underperformance situations described earlier.

Luthans (2002: 57) defines Positive Organisational Behaviour (POB) as "the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed and effectively managed for performance improvement in today's workplace". In grounding POB in leadership practice, he cautions against negative perspectives that concentrate management attention on people's weaknesses. Luthans and Avolio (2003) advocate "authentic leadership" that fosters the POB states of *confidence, hope, optimism* and *resiliency* in people and organisations. Authentic leaders facilitate positive self-development; their intentions are transparent; their behaviour is consistent, linking espoused values and actions (Gardner and Schermerhorn, 2004). Rather than trying to manipulate or even logically persuade others, they achieve positive influence through integrity, trustworthiness and genuine concern for fully developing their associates. Figure 4.1 shows how the critical POB states link up with ability, support and effort as the foundations of individual performance.

Focus 1: Creating and Sustaining Ability
Positive high performance leadership raises the upper limits on performance that can be expected from an individual or system under the most favourable conditions of work. The importance of ability as a performance factor reminds us that whenever a leader staffs a job or team with anything less than fully capable individuals, performance potential is reduced. Establishing high performance potential through human resource management is a basic leadership responsibility which results from building organisational capacity through the attraction, development and maintenance of a high quality workforce. Pfeffer and Veiga (1999) list selective hiring and extensive training as key practices of successful organisations. Drucker (1988) calls this the "hard work" of being a good leader – selecting the right people and then developing them into highly capable followers. Employee training and development play a key role in building organisational capacity by enhancing individuals' knowledge, skills and abilities. However, a country's educational infrastructure is an important precursor for skill development. The educational system in Ireland ranks high in

**Figure 4.1: Authentic Leadership, POB States and
Individual Performance**

Authentic Leadership

Raise
Optimism

Create
Hope

Value
Ability

Provide
Support

Arouse
Effort

Build
Confidence

Strengthen
Resiliency

Individual Performance

comparison with other countries. The high educational level and the relatively young workforce have been heralded by some as reasons for Ireland's recent unprecedented economic success. However, employee ability is not solely dependent on education qualification. Moreover, the extent to which employees are afforded training and development opportunities throughout their career is a key driver of enhanced performance. Winterton and Winterton (1997) found support for the proposition that investment in management development leads to more effective individual and business performance.

Training and development in Ireland has evolved from an essentially apprenticeship-based system driven by national schemes aimed at lowering unemployment levels in the 1970s to a more organisationally driven approach today (Heraty and Morley, 2000). However, as Heraty and Morley (1998) point out, the preoccupation in Ireland with schemes aimed at youth and long-term unemployment has resulted in diminishing the role of training for organisational improvement. It is only recently that organisations have begun to embrace human resource development in Ireland. Investment in human resource development in Ireland averages 3.85 per cent of payroll (Garavan and Heraty, 2001). This compares well with comparable figures in the US where expenditure as a percentage of payroll averaged 2.75 per cent for 2001 (ASTD, 2003).

O'Connell et al. (2004) report that 42 per cent of employees surveyed participated in training over the previous two years. In a recent CIPD

commissioned study, Garavan and Carberry (2003) report that over 70 per cent of the 742 employees surveyed indicated that they had participated in some form of training and development in the previous year. There is quite a difference between the two surveys regarding employee engagement in training and development. The difference is difficult to explain, since both studies used random sampling and included employees from diverse sectors, different organisational size and included both the public and private sector.

Garavan and Carberry (2003) report an important divergence between "privileged" and "less privileged" groups in terms of their training and development experience at work. The privileged group are characterised by better education, higher social class and are relatively young. The less privileged group tend to have lower educational achievements, occupy lower-level occupations, are older and female. The privileged group received significantly more training and development opportunities in comparison with the less privileged group. Employees working in small firms form an important cohort of the less privileged and are less likely to receive formal and on-the-job training. This trend is echoed in the study conducted by O'Connell et al. (2004).

These findings raise important issues for enhancing performance capability. Garavan and Carberry (2003) report that employees who experience more positive training and development experiences report higher levels of self-confidence regarding their learning ability than the less privileged group. This finding raises important considerations for the impact that training and development can have on employee self-confidence. While the report does not set out a causal relationship between training and development opportunity and self-confidence, the findings do indicate a relationship. The tenets of self-efficacy theory suggest that the extent to which individuals engage in certain activities is determined to some degree by their belief and self-assessment of their capabilities to perform the task (Bandura, 1982). This can create a vicious circle whereby employees do not engage in training and development due to low self-efficacy and thus do not get a chance to improve skills and abilities which should result in increased self-confidence and self-efficacy. This dilemma is discussed in greater detail below.

In a study of human resource development (HRD) professionals in Ireland, O'Brien and Thompson (1999) found that there is a strong emphasis on individual trainee needs focused on addressing current issues that exist with little focus on future development and strategic group/organisational issues. This is a worrying finding for the future of HRD practice since the champions of training and development, the HRD professionals themselves, appear to be acting in a more reactive rather than proactive way. O'Brien and Thompson (1999) highlight that limited importance is given to the intellectual competencies that underpin future practice and the business competencies required for organisational development. They go on to question how future HRD demands will be met if the HRD professionals are not focused on the future. The HRD profession, therefore, must examine how it operates and the requirements of its own career development to adequately equip itself with the

requisite intellectual, technical, cognitive and strategic skills to be effective in its own right and, perhaps more importantly, to lead and guide others effectively in the practice of HRD.

Focus 2: Building Support

Support in organisations takes many shapes and forms including managerial, co-worker and organisational support. Facteau et al. (1998) define organisational support as the extent to which employees perceive that they are valued and cared about by the organisation and that the organisation cares about their development. Eisenberger et al. (1986) highlight that perceived organisational support is influenced by various aspects of an employee's treatment by the organisation and in turn influences the employee's interpretation of organisational motives underlying that treatment. They found that employees in an organisation form "global beliefs" concerning the extent to which the organisation values their contributions and cares about their well-being. A study by Van Yperen and Hagedoorn (2003) found intrinsic motivation related positively to the presence of social support, or "helpful social interaction" with supervisors and co-workers, in the job environment. Their suggestion is that managers should help people come to know and access the support systems available in the organisation. They conclude that enhancing job social support in particular can reduce strain and increase motivation, even in highly demanding jobs.

Lynch, Eisenberger and Armeli (1999) suggest that perceived organisational support serves to increase the expectation of material resources (for example pay, fringe benefits) and symbolic resources (for example praise, approval) resulting from increased work effort. This increased work effort would include participation in training and development on the part of the employee, as well as increased effort on the job. Research has generally concluded that perceived support for development within the organisation is positively related to *participation* in development activities (Noe and Wilk, 1993) and perceived *effectiveness* of these training and development endeavours (Jones and Whitmore, 1995). Organisations need to ensure that managers and peers are supportive of development activity and that the organisation alleviates working conditions that prove to be punitive to employees participating in training and development.

The extent to which employees feel the environment allows them to make changes following training and development is also an important aspect of support. Maurer and Tarulli (1996) found that there are a set of contextual variables that facilitate skill improvement and these include:

- Supportive co-workers who encourage skill development;
- Dimension-relevant development resources including workshops, skill-building seminars, job assignments and other learning activities;
- Freedom from competing time demands such that employees are afforded the opportunity to participate in development activities without such participation adding pressure to their workload.

There is very little research available on supervisor or organisational support in the Irish context. Furthermore, there is limited analysis of management styles and attitudes in Ireland both from the perspective of incumbent managers and their subordinates. One study exploring acceptance of multi-rater management development feedback reports that perceptions of organisational support were a significant predictor of positive attitude towards the system (McCarthy and Garavan, 2004). This indicates that supervisor and organisational support may be an important factor affecting other dimensions of employee behaviour in the Irish context. It is argued here that support is a necessary condition of the work environment which has the ability to enhance an employee's performance capacity. One manner in which this can be operationalised in a meaningful way is to devolve more training and development responsibility to supervisors. However, research in Ireland has found that line management autonomy in training and development decisions is less extensive than desired (Heraty and Morley, 2000). If line managers are given the adequate power to make training and development decisions, this can be a form of employee support aimed at enhancing individual performance.

Focus 3: Effort

Employee motivation has received much attention in the management literature to date investigating how it impacts on, for example, performance improvement, reward management and employee retention (Deci and Ryan, 2000; DeVoe and Iyengar, 2004; Herzberg, 2003; Houkes et al., 2003). Motivation represents "those psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal oriented" (Mitchell, 1982: 81). Motivation as defined by Robbins (1993: 212) is the "willingness to exert high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual need". As discussed in the section on marginal performance and discretionary behaviour, effective management involves getting employees to work to their maximum capacity to perform more effectively.

A number of industrial and organisational psychology constructs are relevant to the discussion of employee effort. Recent research on behaviour at work has focused attention on organisational commitment, which refers to employee identification with organisational goals, willingness to exert effort on behalf of the organisation and interest in remaining with the organisation. Research has found that organisational commitment and work effort are related (Moon, 2000). Social exchange theory suggests that employees' commitment to the organisation is generally significantly related to their perceptions of the employer's commitment to them as they reciprocate their perceptions of the organisation's actions in their own attitudes and behaviour (Shore and Tetrick, 1991; Whitener, 2001). As mentioned earlier, due to a lack of research in this area, we are unsure of how committed employees are to their organisations in the Irish context and, furthermore, it is difficult to assess motivation and effort levels.

Positive high performance leadership takes full advantage of leverage gained by routinely doing things whose initial positive impact on individual performance continues to grow and reinforce itself over time. As shown in Figure 4.2, leaders who are disciplined enough to commit attention and resources to the ability and support factors can also gain performance leverage through the effort factor. They influence it indirectly by activating the powers of intrinsic motivation driven by felt competency (White, 1959) and self-efficacy (Bandura, 1982). Simply put, employees who feel competent at a task can be expected to work hard at it; people who believe they can achieve mastery over a situation can be expected to attempt it. It is suggested here that effort can result from employees having positive experiences of both ability/skill development and support.

Figure 4.2: Individual Performance Foundations
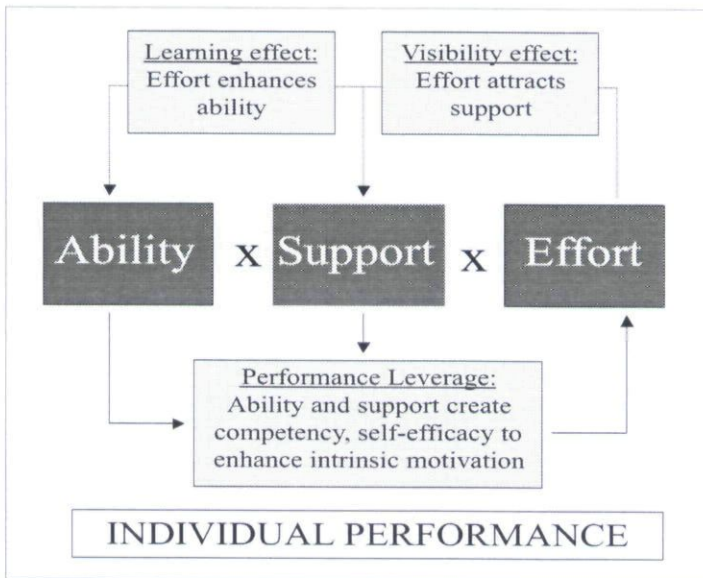
Implications for Policy, Practice and Research
Ireland's competitiveness has consistently fallen since being ranked fifth among the smaller nations in the world in 2000 to being ranked eleventh in 2003 (IMD World Competitiveness Yearbook, 2003). It might be an opportune time to refocus on micro-level factors that have the potential to impact positively on Ireland's competitiveness. This paper has reflected on the interaction and interplay of employee ability, knowledge and skills, managerial and organisational support, and effort for enhancing employee performance capacity. The arguments presented in this paper do not necessarily mean that managers should be making employees work "harder"; rather, the paper argues that management must ensure employees are working to their full potential and capac-

ity. It is believed that this can be more effectively achieved by management practices that build ability and create an environment of managerial, co-worker and organisational support. As a result of the review in this paper, a number of implications for policy, research and practice have emerged.

The importance of avoiding marginal performance and ensuring employees perform to their full capacity is a central concern of effective leadership and management practice. The extent to which employees are engaging in discretionary behaviour and working to their full capacity in the Irish context has received little research scrutiny. Organisations must strive to ensure employees are exhausting their potential contribution at work. The loss of productivity where employees are expending less than optimal effort becomes quite problematic when aggregated across all employees in an organisation.

However, apart from looking at employees, managerial effort is equally, if not more, important for improving performance. Bennett and Brewster (2003) argue that Ireland has become complacent due to its recent successes and warns of the importance of Irish managers becoming more self-critical. They point specifically to the problem of employee educational skills and abilities not being effectively applied at present in Irish workplaces and state that "most of the key deficiencies which affect the competitiveness of Irish management can be significantly improved by focused training initiatives which build on these strengths to create truly sustainable competitive advantage" (2003: 20–1). While their assertion that effective management training will deliver sustainable competitive advantage is somewhat overly ambitious and simplistic, management skill and competence is, nonetheless, a critical issue which needs more attention in competitiveness debates. Leadership in Irish firms must be proactive and accepting of its responsibilities to find internal pathways for performance gains, even in the face of external hardships. Also, leadership must stay focused on high performance fundamentals with the capacity to deliver long-term gains, even in the face of short-term stresses and strains. One of the key priorities in these leadership agendas must be a commitment to excellence that fully values human capital and taps into the pool of talents in the Irish workforce.

The discrimination of training and development opportunity highlighted by Garavan and Carberry (2003) and O'Connell et al. (2004) needs to be rebalanced. At present, it appears that those most in need of career development opportunities are those who do not have access to training and development. The current situation whereby employees who are older, with lower education attainment, working in lower-level occupations in small firms are not receiving the same training and development investment as their more "privileged" comparators is problematic. It might be proposed that if these less privileged workers are not getting the support they need in terms of improving their skill set, and if this is a predictor of performance and effort expended at work, then the issue of marginal performance is perpetuated as a result of poor training and development provision. This area needs to be examined empirically to shed light on the relationship between self-efficacy, training and development par-

ticipation, and performance level. Policy makers might consider the implications of this discussion for any nation-wide investments in management development. For example, in addition to the four aims presently stated for the Irish government's Research, Technological Development and Innovation (RTDI) strategy in the National Development Plan 2000–2006, another objective might be worthy of addition which is aimed at supporting a leadership development initiative targeted at all levels of management in the private and public sectors. This initiative would ideally be focused on what Cassells (2003) would call the "ground level", having a clear and verifiable performance purpose, and addressing very specifically the practicalities, not just the possibilities, of high performance leadership.

Much more needs to be done on the research front to inform the topics raised in this discussion. It would be useful to explore organisational citizenship behaviour among Irish employees and investigate its antecedents and outcomes. By understanding what facilitates organisational citizenship behaviour, organisations and managers would be better equipped to develop polices and practices which should lead to greater employee discretionary behaviour at work. Moreover, organisations and managers may be more favourably disposed to the issues discussed here if there were clear evidence of their benefits in the Irish setting. The concepts of performance ceilings, performance leverage and the associated learning and visibility effects presented in Figure 4.2 need empirical attention and the contingencies associated with positive self-fulfilling prophecies are worth additional inquiry. Only solid research can tell if, and to what extent, Ireland's transition to a knowledge economy is being slowed by insufficient or under-utilised individual performance capacity in the nation's businesses and social institutions. In the meantime, there seems little to lose and a lot to be gained potentially by infusing leadership at the enterprise level with the positive approach suggested here.

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