Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

Ehtasham Ghauri

Southern Cross University
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

Ehtasham Ghauri
MBA (AI-Khair), Grad. Dip. Business Administration (SCU),
B.Sc. (BZU), CPM Asia Pacific (MI Singapore)

Supervised by: Dr Peter W. Wong (DBA)
Dr Don McMurray (PhD)

“When you know a thing, to hold that you know it, and when you do not know a thing, to allow that you do not know it - this is knowledge” Confucius
Declaration of originality

I certify that the substance of this thesis has not been already submitted for any degree and is not currently being submitted for any other degree or degrees. I certify that to the best of my knowledge any help received in preparing this work, and all sources used, have been acknowledged in this thesis.

Ehtasham Ghauri, 16 November 2012

This thesis has been edited by SCU editor Mr John Revington.
Dedication

This thesis is dedicated to the courage of my mother and my late father Abdul Majeed Ghauri, whose personality has always been a beacon of learning for me throughout his life and even after his passing. I am aware that these few words cannot express the debt I owe him; however, this accomplishment of mine may be a cool breeze in his resting place and make him feel proud.
Acknowledgements

I owe an acknowledgement to my supervisors and to the individuals, teams, executives and organisations whose contribution and help have made this research a reality.

I am thankful to Dr Peter W Wong for all his efforts, swift responses, and for his professional and academic advice. Dr Wong’s help and encouragement has enabled me to realise my potential in the development of this thesis.

I feel greatly privileged in being supervised and taught by Dr Don McMurray. I thank Dr McMurray for all his support and affection from laying the foundations of this research right up until the completion of this thesis.

I especially thank Southern Cross University for bestowing upon me the honour and opportunity to be a part of an esteemed community around the world.

I would like to express my deepest gratitude to SCU staff members, Sue White, Ashley Cooper, Joanne Olive, Margot Alexander, Sarah Rogers and Anna Duchesne. My gratitude also goes to the highly supportive staff at the international office and the ever smiling ladies at the front desk. Thank you!

I greatly appreciate the cooperation and support of my colleagues at the IT&TS: Susanne Brun, Mitchell Rose, Matthew Lourey and Michael Bugden.

My profound gratitude goes to Mustaneer Noor, Jawaid Akhtar and my teacher Ghaus Ali Jafri for their support, appreciation and affection during my research in the pharmaceutical industry. I am positive that without their help and support, this work would not have been possible.

I am extremely grateful to my teacher Sayyed Wazahat Ali Naqvi, who transformed me from man to human, for all his moral support, prayers and wishes in the pursuit of this journey.

Finally, my words of gratitude cannot be complete without thanking my family, the most resilient and courageous person ‘my mother’, my Munni and my children; whose unfathomable support has made this day possible.

Last but not the least, I would also like to thank and appreciate Gemma Abdul for her affection, support and contributions during this journey.
Abstract

The emergence of new ideas in management not only provides new directions in business operation but also food for thought for strategists, academicians and researchers. In modern business, organisations strive to enhance organisational efficiency through improvements to their work force; this impels researchers to provide evidence to them for the adoption of new practices conformed to contemporary needs. There has been considerable research on employees’ management as an organisational asset, as they can be a key factor in organisational success or demise. As employees become prime contributors to organisational performance, a niche is created on how they can sustain or enhance their performance. To address this issue, organisations use evaluative procedures to ensure that potentially troublesome areas are put under the spotlight. At the individual employee level, this measure has been labelled as performance appraisal (PA).

The important role PA plays in influencing organisational outcomes has encouraged researchers to explore new horizons in this discipline even in the 21st century. In order to achieve the desired objectives PA process calls for the alignment of desired performance with appropriate rewards to increase motivation whilst providing clear strategic future directions to enhance employee performance. Despite being recognised as a highly important factor in employee and organisational development, PA is often conducted casually and poorly in organisations.

Pharmaceutical organisations around the globe are considered to be vitally important knowledge-driven businesses which improve and preserve human health. The Pakistan pharmaceutical market is one of the leaders in East Asia after China and India. In relation to employee or human resource (HR) practices, the industry in Pakistan is lagging behind other countries in the region. High attrition rates of sales employees in Pakistani pharmaceutical organisations result in the loss of valuable employees as well as the costs associated with defection and new inductions. Research has shown that there is a cyclic relationship between PA, rewards, satisfaction and motivation. A search of the literature revealed an absence of empirical evidence on this issue in the pharmaceutical industry in Pakistan.

This research found that organisations in the industry do not consider HR to be of strategic importance as half of the studied organisations did not have a formal HR function. In this backdrop of HR neglect, the research revealed that organisations without a formal HR
function will not have a formal PA system in place. The absence of a formalised, structured and objective oriented PA system is inviting appraisers (raters) to introduce judgments, bias and opinion into the evaluation process. These judgements and opinions are the driving forces for negative perceptions and cynicism among the sales representatives as well as managers. Research participants sought for clarity in performance definitions as well as clarity and openness in the PA process. In order to possess an objective oriented PA system, the study population called for its linkage with the rewards system, future careers and training and development. The research found that PA objectives cannot be achieved unless bilateral feedback mechanisms are in place; as these mechanisms facilitate to remove performance gaps and are essential for meeting or exceeding future strategic objectives.

In order to improve PA practices in the Pakistan pharmaceutical industry, this research provides substantive evidence in suggesting a performance appraisal spiral (PAS) process. This process has been developed based upon the perceptions, expectations and factors considered as important by study respondents and upon evidence from the literature. The PAS process has been suggested in an attempt to counterpoise the traditional management practices and obtain benefits through a formal PA system. It is further believed that the adoption of this process may facilitate the development of positive perceptions and resulting in satisfaction and retention of employees. This will further reduce organisational defection and induction costs while enhancing its productivity and performance.
Key words:

Human resource management
Strategic human resource management
Performance appraisal
Strategic alignment
Organisational and national culture
Pharmaceutical industry
Pharmaceutical sales employees
Employee perceptions
Employee expectations
Employee satisfaction
Rewards
# Table of Contents

Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry .............................................................. i

Declaration of originality ........................................................................... ii

Dedication ..................................................................................................... iii

Acknowledgements ....................................................................................... iv

Abstract ....................................................................................................... v

1.1 Introduction ........................................................................................... 1
  1.1.1 Research overview .......................................................................... 1
  1.1.2 Objectives of this research ............................................................... 1
  1.1.3 Chapter outline ................................................................................ 2

1.2 Background of the study ....................................................................... 3
  1.2.1 PA and Pakistan ................................................................................ 4

1.3 Justification of the research ................................................................... 5

1.4 Research issues ....................................................................................... 6
  1.4.1 Research questions ........................................................................... 6
  1.4.2 Research propositions ...................................................................... 7

1.5 Succinct research design and methodology ......................................... 7

1.6 Delimitations of the research ................................................................. 9

1.7 Thesis outline ........................................................................................ 9
  1.7.1 Format of Chapter I: Introduction .................................................. 10
  1.7.2 Format of Chapter II: Literature review ......................................... 10
  1.7.3 Format of Chapter III: Research methodology ............................... 12
  1.7.4 Format of Chapter IV: Data analysis .............................................. 13
  1.7.5 Format of Chapter V: Discussions and conclusions ....................... 14

1.8 Conclusion ............................................................................................. 14

2.1 Introduction ........................................................................................... 15
  2.1.1 Chapter objectives ........................................................................... 15
  2.1.2 Chapter outline ................................................................................ 15

2.2 Parent discipline 1: HRM contribution to organisational performance .............................................................. 16
  2.2.1 Need for modified business practices .............................................. 16
  2.2.2 Scientific management ................................................................... 19
  2.2.3 Henri Fayol’s “Classical organisation theory” ............................... 20
2.2.4 Max Weber’s Bureaucracy .................................................................20
2.2.5 The Hawthorne studies .................................................................21
2.2.6 Human relations movement ..........................................................22
2.2.7 Historical developments in HRM ....................................................23
2.2.8 Key functions of HRM .................................................................24
2.2.9 Strategic HRM (SHRM) .................................................................26
2.2.10 HRM and developing countries .....................................................29
2.3 Parent discipline 2: Performance appraisal (PA) .................................30
  2.3.1 Performance management systems (PMS) ......................................31
  2.3.2 Performance appraisal (PA) ............................................................35
    2.3.2.1 The rational model .................................................................39
    2.3.2.2 The political perspective .........................................................40
    2.3.2.3 The due process .................................................................40
    2.3.2.4 Employee perceptions and PA .................................................41
    2.3.2.5 Rewards, recognition and satisfaction .......................................42
    2.3.2.6 PA and sales employees .........................................................44
    2.3.2.7 First (front) line managers (FLMs) and PA ...............................45
    2.3.2.8 PA and MNCs .................................................................46
    2.3.2.9 Critique on PA ........................................................................49
2.4 Parent discipline 3: The Pharmaceutical industry ................................51
2.5 Immediate discipline: PA practices in the Pakistan pharmaceutical industry ..................................................53
  2.5.1 Pakistan: perceptions and realities .................................................53
    2.5.1.1 Geographical location .................................................................54
    2.5.1.2 Political system ........................................................................55
    2.5.1.3 Literacy: a major challenge .......................................................55
    2.5.1.4 Economic instability .................................................................56
    2.5.1.5 Poverty: the widening gap .........................................................57
    2.5.1.6 Employment or unemployment .................................................57
    2.5.1.7 Sociocultural realities ...............................................................59
  2.5.2 Management practices and organisational culture in Pakistan ........61
  2.5.3 The Pakistan pharmaceutical industry ...........................................64
2.6 Research issues .................................................................................69
  2.6.1 Research problem .........................................................................69
  2.6.2 Research objectives ....................................................................69
2.6.3 Research questions ................................................................. 70
2.6.4 Research propositions ............................................................. 70
2.7 Conclusion .................................................................................. 71
3.1 Introduction .................................................................................. 72
  3.1.1 Chapter objectives ................................................................. 72
  3.1.2 Chapter outline ...................................................................... 72
3.2 Research problem and questions .................................................. 74
3.3 Paradigmatic justification of the research ...................................... 75
  3.3.1 Positivism ............................................................................. 77
  3.3.2 Critical theory ....................................................................... 77
  3.3.3 Constructivism ...................................................................... 77
  3.3.4 Realism ................................................................................ 78
3.4 Justification of the qualitative case study approach ...................... 78
  3.4.1 Case study defined ............................................................... 78
  3.4.2 Misconceptions .................................................................... 79
  3.4.3 Qualitative approach ............................................................ 80
  3.4.4 Research design .................................................................... 82
3.5 Quality of the research ................................................................. 84
3.6 Framework for this case study research ....................................... 87
  3.6.1 Prior theory ......................................................................... 87
  3.6.2 Research design for case selection ........................................ 89
    3.6.2.1 Types of case studies ..................................................... 89
    3.6.2.2 Selection of cases .......................................................... 91
    3.6.2.3 Number of cases and interviews ..................................... 91
    3.6.2.4 Rationale for selection of cases and respondents .............. 92
  3.6.3 Data collection procedures .................................................... 94
    3.6.3.1 Case study protocol ....................................................... 94
    3.6.3.2 In-depth interviews ........................................................ 95
    3.6.3.3 Focus group .................................................................. 95
    3.6.3.4 Document reviews ......................................................... 96
  3.6.4 Analysing the data ................................................................. 97
3.7 Limitations of case study research .............................................. 98
3.8 Ethical considerations ................................................................. 99
3.9 Conclusion .................................................................................. 100
4.1 Introduction .................................................................................................................. 101
  4.1.1 Chapter objectives ............................................................................................... 101
  4.1.2 Chapter outline .................................................................................................. 101
4.2 Qualitative data analysis .......................................................................................... 102
4.3 Participants’ profiles ............................................................................................... 103
4.4 Methods used in data analysis ................................................................................ 107
  4.4.1 Data coding .......................................................................................................... 107
    4.4.1.1 Phase I: Open coding ...................................................................................... 108
    4.4.1.2 Phase II: Axial coding .................................................................................... 110
    4.4.1.3 Phase III: Selective coding .............................................................................. 111
    4.4.1.4 Themes ........................................................................................................ 112
    4.4.1.5 Memos .......................................................................................................... 115
4.5 Data analysis pertaining to the research questions ................................................... 116
  4.5.1 RQ1: What is the strategic importance of HR in the organisation? ................... 117
    4.5.1.1 HR as a function ............................................................................................. 117
    4.5.1.2 Strategic role of HR ....................................................................................... 118
    4.5.1.3 Top management commitment .................................................................... 118
  4.5.2 RQ2: What are the objectives of PA in the organisation? ................................. 120
    4.5.2.1 Case A: NC .................................................................................................. 120
    4.5.2.2 Case B: MNC ............................................................................................... 121
    4.5.2.3 Case C: NC .................................................................................................. 122
    4.5.2.4 Case D: NC .................................................................................................. 123
    4.5.2.5 Case E: MNC ............................................................................................... 124
    4.5.2.6 Case F: NC .................................................................................................. 126
  4.5.3 RQ3: How do employees perceive the PA system? ............................................. 129
  4.5.4 RQ4: What are the employee expectations from the PA system? ..................... 133
  4.5.5 RQ5: What are the factors considered as important in PA in the organisation? .... 136
  4.5.6 RQ6: What are the differences between MNCs’ and NCs’ PA measures? ........... 140
  4.5.7 Emerging factors ............................................................................................... 143
4.6 Conclusion .................................................................................................................. 145
  5.1 Introduction ................................................................................................................ 146
    5.1.1 Chapter objectives ............................................................................................. 147
    5.1.2 Chapter outline ................................................................................................. 147
  5.2 Summary of the research contributions .................................................................. 149
5.3 Conclusions about the research issues ........................................................................... 153
  5.3.1 RQ1: What is the strategic importance of HR in the organisation? ....................... 154
  5.3.2 RQ2: What are the objectives of PA in the organisation? ..................................... 155
  5.3.3 RQ3: How do employees perceive the PA system? .............................................. 157
  5.3.4 RQ4: What are the employee expectations from the PA system? .......................... 158
  5.3.5 RQ5: What are the factors considered important in PA in the organisation? ...... 160
  5.3.6 RQ6: What are the differences between MNCs’ and NCs’ PA measures? .......... 162
5.4 Implications for theory, policy and practice ................................................................ 164
  5.4.1 Implications for theory ......................................................................................... 164
  5.4.2 Implications for policy and practice ...................................................................... 168
    5.4.2.1 PAS process ..................................................................................................... 172
5.5 Limitations of the research ......................................................................................... 180
5.6 Future research outline ............................................................................................. 181
5.7 Conclusion .................................................................................................................. 181
References ....................................................................................................................... 183
Appendix 1: Information Sheet ....................................................................................... 215
Appendix 2: Informed Consent Form ............................................................................... 219
Appendix 3: Interview Guide Sales .................................................................................. 223
Appendix 4: Interview Guide HR ..................................................................................... 225
Appendix 5: Interview Lists ............................................................................................. 227
  Interview List A1 ........................................................................................................... 227
  Interview List A2 ........................................................................................................... 234
  Interview List A3 ........................................................................................................... 235
  Interview List B1 ........................................................................................................... 238
  Interview List B2 ........................................................................................................... 243
  Interview List B3 ........................................................................................................... 247
  Interview List C1 ........................................................................................................... 250
  Interview List C2 ........................................................................................................... 255
  Interview List C3 ........................................................................................................... 258
  Interview List D1 ........................................................................................................... 261
  Interview List D2 ........................................................................................................... 265
  Interview List E1 ........................................................................................................... 267
  Interview List E2 ........................................................................................................... 273
  Interview List F1 ........................................................................................................... 275

xii
List of Tables

Table 3.3: Four paradigms ........................................................................................................75
Table 3.3.1: Paradigm approaches ..........................................................................................76
Table 3.4.3: Characteristics of qualitative and quantitative approaches .............................81
Table 3.4.4.1: Key choices in research design......................................................................83
Table 3.4.4.2: Research characteristics .............................................................................83
Table 3.5: Quality techniques to be used for this research ..................................................86
Table 3.6: Case study framework .........................................................................................87
Table 3.6.2.4: Number of cases and respondents ................................................................93
Table 4.3: Participant profiles .............................................................................................103
Table 4.4.1.1a: Open coding process ................................................................................109
Table 4.4.1.1b: Thematic code development exhibit .........................................................109
Table 4.4.1.1c: Core category coding ................................................................................110
Table 4.4.1.2: Axial coding .................................................................................................111
Table 4.4.1.3: Selective coding ..........................................................................................112
Table 4.4.1.5: Memo process ............................................................................................115
Table 4.5: Research questions’ relation to interview questions .........................................116
Table 4.5.5: Key categories from research question two, three and four .........................135
Table 4.5.6: Differences in PA measures between the MNCs and the NCs ....................140
Table 5.2: Summary of the research contributions ...............................................................149
List of Figures

Figure 1.1.2: Research objectives.................................................................1
Figure 1.1.3: Structural map of Chapter 1....................................................2
Figure 1.4.2: Research propositions .............................................................7
Figure 1.7: Structural map of the thesis .........................................................9
Figure 2.1: Structural map of Chapter 2 .........................................................16
Figure 2.2.1: Environmental forces faced by an organisation ........................18
Figure 2.2.4: Bureaucracy in an ideal organisation ........................................20
Figure 2.2.7: The genesis of HRM.................................................................24
Figure 2.2.9: Five strategic focus principles ..................................................27
Figure 2.3.1.1: Harmony in objectives in an organisation .............................32
Figure 2.3.1.2: Culture of shared values .......................................................32
Figure 2.3.1.3: Top and bottom view of objectives .......................................33
Figure 2.3.1.4: Ten step approach to adopt PMS ...........................................34
Figure 2.3.2a: PA pivotal effect .....................................................................36
Figure 2.3.2b: PA multi-facet objectives .......................................................37
Figure 2.3.2c: Performance appraisal methods ..............................................39
Figure 2.3.2.8a: MNCs’ PA evaluation objectives ..........................................47
Figure 2.3.2.8b: MNCs’ PA developmental objectives ....................................48
Figure 2.3.2.8c: MNCs’ decision criteria for PA practices in subsidiaries ..........49
Figure 2.4: The global pharmaceutical market ..............................................52
Figure 2.4a: Regional contribution of sales in global pharmaceutical market .......................................52
Figure 2.4b: Pharmaceutical sales employee layoffs in the US ........................53
Figure 2.5.1.1a: Pakistan map location .........................................................54
Figure 2.5.1.1b: Population distribution of Pakistan .......................................55
Figure 2.5.1.4a: Pakistan’s GDP history .......................................................56
Figure 2.5.1.4b: Pakistan’s GDP growth history ..........................................57
Figure 2.5.1.6a: Pakistan GDP contribution by sector ....................................58
Figure 2.5.1.6b: Pakistan employment distribution in the industrial sector ..........58
Figure 2.5.17: Pakistan’s cultural dimensions ...............................................60
Figure 2.5.2: Culture’s influence on managers’ decisions ...............................62
Organisational chart 2.5.3a: MNCs’ Organisational structure in Pakistan ..........66
Organisational chart 2.5.3b: NC’s Organisational structure in Pakistan .........................67
Figure 2.6.2: Research objectives ..................................................................................69
Figure 2.6.3: Research questions ................................................................................70
Figure 2.6.4: Research propositions ...........................................................................70
Figure 2.6.5: Research summary ................................................................................71
Figure 3.1: Structural map of Chapter 3 .......................................................................73
Figure 3.2: Research questions ...................................................................................74
Figure 3.4.2: Flyvbjerg’s five misconceptions of case studies ........................................80
Figure 3.4.3: Objectives of quantitative research ..........................................................82
Figure 3.4.4: Interpretation of research design ..............................................................82
Figure 3.5: Quality of the case study ...........................................................................85
Figure 3.6.1: Case study design distinguishing factors ...................................................87
Figure 3.6.2.3: Stratification of cases in the Pakistan pharmaceutical industry ................92
Figure 3.6.4: Data analysis measures for this research ..................................................97
Figure 3.8: Five-step ethical implications guideline ......................................................100
Figure 4.1: Structural map of Chapter 4 .......................................................................102
Figure 4.4: Data analysis sequence layout .....................................................................106
Figure 4.4.1.4: Thematic relation to the research questions ...........................................114
Figure 4.5: Code legend for responses in the data analysis ..........................................116
Figure 4.5.1: Summary of responses: Strategic importance of HR ...............................119
Figure 4.5.2: Summary of categories across the cases ..................................................128
Figure 5.1: Structural map of Chapter 5 ......................................................................148
Figure 5.3.4: PA expectations ......................................................................................160
Figure 5.3.5: Important factors in PA ..........................................................................161
Figure 5.3.6: MNCs and NCs PA differences .................................................................163
Figure 5.4.1: Summary of contributions to the theory ...................................................167
Figure 5.4.2a: PAS: an organisational perspective ........................................................170
Figure 5.4.2b: Stakeholder concerns ............................................................................171
Figure 5.4.2.1: PAS process .........................................................................................176
Figure 5.4.2.2: PAS process outcomes and benefits ......................................................179
# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACR</td>
<td>Annual confidential report</td>
</tr>
<tr>
<td>EMEA</td>
<td>European medicines agency</td>
</tr>
<tr>
<td>FLM</td>
<td>First line manager</td>
</tr>
<tr>
<td>FDA</td>
<td>Food and drug authority USA</td>
</tr>
<tr>
<td>HPO</td>
<td>High performing organisations</td>
</tr>
<tr>
<td>HR</td>
<td>Human resource</td>
</tr>
<tr>
<td>HRM</td>
<td>Human resource management</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
</tr>
<tr>
<td>LMX</td>
<td>Leader-member exchange theory</td>
</tr>
<tr>
<td>MBO</td>
<td>Management by objective</td>
</tr>
<tr>
<td>MNC</td>
<td>Multi-national companies</td>
</tr>
<tr>
<td>NC</td>
<td>National or local companies</td>
</tr>
<tr>
<td>OB</td>
<td>Organisational behaviour</td>
</tr>
<tr>
<td>PA</td>
<td>Performance appraisal</td>
</tr>
<tr>
<td>RO</td>
<td>Research objective</td>
</tr>
<tr>
<td>RP</td>
<td>Research proposition</td>
</tr>
<tr>
<td>RQ</td>
<td>Research question</td>
</tr>
<tr>
<td>SHRM</td>
<td>Strategic human resource management</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard operating procedure</td>
</tr>
<tr>
<td>SM</td>
<td>Senior manager</td>
</tr>
<tr>
<td>TQM</td>
<td>Total quality management</td>
</tr>
</tbody>
</table>
Chapter I

Introduction

Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

“For, usually and fitly, the presence of an introduction is held to imply that there is something of consequence and importance to be introduced” Arthur Machen
1.1 Introduction

1.1.1 Research overview

The research described in this thesis analysed the existing performance appraisal (PA) practices for sales employees in the Pakistan pharmaceutical industry. The research also compared performance appraisal practices being implemented by multinational and national organisations in the country. In order to improve the PA practices, the research sought to identify the factors expected, influenced perception and considered important as part of a PA system by the study population. Based on the findings, the research suggests the adoption of a PAS process to address shortcomings in the existing PA systems.

1.1.2 Objectives of this research

The objectives of the research are stated in Figure 1.1.2 below:

Figure 1.1.2: Research objectives

Source: Developed for this research
1.1.3 Chapter outline

The purpose of this chapter is to provide a sketch of this thesis spliced in the forthcoming sections and chapters. The chapter is divided into eight sections. After an introduction (section 1.1), the chapter highlights the background to the study in section 1.2. Thereafter, the chapter provides the justifications for this research in section 1.3 while the research problems, questions and propositions are laid out in section 1.4. The research design and methodology implemented are briefly discussed in section 1.5 while section 1.6 elaborates the delimitations of this research. The thesis outline is provided in section 1.7. Finally, section 1.8 concludes the chapter. Figure 1.1.3 shows the structural map of the chapter.

Figure 1.1.3: Structural map of Chapter 1

Source: Developed for this research
1.2 Background of the study

The concept of managing, workforce or employees can be traced back to pre-historic times. The evolution of concepts and scientific development helped managers introduce new practices to ensure maximum productivity of their workforce. This has resulted in a considerable advance in business practices from the silk route to modern e-business trends. Despite these revolutionary developments, the workforce remains the key ingredient of any business organisation and is considered as a human resource or capital. Efficient and effective use of this capital can result in competitive advantage for an organisation (Stone 2010) and therefore, organisations need to adopt innovative processes to fully utilise their human talent and knowledge to attain or exceed their objectives. These processes are labelled as human resource management or HRM (Mathis & Jackson 2010) and are involved in general management functions such as planning, organising, directing and controlling (Robbins et al. 2006) as well as the particular functions of recruitment, teamwork communication and performance management.

Although HRM has been considered as a key element in organisational success, its alignment to organisational strategic objectives has been confutative. The resource-based view emphasises the need for this strategic alignment to gain competitive advantage through human resource competencies (O'Reilly & Pfeffer 2000; Wright, Dunford & Snell 2001). The behavioural perspective also argues that HR processes should be harmonised with the required employee behaviours to exceed organisational strategic objectives (Wright & McMahan 1992).

Performance management is regarded as the key function in the discipline of HRM as organisational success relies on this evaluative aspect (Muczyk & Gable 1987). Performance management has evolved to be a broader organisational concept whereas individual evaluative measures are commonly described as performance appraisal (PA).

The important role PA can play in influencing organisational outcomes has led researchers to explore new horizons in this discipline in the 21st century. Budworth and Mann (2011) report that PA has been one of the most researched disciplines in papers published in the Journal of Psychology between 2003 and 2007. Evaluating employees’ performance on pre-defined parameters (Armstrong 2009) has been highlighted as a differentiating factor among the market leaders and survivors (Lawler & Worley 2011). This...
difference has shown to be rooted in evaluation processes and their outcomes as these influence employee satisfaction and talent retention in an organisation. In order to take leverage from the PA process, it needs to be synchronised with organisational objectives and reward systems along with clear future strategic direction (Beer et al. 2004). This should further ensure that proper feedback mechanisms are in place to address developmental gaps so as to improve future performance (Budworth & Mann 2011).

In today’s dynamic business environment, organisations have tended to become complacent with their performance appraisal practices leading to failure. Consequently strategies need to be revamped along with the changes in macro-environmental situations (Deming 2000). For many organisations, this has created a need to reconsider their PA processes to be harmonised with the cultural, national and organisational factors. This becomes vital because employees develop negative perceptions about the PA process. On the one hand, the negative perceptions can be a root cause of problems for an organisation; while on the other, these shortcomings can act as an impetus for an organisation to develop a better future PA system to retain, motivate and satisfy their human assets. Despite all the evidence and research on the impact of PA on organisational success, employee satisfaction and motivation, the literature reveals that for the most part it is done casually and fruitlessly in organisations.

1.2.1 PA and Pakistan

The management practices in Pakistan have primarily been dominated by public sector institutions prior to the privatisation reforms. These institutions were engraven with characteristics of authority, bureaucracy and hierarchy. This resulted in the neglect of HR processes in general and PA in particular. Bashir and Khattak (2008) believe for the most part, Pakistani business decisions are based upon past successful strategies. This blindfolds them to revamp existing strategies in order to take advantage of current macro-environmental needs. This is also one of the reasons that HR practices in the country are still at very infant stages and are not considered vital for business success. Likewise, PA practices in Pakistani organisations portray casualness in approach. This is why these processes are unable to achieve the desired theoretical objectives. Therefore, PA requires to be aligned with organisational strategies and reward systems along with feedback mechanisms to improve future performance.
The Pakistan pharmaceutical industry is one of the major contributors to the country’s GDP and employment sector. Two groups in the industry, the multinationals (MNCs) and the national (NCs) companies differ significantly in their HR and PA practices. NCs portray a higher employee attrition rate despite offering reasonable fringe benefits whereas in the MNCs, employees face fewer future opportunities within their organisations. Studies suggest that higher attrition rates imply to lower satisfaction of employees and vice versa (Khilji & Wang 2007; Lawler & Porter 1967).

HR neglect, higher attrition rates, lower employee satisfaction and motivation and the absence of empirical research in the specific context provide substantiative evidence of a problem radiated around PA systems in the industry.

1.3 Justification of the research

The review of the literature highlights the key importance of PA in organisational success and future development. However, it also reveals that somehow this measure is being done casually and fruitlessly. Drucker (1994) highlights that processes or strategies should not be blamed for being good or bad; rather it is the implementation which results in poor outcomes. In order to achieve PA objectives, it necessitates to be formalised, structured and aligned with organisational strategic objectives. This alignment ensures that required employee behaviours are matched with the required objectives. Despite being a widely researched discipline (Budworth & Mann 2011), PA remains poorly strategically aligned, resulting in poor organisational outcomes. The detailed review of the literature in Chapter Two will highlight the key factors associated to employee satisfaction, motivation and perceptions. The review will also detail the role of rater (supervisor) in evaluation of an employee.

The literature in Pakistani organisational context will also reveal that centralisation, authority and bureaucracy as organisational norms in the country (Islam 2004; Khilji 2002). The infancy of HR practices in the industry and casual implementation of PA practices create the need to reassess and research the concept in Pakistani context.

The research is justified to fill the existing gap in the literature in Pakistani pharmaceutical industry context. Moreover, the research will provide a practical approach in improving PA practices in the industry.
1.4 Research issues

The review of the literature revealed a problem rooted in the performance appraisal system for sales people in the Pakistan pharmaceutical industry. The problem is stated as:

“How can the performance appraisal system of sales people in the Pakistan pharmaceutical industry be improved?”

1.4.1 Research questions

To address the research problem and achieve its objectives; it needs to be divided into multiple research questions. The research questions and their definitions are stated hereunder:

RQ1: What is the strategic importance of HR in the organisation?

This research question intends to assess the importance associated to HR as a function or of people management practices in the organisation and HR’s involvement in strategic planning or implementation.

RQ2: What are the objectives of PA in the organisation?

This research question attempts to identify the PA objectives in each of the studied organisation.

RQ3: How do employees perceive the PA system?

This question pertains to employees’ perceptions regarding PA in the industry and their organisation. The employees include sales (medical) representatives, FLMs and executives.

RQ4: What are the employee expectations from the PA system?

This question pertains to employee expectations from PA in the industry and their organisation. The question focuses sales (medical) representatives, FLMs and executives.

RQ5: What are the factors considered important in PA in the organisation?

The importance of a factor attached with the PA system can be different in the eyes of the beholder. This question intends to find out the consensus and difference in the importance assigned to a specific factor in PA system.
RQ6: What are the differences between MNCs’ and NCs’ PA measures?

This research question aims to identify the differences between the measures (as mentioned in RQ2 above) adopted by the MNCs and the NCs.

1.4.2 Research propositions

To achieve the research objectives, this study intends to answer the research questions. Therefore, this study will attempt to resolve the research proposition as stated in Figure 1.4.2 hereafter:

Figure 1.4.2: Research propositions

![Diagram of research propositions]

Source: Developed for this research

1.5 Succinct research design and methodology

Perry (2008) identifies four research paradigms: positivism, critical theory, constructivism and realism. Realism has both facets of positivism and constructivism (Healy & Perry 2000) as it addresses the social values of both a system and a researcher (Krauss 2005). The realism paradigm provides mechanisms (Bisman 2010) responsible for evaluating actions in particular environments (Wollin 1996), is deemed appropriate for this research.

Case study research approach is widely accepted and used to address issues related to social sciences (Grässel & Schirmer 2006) by providing a holistic and in-depth understanding
(Zainal 2007). Eisenhardt (1989) views case study research as a strategy that seeks to understand the dynamics involved within the setting of a single case while Yin (2003b) defines it as an inquiry to investigate a contemporary issue in real life.

Qualitative research deals with information richness and emphasises on gaining insight into issues and generalisations through data analysis (Neuman 2011). This research attempted to focus on practical issues rather than emphasising on relationship among variables. The questions for this research are what and how in nature. This required in-depth open-ended responses from the study population and qualitative approach seemed appropriate in obtaining this type of information.

The underlying intention is to use case study approach to get comprehensive insights from respondents, the research issues (Gilmore & Carson 1996) and enable relationships not previously revealed (Stake 1981). Parkhe (1993) believes that pure induction neglects previous theoretical contributions and pure deduction stops further contributions to theory. Blending the both approaches became a preferred choice since it is unreal to separate them (Perry 1998).

The selection of cases in qualitative research is done on the basis of purpose, information richness and replication logic (Perry 1998; Yin 1994), rather than on representation of the population (Stake 1995). Yin (2003a) advises that a researcher adopting multiple case studies approach should have a uniform case study protocol else results within cases can be inconsistent. Further, Yin stresses the need for a case study protocol as a guide for interviews, research reports and to unfold data collection processes to be implemented.

This research adopted data analysis processes suggested by Eisenhardt (1989) and justified the findings on the basis of heterogeneity and homogeneity within the cases (Perry 1998) proceeded by the cross case analysis (Miles & Huberman 1994; Patton 2002). Perry (1998) advises researchers to interpret combined cases results into a single graph to illustrate a summary.

Healy and Perry (2000) recommend six factors to judge the quality of a research. These are: appropriateness, contingent validity and multiple perceptions relating to ontology while trustworthiness, analytic generalisation and construct validity relate to methodology. This research addresses issues of reliability and validity in accordance with the techniques suggested for a case study by Riege (2003).
1.6 Delimitations of the research

This research intends to address PA issues pertaining to sales employees in the pharmaceutical industry as they are primary contributors to success or failure of these organisations. Therefore, the research delimits itself from PA procedures adopted for other employees such as production workers or top management executives. Furthermore, the research confines itself to factors associated to PA as cited in the literature.

1.7 Thesis outline

This research followed a five chapter thesis approach as recommended by Perry (1998). This structure is illustrated in Figure 1.7.

Figure 1.7: Structural map of the thesis

Source: Developed for this research
1.7.1 Format of Chapter I: Introduction

1.1 Introduction
   1.1.1 Research overview
   1.1.2 Objectives of the research
   1.1.3 Chapter outline

1.2 Background of the study
   1.2.1 PA and Pakistan

1.3 Justification of the research

1.4 Research issues
   1.4.1 Research objectives
   1.4.2 Research questions
   1.4.3 Research propositions

1.5 Succinct research design and methodology

1.6 Delimitations of the research

1.7 Thesis outline
   1.7.1 Format of Chapter I: Introduction
   1.7.2 Format of Chapter II: Literature review
   1.7.3 Format of Chapter III: Research methodology
   1.7.4 Format of Chapter IV: Data analysis
   1.7.5 Format of Chapter V: Discussions and conclusions

1.8 Conclusion

1.7.2 Format of Chapter II: Literature review

2.1 Introduction
   2.1.1 Chapter objectives
   2.1.2 Chapter outline

2.2 Parent discipline 1: HRM contribution to organisational performance
   2.2.1 Need for modified business practices
   2.2.2 Scientific management
   2.2.3 Henri Fayol’s “Classical organisation theory”
   2.2.4 Max Weber’s Bureaucracy
   2.2.5 The Hawthorne studies
   2.2.6 Human relations movement
2.2.7 Historical developments in HRM
2.2.8 Key functions of HRM
2.2.9 Strategic HRM (SHRM)
2.2.10 HRM and developing countries

2.3 Parent discipline 2: Performance appraisal (PA)

2.3.1 Performance management systems (PMS)
2.3.2 Performance appraisal (PA)
   2.3.2.1 The rational model
   2.3.2.2 The political perspective
   2.3.2.3 The due process
   2.3.2.4 Employee perceptions and PA
   2.3.2.5 Rewards, recognition and satisfaction
   2.3.2.6 PA and sales employees
   2.3.2.7 First [front] line managers (FLM) and PA
   2.3.2.8 PA and MNCs
   2.3.2.9 Critique on PA

2.4 Parent discipline 3: The Pharmaceutical industry

2.5 Immediate discipline: PA practices in Pakistan pharmaceutical industry

2.5.1 Pakistan: perceptions and realities
   2.5.1.1 Geographical location
   2.5.1.2 Political system
   2.5.1.3 Literacy: a major challenge
   2.5.1.4 Economic instability
   2.5.1.5 Poverty: the widening gap
   2.5.1.6 Employment or unemployment?
   2.5.1.7 Socio-cultural realities
   2.5.1.8 Pakistan’s cultural dimensions

2.5.2 Management practices and organisational culture in Pakistan

2.5.3 The Pakistan pharmaceutical industry

2.6 Research issues

2.6.1 Research problem
2.6.2 Research objectives
2.6.3 Research questions
2.6.4 Research propositions
2.7 Conclusion

1.7.3 Format of Chapter III: Research methodology

3.1 Introduction
   3.1.1 Chapter objectives
   3.1.2 Chapter outline
3.2 Research problem and questions
3.3 Paradigmatic justification of the research
   3.3.1 Positivism
   3.3.2 Critical theory
   3.3.3 Constructivism
   3.3.4 Realism
3.4 Justification of the qualitative case study approach
   3.4.1 Case study defined
   3.4.2 Misconceptions
   3.4.3 Qualitative approach
   3.4.4 Research design
3.5 Quality of the research
3.6 Framework for this case study research
   3.6.1 Prior theory
   3.6.2 Research design for case selection
      3.6.2.1 Type of case studies
      3.6.2.2 Selection of cases
      3.6.2.3 Number of cases and interviews
      3.6.2.4 Rationale for selection of cases and respondents
   3.6.3 Data collection procedures
      3.6.3.1 Case study protocol
      3.6.3.2 In-depth interviews
      3.6.3.3 Focus group
      3.6.3.4 Document reviews
   3.6.4 Analyzing the data
3.7 Limitations of case study
3.8 Ethical considerations
3.9 Conclusions
1.7.4 Format of Chapter IV: Data analysis

4.1 Introduction
   4.1.1 Chapter objectives
   4.1.2 Chapter outline
4.2 Qualitative data analysis
4.3 Participants’ profiles
4.4 Methods used in data analysis
   4.4.1 Data coding
      4.4.1.1 Phase I: Open coding
      4.4.1.2 Phase II: Axial coding
      4.4.1.3 Phase III: Selective coding
      4.4.1.4 Themes
      4.4.1.5 Memos
4.5 Data analysis pertaining to the research questions
   4.5.1 RQ 1: What is the strategic importance of HR in the organisation?
   4.5.2 RQ 2: What are the objectives of PA in the organisation?
      4.5.2.1 Case A: NC
      4.5.2.2 Case B: MNC
      4.5.2.3 Case C: NC
      4.5.2.4 Case D: NC
      4.5.2.5 Case E: MNC
      4.5.2.6 Case F: NC
   4.5.3 RQ 3: How do employees perceive the PA system?
   4.5.4 RQ 4: What are the employee expectations from the PA system?
   4.5.5 RQ 5: What are the factors considered important in PA in the organisation?
   4.5.6 RQ 6: What are the differences between MNCs’ and NCs’ PA measures?
   4.5.7 Emerged factors
4.6 Conclusion
1.7.5 Format of Chapter V: Discussions and conclusions

5.1 Introduction
   5.1.1 Chapter objectives
   5.1.2 Chapter outline

5.2 Summary of the research contributions

5.3 Conclusions about the research issues
   5.3.1 RQ1: What is the strategic importance of HR in the organisation?
   5.3.2 RQ2: What are the objectives of PA in the organisation?
   5.3.3 RQ3: How do employees perceive the PA system?
   5.3.4 RQ4: What are the employee expectations from the PA system?
   5.3.5 RQ5: What are the factors considered important in PA in the organisation?
   5.3.6 RQ6: What are the differences between MNCs’ and NCs’ PA measures?

5.4 Implications for theory, policy and practice
   5.4.1 Implications for theory
   5.4.2 Implications for policy and practice
      5.4.2.1 PAS process

5.5 Limitations of the research

5.6 Future research outline

5.7 Conclusion

1.8 Conclusion

The chapter laid out the brief introduction and an outline of the thesis. The chapter elaborated the need for a study to be conducted in the Pakistani context with an emphasis on HRM practices. In today’s dynamic market environment, the chapter highlighted the need for revamping of PA practices in general and particularly in Pakistan. After locating the gaps in the literature to be addressed, the chapter elaborated the research issues. This was followed by a succinct snapshot of the methodology adopted in this research followed by a discussion of its delimitations. The chapter also provided an outline of the structure followed in this thesis. The next chapter will review in detail the literature on the disciplines involved in this research.
Chapter II

Literature review

Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

“Performance management: the better you do, the more you get… and you get it both in the soul and in the wallet” Jack Welch
2.1 Introduction

2.1.1 Chapter objectives

Chapter one provided a holistic view of this research and thesis radiating around research objectives, questions and methodology. The purpose of this chapter is to review literature relating to the research problem “How can the performance appraisal system of sales people in Pakistan pharmaceutical industry be improved?” For this purpose, the literature is divided into three parent disciplines and one immediate discipline. The purpose of elaborating parent discipline one is to highlight the literature on HRM’s contribution to organisational performance along with evolution of people management into HRM as a scientific discipline. Parent discipline two will detail scholarly contributions to the research of on performance appraisal (PA) and its role in organisational performance while the third parent discipline intends to overview the global pharmaceutical industry. The immediate discipline of performance appraisal practices in the Pakistan’s pharmaceutical industry details the literature on PA practices in the country and identifies issues to be explored in the industry. These detailed discussions enable the emergence of research issues addressed in this study.

2.1.2 Chapter outline

This chapter has seven sections. After an introduction (section 2.1) the researcher briefly discusses the emergence of theoretical management concepts and their repercussions on people management practices filtering down to the parent discipline of human resource management (HRM) and its contribution to organisational performance (section 2.2). This is followed by an examination of the parent disciplines of performance appraisal (PA) (section 2.3) and the global pharmaceutical industry (section 2.4). The researcher then explores the immediate discipline of performance appraisal practices in the Pakistan pharmaceutical industry (section 2.5) which leads to the emergence of the research issues (section 2.6). The conclusion to the chapter is provided in section 2.7. Figure 2.1 illustrates the structure of the chapter.
2.2 Parent discipline 1: HRM contribution to organisational performance

This section reviews the literature on the contribution of HRM to the performance of organisations. The section begins by examining the historical developments in the ideology of management and the genesis of HRM (sub-section 2.2.7) before narrowing down to the key functions of HRM (sub-section 2.2.8) and the role of SHRM (sub-section 2.2.9).

2.2.1 Need for modified business practices

The purpose of business cannot be defined or explained in a uniform manner, as there is no single objective of a business and its performance cannot be measured in a standard manner (Drucker 1958). In order to achieve the objectives, businesses adopt appropriate strategies to excel in their performance. This prompts the question, why are some businesses more successful than the others? The difference between organisational success and failure is not that the strategies are wrong but “the right things are being done poorly and fruitlessly”
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

(Drucker 1994, p. 95). Strategies for success in the past do not provide the same results because of their inappropriateness to the current market dynamics. Assumptions evolved over a period of time about market dynamics blindfold organisations and prevent them from understanding recent developments, leading to failure (Drucker 1994). Organisations do not revamp their strategies to satisfy current market and customer needs, which can only be done through continuous improvement and learning in management processes (Deming 2000; Taguchi 1986).

The function of business is innovation (Drucker 2007b). Organisations relate innovation to technological development and overlook other aspects such as practices and rely heavily on perceptions and past experiences to solve organisational problems and decision making.

The purpose of business to create customers (Drucker 2007b) coincides with the concept of management, of getting things done through people efficiently and effectively (Robbins et al. 2008; Stone 2010). This also highlights basic need of people to run any business amicably. The Penguin e-dictionary of sociology (Abercrombie, Hill & Turner 2006 cited on Credoreference) defines management as a composite of two important attributes:

...management is in one sense an economic resource that comprises the technical functions connected with administering other resources. These include planning, organising and integrating a complex division of labour and directing the activities that occur within an enterprise. Management is secondly a structure of control, which ensures the compliance of subordinates and the direction of their activities along the lines laid down from above.

This aforementioned definition emphasises integration and collaboration among functional lines and people’s involvement for the smooth operation of any business. People become a key element in this deliberate arrangement to accomplish a specific purpose called organisation (Robbins et al. 2008). Furthermore, the authors argue that stakeholders like employees can influence a business in both directions from positive to negative. Hence, stakeholders and variables with the potential to exert even a minute influence need attention for the successful operation of any organisation.
The concept of managing people goes back to the making of the Egyptian pyramids, the Taj-Mahal, managing slaves or the colonised countries. Development in business management theory is evolutionised on the basis of two major events:

1. The classical doctrine of *Wealth of Nations* by Adam Smith (2003) outlines directions for processes in any project. The author argues that the division of labour will provide enormous advantages to organisations by breaking down jobs into narrow and repetitive tasks. The concept of the division of labour remains an integral part of the discipline in project management.

2. The industrial revolution in the eighteenth century with machines replacing human jobs for achieving economies of scale. This became an advantage for industries but it also imposed pressure on managers to forecast demand and supply of products and explore new markets (Witzel 2009).

The emergence of new ideas in business management and technology provided food for thought to strategists, researchers and business practitioners. They came up with new ideas, theories, experiments and suggestions to create competitive advantage through better business practices. However, these concepts focused on practices to manage workforce in an organisation to gain competitive advantage. It was not too long before a mechanical engineer,
Fredrick Taylor from Pennsylvania came up with his theory *Principles of scientific management* (Taylor 2010) in 1911.

### 2.2.2 Scientific management

The foundations for the concept of scientific management were laid by Fredrick Taylor with his work on efficiency of management (Chatterjee 2009). Taylor also gave the terms management and consultant their current meanings (Drucker 2007a). Taylor (2010) stresses the need for *maximum prosperity* of employees ultimately resulting in maximum prosperity of a business.

Taylor believes that proper emoluments keep workers motivated and lead to better job performance (Wiley 1997). Optimum productivity from an employee cannot be expected without proper know how and training for a particular job. Training and development not only enable employees to provide optimum output but also reduce the chances of their being infected by *soldiering* (deliberately working slow to avoid full hours) (Taylor 2010). This ideology relies upon a collection of techniques that can improve productivity to attain economies of scale (Merkle 1980). Taylor views organisations as engines for efficiency, productivity and growth that can be managed under a standard set of principles (Witzel 2009). Although Taylor emphasises that more productivity means more income for workers, this ideology lacks to look into fair work practices.

Speed of work, coordination in processes, punitive pressure to discourage underperformance and short rest periods resulted in exhaustion of workers and resistance from unions (Merkle 1980). Besides these factors, the complexity of markets, sociocultural changes due to geographical shifting of labour and increased size of organisations out-dated the concept of scientific management (Wilson & Rosenfeld 1990). The strong opposition from unions due to harsh penalties for underperformance and claims that Taylorism is based on Marxist ideas to control workers (Drucker 2007a) resulted in a shift towards ideas like work life balance (Merkle 1980). However, an unprecedented development in productivity resulted from Taylor’s ideology and his work is still valid in some points (Cascio 2005). Taylor’s key emphasis is on employees’ proper training for a stipulated job, which will result in higher rewards for their higher work achievements. Contrary to these hard core concepts of mental revolution and labours’ use like machines, another concept to manage people and organisations emerged in France in the work of Henri Fayol.
2.2.3 Henri Fayol’s “Classical organisation theory”

Fayol presented the fourteen general principles of management (1949) known as *classical organisation theory*. These principles describe ideas on the management of large organisations (ChatterJee 2009). Fayol is considered to be the first to accentuate importance of people, discipline and chain of command for the smooth functioning of a business. In other words, Fayol laid the ground for the discipline of human resource management (HRM). Classical organisation theory reveals for the first time that managers perform five functions: *planning, organising, commanding, coordinating and controlling* (Fayol 1930). These elements are not only still an integral part of management theory but also form the foundations of HRM, from induction, training and job allocation to evaluation of their performance through an appraisal process.

2.2.4 Max Weber’s Bureaucracy

The development of chain of command or authority structure in an ideal type of organisation is called bureaucracy by Weber (1997) laying a new school of thought in business management. For a bureaucracy to be successfully applied, the author puts certain conditions as illustrated in Figure 2.2.4.

Figure 2.2.4: Bureaucracy in an ideal organisation

![Figure 2.2.4: Bureaucracy in an ideal organisation](source: Robbins et al. (2006, p. 49))

Although the ideology provided by Weber does not seem to be complicated, all the factors mentioned are not applied fully to take full leverage of this approach. The failure of
this concept can be blamed on public sector departments where it has been primarily applied around the world. Public sectors mainly emphasise hierarchy and rules while neglecting other human elements in the system. The failure to remain impersonal and uniform application of rules across the board can be seen as the main cause of inefficiency and losses in public sector organisations. These organisations do not take other factors into consideration while concentrating on authority, hierarchy and formal rules and regulations.

Pakistani public organisations can be viewed as one of the examples of Weber’s ideology; focusing only on processes, hierarchy, formality and rules and regulations. The cascading of this ideology from Pakistani public departments to private organisations including multinational companies (MNCs) can be due to hierarchical system inherited from the British colonial system in the country (Islam 2004).

The aforementioned practices and concepts focused on management of business to enhance productivity. These researchers may have taken a myopic view and overlooked how the workers will react to particular situations. The reactions of employees within an organisation to certain situations gave birth to the discipline known as Organisational Behaviour based on a series of studies conducted during the 1920s and 1930s at the Hawthorne Electric Company in Chicago.

2.2.5 The Hawthorne studies

The impact of organisational variables and working environment has vivid relationship with its productivity. Influenced by Taylor’s theory, the management at Hawthorne Electric evaluated the impact of illumination as well as changes in rest periods on productivity (Carey 1967; Wickström & Bendix 2000). These studies provide a new direction in organisational thinking but lots have been criticised for their methodology and confusion about their results. Rossi and Freeman (1989) are sceptical about the findings and argue that it cannot be said that those were actually demonstrated. Wickström and Bendix (2000) also state that the results of the studies were never published. Besides all the criticism and cynicism, these studies serve as a major milestone in the literature on people management practices in organisations. This theoretical stance highlights that organisational working environment and conditions can be a key contributor to their performance. This further emphasises the need for changes in the way organisations provide working conditions to their
employees in order to take full advantage of human capabilities, enhance productivity and gain competitive advantage through people.

### 2.2.6 Human relations movement

Satisfied employees perform better. This concept was conceived primarily through the human relations movement and the discipline labelled in the literature as organisational behaviour (OB) (Price 2011). Although this view is not substantiated with significant quantifiable results, considerable research has attempted to prove this claim or address this issue. Behavioural researchers like Dale Carnegie, Abraham Maslow and Douglas McGregor presented their theories and philosophies to infer that satisfied, motivated and people with strong interpersonal skills are more productive workers.

Carnegie (1998) deduces that winning cooperation of other people is the key to success. Furthermore, the author stresses on factors contributing to success such as making others feel important, allowing others to share their views, creating a good impression, being sympathetic, not confronting others, allowing others to save face in case of a mistake and praising good performance.

Maslow (1970) develops a five step hierarchy of human and motivational needs namely physiological, safety, social, esteem and self-actualisation needs. Maslow argues for the necessity of every need to be satisfied and once a level is achieved, it no longer acts as a stem for motivational behaviour. The author concludes that having optimum potential or self-actualisation is the prime objective of every individual. However, higher levels of satisfaction are related to organisational effectiveness and may keep employees interested and willing to work. This can be due to the rewards they receive for their performance (Lawler & Porter 1967). This implies that organisational performance evaluation and reward systems are key motivators and influencer for employee satisfaction. This notion is also supported by Vroom (1964) that performance, if rewarded, fulfils employee needs and in turn generates feelings of satisfaction and provides motivation for future ambitions.

McGregor (1985) assumes a double view theory of human behaviours namely theories X and Y. The author believes theory X for individuals who are unambitious, evade responsibility and work and need to be closely monitored while theory Y denotes self-directed and responsible people who consider work as part of their daily activities.
The ideologies presented by these behavioural researchers changed management practices and perceptions related to the workforce. These beliefs still remain the cornerstones of human resource management in organisations around the world.

2.2.7 Historical developments in HRM

Researchers and practitioners from scientific management to human relations movement are seeking improvement in practices that can enhance organisational productivity and performance though employee management. These studies have proven that employees are the key asset of an organisation and are the critical factor in organisational productivity and performance. Managing resources has been described as a key function in the earlier described definition of management (section 2.2.1). Therefore, managing human resource being a subset of the overall management process in an organisation is as vitally important as other key functional units such as finance and marketing.

HRM has been defined in numerous ways as there is no universally accepted definition. For example, Stone (2010) refers to it as the process of achieving organisational objectives by making productive use of people. However, for the purposes of this study, HRM is the process of designing formal systems that ensure the efficient and effective use of human talent to achieve organisational objectives (Mathis & Jackson 2010).

HRM has evolved through three major stages namely pre-industrial, industrial and the modern corporation (Dulebohn, Ferris & Stodd 1995). The pre-industrial era from the fifteenth to the eighteenth century lacked any HR practice in organisations. Major events of this period were the termination of feudal practices leading to free employment in the labour market (Moore 1951); commercial shift from agriculture to other areas (Tuma 1971) and the emergence of labour specialisation.

The Industrial revolution started in the Great Britain in the eighteenth century, spreading into the United States in nineteenth century and replacing human labour with machines (Dulebohn, Ferris & Stodd 1995). The factory system at the heart of this revolution employed labour on a permanent basis (Wera 1921). This created the need for functional managers to perform tasks which were previously done by business owners (Milton 1970). This system saw labour as a commodity or just another factor in production, overlooking the human needs of the employees (Nelson
1975). The foreman controlled all personnel matters from recruitment and compensation to training and termination (Nelson 1975; Patten 1968).

The modern corporation era displayed the development of modern and capitalist enterprises. It emphasised increased organisational size, departmentalisation and the full-time employment of managers (Chandler 1977; Moore 1951). The main focus remained on machine processes and HRM was still not a key function. Consequently, the organisational landscape was characterised by increased turnover and conflicts (Slichter 1919).

A different perspective, showing four stages in HRM evolution is presented by Langbert (2002). Figure 2.2.7 captures these stages.

**Figure 2.2.7: The genesis of HRM**

![The genesis of HRM diagram]

Source: Developed for this research based on Langbert (2002)

The review of literature indicates that HRM has evolved through different stages and is currently considered a key function in organisations.

**2.2.8 Key functions of HRM**

HR, or human capital, can be a major competitive advantage (Stone 2010). Stone identifies some of the key HRM functions as recruitment of employees, designing reward programmes, encouraging open communication and fostering teamwork and collaboration.
Armstrong (2003) classifies HRM functions into general management and specific HR functions. The general management functions, on the one hand, are planning, organising, directing and controlling (Robbins et al. 2006). These functions are shared and performed by HR and functional managers. The specific HR functions, on the other hand, are recruitment, training and development, compensation administration, performance appraisal, integration, maintenance and separation (Stone 2010).

One of the key functions delegated from HR to the functional management is performance evaluation. Lawler and Worley (2011) believe that performance evaluation is the key difference between organisations just managing to survive and high performing organisations (HPO). Performance evaluation not only provides a lively link to general and specific HR functions but also aligns itself to organisational strategy (Stone 2010). However, performance evaluation is casually done in organisations with poor alignment to their business strategy. Lawler and Worley (2011) emphasise that HR as a function should not impose the idea of performance evaluation because it is everyone’s responsibility in an organisation.

According to Pfeffer (1998), there are seven dimensions needed for the effective management of people. These are employment security, a rigorous selection process, self-managed teams, decentralised decision making, comparatively high compensation linked to individual and organisational performance, extensive training, reduced status distinction and extensive sharing of financial and performance information throughout the organisation. In the pursuit of effective people management practices, Pfeffer emphasises the need for effective evaluation measures to be linked to compensation, training, information and performance. Despite increasing evidence of the relationship between an organisation’s financial performance and its people management practices, management is still reluctant to accept this fact (Pfeffer & Veiga 1999). It has become a norm that whenever an organisation experiences a financial panic, what follows is an avalanche of layoffs. Indeed, even in organisations that are making healthy profits, the top management continues to look for staff reductions in an effort to please their investors or shareholders by maintaining its profitability year on year.

HR professionals are becoming less relevant due to their involvement in administrative activities rather than their core responsibility of managing people (Pfeffer 2005; Stone 2010). A large number of organisations perceive HR initiatives as not
contributing to the needs of employees or customers (Stone 2010). Unlike the importance attached to financial and operational issues, HRM is faced with a lack of confidence as far as its contribution to organisational objectives is concerned (Walker 1999). HR activities must be considered when formulating strategic plans if competitive advantage is to be sought (Bartlett & Ghoshal 2002), and this requires a paradigm shift in the way employees are dealt with inside organisations (Pfeffer 2005). Associating HR strategies with organisational objectives provides a new dimension in the discipline, that of strategic human resource management (SHRM).

2.2.9 Strategic HRM (SHRM)

The strategies of an organisation can be a tool to ascertain behaviours and values underpinning its culture (Fombrun, Tichy & Devanna 1984) while cultural factors in an organisation can bring about 10% change in its productivity and profitability (Patterson et al. 1997). Thus, productivity and profitability requires organisational intent to focus on issues affecting employees’ attitudes and behaviours. Consequently, this creates an organisational need to motivate and retain human capital in order to create, retain and sustain competitive advantage in knowledge driven businesses (Finegold & Frenkel 2006). In essence, it is the knowledge possessed by the intangible human capital of an organisation that can provide competitive advantage (Black & Boal 1994). The competitive advantage of an organisation attained through people is unlikely to be imitated because of their uniqueness and skills (Peteraf 1993).

HRM should play a pivotal role in strategic management in uncertain business environments to retain valuable human capital (Boxall & Purcell 2011). Boxall and Purcell further emphasise that strong strategic HR commitment is required to achieve better performance in knowledge driven businesses. This also creates an organisational need to foster their human capital to develop a culture strong enough to be used as a competitive advantage (Barney 1986). Kaplan and Norton (2001) suggest that strong strategic alignment and focus in an organisation can result into breakthrough performances. On the basis of their balanced scorecard concept, the authors persuade organisations to adopt five strategic principles to achieve better performance, as illustrated in Figure 2.2.9.
Although there has been a rhetoric acknowledgement of employees being an organisational asset, they are not treated as such strategically in organisations. De Cieri et al. (2008) argue that strategic managers focus on organisational objectives and neglect the human capital who achieves these objectives, resulting in poor execution of strategies. The authors stress on alignment of HR strategies and organisational objectives with HR strategy implementation. This requires HRM to be involved not only in strategy formulation but also in strategy implementation. On the one hand HR’s involvement in strategy formulation highlights its effectiveness as an organisational function (Delery & Doty 1996) while on the other, proper implementation of HR strategies brings financial benefits for an organisation (De Cieri et al. 2008). Due to the competitive and dynamic market environment (De Cieri et al. 2008) fewer organisations have aligned their HR function strategically (Kramar 1992) to gain competitive advantage. De Cieri et al. (2008) argue that HRM plays a key role in strategy implementation related to task design, training and development and reward systems.

In its strategic role, HRM must be able to generate a performance management system aligned to organisational strategic objectives. Identification of the best HR practices that can leverage from external factors is the basic realm for SHRM (Finegold & Frenkel 2006). Schuler and Walker (1990) define SHRM as the set of measures commonly used by HR and line managers to address employee issues, while Guest (1989) believes that SHRM is the full
integration of HRM into organisational strategic planning process. In this integration process 78% of organisations expect their HR functions to produce strategic managers (Michaels, Handfield-Jones & Axelrod 2001). The strategic role of HRM has also evolved into different schools of thoughts portraying different approaches in SHRM as elaborated hereafter.

**The resource based view** emphasises people management and argues that organisational core values and competencies are the foundations for development of knowledge workers in an organisation (Cappelli & Crocker-Hefter 1996; O'Reilly & Pfeffer 2000; Wright, Dunford & Snell 2001). This view stresses the linkage between organisational strategy and resources to gain competitive advantage (Wright & McMahan 1992).

**The contingency view** refutes the notion of ‘one size fits all’ in HR practices. Rather, it argues that these should be carefully modified according to an organisation’s external and internal variables (Boxall & Purcell 2011; Frenkel et al. 1999; Snell, Shadur & Wright 2001). This view calls for the development, implementation and alignment of HR strategy with organisational strategic goals and objectives (Finegold & Frenkel 2006). The authors argue that in businesses where competitive advantage is based on customer service and product, there is a need to manage employees professionally and carefully. Dealing with employees and their concerns casually can disable an organisation from understanding their behaviours and may result in disparity between individual and organisational objectives. In these inconsistent situations, an employee will opt for individual or personal goals rather than the other (Hodge & Anthony 1988). In order to expect the required behaviours, it creates an organisational need to harmonise bilateral objectives and persuade employees to focus on organisational goals along with their individual goals. Australian HR managers are more strategically orientated (Finegold & Frenkel 2006), which may be enabling them to utilise their workforce as a competitive advantage.

**The behavioural perspective** is the most popular theoretical perspective (Jackson, Schuler & Rivero 1989; Schuler & Jackson 1987) evolving from the contingency view. This theoretical perspective views employee behaviour as a pivot among organisational strategies and performance (Schuler & Jackson 1999; Wright & McMahan 1992). Furthermore, it presumes that HR practices shape employee
behaviour and attitudes, thus HRM practices should be harmonised with the required
behaviours to achieve organisational objectives (Wright & McMahan 1992).

Theory in any context attempts to reduce complexities in order to understand or
predict events (Bacharach 1989). Wright and McMahan (1992) conclude that a theoretical
perspective is vital for both research and practical decisions. An inability to understand
events can result in poor decisions and losses in practice. The focus of this research in a
developing country and the importance of contextual complexities obligate the researcher to
provide a snap-shot of HR practices in the developing world.

2.2.10 HRM and developing countries

Interest, study and research in the discipline of HRM have been a western
phenomenon since its recognition. Nevertheless, the expansion of international markets
through globalisation has changed a lot of perspectives in businesses as well as research.
Conventionally, HRM research has focused on the North American and European context
(Budhwar & Debrah 2001; Price 2011) but the importance of cultural and contextual
variables evoked researchers to look HRM practices into individual contexts, thus developing
the concept of comparative HRM (Budhwar & Sparrow 2002). Budhwar and Debrah (2001)
believe that this is the consequence of global business integrations, trade agreements and
multinational organisations operating at diverse locations. Managers and academics in the
developed countries may perceive that HR practices in the developing world would be the
same. This perception prompted researchers to particularly examine HR practices in
developing countries. Researchers argue that HRM practices are context specific and this
variance differs from one location to the other (Boxall 1995; Jackson & Schuler 1995). For
example, in south Asian countries, the influence of unions and occupational health and safety
may not be as valued in HR practices as in Australia.

This also creates a need for deeper understanding of contextual variables in order to
develop a framework of HRM practices in the developing world (Budhwar & Mellahi 2006).
Budhwar and Mellahi follow this pursuit to explore the infancy of HR practices in the Middle
East. In Iranian organisations, Bidmeshgipour (2009) finds lack of HR’s strategic
involvement as the level of understanding about HR practices remains low. Bidmeshgipour
reports, this lack of attention is because – employees are considered as an expense rather than
a revenue generating resource. On contrary to the Islamic values, gender inequality is
prevalent in Saudi Arabian employment sector and employment statistics are not officially recorded in the country (Mellahi & Wood 2001). Mellahi and Wood further reveal that HRM practices vary from an organisation to the other in private sector as policies are shaped by the owners. The authors observe that HR practices in the country are in early stages of development.

HR practices in Algeria can rather be labelled as personnel practices and there is bleak evidence of personnel managers’ involvement in strategy and policy development (Branine 2001, 2006). Branine views this as a consequence of French colonial legacies and bureaucracy as employment matters are still influenced by politics in the country. Branine (2006) believes contradictory employment legislations are also contributing to poor HR practices in Algeria. Likewise, Ovadje and Ankomah (2001) report the deterrent influence of British colonial bureaucratic practices in Nigeria. The authors find HR practices being absent or in developmental phase as people management is still an administrative rather than a strategic function.

HR practices in the developing world are highly influenced by their colonial history, religion and cultural beliefs (Debrah & Budhwar 2001). Debrah and Budhwar reinforce the importance of contextual factors – that can influence HR as well as other organisational practices. These examples further highlight the degree of variance in HR practices among the developed world and some of the developing countries.

As mentioned earlier, strategies can shape employee behaviours and thus influence their future performance but how can all the employees of an organisation be converged to a unified goal? PA of an employee facilitates this process by aligning individual to organisational objectives and vice versa. The next section will detail the second parent discipline of PA and the factors influencing the process.

2.3 Parent discipline 2: Performance appraisal (PA)

Sub-section 2.2.8 identified the key specific HRM functions as recruitment, training and development, compensation administration, performance appraisal, integration, maintenance and separation (Stone 2010). As performance appraisal is now considered to be part of a broader concept of performance management systems (PMS) compared to earlier
interpretations; it is necessary to briefly elaborate PMS before heading into a discussion specifically on PA (sub-section 2.3.2).

**2.3.1 Performance management systems (PMS)**

The concept of management emphasises the need for getting things done right through people efficiently and effectively (Robbins et al. 2006; Stone 2010). This also raises the question of how businesses evaluate whether things are heading in the right direction. To solve the puzzle, organisations need to evaluate their previous performance and align it to their future objectives. The process of this evaluation does not end with the good performance of an organisation but has to be trickled down to the individual level. Stein (2000) publicises that organisations use performance management systems for all business drivers from individual to functional, shareholders and customers. Aguinis (2009a) believes that there is a considerable gap between practical orientation of performance management and the literature. This gap exists because researchers target other researchers as their audience rather than organisations (Latham 2006), whilst organisations are seeking practical solutions to their problems (Muchinsky 2004).

Prior to making any evaluations, an organisation must define the factors which translate as performance as it cannot be defined in absolute terms even in homogeneous businesses (Lebas 1995). Lebas and Euske (2002) highlight the relativity and contextual importance in their definition and state performance as: doing today what will lead to measured value outcome tomorrow (p.68). Moreover, defining performance into meanings can be a vital factor for an organisation, as its success or failure depends upon its pre-defined performance standards and benchmarks (Muczyk & Gable 1987).

Armstrong (2009) defines Performance management as:

_A process designed to improve organisational, team and individual performance and this is owned and driven by the line manager (p.9)._ 

While Agunis (2009b) views performance management as:

_A continuous process of identifying, measuring and developing performance of individuals and teams and aligning performance with the strategic goals of the organisation (p.3)._
In a sense, PMS evaluates the improvement being made towards the achievement of organisational strategic business objectives (Stone 2010).

PMS will not provide the desired outcomes if an individual’s performance and objectives are not aligned with the strategic objectives of the organisations. Furthermore, if the individual or functional objectives are aligned and not rewarded properly, this will result in a disconnect syndrome, swaying an organisation away from its objectives. In order to avoid the disconnect syndrome, harmony in objectives should be ascertained as illustrated in Figure 2.3.1.1.

Figure 2.3.1.1: Harmony in objectives in an organisation

![Harmony in objectives in an organisation](source)

The interrelationship of objectives in an organisation develops traditions of trust and helps to promote a culture of shared values (Robbins et al. 2006) as objectives are viewed in similar manner and connected at all levels in an organisation. Robbins et al. are of the view that a shared culture in an organisation helps to shape employees’ behaviour in achieving organisational objectives.

Figure 2.3.1.2: Culture of shared values

![Culture of shared values](source Robbins et al. (2006, p. 172))
The PMS can be viewed mainly in dual perspective as illustrated in Figure 2.3.1.3; the strategists in an organisation view this as a top-bottom view while the employees see it as the bottom-up.

**Figure 2.3.1.3: Top and bottom view of objectives**

Source: Developed for this research

PMS should also be able to exhibit integration between organisational, functional and individual evaluation systems. Spitzer (2007) is of the view – this can be achieved in an organisation through agreement on performance objectives and performance definitions at functional levels. Furthermore, PMS should facilitate an individual in an organisation to visualise – how their individual objectives and evaluation measures lock into organisational perspective. Hammer (2002) emphasises that if the measurement systems in an organisation are unable to converge conclusions and facilitate decision making – it becomes a pointless exercise and a redundant process of no value. Ideally, PMS should be able to deliver an overall performance evaluation being based on individual or functional numbers’ contribution – this can enable an organisation in future decision making and planning. Well-executed and setup performance measurement frameworks facilitate an organisation to enjoy vertical and horizontal functional collaboration to achieve organisational excellence (Spitzer 2007).

PMS provide feedback to an organisation about its functional and individual achievements. These qualitative or quantitative surrogate measures further provide a roadmap for how future objectives can be excelled. Lebas and Euske (2002) argue that past performances do not ensure better or similar future outcomes. In the domain of HRM specifically, PMS become vital as these enable and facilitate an organisation to remain competitive by rewarding and maintaining high performing employees (Chatterjee 2009;
Robbins et al. 2006; Stone 2010). In terms of HRM practices, PMS can be responsible for job design, recruitment and selection, training and development, career planning and remuneration and benefits (Stone 2010).

Organisations should adopt a transparent approach to roll out PMS in order to avoid resistance and reluctance in the implementation of this process (Armstrong 2009). Armstrong emphasises the need for organisations to engage in an appropriate change management process before implementing a PMS. Specifically, the author suggests adopting a ten-step approach to implement PMS in an organisation as illustrated in Figure 2.3.1.4.

Figure 2.3.1.4: Ten step approach to adopt PMS

PMS encapsulates evaluative measures pertaining to organisation and stakeholders inclusive of its employees; hence as a part of PMS, this research focuses on performance.
appraisal for employees in sales functions of the Pakistan pharmaceutical industry. The literature relevant to the performance appraisal is detailed in the following section.

### 2.3.2 Performance appraisal (PA)

The history of evaluating workers’ performance does not relate exclusively to the modern times. Rather it can be traced back to instances as far back as the Wei dynasty in China between 221-265 AD. The first formal appraisal programme was introduced by New York City services in 1883 (Monappa & Saiyadain 2001; Murphy & Cleveland 1995). Performance evaluation can be used not only as an employee behaviour control function but also as a basis for promotions, layoffs and rewards (Beer 1981). The important role PA can play in influencing organisational outcomes has led researchers to investigate and explore new horizons in this discipline. Budworth and Mann (2011) report that even in the 21st century, PA was the most researched discipline in the *Journal of Psychology* between 2003 and 2007. Likewise, Cascio & Aguinis (2008) reveal that PA and feedback has been the top five researched disciplines in the Journal of Psychology between the same years. This research tendency also highlights the need to provide feasible solutions particularly in the sphere of PA.

Performance appraisal is the systematic evaluation of a particular function on the basis of prescribed performance indicators and highlighting the areas for further development and growth of an individual employee (Armstrong 2009; Chatterjee 2009; Dransfield 2000; Stone 2010). The ideology of the performance appraisal process assumes an alignment of desired performance to rewards for motivation and that a clear future direction enhances employees’ performance (Beer et al. 2004; Fay & Thompson 2001; Latham, Almost & Moore 2005). Besides these factors, PA encapsulates feedback, coaching and objective assignment while effort should also be made not to overlook organisational contexts in which the assessment takes place (Budworth & Mann 2011). PA acts as a pivot that guides multiple decisions (Carson, Cardy & Dobbins 1992) in an organisation as illustrated in Figure 2.3.2a.
The literature highlights the key objectives of performance appraisal (Chatterjee 2009; Dransfield 2000; Stone 2010), which include, but are not limited to:

- Formally informing employees how their performance is being rated
- Identifying employees deserving higher rewards
- Identifying and notifying employees about the areas of improvement
- Preparing high performing employees for further responsibilities.

However, Beer (1981) provides two-dimensional facets of PA objectives from an organisation’s and employee’s perspectives separately as illustrated in Figure 2.3.2b.
PA is used primarily for administrative and developmental purposes (Budworth & Mann 2011). Administrative purposes address the need for evaluations to obtain information for future decisions such as bonuses, salary increments, promotions or rewards while the developmental aspect recognises employees’ performance gaps to be addressed. Cleveland, Murphy and Williams (1989) add strategic, communication, organisational maintenance and legal documentation to the aforementioned purposes. Moreover, procedural and distributive factors from organisational justice theory have also been viewed as vital by Colquitt et al. (2001).
Employee satisfaction cannot be underestimated as a primary objective of any PA process. Yeung and Berman (1997) suggest that an objective of better HR practices should be employee satisfaction resulting in customer and shareholder satisfaction. Although the statistical relevance of satisfaction with financial outcomes is yet to be proven, better HR practices in an organisation raise employee satisfaction levels, persuading performers to stay and non-performers to find new avenues (Huselid 1995).

The objectives of any organisational process such as PA cannot be achieved unless the organisational top management is fully devoted and committed for the success of the process. Song, Montoya-Weiss and Schmidt (1997) refer top management’s commitment as, where managers at all levels are immersed in development, execution and success of a process. Regal and Hollman (1987) view top management’s dedication as vital in success of organisational processes. However, senior management’s commitment cannot be obtained until they are convinced with process’s result orientation, practicability and the required support (Anderson 2010; Yousaf 2006) – which further requires inter-functional cooperation. Boyle, Kumar and Kumar (2005) deduce that top management’s willingness promotes a working relationship between organisational functions and ensures success for a particular process. Similarly, Rodríguez, Perez and Gutiérrez (2008) conclude in their research that inter-functional collaboration is crucial for procedural success – which cannot be attained without top management’s devotion and commitment.

In a sales oriented organisation, SHRM views that addressing employee issues in collaboration with the HR department becomes the core responsibility of a sales manager (Schuler & Walker 1990). In addition, this also becomes the responsibility of a sales manager to collaborate with the HR to design performance control systems related to sales employees (Futrell, Swan & Todd 1976). This is because the sales manager is the person who can observe the behaviours while knowing the professional needs of a sales person.

Armstrong (2009) identifies nine methods of conducting performance appraisals, namely: rating scales, check lists, 360 degrees, work standards, MBOs, critical incidents, comparative methods, field review and the essay method. Stone (2010) also describes eleven types to conduct a PA and adds the balanced scorecard and workplace surveillance to the aforementioned nine methods as illustrated in Figure 2.3.2c.
PA should be on the top of organisations’ agendas as their success or failure depends upon their performance management systems (Muczyk & Gable 1987). Muczyk and Gable emphasise that failure to give a high priority to PA will limit an organisation’s ability to reward performers, identify promotable employees, provide evidence for layoffs, HR planning, provide timely feedback and develop key performance indicators (KPIs). Aguinis (2009a) believes that one of the vital elements in measuring performance is – what are the manifestations before and after the evaluation. Furthermore, PA should be free from biases, errors, ambiguities and effects (Klasson, Thompson & Luben 1980). However, despite all the theoretical evidence, individual objectives and PA are commonly not aligned with organisational strategic goals (Stone 2010). Similarly, Murphy and Cleveland (1991) submit that despite the evidence, research and recommendations, PA systems flaws are the most practical business challenges of the day.

The literature highlights three PA perspectives: the rational model, the political perspective and the due process; these are elaborated in the following sections.

2.3.2.1 The rational model

PA research is mainly orientated to validity and reliability of the research processes rather than to change practices (Bernardin & Villanova 1986; Folger, Konovsky & Cropanzano 1992; Latham 2006). These authors argue that PA is symbolised as an objective view of reality commonly shared by rater and employee. This approach emphasises valid, reliable and rational judgements are to be aligned with the processes of work and decision.
making (1994). On the contrary, Mohrman and Lawler (1983) believe that judgements and ratings cannot be the same, as judgements denote individual or public assertions about an employee’s performance. In order to avoid subjectivity in the PA process, Mohrman and Lawler emphasise the need for organisations’ prescribed guidelines to be associated to tasks and responsibilities prior to making any judgement about an employee’s performance.

2.3.2.2 The political perspective

Researchers find that PA practices are influenced by organisational politics (DelCampo 2011; Murphy & Cleveland 1995; Pfieffer 1981, 1994) and there is evidence that PA ratings are skewed by the raters (a designated rating person, or commonly a supervisor) (Bernardin & Villa nova 1986). This can be due to the supervisor’s intentions to portray a better picture of themselves to be perceived as a better manager and to try to avoid confrontation (Cleveland & Murphy 1992). Similarly, employees even being aware of bias in PA may not (or unable to) raise any concerns to avoid confrontation with their superiors. This view suggests that PA is neither objective nor illusive and neglects organisational control measures in place (Thurston & McNall 2010). These control measures and the organisational culture also constrain supervisors, which may contribute to project PA being subjective.

2.3.2.3 The due process

The aforementioned two theoretical approaches highlight the need for a process which can be perceived as justified. Folger, Konovsky and Cropanzano (1992) attempt to fill this gap by providing the due process model. This model emphasises that accuracy in PA should not be an objective reality rather pertain to the shared view of KPIs among a supervisor and the appraisee. This process further emphasises factors such as: the need to publish and explain performance standards to employees with regular feedback, conduct formal employee-manager meetings to discuss performance, training employees for PA and consistency in performance standards across the board (Taylor et al. 1995). Taylor et al. stress the need for the presence of a self-assessment by an employee in meeting with manager and that employee must possess the right to appeal in cases where a disagreement arises with the evaluating manager. Thurston and McNall (2010) criticise this approach on the grounds that it is constrained by formal and structural processes and does not take into account social factors and justice perceptions which can be vital to the success of the PA process.
The ability of the PA process to achieve its objectives may be closely tied with employee perceptions. These may build upon the persons involved, the process itself, its outcomes or the rewards attached to a PA system.

### 2.3.2.4 Employee perceptions and PA

Understanding and addressing the loopholes in PA processes helps researchers to undertake better research and enables organisations to make better decisions. PA perceived as fair and accurate among employees becomes a motivational element (Ilgen, Fisher & Taylor 1979) and vice versa. PA results not only affect employees’ attitudes towards their supervisor but also towards their job and the organisation (Thurston & McNall 2010). Skarlicki and Folger (1997) points out that PA perceived as unfair and biased can be a major source of disappointment for employees (Latham & Mann 2006); however, Thurston and McNall (2010) argue that the outcomes of a PA do not affect employee attitudes if they are satisfied with fairness of the process. In this case, employees will be willing to accept even an unwanted outcome of the process if the chain of events leading to the outcome is perceived as fair (Cropanzano & Folger 1991; Greenberg 1990; Leventhal 1980). This notion has also been validated by Cropanzano and Folger (1989) highlighting that due to the confidence in the process, employees will attempt to remove the gaps between actual and the desired outcomes of PA, which further enhances employee performance.

Understanding fairness or justice in organisational processes, including PA, has frequently been a focus of research. The fairness literature is labelled as organisational justice theory (Adams 1963; Homans 1973). Byrne and Cropanzano (2001) define it as *the fairness in workplace practices*. Waite and Stites-Doe (2000) relate it to the fairness in procedures and label it as *procedural justice* while *distributive justice* denotes fairness in the outcomes of a process. If the procedures are not perceived as fair, it is likely that the outcome will also not be perceived as fair. This implies that distributive fairness (justice) cannot be attained unless procedural fairness (justice) is prevalent in an organisation (Leventhal 1976). This can further be inferred that positive outcomes of a PA process perceived as fair results in employee satisfaction. Employees’ reactions and perceptions are not taken into account when analysing PA process in any organisation (Murphy & Cleveland 1995), which is a basic variable in the success of this process (Bernardin & Beatty 1984). Poor execution of PA can influence not only the outcomes of the process but also employee perceptions related to the fairness of the
system (Dailey & Kirk 1992). Employee perceptions about the fairness of the PA process encapsulate the whole process rather than a single step.

Research reveals that employee perceptions are closely related to the characteristics of raters such as their personality, procedures, their interactions and their intentions to motivate or develop employees (Klasson, Thompson & Luben 1980; Landy, Barnes & Murphy 1978). Employee perceptions also directly depend upon the rater’s attitude towards the appraisee (Greenberg 1986). Whilst strengthening this notion, Wherry and Bartlett (1982) state that performance ratings are composite of employee’s incurred performance, rater’s bias and perceptions, recall of performance and measurement mistakes. In light of these involved complex variables, Silverman and Wexley (1984) advocate behaviourally anchored appraisal ratings whereas Muczyk and Gable (1987) argue this method as inappropriate for appraising sales employees because of its dependence on critical incidents. Employees also tend to overrate themselves for their efforts and contributions, contradicting the PA results and resulting in negative perceptions and dissatisfaction. Performance reviews become subjective because of employees’ beliefs about rating’s impact on rewards, promotion or salary increment. Beer (1981) supports the notion that employees aspire to portray their affirmative image in the organisation to win rewards.

Perceptions mainly relate to social interactions rather than to procedures; to develop positive perceptions organisations should have clarity in process, KPIs and rewards, consistent feedback and clear explanations about PA processes (Thurston & McNall 2010). Recognition and rewards, being one of the primary objectives, need to be aligned with the organisational strategy. Thus, the following section will highlight the importance of recognition and rewards and their relation to PA system.

2.3.2.5 Rewards, recognition and satisfaction

Rewards, recognition and employee satisfaction may assist an organisation not only to retain their human asset also to potentiate their efforts to perform better in the future. Considerable research has been contributed on the inter-relation of employee performance, satisfaction, motivation and rewards in the previous half century. Although these seminal concepts are not able to draw a discrete relationship among these factors, there is consensus in the literature that these factors are the core elements in employee and organisational performance.
Human relations movement underpins the idea that employee satisfaction results in enhanced performance (Greene 1973), whereas Porter and Lawler (1968) believe that it is performance which drives satisfaction. The authors further deduce that satisfaction is resultant of rewards attached with performance. Folger and Konovsky (1989) refer rewards to the distributive justice notion and argue that monetary increments are directly proportional to employee satisfaction. Cherrington, Reitz and Scott (1971) argue on the basis of their in-vitro study that rewards are not only a stem for good performance but also for satisfaction. Hence, it can be implied that rewards are not only stem for satisfaction but also act as a stimulus for an employee to stay in an organisation. Organisations with higher attrition rates should understand that their employees are not satisfied (Lawler & Porter 1967).

Acknowledging employee services or performance they render to an organisation is labelled as employee recognition in the literature. Researchers have focused on this area since the middle of the 20th century. Studies conclude that employee recognition is a vital contributor to their motivation (Herzberg 1968; McGregor 1985; Porter & Lawler 1968). Recognition is not only a catalyst for motivation but also gives employees a sense of identity resulting in better mental health (Brun & Dugas 2008). This can also act as an intrinsic factor for employees to address their areas of concern and improve their performance for the future. Organisations should sustain a standard approach not only to recognise their efforts but also to ensure fair treatment of employees irrespective of any bias or performance. Employees may not maintain their performance and just fall short of objectives; this does not mean that they should not be recognised for their efforts (Brun & Dugas 2008). One of the reasons a supervisor may not appreciate and recognise the efforts of their subordinates could be disengagement from them and a fear of losing control over them as they may become complacent. Moreover, despite being a critical factor in employee performance and motivation, the concept of recognition has not been fully theoretically integrated into the literature.

Research supports the notion that performance evaluations influence employees’ development but its improper linkage to rewards and organisational strategy undermines the objectives of the whole exercise (Hendry et al. 2000). Along with the linkage to strategy, management should also ensure that there is clarity in reward standards (Brun & Dugas 2008). According to path goal theory, employees are more willing and motivated to perform when there is a sense of performance linkage to rewards (Georgopoulos, Mahoney & Jones 1957). Expression of satisfaction by an employee indicates that rewards are properly meeting
their needs (Lawler & Porter 1967). Vroom (1964) creates a link that performance leads to rewards which in turn lead to employee satisfaction. This also generates a probability that performance rewarded amicably can be a stimulus for better future performance.

Literature highlights different perspectives of PA, its objectives and appraisees’ perceptions about the process; however, in regards to sales employees, the researcher feels necessary to highlight some aspects of PA specifically in sales oriented environments.

2.3.2.6 PA and sales employees

Appraising a sales employee is often perceived as the easiest of tasks in sales orientated organisations; however, the reality is different (Donaldson 2007). Cardy (1998) agrees with this notion and states, evaluating a sales employee is an error-driven exercise influencing both employees and organisations. Besides the earlier mentioned objectives of PA; the appraisal of sales employees facilitates an organisation to set new dimensions in territory management and determining the efficiency of the sales management (Wanguri 1995). Furthermore in selling (promotional) environments, PA of sales employees creates the need for setting new objectives aligned with customer needs (Ingram et al. 2012). Therefore, PA of a sales employee can assist an organisation to prove that their sales force is contributing to achieve strategic objectives (Boles, Donthu & Lohtia 1995). PA of sales employees should be able to enhance motivation and job performance (Bagozzi 1980). It must be objective oriented (Aguinis & Pierce 2008), involve sales employees and time efficient in its administration (Donaldson 2007). However, these demands may be paradoxical in relation to practices in sales-orientated organisations as evaluating a sales person is difficult question to answer.

Some researchers suggest the use of behaviourally anchored mechanisms to evaluate the performance of sales employees (Silverman & Wexley 1984) while Anderson and Oliver (1987) advocate for outcome, behaviour based or hybrid measures to evaluate their performance. Muczyk and Gable (1987), however, are critical of the exclusive use of behavioural measures because of its reliance on critical incidents. Leaning towards an extreme may not facilitate to achieve appraisal objectives; this is why, using multiple measures to appraise sales employees is recommended as the optimal choice (Ingram et al. 2012).
Mowen et al. (1985) believe that appraising a sales employee is the first line manager’s (FLM) key responsibility. Chonko et al. (2000) emphasise that sales manager should identify measurable performance standards, relevant industry activities and behaviours required to achieve sales objectives. Prior to conducting a formal PA, FLMs should inspect all available organisational records, inclusive of sales reviews, customer contacts and their own accompanied visits with an employee (Donaldson 2007). Although there is no consensus on the types of documents to be reviewed, the immediate manager needs to make their own decision in order to corroborate and justify the performance weightings.

As mentioned earlier, perceptions about a process such as PA are rooted in employees’ interaction with their raters or supervisors. The following section will highlight FLM’s role and involvement in a PA process.

**2.3.2.7 First (front) line managers (FLMs) and PA**

There has been a considerable gap between intended organisational HR strategy and the practices set in place by FLMs (Purcell & Hutchinson 2007). FLMs provide a bridge between the reception of organisational HR initiatives and their execution to achieve the required objectives. One of the toughest tasks an FLM can come across is to manage and evaluate performance.

Ideally, a PA cycle begins with a discussion of employee and supervisor to discuss results, behaviours and developmental aspects for better future performance (Aguinis 2009a). This collaborative aspect of PA process lets FLM understand the story from a subordinate’s perspective (Dunning 2004). This further provides an FLM a platform to elaborate – what is expected from an employee. On the one hand, PA provides information for future decisions about promotion or rewards while on the other hand, it provides a platform to obtain the required employee behaviours for better performance. HR activities like PA impact and involve employees as well as line managers; this can influence the quality of their relations and perceptions (Purcell & Hutchinson 2007). The perceptions about their organisation possessed by an employee are contributed by line managers (Greenberg 1986; Klasson, Thompson & Luben 1980); this can be a key factor in transmitting an organisation’s perceptions to stakeholders (Liden, Bauer & Erdogan 2004).

During a PA cycle in an organisation, employee-supervisor discussions can shape the future behaviours of an employee (Beer 1981). As PA may comprise supervisor ratings based
on practical judgements (Campbell et al. 1970), supervisors should explicitly realise that their judgements affect the appraisee’s future (Beer 1981). It can reasonably be said that research on PA practices is actually focusing appraisers (immediate or first line managers) (Campbell et al. 1970) and the impact of their actions on appraisees. Due to the probability of errors in judgements, some researchers recommend to diminish the judgemental elements in a PA process. Researchers like Klimoski and London (1974) conclude that bias in raters’ judgements exists. Ideally, a rater or FLM should keep a record of their judgements honestly so that it can be helpful in discussions with employees during the PA process (Barrett & Bass 1970).

Most FLMs are not properly trained to deal with the arising difficult inter-personal situations, especially when the matters are negative in nature for an employee (Beer 1981). Beer believes that outcomes of PA depend upon the FLM-appraisee relationship. FLMs are not comfortable to provide clear feedback in fear of losing working relationship. On the contrary, the subordinates perceive their supervisors to be incompetent in discussing and improving their areas needing development (Pulakos 2004). Improper trainings resulting into hesitation and inability of FLMs to provide specific feedback to appraisees rather than in general statements may not only hamper their relationship but also perceptions related to PA system.

Besides the managers involved, PA objectives, implementation and its outcomes are influenced by the way organisations carry out these processes. MNCs are considered as flag carriers for change and innovation in such practices (Khilji 2002); however, this does not imply that MNCs opt for standard practices across the globe. The following section highlights how MNCs deal with this challenge in relation to HR and PA practices.

2.3.2.8 PA and MNCs

The management ideology of “one size fits all” or using uniform measures across the globe by masking differentiating factors (Adler & Jelinek 1986) to manage business function does not apply in today’s competitive environment. Levitt (1983) suggests ignoring differences which can influence an organisational culture as long as the organisation achieves its objectives. However, Budhwar and Sparrow (2002) argue that national, contingent and organisational factors influence strategies and practices in an organisation. The differences and similarities of management in countries (comparative management) and the impact of
globalisation upon businesses have forced organisations to reshape their practices (Taylor et al. 2008) in order to fully understand the deep rooted set of values held by individuals of host countries.

HR practices are closely adhered to the context (Laurent 1991; Nishii, Lepak & Schneider 2008) which necessitates the need for different practices in host nations. This dissimilarity has been labelled as the divergence view in the HR literature (Mcgaughey & De Cieri 1999). Although organisations aspire to keep their HR practices consistent across operating countries, it is not unusual for some of these to be entirely different from those in other contexts (Khilji 2002) due to different cultural and legal requirements. These contextual variances also pose challenges for MNCs to keep their employees committed to the organisation and this may require an entirely new set of practices. Taylor et al. (2008) believe that MNCs face more intricacies than local firms in sustaining diversity and perceptions of fair treatment among their employees. Despite the application of westernised practices across the organisation, there is still a question about their vibrancy in other countries (Claus & Hand 2009). Moreover, standard PA measures applied in other countries may not be able to achieve the required objectives. Khilji (2002) agrees with this view and asserts that westernised performance measures and inter-employee competition can be viewed as a question mark in the Asian contexts. To resolve this confusion, Cascio (2006) divides MNCs’ appraisal objectives into evaluation and developmental components based upon the degree of variation in practices as illustrated in Figures 2.3.2.8a and 2.3.2.8b.

Figure 2.3.2.8a: MNCs’ PA evaluation objectives

Source: Developed for this research based on Cascio (2006, p. 178)
MNCs are always concerned about the issue of relativity and the degree of customisation of HR practices to the context and their integration with the standard (Prahalad & Doz 1999). However, MNCs lean toward standard PA approaches due to consistency, reduced procedural costs and to use organisational skills as a competitive advantage (Sauers et al. 2007). This concern has also tempted researchers to investigate the application of performance management or PA across borders. Claus and Briscoe (2009) reveal that 64 empirical research articles have addressed this subject between 1985 and 2005. Despite widely investigated segment, MNCs still face with the issue that either an employee evaluation measure to be standardised or localised to the context (Claus & Hand 2009). Claus and Hand hypothesise that MNC’s decision to implement performance evaluation measures are based on the factors illustrated in Figure 2.3.2.8c.
Figure 2.3.2.8c: MNCs’ decision criteria for PA practices at subsidiaries

Cultural Distance
HQ and subsidiary national culture

PM Processes
upstream or downstream

Enterprise Conditions
size, industry, sector

Internationalization Strategy
global integration vs. local responsiveness

Degree of Customization
standardization, globalization localization

Source: Claus and Hand (2009, p. 241)

Claus and Hand (2009) conclude in their east European study that MNCs opt for standardised, localised or a mixed approach in their PA systems in their subsidiaries. Another study in Taiwanese manufacturing industry reveals that it is complex for MNCs to sustain standard PA practices as these are regulated by local laws and have to be somewhat localised (Sauers et al. 2007). Furthermore, Sauers et al. highlight the difficulty of subsidiaries to sway locally hired employees from their norms and values.

Sales people are evaluated formally in Australia. This may not be the case in Pakistan. Informal evaluation of sales employees during their jobs is commonly rehearsed but this does not underestimate the need for a formal PA process that helps to remove any criticism of bias and favouritism. Armstrong (2009) highlights that the potential for ambiguity and cynicism in PA is high compared to any other organisational process. A wide body of literature argues for and against the impact of performance appraisal on individual and organisational improvement. The following section will elaborate some of the views opposing PA processes.

2.3.2.9 Critique on PA

Deming (2000) out speaks against PA and argues, it is only the sampling error and environmental variables that differentiate employees else they are the same. Deming, on the basis of total quality management theory (TQM), highlights the complexity and argues that performance is an aggregation of the employee, co-workers, the employee’s job, job support material, the customer, work environment and the management including the supervisor. Emphasis remains on PA strategic alignment with other organisational functional objectives;
else it will not bring any benefit for an organisation (Carson, Cardy & Dobbins 1991). Surveys by Markowich (1994) and later by McNerney (1995) reveal that half of the respondents think that PA brings no benefits for their organisation. Pulakos (2004) also highlights this dissonance by reporting – three out of ten employees believe that their PA systems positively influence their performance while less than 40% employees say their PA systems have clear performance goals, provided true feedback or used appropriate technology in evaluation systems. Duarte, Goodson and Klich (1994) highlight that PA process is prone to be influenced by variables other than performance indicators such as, favouritism, bias and emotional responses by the supervisors. These emotional responses can be due to personal interactions or an employee’s disparity with the prescribed performance indicators (Duchon, Green & Taber 1986; Graen & Cashman 1975; Graen & Scandura 1987). Leader-member exchange theory (LMX) suggests that high quality leader-member or employee-supervisor relationship predict the achievement of required outcomes for an organisation (Burns & Otte 1999). Moreover, LMX theory describes supervisor’s different behaviour towards different employees. This tendency can also diminish the teamwork or aspired culture of shared values in an organisation. Likewise, individualistic PAs can sway an organisation from teamwork. Therefore, Deming (2000) argues that individual PA confronts teamwork and creates inter-employee competition. The author further states, it also contradicts to aspiration of organisations for teamwork where evaluations are done individually. Proponents of TQM have also voiced for a group appraisal as Waldman (1994) advocates for orientation shift from individual to team and the process. The process of team evaluation may facilitate to avoid conflicts and confrontation within the team and build confidence about the PA system. Lam and Schaubroeck (1999) claim that employees feel more satisfied and confident with process oriented PA due to its perceived accuracy.

Job satisfaction is directly associated with extrinsic or hygiene factors (Herzberg 1968); while Mardanov, Heischmidt and Henson (2008) argue that supervisor-employee or leader-member relationship impacts employee satisfaction resulting in job satisfaction. Lussier and Achua (2004) report that there are 77% unsatisfied employees in the US. The high dissatisfaction rate may be directly related to dissatisfaction with supervisors. This also predicts high turnover within any organisation (Mardanov, Heischmidt & Henson 2008). Researchers in cognitive areas also argue that perceptions engraved in the mind of a supervisor are almost permanent and can only be displaced by a high impact of performance or relationship (DeNisi & Williams 1988; Feldman 1981).
Despite all the criticism and evidence of leniency or strictness bias, relationships, contrast errors, recency or the Halo effects in the literature (Budworth & Mann 2011; Chatterjee 2009; Stone 2010) for the most part organisations still use some sort of evaluation measures whether it is formal or informal to reward and provide feedback to their employees. The aforementioned critique on PA from the literature surely persuades to believe that PA processes may not bring any benefit for organisations. However, Nankervis and Compton (2006) find that 96% of the Australian organisations implement formal PA procedures. Similarly, a study in fifteen countries by Cascio (2006) reveals that 91% organisations implement formal PA systems. This trend seems to be consistent because – organisations with formal rather than ceremonial PA systems are 51% more likely to perform better and produce 41% better financial outcomes (Aguinis 2009a).

Although literature contributes on PA for sales employees, these studies have been conducted primarily in retail sales environments or organisations. Due to its nature of knowledge based persuasion, the pharmaceutical sales promotion differentiates itself from conventional sales (retail) environment and techniques. This is why a gap exists to explore PA appropriate for the pharmaceutical sales employees. In this pursuit, the next section will detail an overview of the global pharmaceutical industry.

2.4 Parent discipline 3: The Pharmaceutical industry

The pharmaceutical market has become very sophisticated due to the emergence of new research in medicine and complex marketing and selling strategies. Moreover, the development of a novel medicine to be used for a treatment can result in disaster if appropriate marketing strategies are not adopted. The cost of developing a single drug molecule can be enormous, ranging from US$800m to US$2 billion (Masia 2008). The American Food and Drug Authority (FDA) and the European Medicines Agency (EMEA) are the internationally recognised primary authorities that permit pharmaceutical companies to market their products. The cost of developing a new medicine is wasted if it does not meet the requirements set forth by these agencies. This is why the global pharmaceutical market is condensed among fifteen MNCs (Davidson & Greblov 2005). The global pharmaceutical market has almost doubled since 2002 from US$515 billion to US$837 billion in 2009, implying an almost 7% annual growth rate (IMS Health 2010b) as illustrated in Figure 2.4.
Internationally, pharmaceutical organisations have focused on attracting and retaining sales employees through better remunerations packages (Fox 2008). Fox believes that the focus is on retention because the cost of losing a sales employee in the US has been estimated as approximately $100,000. However, in the past few years, higher research costs, the economic climate in major pharmaceutical markets and the global financial crisis forced these organisations to implement structural changes and consolidation (Chen & Yap 2009). These factors resulted in large numbers of sales employee layoffs around the world especially in the US as shown in Figure 2.4b.

Source: Developed for this research based on IMS Health (2010a)
Chen and Yap (2009) believe that in the presence of the factors faced by the global pharmaceutical industry, organisations in Asia can utilise workforce talent to achieve their future strategic objectives. The authors call for a strategic role for HR functions to develop and retain their talented workforce by satisfying their career and lifestyle aspirations.

The preceding disciplines and sections detailed the literature from broader perspectives of HRM, PA and the pharmaceutical industry. However, for the purposes of specificity, the forthcoming immediate discipline will detail some realities, cultural variables and management practices in Pakistan while converging on PA practices in Pakistan as well as Pakistan’s pharmaceutical industry.

2.5 Immediate discipline: PA practices in the Pakistan pharmaceutical industry

Prior to stating the management practices in Pakistan, the researcher feels necessary to crystallise some of the important aspects of Pakistan.

2.5.1 Pakistan: perceptions and realities

Pakistan, the second-largest Muslim country in the world (PRC 2009) is perceived as a country of fundamentalists, full of bearded men and oppressed women and limited human rights (Abbas 2009). The negative media projections have created an image of the country beset with chaos, religious fundamentalism, extremism and full of ignorant people but the reality is not the same. Pakistan, once the fastest growing and emerging economy in Asia and
the Muslim countries; growing middle class with more than 40% of the population under the age of 25 (Factbook 2011) and people with enlightened moderate ideas. The continuing political turmoil with military intervention in the democratic process and political corruption took the country in the black hole of problems.

2.5.1.1 Geographical location

Pakistan holds the key strategic position in South Asia surrounded by emerging powers like China, India and conflict areas like Afghanistan and Iran. Pakistan is the world’s 6th most populous country with 184 million inhabitants and the 36th largest in geographical size (Factbook 2011). Since gaining its independence in 1947 from the British Empire (due to the partition of the Sub-Continent) Pakistan has been through a mixed political environment and instability due to inconsistency in the democratic processes. Figure 2.5.1.1a illustrates the country’s geographical location within the region.

Figure 2.5.1.1a: Pakistan map location

Pakistan is the federation of four major states called provinces, along with other areas including the capital city and federally administered tribal areas known as “FATA” (NAoP 2004). The distribution of the population among the four provinces as of 2007 is illustrated in Figure 2.5.1.1b.
Besides these, there is still a large number of refugees, spread over the country due to poor control of the refugee camps (UNHCR 2011). Soviet Union’s invasion of Afghanistan in 1979 resulted in migration of approximately 2.8 million Afghans to Pakistan; which made a considerable economical, political, regional, cultural and ethnic impact on the country (Khan 2009; Khilji 2001). This migration continued even after 11th September events in the US (UNHCR 2011).

2.5.1.2 Political system

Pakistan has a multi-party political system which is dominated by two political parties namely “The Pakistan Peoples’ Party (PPP)” and “The Pakistan Muslim League (PML)”. These parties are reigned by feudalist families who earned favours from the British Empire for their faithfulness (Khilji 2001). These families are in the country’s governance since its independence in 1947. In case of a government change; country’s economic, development and employment policies take a significant shift. Employees recruited by the previous government are sacked, transferred to remote locations or targeted for departmental inquiries in order to create opportunities for loyalists of the new ruling party.

2.5.1.3 Literacy: a major challenge

Pakistan, a country with the reported literacy rate of 55% (UNICEF 2010) includes who can read the newspaper or write a letter in any language (MOE 2010). The country also has one of the lowest spendings on education in the world; i.e. 3% of the GDP (Factbook 2011). The educational system of Pakistan is complex, with different systems for different
economical class of the population. The elite class has access to the most expensive educational institutions, which produce many executives for private and public organisations (Khilji 2001), whilst the middle class can only access moderate public or private institutions. Due to the current financial problems and rising educational costs, the poor cannot go beyond elementary studies or higher secondary education. Access to tertiary education is becoming nearly impossible for the middle class to gain employment at higher levels in organisations. Therefore, it is not uncommon that executives in private organisations often come from rich families, who can afford to be educated overseas as this merely remains a dream for the middle class individuals.

2.5.1.4 Economic instability

Pakistan’s $430 billion economy (Factbook 2011) has been slowing down for the last ten years. The World Bank (2010a) projects 3.5% GDP growth for the period of 2008-2012. Rising inflation, increasing unemployment and decreasing GDP growth (Economics 2010; Factbook 2011) remain the major problems of the country. Pakistan, once considered as the Asian tiger and the fastest growing economy in the region between 1980 and 1992 (TWB 2010b), has become a country full of economic and political catastrophes due to frequent changes in government and the continued influence of the Afghan conflict on the region.

Figure 2.5.1.4a: Pakistan’s GDP history

Source: Indicators (2011a)
Despite all the governmental claims, the situation remains grim for the people especially middle class salaried individuals, who are still struggling to survive on a day-to-day basis.

2.5.1.5 Poverty: the widening gap

The gap between the rich and the poor is widening because of rising living costs, increasing inflation and devaluation of the Pakistani currency. The number of poor is growing on yearly basis. The reduction in poverty during 1970s and 80s reversed after 1997 because of slower growth and macroeconomic instability in the country (ADB 2002; Chaudhry 2009). The World Bank (2010b) reports that the poverty head count ratio has increased from 28.6% in 1993 to 32.6% in 1999. Although there is no data available after 1994 (Qureshi & Arif 2001), Arif et al. (2000) report that almost one-third of the country’s population lives below the poverty line.

2.5.1.6 Employment or unemployment

The employment base of the country is about 54 million; 43% of the employed are associated with the agriculture sector followed by 36% in services and 20% in industry.
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

(Factbook 2011). Figure 2.5.1.6a illustrates the GDP contribution by all sectors while Figure 2.5.1.6b instances employment distribution in the industrial sector.

Figure 2.5.1.6a: Pakistan GDP contribution by sector

![GDP contribution by sector](image)

Source: Developed for this research based on the world Factbook (2011)

Figure 2.5.1.6b: Pakistan employment distribution in the industrial sector

![Employment distribution in the industrial sector](image)

Source: Developed for this research based on FBS Pakistan (2009)

Unemployment still remains a consistently neglected problem. The World Bank (2010b) reports 5.1% unemployment for 2007, which soared to 15% in 2010 as compared to 14% in 2009 (Factbook 2011). One of the reasons for unemployment can be due to change in employment criteria from what you know to whom you know (Aslam 1999) in the country. Employees have been a tool of political agenda by governments and establishments in the

Chapter II: Literature review
past sixty years (Bashir & Khattak 2008). The politics-employment relationship is not exclusive to Pakistan as Tessema and Soeters (2006) conclude that employment services are influenced by politicians in developing countries.

In the absence of any consistent recruitment policy, many of the 3500 professional graduates qualifying each year seek overseas opportunities (DailyTimes 2009) and this brain drain continues for the last many years.

2.5.1.7 Sociocultural realities

It is stereotypically assumed that people of similar religion, race, or nationality or who live on the same continent are the same; Perlmutter (1969) labels such perceptions as an ethnocentric view. However, these judgements have been proven wrong and it is realised that we as groups share commonalities and differences (Cavusgil, Knight & Riesenberger 2008, p. 129). Triandis (1994) sees all cultures as simultaneously very similar and different. Living environment, traditions, values and the way a particular person reacts to certain situations or gives meaning to other’s actions is interpreted as culture. Many authors and researchers have defined culture; however, De Mooij (2005) views culture as:

_The glue that bind the people together...without this glue people would have difficulty in living together (p.35)._ 

The four Pakistani provinces and the FATA hold distinct and individual cultural values with minute similarities in them, which may be on the basis of the religion. The regions close to Afghanistan like North-West Frontier Province (NWFP) now called “Khyber-Pakhtoonkhwa” (Ghauri 2010) and Baluchistan, share language and cultural ties with Afghanistan (Malik 2006). The inhabitants of these areas hold strong tribal values due to the prevalence of tribal laws in the region. The tribal values in the northern areas cannot be similar from one tribe to another but there is a strong sense of brotherhood, “clan based solidarity” (Islam 2004, p. 321).

Inhabitants residing in the northern Punjab have commonalities with the Indian Punjab as a result of migration into Pakistan (Malik 2006); however, Pakistani Punjabis are acculturated with Islamic values and traditions. In similarity to the northern areas, there is a presence of brotherhood in same family circle or “Biraderi” (descendants from same forefathers) or from the same caste system (Islam 2004, p. 322). These class segregations still exist as bitter legacies of the traditional Hindu system.
The inhabitants of Sindh (Sindhi) residing near to Rajasthan (India) are strongly influenced by Hindu traditions while most people living in the southern cities of Karachi (the most populous city in the country) and Hyderabad migrated from Central Province (CP), Uttar Pradesh (UP) and other major Urdu speaking areas of India (Malik 2006).

The influx of people from diverse territories like Afghanistan, Iran, central Asia and Arab countries makes Pakistan a blend of different cultures influenced by Islamic values and a unique place compared to its neighbouring countries.

Hofstede (2011) classifies Pakistan’s culture into five dimensions of power distance index (PDI), individualism (IDV), masculinity (MAS); uncertainty avoidance index (UAI) and long-term orientation (LTO). Figure 2.5.1.7 summarises these dimensions.

**Figure 2.5.1.7: Pakistan’s cultural dimensions**

![Figure 2.5.1.7: Pakistan’s cultural dimensions](image)

Source: Hofstede (2012)

De Mooij (2009) states that higher PDI levels highlight a culture with clear social status, hierarchy, natural acceptance of authority, respect for older people and inter-dependency among people. De Mooij further argues that the extent of PDI values for a country is directly proportional to education levels in the society. It is customary, or rather required in Pakistan for subordinates to greet their superiors as “sir” to show respect to the designation (not to the person), which may well be one of the legacies of the British colonial system. Although Hofstede (2012) rates Pakistan as relatively low on IDV and denotes it as a collectivist culture, this situation varies significantly from rural to urban areas and among the four provinces (Islam 2004). Pakistani culture and family systems are changing rapidly due to
receptiveness to the westernised media, higher living costs and consistent financial problems striking every family. Being a winner is an integral characteristic of a masculine society. This is why MNCs’ organisational values promote individual performance rather than team performance. However, Pakistani society prominently portrays feminine characteristics of sympathy, care for others and modesty. It can be said that people in Pakistani society may variably change their values in relation to their roles in daily lives.

The impact of national culture on employee behaviour or cultural intervention in an organisation is widely studied by many researchers (Adler 1983; Adler & Gundersen 2008; Adler & Jelinek 1986; Aycan et al. 2000; Barrett & Bass 1976; Budhwar & Sparrow 2002; Islam 2004; Khilji 2002; Negandhi 1983; Negandhi & Robey 1977; Nyambegera, Sparrow & Daniels 2000). However, the question remains: whether national or organisational culture is important? Adler (2008) highlights, national culture influences employees more than organisational culture provided an organisation holds a distinct culture. Culture not only shapes the attitudes and actions of individuals (Adler & Jelinek 1986); it is also a basic ingredient of organisational behaviour or how employees will react to certain scenarios. These cultural variables force organisations to tailor their practices and standard operating procedures (SOP) to particular contexts. In the past, management practices ignored contextual variables like culture and its impact on employee behaviour and theories rooted in the North American context (Adler 1983; Aycan et al. 2000). Therefore, it is vital for business operations at any location to do the things which are perceived as right; to catalyse business growth and achieve organisational objectives.

In light of the preceding brief discussion on Pakistan, culture, organisational culture and cultural dimensions, the following section will look into management practices in the country and then in the Pakistan pharmaceutical industry.

**2.5.2 Management practices and organisational culture in Pakistan**

Pakistan’s business and organisational management history does not go far back in time. Since its independence in 1947, most institutions have been governed by the public sector in line with the legacies of the colonial system (Islam 2004; Khilji 2001). The industrial boom of the 1960s took a down turn when the government started to nationalise major profitable organisations (Khilji 2001) resulting into inefficiency, non-productivity,
hierarchical structures and casual behaviour by employees. Pakistan’s employment sector was dominated by the public sector until privatisation reforms in 1999. In 2000, a new law was passed to privatise major institutions of the country (ADB 2008). Authority, centralisation along with bureaucracy and over use of committees has been the norm in these public sector departments (Islam 2004; Khilji 2002). These practices also carried on in these organisations even after their privatisation becoming the cause of their non-profitability and non-productivity. On the one hand, these norms resulted in inefficiency and non-productivity, while on the other, it resulted in large number of layoffs termed as “Golden hand shake” especially in the banking industry. There are vivid examples of organisational inefficiencies leading to massive national losses in the Pakistan Railways, Pakistan international airline (PIA) and Pakistan Steel (Safdar 2012) and the list goes on. Despite privatisation, these organisations are continuously unable to achieve their strategic objectives because of their inability to innovate practices. It may be complex to pinpoint the specific reason; however, Javaid (2010) blames corruption at the top level along with poor governance at these organisations for their inefficiency. Nepotism, influence of politicians and defence personnel in the recruitment of incompetent executives may also be a factor (Chêne 2008). These poor outcomes may have been the aftermaths of managerial decisions influenced by organisational culture and external factors (Robbins et al. 2006) such as bureaucracy and authority left by public departments.

Figure 2.5.2: Culture’s influence on managers’ decisions

Source: Robbins et al. (2006, p. 81)

The aforementioned details of values, practices and cultural aspects reveal that organisations still face challenges to overcome the colonial legacies which still haunt multinationals (MNCs) as well as national companies (NCs) in Pakistan. Organisations struggle to change these traditions and even overseas qualified business graduates are unable to adjust due to these factors. The researcher worked with an MNC where expatriate
executives and even natives were unable to break organisational barriers to open doors; eventually these executives had to leave the organisation.

HR practices in Pakistan are still in their infant stages with a few exceptions at multinational organisations. This is because these organisations have to follow their parent company procedures. On the one hand, Pakistani public sector has failed to provide a base for the development of better business practices while on the other, the private sector comprises more than 50,000 family owned business (Siddiqui 2011) that rely on intuitional decisions and are unable or unwilling to accept innovative practices.

In the Pakistan public sector, performance appraisal used to be termed as the annual confidential report or “ACR” (still used in the public sector) of the employee. It was therefore not to be discussed with the subordinate and filled in secretly by the “Boss”. The concept of confidentiality still remains intact not only in the public sector but also in private organisations and the pharmaceutical industry may not be an exception.

The absence of any empirical research on the impact of performance appraisal in the private sector is affecting employees’ morale as well as keeping employers blind about the significance of implementing these practices. Ikramullah et al. (2012) state that PA is not assigned high importance even at public sector departments in spite of its high influence on employee promotions. These sectors are unable to address blemishes in the PA system despite the recommendations of the national commission for government reforms in Pakistan (NCGR 2008). Thurston and McNall (2010) highlight that although decision makers in an organisation are aware of the flaws in their PA, they cannot find an easier way to address them. Pakistani firms are relying on their past experiences (Bashir & Khattak 2008) or borrow ideas from western based organisations such as MNCs.

The evidence from researches conducted in Pakistani public sector reveal variability in their findings. Shahzad, Bashir and Ramay (2008) in their university teachers’ research, find that respondents give more importance to compensation than other HR practices. Furthermore, Bashir and Khattak (2008) find that employees’ main concern is how their earnings can be increased. The authors conclude that as compensation and promotion increase their prosperity, it will ultimately enhance employees’ performance. These findings suggest that performance appraisal practices in this case are mainly perceived by the employees as a mode to increase their pay. Furthermore, as employees struggle due to higher living costs, promotions are considered vital for their association to higher pay and benefits.
In presence of limited job opportunities and job security, issues like work-life balance are still said to be imaginary in the country.

The importance of performance appraisal in the Pakistan public sector may be mainly associated with an increase in emoluments or promotions. This may overlook the important ingredients of feedback, gaps in performance, career development and PA alignment with organisational strategic objectives. This certainly does not serve performance appraisal objectives as conceived in the literature. In light of these research results it can be questioned, do employees not consider factors such as occupational health and safety or work life balance. The answer to this question can be the scarcity and insecurity of jobs, rising living costs and bleak future opportunities in Pakistani organisations are making non-financial considerations irrelevant. These factors may contribute in shifting employees’ focus mainly towards monetary benefits. In light of orthodox personnel practices, it can be said that PA systems in Pakistani organisations are still opaque. Boxall (1995) favours the importance of factors in the context and disagrees with the universality of HR practices. Khatri (2000) also cautions managers from copying and adopting HR practices blindly from other organisations. Similarly, Drucker (1958) enforces the need for usable and understandable concepts to measure performance.

2.5.3 The Pakistan pharmaceutical industry

Pakistan’s GDP is mainly contributed by the industrial and services sectors. One of the major segments in this contribution is the pharmaceutical industry. Pakistan is the 11th largest pharmaceutical market in the Asia Pacific (in US dollar terms) (Espicom 2012). There are over 400 licensed pharmaceutical companies in Pakistan (Intelligence 2010; PPMA 2008) including 25 multinational companies (MNCs) enjoying half of the market share (Espicom 2012; PPMA 2008). The Pakistan pharmaceutical market grossed $1.4b in 2007 and this figure is expected to reach $2.3b in the year 2012 (PPMA 2008) growing at the rate of 9% (Insight 2010). The market comprises large multinational companies having research-based products and a growing number of national companies (NCs) predominantly producing generic products. The market share split is 53.3% for multinationals and 46.7% for national companies. Despite an equal split, NCs lead the market in volume turnover by meeting almost 90% of the country’s medicinal requirements (Espicom 2012). There are 20 multinationals in the top 50 pharmaceutical companies; these (top 50) enjoy 85% market
share while the top 100 have 94.0% of the market. Pharmaceutical companies in Pakistan face intense competition due to price wars among generic and research products.

Although both groups hold almost equal market shares, they differ significantly in terms of their HR, marketing, sales and other functional practices. MNCs are constrained by their corporate offices for their standard operating procedures (SOP) and HR practices while NCs are still owned by families and manoeuvre their HR and other practices to suit their business needs. Many of these organisations do not consider HR as a separate function and these responsibilities are ad hoc and incorporated into other functional areas such as sales management.

On the basis of the researcher’s anecdotal experience, it is believed that due to intense competition in the industry, employee attrition rates remain high and this also creates recruitment problems within the sales functions of the company. This happens in both MNCs and NCs. The reason for attrition in the MNCs is the lack of career opportunities for sales people while intense competition and sales pressure remains a major cause in the NCs causing burnout of sales employees. Despite these factors NCs manage to attract high performing sales personnel from MNCs with their attractive remuneration packages. NCs recruit these employees because of their background of comprehensive training, professional knowledge and skill development. Most of the NCs lack, or take a casual approach to these developmental aspects of their employees because of their short-term focus on financial objectives only. This is also one of the key reasons that good performers at NCs do not stay longer and aspire to switch to MNCs for their career development.

MNCs are perceived as a medium of change and innovation to bring newer practices in the country (Khilji 2002). Being an integral part of the Pakistan pharmaceutical industry these organisations use PA systems directed by their principal offices. On the contrary NCs, being in the primitive stages of HR, use their intuition-based approaches to evaluate their employees. These organisations still lack a dedicated HR function and appraisal issues are handled by the clerks or are delegated to marketing or sales functions. The situation for NCs sales employees remains complex in the absence of clear KPIs and strategic objectives. Sales achievement is considered to be the only way to climb the organisational ladder. In this scenario, newly promoted line managers are the ones who have higher sales achievements. These best achievers end up as poor managers. In absence of a formalised PA system, it also
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

creates a dilemma for these companies, whom to promote, the best performer or the one with better managing capabilities.

The organisational structures of the two groups may not be different at the operational or tactical levels but it differs significantly at the strategic level. Traditionally, MNCs in Pakistan are hierarchical and are mainly departmentally structured as illustrated in Organisational Chart 2.5.3a. A few NCs, depending on their size, are also departmentally structured. NCs have significantly shorter hierarchies as compared to MNCs and follow a simple structure as illustrated in Organisational Chart 2.5.3b. Theoretically, Pakistani MNCs can be labelled as mechanistic organisations or following tight structure while NCs are organic organisations and are more flexible in adjusting their structures as needed (Robbins et al. 2006). Blau and Schoenherr (1971) are also of the view that the structure of an organisation depends upon its size. In NCs, the owners or the family members known as the directors play significant role in strategy formulation and decision making. This also portrays centralised decision making as shorter hierarchy may facilitate faster communication within these organisations.

Organisational Chart 2.5.3a: MNC’s organisational structure in Pakistan

Source: Developed for this research
In relation to sales and marketing activities, both groups divide their sales employees in teams or groups assigned for specific products. Although these employees are grouped in teams with individual and team objectives, each employee is evaluated (for performance) on team contribution as well as individual performance while incentivised on individual basis only. It happens rarely in these organisations that an individual is also incentivised for team achievements along with individual achievements.

The performance appraisal of the sales employee is to be done by immediate supervisor being familiar with the job responsibilities, behaviours and able to observe performance over a period of time (Robson 1993; Soltani et al. 2003). Commonly, the sales departments are structured in work groups commonly known as teams, comprising sales representatives and an immediate manager. Robbins et al. (2006) describe a team as a group working for common objectives. In reality, sales representatives like any other employee have their individual objectives too and fewer organisations persuade employees for team objectives. In these situations, Anthony (1988) deduces that employee will not conform to organisational strategic goals if there is a disparity between organisational and individual goals.
In relation to PA practices, all employees are appraised on an individual basis while paradoxically they are arranged in teams. Although an inadequate performance from a single member could affect the team objectives, team achievements rarely benefit any individual in their PA systems. London (2007) advises that when appraising a team member or a team, factors like environmental conditions, individual and group competencies, processes, individual and group outcomes must be considered. However, this is not currently practised in the industry.

Subjectivity, favouritism and personality conflict still remain a major problem for providing a clear path for deserving candidates to grow (Stone 2010). This notion is also supported by the LMX theory (Duarte, Goodson & Klich 1994), that employees in high LMX relationship and favourable feelings will have higher ratings from their supervisors. A biased appraisal may result in sales person feeling betrayed, discontent, de-motivated, disloyal to the organisation and may look for opportunities in other organisations. The endorsements made by the immediate supervisor become impossible to change due to the organisational structure and management practices in these organisations. In reality, PA has just become a routine process to be performed at the end of each business year in Pakistani pharmaceutical organisations and do not aim to achieve theoretical objectives.

The reviewed literature on HRM and PA raises multiple questions pertaining to HRM and PA practices in Pakistan pharmaceutical industry. These are:

- **RQ 1**: What is the strategic importance of HR in the organisation?
- **RQ 2**: What are the objectives of PA in the organisation?
- **RQ 3**: How do employees perceive the PA system?
- **RQ 4**: What are the employee expectations from the PA system?
- **RQ 5**: What are the factors considered important in PA in the organisation?
- **RQ 6**: What are the differences between MNCs’ and NCs’ PA measures?
2.6 Research issues

On the basis of the literature reviewed, a number of research issues emerge. These are a research problem (sub-section 2.6.1), research objectives (sub-section 2.6.2), research questions (sub-section 2.6.3) and research propositions (sub-section 2.6.4).

2.6.1 Research problem

According to the literature reviewed, the performance appraisal of sales people in the Pakistan pharmaceutical industry does not address its intended objectives. The research problem for this study, therefore, is stated as below:

“How can the performance appraisal system of sales people in the Pakistan pharmaceutical industry be improved?”

2.6.2 Research objectives

The objectives for this study are shown in Figure 2.6.2

Figure 2.6.2: Research objectives

Source: Developed for this research
2.6.3 Research questions

To achieve the objectives for this study, the following research questions have been crafted on the basis of the literature reviewed. These are summarised in Figure 2.6.3.

Figure 2.6.3: Research questions

![Research questions diagram]

Source: Developed for this research

2.6.4 Research propositions

This is a qualitative study, hence the need to formulate research propositions. Figure 2.6.4 summarises the propositions for this study.

Figure 2.6.4: Research propositions

![Research propositions diagram]

Source: Developed for this research
The research issues for this study are summarised in Figure 2.6.5.

Figure 2.6.5: Research summary

2.7 Conclusion

This chapter reviewed literature relating to the parent disciplines of HRM’s contribution to organisational performance, performance appraisal and the pharmaceutical industry. This was followed by an explanation of the immediate discipline of performance appraisal practices in the Pakistan pharmaceutical industry. This discussion facilitated the emergence of research problem, questions, objectives, propositions and the issues.
Chapter III

Research methodology

Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

“It is capital mistake to theorise before one has data” Conan Doyle
3.1 Introduction

*The model of qualitative research design...emphasises that research design does not begin from a fixed starting point or proceed through a determinate sequence of steps, and it recognises the importance of interconnection and interaction among the different design components (Maxwell 2005, p. 3).*

3.1.1 Chapter objectives

The purpose of this chapter is to discuss and elaborate issues related to the research methodology adopted in this study. This sets forth the paradigm justification for this research; and justifies the qualitative case study approach. In this pursuit, it necessitates to lay out the research framework to be implemented in this research. Despite efforts made to address each variable in the vicinity of the research issues, there are some limitations and boundaries to be marked. The chapter also discusses the ethical considerations to be taken in this research.

3.1.2 Chapter outline

The chapter is divided into nine sections. After an introduction (section 3.1), the chapter restates the research questions arising from the literature reviewed in Chapter two of the thesis (section 3.2). The realism paradigm is considered the most appropriate for the study and this is discussed in section 3.3. This is followed by a discussion on the qualitative case study approach, misconceptions about case studies and the implemented research design (section 3.4). Thereafter, section 3.5 highlights how data quality is enhanced through validity and reliability. Section 3.6 provides a detailed description of the framework of the research, which includes the number of cases (sub-section 3.6.1) and selection of the cases (sub-section 3.6.2). Limitations of case studies are elaborated in section 3.7, followed by a discussion on ethical issues related to the research (section 3.8). Finally, a conclusion is provided in section 3.9. Figure 3.1 instances the structure of the chapter.
Figure 3.1: Structural map of Chapter 3

Source: Developed for this research
3.2 Research problem and questions

The previous section introduced the chapter and illustrated its contents with a structural map. This section restates the research questions crafted for this study.

On the basis of the literature reviewed, the research problem for this study is stated as:

“How can the performance appraisal system of sales people in the Pakistan pharmaceutical industry be improved?”

To solve this research problem, six research questions were formulated as shown in Figure 3.2.

Figure 3.2: Research questions

Source: Developed for this research
3.3 Paradigmatic justification of the research

The word paradigm comes from a research work by Kuhn (1996) who describes it as a development in scientific discoveries. Guba and Lincoln (1994, p. 105) regard a paradigm as a “basic beliefs system or world view”.

In social sciences and business research, a paradigm provides the conceptual framework (Deshpande 1983; Perry, Riege & Brown 1998) and guides a researcher in determining what problem is worthy of research and the means are available to find the solution (McMurray 2005). Cavana, Delahaye and Sekaran (1992) suggest that once the research questions have been elucidated, there is a need for a framework that leads to their solution.

Perry (2008) identifies four research paradigms namely positivism, critical theory, constructivism and realism as illustrated in Table 3.3.

Table 3.3: Four paradigms

<table>
<thead>
<tr>
<th>Paradigm</th>
<th>Deduction/Induction</th>
<th>Dimension Objective/Subjective</th>
<th>Commensurable/Incommensurable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positivism</td>
<td>Deduction</td>
<td>Objective</td>
<td>Commensurable</td>
</tr>
<tr>
<td>Critical theory</td>
<td>Induction</td>
<td>Subjective</td>
<td>Commensurable</td>
</tr>
<tr>
<td>Constructivism</td>
<td>Induction</td>
<td>Subjective</td>
<td>Incommensurable</td>
</tr>
<tr>
<td>Realism</td>
<td>Induction</td>
<td>Objective</td>
<td>Commensurable</td>
</tr>
</tbody>
</table>

Source: Dul and Hak (2008, p. 786)
According to Guba and Lincoln (1994) the four paradigms differ in terms of ontology, epistemology and methodology. These differences are described in Table 3.3.1.

**Table 3.3.1: Paradigm approaches**

<table>
<thead>
<tr>
<th>Paradigms</th>
<th>Positivism</th>
<th>Realism</th>
<th>Critical theory</th>
<th>Constructivism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong></td>
<td>Naïve - “real” reality but apprehendable</td>
<td>Critical realism - “real” reality but only imperfectly and probabilistically apprehendable, triangulation is required from many sources to know it</td>
<td>Historical realism - virtual reality shaped by social, political, cultural, economic, ethnic and gender values; crystallised over time</td>
<td>Relativism - local and specific constructed realities</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>Dualist/objectivist; findings true</td>
<td>Modified dualist/objectivist; critical/traditional/community; findings probably true</td>
<td>Transactional/subjective; value mediated findings</td>
<td>Transactional/subjective; created findings</td>
</tr>
<tr>
<td><strong>Methodology</strong></td>
<td>Experimental/Manipulative/surveys; verification of hypotheses; chiefly qualitative methods</td>
<td>Modified experimental/manipulative; critical multiplism/case studies/ convergent interviews/triangulation; falsification/interpretation of hypotheses/issues; by qualitative and quantitative methods such as structural equation modelling</td>
<td>Dialogic/dialectical Researcher is a “transformative intellectual” Who changes the social world within which participants live</td>
<td>Hermeneutical/dialectical Researcher is a “passionate participant” within the world being investigated</td>
</tr>
</tbody>
</table>

3.3.1 Positivism

This concept, as Easterby-Smith, Thorpe and Lowe (2003, p. 28) explain, is based on the perspective that the “social world exists externally and its properties should be measured through objective methods”. The idea of positivism was originally coined by Comte (1868, p. 27) who argues that “there can be no real knowledge but that which is based on observed facts”. Comte emphasises the importance of observable facts that help in formulation of theory and vice versa. Babbie (2007) considers Comte as the foundation stone for developments in the social sciences.

Positivism is deeply rooted in laws that explain cause and effect relationships in particular contexts (Muijs 2011; Perry, Riege & Brown 1998). A positivist researcher views the world thorough a one way mirror (Guba & Lincoln 1994). This research provided perceptions from appraisers and the appraisees on the performance appraisal systems being used in the Pakistan pharmaceutical industry and did not test theory. Therefore, the positivism paradigm was considered unsuitable for his research.

3.3.2 Critical theory

Critical theory sits within the constructivism paradigm (McMurray 2005) and aims to identify and relate meanings among social variables through a research process. This paradigm assumes that social phenomena are related to historical perspectives (Perry, Riege & Brown 1998). Engaging in a dialectic approach, critical researchers critique macro-environmental factors and argue the existing order to be changed (McMurray 2005).

Unless the critical theorist is a “transformative intellectual” (Guba & Lincoln 1994, p. 112) the aim is to liberate people from mental, emotional and social structures (Perry, Riege & Brown 1998) that have been entrenched over a long periods of time. This study is an academic research project that does not seek to critique the existing system. Therefore, critical theory as a paradigm was not appropriate for this research.

3.3.3 Constructivism

The constructivism paradigm is based on the notion that reality is subjective and varies from individual to individual (Perry, Riege & Brown 1998). Since people are different, multiple realities exist. Hunt (1991) argues that this paradigm cannot be appropriate for business research because it neglects the true economic and technological variables of
business organisations (Perry, Riege & Brown 1998). Furthermore, Guba and Lincoln (1994) reiterate that a researcher has to be a passionate participant, facilitate the emergence of multiple ideas and act as an activist. The researcher is objective and at no stage contemplated as an activist. Therefore, this paradigm was deemed inappropriate for this research.

3.3.4 Realism

Bisman (2010) argues that business research traditionally adopted a positivist approach. However, gradually, there is a trend towards more researchers using the realism paradigm (Hunt 1990), which is more practice-based (Riege 2003). Realism has facets of both positivism and constructivism (Healy & Perry 2000) as it addresses the social values of both a system and a researcher (Krauss 2005). It recognises the flexibility (Churchland 1995) and diversity (Bisman 2002) of social perspectives. Bashkar (2008) argues that realism is diminishingly radical and scientifically seasoned. Furthermore, Bashkar (1989) reiterates that social phenomenon emerges from a number of factors, creating the need for a paradigm that is able to look into multiple facets of a business problem rather than a confined viewpoint. This research explored the trends in the performance appraisal systems of sales people in the Pakistan pharmaceutical industry. Consequently, the realism paradigm, which provides mechanisms (Bisman 2010) responsible for evaluating actions in particular environments (Wollin 1996), was deemed appropriate for this research. This research is about a contemporary issue and the researcher set out to be objective, even though it was impossible to be completely objective. Therefore, viewed from this perspective, this research approach was perceived to be the most appropriate for the purposes of this study.

3.4 Justification of the qualitative case study approach

3.4.1 Case study defined

Qualitative research traditionally has been linked to naturalistic, ethnographic or participatory studies. Moreover, qualitative studies inquire about the presence or absence of something in a particular context (Kirk & Miller 1986). Investigating an issue in a particular context can be done using a case study approach. Case study research approach has been widely accepted and used to address issues related to social sciences (Grässel & Schirmer 2006) by providing a holistic and in-depth understanding (Zainal 2007). Tellis (1997) also believes that case study research helps to understand course and results of a research problem through triangulation of data. Furthermore, Zainal (2007) reiterates that case study provides
the flexibility of both qualitative and quantitative methods in data collection. Several definitions of case study exist. For example, Eisenhardt (1989) defines it as a strategy that seeks to understand the dynamics involved within the settings of a single case while Yin (2003b) defines it as an inquiry to investigate a contemporary issue in real life.

Yin (2009) argues that case study is unique in its ability to capture issues involved in a particular research setting. Some social scientists relate case study research to a single context and a current issue. This current issue or a research problem denotes a similar situation in multiple organisations or industries further requiring in-depth analysis – which is facilitated by a case study approach (Sekaran & Bougie 2009). Gillham (2000) adds, a case analysis can be an individual or based on a group or on an industry – the underlying notion is to obtain the required information to resolve a research problem. In order to obtain this complex information, the case study approach uses multiple measures. Therefore, Zikmund et al. (2010) specify researches employing organisational or customer interviews for a particular issue, as examples of case study approach. Baxter and Jack (2008) are of the view that regardless of methods employed, case study approach focuses on the substance of the investigated phenomenon. This approach helps to explore the detailed complexities in a particular real life research scenario (Zainal 2007). This is why researchers should adopt case study approach in the field of social sciences (Creswell 2009) because the deductions from case studies can be efficiently applied in organisational contexts (Sekaran & Bougie 2009). Moreover, Dul and Hak (2008) state that the word study in case study research is biased towards a practitioner’s approach.

3.4.2 Misconceptions

Although the case study approach is widely used in business research, it has been widely criticised. Campbell, Stanley and Gage (1963) have even labelled it as unprincipled for educational purposes. The same authors became big proponents of this approach at later stages (Campbell 1975). The main criticisms have been its lack of robustness, potential of researcher’s bias about the particular context and lack of generalisability (Zainal 2007). Yin (2009) cautions that case study research does not have to be qualitative in nature; it can also be used for a quantitative study. The literature also emphasises that educational case studies (dissertations) should not be used for consultation (Yin 2009) and program evaluation (Patton 2002) purposes. Perry (1998) favours the use of the case study approach in research dissertations due to its robustness in material and detailed procedures. However, Flyvbjerg
(2006) cautions about prevailing misconceptions related to the case studies as illustrated in Figure 3.4.2.

**Figure 3.4.2: Flyvbjerg’s five misconceptions of case studies**

![Case Study misconceptions](image)

Source: Developed for this research

Despite all the criticisms, this approach has been widely used for in-depth analysis of social and business issues (Zainal 2007) due to its ability to produce context-specific knowledge (Flyvbjerg 2006). This research project focused on performance appraisal practices in a particular industry context, where to the best knowledge of the researcher, there were no existing theories available. Flyvbjerg (2006) advises a researcher to adopt the case study approach where no generalised theories are available.

### 3.4.3 Qualitative approach

Qualitative and quantitative researchers often disagree with each other. Levine (1993, p. xii) perceives quantitative research as the “real social science”, while Denzin and Lincoln (2003) argue that qualitative research ousts the out-dated quantitative approach. More time has been wasted on criticising the other rather than constructive measures to improve research methodology (Trochim 2006). Trochim rejects the notion of differences between the two. Similarly, Neuman (2011) adopts a medial approach complementing both
methodologies with strengths and weaknesses. Table 3.4.3 illustrates the characteristics of both approaches.

Table 3.4.3: Characteristics of qualitative and quantitative approaches

<table>
<thead>
<tr>
<th>Qualitative approach</th>
<th>Quantitative approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-positivist knowledge, surveys, experiments</td>
<td>Constructivist, advocacy, participatory knowledge, phenomenology, grounded theory, ethnography and narrative</td>
</tr>
<tr>
<td>Provides particular meaning to social reality, emerging approach, open ended questions</td>
<td>Quantifies facts, pre-determined approach, close ended questions</td>
</tr>
<tr>
<td>Emphasises variables</td>
<td>Emphasises variables</td>
</tr>
<tr>
<td>Emphasises reliability</td>
<td>Emphasises reliability</td>
</tr>
<tr>
<td>Context variables are independent of theory</td>
<td>Context variables and theories are amalgamated</td>
</tr>
<tr>
<td>Uses multiple cases and relies on statistical analysis</td>
<td>Uses defined number of cases and presents analytical arguments</td>
</tr>
<tr>
<td>Researcher verifies theories, explanation of variables relating to questions, employs unbiased statistical analysis</td>
<td>Researcher brings personal values into the study, validates accuracy of data which may create agenda for change</td>
</tr>
<tr>
<td>Addresses issues of integrity relying on objective technology, precise statements and standard techniques</td>
<td>Emphasis on research trustworthiness, dependability and credibility</td>
</tr>
</tbody>
</table>

Source: Adapted from Creswell (2009); Denzin and Lincoln (2003); Guba and Lincoln (1994); Marvasti (2004); Mostyn (1985); Neuman (2011); Patton (2002); Teddlie and Tashakkori (1998) for this research

Qualitative research deals with information richness and emphasises gaining insight into issues and generalisations through data analysis. Furthermore, this research attempted to address practical issues rather than emphasising relationship among variables.

Business research requires a researcher to be flexible (Trochim 2006) and the qualitative approach provides a non-linear path allowing a researcher to go back and forth in order to obtain an in-depth understanding of an issue (Zikmund et al. 2010). Furthermore, this approach provides the required flexibility in relation to a research issue. Neuman (2011) emphasises the need to focus on research objectives and avoid destructive criticism on the appropriate approach. The questions for this research were what and how in nature. This
required in-depth open-ended responses from the designated population and the qualitative approach seemed appropriate in obtaining this type of information.

**Figure 3.4.3: Objectives of quantitative research**

![Diagram](image)

Source: Developed for this research based on Glesne and Peshkin (1992); King, Keohane and Verba (1994)

Qualitative research deals with information richness and emphasises gaining insight into issues and generalisations thorough data analysis. Furthermore, this research attempted to study practical issues rather than emphasising the relationships among variables.

**3.4.4 Research design**

Research design concerns the planning and organising of any research project, from data collection to objectives achievement (Denzin & Lincoln 2003; Easterby-Smith, Thorpe & Lowe 1991). Creswell (2009) elaborates the interpretation of research design as illustrated in Figure 3.4.4.

**Figure 3.4.4: Interpretation of research design**

![Diagram](image)

Source: Developed for this research based on Creswell (2009)
Easterby-Smith, Thorpe and Lowe (1991) describe the dimensions of research appropriateness as illustrated in Table 3.4.4.1.

<table>
<thead>
<tr>
<th>Researcher is independent</th>
<th>Vs.</th>
<th>Researcher is involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large samples</td>
<td>Vs.</td>
<td>Small numbers</td>
</tr>
<tr>
<td>Testing theories</td>
<td>Vs.</td>
<td>Generating theories</td>
</tr>
<tr>
<td>Experimental design</td>
<td>Vs.</td>
<td>Fieldwork methods</td>
</tr>
<tr>
<td>Verification</td>
<td>Vs.</td>
<td>Falsification</td>
</tr>
</tbody>
</table>

Source: Easterby-Smith, Thorpe and Lowe (1991, p. 43)

Based on the criteria suggested by the authors, Table 3.4.4.2 describes the characteristics of the research.

**Table 3.4.4.2: Research characteristics**

<table>
<thead>
<tr>
<th>Research logical attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Researcher is involved:</strong> the researcher remained objective to avoid any influence on the research and to avoid subjectivity (Easterby-Smith, Thorpe &amp; Lowe 1991).</td>
</tr>
<tr>
<td><strong>Small sample:</strong> Zikmund (2010) explains that if the study population have similar characteristics then a small sample is enough to represent the whole population. Similarly, Easterby-Smith, Thorpe and Lowe (1991) state that any research should spotlight a single cluster of groups or individuals, which resolves the size issue for research. This study focused on a small number of sales employees from two strata of national and multi-national companies.</td>
</tr>
<tr>
<td><strong>Testing theories:</strong> this research did not attempt to build or test any theory; it focused on the variables involved in the process of performance appraisal, especially from the employees’ perspective.</td>
</tr>
<tr>
<td><strong>Experimental vs. fieldwork methods:</strong> the research did not control any conditions in order to manipulate the outcomes (Zikmund 2010) and nor did it focus on causal relationships (Neuman 2011). It was not also a fieldwork study and did not adopt a phenomenological approach like ethnography (Easterby-Smith, Thorpe &amp; Lowe 1991). Neuman (2011) argues that field research is only appropriate for understanding an interactive group of people.</td>
</tr>
<tr>
<td><strong>Verification vs. falsification:</strong> Business research issues are not universal truths or scientific laws to be verified (Easterby-Smith, Thorpe &amp; Lowe 1991) and do not attempt to refute or verify hypotheses (Popper 1959). Similarly, this research did not attempt to find absolute truth in the research context; it sought to present relationships among the variables involved in the research.</td>
</tr>
</tbody>
</table>

Source: Developed for this research
Easterby-Smith, Thorpe and Lowe (1991) refute the notion that these are the only criteria for selection of research design. The authors emphasise the importance of the researcher’s personal preferences and the objectives of a research as the criteria for selecting a research design.

### 3.5 Quality of the research

Research should be reliable, valid and generalisable. Kirk and Miller (1986) state that the notions of validity and reliability have been questioned by non-quantitative researchers. The researcher is committed to provide honest interpretation of the explored issues, and this commitment provided a basis for the validity and reliability of this research (Easterby-Smith, Thorpe & Lowe 1991).

Reliability, on the one hand, refers to “the degree to which measures are free from errors and therefore yield consistent results” (Peter 1979, p. 6) and the extent to which a research can be replicated by other researchers (Riege 2003). Reliability is underpinned by repeatability and internal consistency relating to homogeneity, which can be addressed by asking similar but not identical questions to the same respondents (Zikmund 2010). Bryman and Bell (2007) argue that reliability is directly proportional to validity, thus an instrument has to be reliable to be valid, and that the two concepts complement each other.

Validity, on the other hand, refers to the extent to which an instrument measures what it is supposed to measure (Peter 1979). The author argues that research that does not possess a high degree of validity can be considered unscientific. Zikmund (2010) categorises measurement validity into content, concurrent, predictive and construct validity while Neuman (2011) adds the concepts of convergent and discriminant validity. Neuman (2011) and Riege (2003) emphasise the following aspects of validity:

- **Internal validity** refers to the degree to which a research is free from errors within its design or its logic and credibility. A research should not only focus on disparities and commonalities but also on patterns emerging from the data.
- **External validity** is primarily applied in experimental research but in general it relates to the generalisation of research findings (Neuman 2011). Riege (2003) confirms that generalisation is also a measure of external validity.
- **Statistical validity** is concerned with the appropriateness of data collection in developing logical interpretations (Neuman 2011).
- **Construct validity** seeks to establish consistency in measures applied when conducting research (Neuman 2011). It also provides operational procedures involved in a research (Riege 2003).

The rationale for judging the quality of a research also changes with the paradigmatic positioning. Positivist researchers believe that internal, external and construct validity and reliability are vital for a quality study (Neuman 2011). Whereas, constructivist and critical theorists consider credibility, confirmability and transferability to be quality factors (Lincoln & Guba 1985). Healy and Perry (2000) recommend six factors that can be used to judge the quality of a research as illustrated in Figure 3.5.

**Figure 3.5: Quality of the case study**

![Quality of the case study diagram]

Source: Developed for this research based on Healy and Perry (2000)

Although Healy and Perry (2000) stress the importance of these factors in judging a research’s validity and reliability, Riege (2003) criticises these six factors on the basis that they do not provide directions to develop quality factors in a case study. Riege emphasises the importance of an analytical approach in case study within the realism paradigm, rather than mere descriptions of the research context. This research addressed issues of reliability.
and validity in accordance with the techniques suggested by Riege (2003) for case study as illustrated in Table 3.5.

**Table 3.5: Quality techniques to be used for this research**

<table>
<thead>
<tr>
<th>Case study design tests</th>
<th>Case study techniques</th>
<th>Technique to applied in research phase</th>
</tr>
</thead>
</table>
| Internal validity       | • Adopted detailed qualitative analysis, then cross-case pattern matching (Miles & Huberman 1994)  
                          | • Built explanation with graphs, diagrams and charts (Miles & Huberman 1994)             | • Data analysis                        |
|                         | • Internal coherence of findings are systematically related (Yin 2009)                   |                                       |
| External validity       | • Used replication logic (Eisenhardt 1989; Parkhe 1993)                                 | • Data collection and data analysis    |
|                         | • Defined boundaries of reasonable analytical generalisation for the research (Marshall & Rossman 2010)  
                          | • Compared evidence with literature (Yin 2009)                                          | • Research design                      |
| Construct validity      | • Used multiple sources of evidence (Flick 1992; Peräkylä 1997)                        | • Data collection                      |
|                         | • Established chain of evidence (Hirschman 1986)                                       | • Data collection                      |
|                         | • Key informants to review case study report (Yin 2009)                                 | • Report writing                       |
| Reliability             | • Presented full account of theories and ideas (LeCompte & Goetz 1982)                 | • Research design and data analysis    |
|                         | • Congruence between research issues and study design (Yin 2009)                       | • Data analysis                        |
|                         | • Recorded research data as concretely as possible (LeCompte & Goetz 1982)             | • Data collection                      |
|                         | • Meaningful parallelism across data sources (Yin 2009)                                 | • Focus group triangulation            |

Source: Adapted from Riege (2003) and modified for this research

Riege (2003) concludes that without validity and reliability, case study research does not produce the desired results, loses its credibility within academia and is considered untrustworthy for organisational decision making.
3.6 Framework for this case study research

The previous section discussed issues related to the quality of this research. Case studies are widely criticised for their lack of rigour and descriptive nature (Carson et al. 2001). The depth in case study and quality variables of reliability, validity and generalisability cannot be attained without a proper structured approach to the research. This section sheds light on the layout or framework for the study as illustrated in Table 3.6.

Table 3.6: Case study framework

<table>
<thead>
<tr>
<th>3.6.1</th>
<th>Prior theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6.2</td>
<td>Research design for case selection</td>
</tr>
<tr>
<td>3.6.2.1</td>
<td>Types of case studies</td>
</tr>
<tr>
<td>3.6.2.2</td>
<td>Selection of cases</td>
</tr>
<tr>
<td>3.6.2.3</td>
<td>Number of cases and interviews</td>
</tr>
<tr>
<td>3.6.3</td>
<td>Data collection procedures</td>
</tr>
<tr>
<td>3.6.3.1</td>
<td>Case study protocol</td>
</tr>
<tr>
<td>3.6.3.2</td>
<td>In-depth interviews</td>
</tr>
<tr>
<td>3.6.3.3</td>
<td>Focus group</td>
</tr>
<tr>
<td>3.6.3.4</td>
<td>Document Reviews</td>
</tr>
<tr>
<td>3.6.4</td>
<td>Analysing the data</td>
</tr>
</tbody>
</table>

Source: Adapted from Carson et al. (2001); Yin (1994); Perry (2000) and modified for this research

3.6.1 Prior theory

The context specificity of the case study method makes it appropriate for research in social sciences (Flyvbjerg 2006) because it provides contextual interpretations that can be linked to practical and theoretical concepts (Denzin & Lincoln 2005). Qualitative case studies are context specific (Patton 2002), relate to real life issues (Hammersley 1992; Yin 2009) and can be generalised on a larger scale (Yin 2009). Riege (2003) identifies four factors that favours a case study and can be used as a preferred approach for research as illustrated in Figure 3.6.1.
Prior theory provides the road map for further development of theory in the specific context (Perry 1998). The author concludes that it serves the following purposes:

- Specifies respondent’s perceptions and concerns related to theory
- Facilitates the use of a pilot study to test the prior theory before actual data collection.

Prior theory is incorporated from the literature review and pilot studies serve as foundation stones in theory building of case studies that emphasise the research issues (Perry 1998). Tsoukas (1989) believes that these two roles of theory generation in case study approach are aligned within realism paradigm; both approaches provide support for analytical generalisation of research findings (Easton 1995; Yin 2009). This analytical generalisation enables a researcher to diverge research findings to a wider theoretical scenario, unlike statistical generalisation that relates to a study population (Yin 2009).

Case study approach has been mainly used for the purposes of theory construction and building rather than theory testing (Bonoma 1985; Lincoln & Guba 1985; Tsoukas 1989). In other words, variables of theory are validated rather than experimented for generalisation (Perry, Riege & Brown 1998). The underlying intention to use case study was to get comprehensive discernment of respondents and the research issues (Gilmore & Carson 1996). This enabled to uncover relationships not previously revealed (Stake 1981). Organising new known variables and concepts attracts any researcher towards theory building (Bonoma 1985; Gilmore & Carson 1996). The objective of case study research is to individualise the context variables and reveal relationships in a particular research arena (McCracken 1996). The
aforementioned arguments emphasise the inductive approach whereas Parkhe (1993) believes, pure induction neglects previous theoretical contributions. Moreover, pure inductive or exploratory approach (Yin 2003a) comes with the downside of an inability to compare all cases within a research project.

Pure deduction stops further contributions to theory (Parkhe 1993). Parkhe emphasises the need for balance between the two (induction and deduction). Blending both approaches becomes a preferred choice since it is unreal to separate them (Perry 1998). Richards (1993) also supports this notion and believes that prior theory and theory from the data go hand in hand. In light of these arguments the research could not purely rely on a single approach. This research blended the two approaches.

Moreover, the researcher was not attempting to build or test any theory but to construct a new context-specific theory. However, the researcher believes that the outcome of every research adds specific knowledge to theory, which definitely becomes theory building to some extent. The variables uncovered in the Pakistan pharmaceutical industry generally, as well as specific issues related to performance appraisal, have definitely contributed to the creation of new knowledge. Perry and Cavaya (2004) also underline the need for DBA research to have managerial and practical implications as opposed to being deeply inculcated in the theory. Therefore, the researcher believes that the findings will assist the Pakistan pharmaceutical industry to: introduce strategic HR management, acknowledge their sales staff contributions, motivate, improve employees’ performance and identify their career path.

3.6.2 Research design for case selection

The following section elaborates on the different types of case studies, selection of the cases and number of cases used in this research.

3.6.2.1 Types of case studies

Yin (2009) identifies three types of case studies: exploratory, descriptive and explanatory case studies. The aim of exploratory case studies is to explore a phenomenon of interest to a researcher (Zainal 2007). Pilot studies are examples of exploratory studies (Yin 2009). The purpose of descriptive case studies is to describe a natural phenomenon that occurs among a group of respondents (McDonough & McDonough 1997; Zainal 2007). Any descriptive report is an example of a descriptive case study (Yin 2009). Exploratory case
studies examine in-depth issues relating to a research problem (Zainal 2007), which may motivate a researcher to build a new theory from the data collected (McDonough & McDonough 1997).

Explanatory case studies are also used for causal analysis in complex and multi-dimensional scenarios. Yin and Moore (1987) highlight some of the issues to be knowledge, problem and social interaction driven. On this basis the authors identify interpretive, evaluative, intrinsic, instrumental and collective case studies.

Interpretive case studies focus on collecting data and conceptually categorising it into logical arguments that support or oppose the research issues (McDonough & McDonough 1997; Zainal 2007). In evaluative case studies, a researcher adds personal judgement to the issues, which may be subjective in nature (Zainal 2007). Furthermore, intrinsic case studies merely focus on a researcher’s areas of interest (Stake 1995) while instrumental case studies focus on a small group to understand their behaviours and patterns in certain situations (Stake 1995). Collective case studies coordinate the collection of data from several sources or individuals and enable a researcher to focus on a larger population as compared to intrinsic case studies (Stake 1995). The findings of collective study are generalisable unlike those of intrinsic case studies (Zainal 2007). The research adopted an instrumental approach and collected data from six organisations. Therefore, the researcher evaluated and analysed perspectives related to PA practices of these organisations in order to understand the impact of these practices on sales employees in the whole industry.

Moreover, Yin (2009) cautions researchers not to put these types into a hierarchy and label any type as fixed to any kind of research, which is a misconception held by many researchers. In this study, the researcher explained and evaluated the existing practices in the industry; therefore the research adopted an explanatory case study approach.

In the exploratory stage, this research identified the HR practices related to PA to be incorporated through a literature review. Furthermore, the researcher also attempted to obtain information on the latest PA practices through organisational documents as a measure of secondary data (see Appendix 7). In the exploratory stage, a pilot case was also conducted prior to data collection in order to refine the interview preparation guidelines (Perry & Coote 1994).
In the explanatory stage, data was collected from six cases through planned, in-depth and semi-structured interviews lasting from 30 to 60 minutes. These were conducted in accordance with the guidelines provided by case study protocol.

### 3.6.2.2 Selection of cases

Selecting a large number of respondents may not be preferable in qualitative case study research, given its traditional focus on information-rich cases (Neuman 2011). The selection of multiple cases should be regarded as *multiple experiments* rather than *multiple respondents* (Yin 1994). Multiple results from multiple cases not only facilitate the building up of logical conclusions from a research but also help to generalise the research outcomes.

The selection of cases in qualitative research is done on the basis of purpose, information richness and replication logic (Perry 1998), rather than on representation of the population (Stake 1995), given that cases may provide similar or dissimilar results (Yin 2009). Randomisation in selection of the cases was not followed because Eisenhardt (1989) argues against this in case study research.

### 3.6.2.3 Number of cases and interviews

Selecting the number of cases is a dilemma in case study research as there is no consensus on the appropriate number (Easton 2010; Perry 1998). Romano (1989) leaves the choice of the optimal number of cases to the researcher. Similarly, Patton (1990) acknowledges the absence of rules on a specific number, while Eisenhardt (1989, p. 545) recommends a number that leads to “theoretical saturation”. Perry (1998) advises student researchers to consider their constraints and resources and also acknowledges the need for clear guidelines for novice researchers who are writing their dissertations.

Eisenhardt (1989) recommends between four to ten cases as ideal for case study research. The author emphasises the lower number because a large number may create data complexity and cumbersomeness during interpretation. Hedges (1985) also advocates four to twelve cases, given the need for qualitative case study research to have cases in which data can be easily interpreted. More recently, Easton (2010) argues that one case study is enough to adopt a divergent approach from specific to general. The author emphasises the need to conceal and proliferate a specific concept. Moreover, Easton (2010) criticises Eisenhardt’s approach (1989) of four to ten cases and argues that the higher numbers are intended to
enhance correlations. Yin (1994) also previously advocated for one case study if it provides sufficient investigation of the issues.

Case study approach can include more than one case (Yin 2009), as a single case prevents the results from being generalised to a broader context (Patton 2002). Perry (1998) emphasises the need to select multiple cases for doctoral dissertations, preferably between four to ten, so as to create richness in theory building. This research used six cases drawn from multinational and national companies in the Pakistan pharmaceutical industry as illustrated in Figure 3.6.2.3.

Figure 3.6.2.3: Stratification of cases in the Pakistan pharmaceutical industry

3.6.2.4 Rationale for selection of cases and respondents

The research problem and the questions mentioned earlier (section 3.2) require in-depth information in order to reveal all the deficiencies in the existing system. Further, the required solution also needs to address concerns of all involved stakeholders so as to have an improved PA system for these organisations. The research selected two global MNCs on the basis of their volume turnover, number of employees and their presence in the country. These two global MNCs were chosen because the researcher believed that these may have ideal PA systems in place. Four NCs were also selected on the criteria of volume turnover, number of employees and their existence so as to have practices contrast within the NCs. The research targeted sales representatives, supervisors (FLMs or sales managers) and HR managers (or a
person responsible for employee matters) as respondents from each of the selected cases. The set of these respondents were chosen to provide contrasting levels of understanding, perceptions and expectations from a PA system at different levels in an organisation. The researcher perceived it as necessary and logical to have inputs, opinions and suggestions from strategic, tactical and operational levels in order to suggest an improved and consented (at all levels) PA system in the pharmaceutical industry. Sekaran and Bougie (2009) support this notion of comprehensive understanding of a problem and believe – a research should have inputs from several organisational levels. The researcher used in-depth interviews to collect data from six organisations. In each of the studied cases, the researcher interviewed a sales representative, an immediate manager (or the sales manager) and the HR manager (if exists existed in the organisation). Due to different levels of understanding and tasks involved in PA processes and intended information for this research, the researcher used two separate sets of interview questions prepared for representatives and managerial (executive) levels (see Appendices 3 and 4). Table 3.6.2.4 describes the respondents targeted in each of the cases.

Table 3.6.2.4: Number of cases and respondents

<table>
<thead>
<tr>
<th>Multi-National companies</th>
<th>National companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Numbers</td>
</tr>
<tr>
<td>Total cases</td>
<td>2</td>
</tr>
<tr>
<td>Case B: MNC 1</td>
<td></td>
</tr>
<tr>
<td>Sales representatives</td>
<td>1</td>
</tr>
<tr>
<td>FLM/Sales managers</td>
<td>1</td>
</tr>
<tr>
<td>HR manager/Person designated for HR activities</td>
<td>1</td>
</tr>
<tr>
<td>Case E: MNC 2</td>
<td></td>
</tr>
<tr>
<td>Sales representatives</td>
<td>1</td>
</tr>
<tr>
<td>FLM/Sales managers</td>
<td>1</td>
</tr>
<tr>
<td>HR manager/Person designated for HR activities</td>
<td>1</td>
</tr>
</tbody>
</table>
Chapter III: Research methodology

3.6.3 Data collection procedures

This section elaborates on the measures adopted in the collection of data for this research.

3.6.3.1 Case study protocol

Case study protocol is used to control and recognise the variables specific to a case study context (Yin 2009). Manipulation of the context variables needs to be given consideration in case study research (Cooper & Emory 1995). Perry (1998) views the case study protocol as facilitating a researcher in two broad ways. Firstly, it allows a researcher to lay out the specifications to be implemented during data collection. Secondly, it enhances the ability of a researcher to increase the quality of a research.

This research constituted a multiple case study investigation. Yin (2003a) recommends that a researcher adopting a multiple case study approach should have a uniform case study protocol, or else results within cases can be inconsistent. Yin emphasises the need for a protocol even in single case study research. Many social science researches gather data through asking questions in verbal or written form. This creates the misapprehension that the case study protocol is also the same. A case study protocol enumerates questions to be focused by a researcher and specifies the data collection details to be followed (Yin 2003a).
Yin (2003a) also advises that it is essential for case study protocol to have a snapshot of the study, data collection processes to be implemented and a guide for interview and research report. Perry (1998) advises that only a reference to the earlier sections in the chapter is sufficient for DBA dissertations.

Research framework for the case study has been detailed in section 3.6. Issues related to prior theory are mentioned in sub-section 3.6.1. Selection and number of cases and interviews for this research has been discussed in sub-section 3.6.2, which also details the number of respondents in each of the case. Sub-section 3.6.3 highlights data collection procedures to be implemented including case study protocol. Finally, it provides a brief description about analysis of data obtained in sub-section 3.6.4.

### 3.6.3.2 In-depth interviews

Qualitative case studies often prefer interviews, archives and observations (Zikmund et al. 2010). Case study approach can also comprise data collection measures which include but not limited to interviews, observations and document reviews (Baxter & Jack 2008). Interviews as a measure of data collection are core ingredient in case study researches (Gillham 2000). Gillham believes semi-structured interviews as very productive tool for gathering the required information. Eisenhardt (1989) supports the notion that case studies adopt in-depth interviews to collect data related to the research issue. The author advises researchers to adopt an interview protocol even for semi-structured interviews. Furthermore, it should also be flexible enough to allow the addition of situational questions during the interview process, which will allow richness and depth in the obtained information.

A model interview guide similar to Appendix 3 and Appendix 4 was used for issues regarding anonymity, confidentiality and consistency in the process. This was also briefly discussed with the respondents to address their concerns before the commencement of interviews. These measures conform to the guidelines provided by Yin (2009) to avoid distraction from the research questions.

### 3.6.3.3 Focus group

Within the realism paradigm, scholars (Guba & Lincoln 1994; Perry, Riege & Brown 1998) recommend that data needs to be triangulated not only for paradigmatic justification but also to sustain the quality of the research. Therefore, this research also
conducted a focus group to triangulate the findings of the in-depth interviews. Morgan (1997) defines focus groups as:

A research technique that collects data through group interaction on a topic determined by a researcher ... whereas the data themselves come from the group interaction (p.6).

Triangulation is the method used to demonstrate the validity and reliability in a qualitative research (Sekaran & Bougie 2009). Sekaran and Bougie elaborate that data collection for triangulation can involve several sources at different time periods. Tellis (1997) believes triangulation of data through focus group helps to provide an understanding of the research issues in a case study while Edmunds (2000) iterates that brainstorming or obtaining key information related to a particular context can be facilitated by a focus group discussion. The author argues that focus groups enable a researcher to obtain cryptical information and an in-depth understanding. Morgan (1997) identifies that focus group provides a stand-alone source of qualitative data which can corroborate or refute the key information collected in the primary data. Zikmund et al. (2010) view focus group as an advantageous tool for triangulation in a case study research. Goldman (1962) reasons that participants of a group interview are interested in the community under the spotlight rather than their individual concerns. The extraverted thinking, openness and unscripted approach of a focus group permits the participants to express reality in their own words, phrases and categories related to the studied subject (Stewart, Shamdasani & Rook 2007).

In view of these advantages, a focus group comprising seven members (two FLMs, two SMs, two sales representatives and one franchisee) from the pharmaceutical industry was conducted. Structure and research tool guidelines were implemented as suggested by Stewart, Shamdasani and Rook (2007). The focus group provided substantiative data to corroborate the findings obtained from the individual interviews. The deductions obtained from the focus group were analysed subsequently for each of the research questions.

3.6.3.4 Document reviews

The research also obtained secondary data from organisational documents and websites (see Appendix 7). These included non-confidential online and published reports – for example, organisational HR policies, PA reports, employee development policies and recruitment processes.
3.6.4 Analysing the data

The objective of a research is to provide up-to-date information and variables related to a particular context. Information is derived from the data gathered in the collection process to construct a theoretical perspective. Once data is collected and complied, there is a need for it to be analysed and interpreted to information (Perry 1998; Zikmund 2010). Stake (1995) disagrees about a specific point of data analysis, arguing it is a continuous process in a research. Qualitative data analysis requires rigorous and logical interpretation unlike statistical quantitative analysis (Veal 2005). Furthermore, qualitative analysis has progressed into a more precise and hierarchical approach (Miles & Huberman 1994; Ragin 1987) as there is no standard or recommended process (Neuman 2011). Qualitative researchers focus on commonalities and disparities across cases to draw inferences (Ragin & Amoroso 2011). Creswell (2009) is of the view that besides interviews – observations and document reviews facilitate qualitative researchers to better understand research problem and questions. Collins (1984) argues that judgemental findings may not be as powerful as mathematical interpretations but it provides realities of logic and practice.

This research adopted the theoretical data analysis approach suggested by Eisenhardt (1989) as illustrated in Figure 3.6.4.

**Figure 3.6.4: Data analysis measures for this research**

![Data analysis measures for this research](image)

Source: Developed and modified for this research based on Eisenhardt (1989)

Data gathered for this research used the aforementioned interpretation procedure. The research used data coding and clustering procedures in order to generate a theme from the
studied cases. The research justified the findings on the basis of heterogeneity and homogeneity within the cases (Perry 1998). Cross-case patterns were also developed to generate a theme from the cases studied. This was followed by a cross-case analysis (Miles & Huberman 1994; Patton 2002) to justify the logic for commonalities and disparities across the cases. Perry (1998) advises researchers to interpret combined case results into a single graph to illustrate a summary. Furthermore, the author recommends linking the literature review to pilot cases and data analysis into the interpretation process. Zikmund (2010) emphasises that business research interpretation should focus on the practical managerial implications.

The research focused on cases possessing information able to be replicated in other organisations (Perry 1998; Yin 2009). Moreover, the research focused individuals and groups, which can provide information to resolve the research issues. This qualitative research obtained its data through in-depth interviews and did not intend to test theory, or attempt to refute or verify hypotheses (Popper 1959). Easterby-Smith, Thorpe and Lowe (1991) also refute the notion of adhering to a specific method and emphasise on the objectives of research. Neuman (2011) potentiates this logic and suggests that a researcher needs to build arguments and generalisations on the bases that are closer to the context rather than on rigid dichotomy.

3.7 Limitations of case study research

The context specificity makes case study research an ideal approach for issues related to business and social sciences (Flyvbjerg 2006) whilst providing practical implications for those disciplines (Denzin & Lincoln 2005). The overall strengths of the case study approach in research are discussed in section 3.4 but this approach also portrays some boundaries and limitations.

Yin (2003a) highlights that this approach possesses limitations in regard to theory testing purposes in the presence of specific or contextual variables. The identified variables in a research cannot be hierarchically categorised through this approach. Furthermore, the author elaborates that causal relationships of these variables and their applicability on other similar cases cannot be substantiated.

Case studies have been also criticised for their lack of generalisability (Easterby-Smith, Thorpe & Lowe 1991; Eisenhardt 1989; Yin 2009). This criticism can only be labelled to cases which happen rarely (Zainal 2007). In other words, as social science cases have a lot
in common except contextual variables, it can reasonably be argued that the findings of a business case can be generalised to some extent. Generalisability has been portrayed as a basic need for theory to be true or applicable in every context and time, while it is impossible (Easton 2010). The author concludes that getting closer to the ideal is always perfect.

This research also possessed some limitations in its context. In-depth interviews were used for data collection in this research. Due to cultural differences, the inability or shyness of the respondents to communicate in English also posed limitations to the research. Considering that they had communicated in English, the researcher may not have been able to obtain the required information because respondents may not discuss the issues openly rather focus on their English. To address this predicament, data obtained was translated and transcribed into English by the researcher. To minimise the risk of misinterpretation, the translated transcripts were sent back to the respondents to validate the data. However, due to the translation there may have been a loss of some data in the process.

3.8 Ethical considerations

Research in any discipline portrays ethical dimensions. Researchers are required to seek approval from an authority and comply with an ethics code of conduct prior to commencement of their research. They are not allowed to treat human or animal subjects inhumanely. Codes of conduct are governed by the approved bodies to guide researchers about legitimacy of the issues in conducting their research (Bryman & Bell 2007). There is limited consensus on ethical legitimacies but it cannot be prescribed in general guidelines as situations differ in practice (Neuman 2011; Zikmund 2010). However, Shank and Villella (2004) emphasise the importance of accountability and responsibility imposed on a researcher when seeking information from respondents. Glesne (2010) identifies four possible roles of researchers: exploiter, reformer, advocate and friend. Each role has its own ethical dilemmas.

An exploiter is a researcher who accesses information from the respondents and does not provide any feedback, while a reformer adopts a critical view to instil change in the particular context and may access information that is harmful to others. An advocate researcher concentrates on a desired outcome by inculcating his/her own values and may only approach respondents with matching point of view. Similarly, a friend is a researcher who is already related to the respondents or is already involved in the researched context.
This research adopted five-step ethical repercussion guidelines to ethically employ procedures as illustrated in Figure 3.8.

**Figure 3.8: Five step ethical implication guideline**

Source: Developed for this research based on Neuman (2011); Ragin & Amoroso (2011); Zikmund (2010)

In following this model, this research had been approved by the Human Research Ethics Committee (HREC) of the Southern Cross University with approval number ECN-10-078.

### 3.9 Conclusion

This chapter discussed the importance of a paradigmatic view in any research and provided the justification for the selection of realism paradigm while briefly discussing other paradigms. Case study approach is gaining more prominence in educational dissertations. This chapter discussed the uniqueness of the case study approach and highlighted its advantages, its limitations and how case study results can embrace validity and reliability. Furthermore, the chapter also provided an overview of the research framework followed for this research. This includes the number of cases and respondents, participants’ actions during interviews, case study protocol and a brief discussion on data analysis. Finally, the chapter discussed ethical issues related to this research.
Chapter IV

Data Analysis

Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

“The analysis of concepts is for the understanding nothing more than what the magnifying glass is for sight” Moses Mendelssohn
4.1 Introduction

No context is value-free. Academic disciplines promote particular ways of observing, dissecting, measuring, interpreting, and otherwise making sense of phenomena under investigation (Markham 2006, p. 10).

4.1.1 Chapter objectives

Chapter three discussed the issues related to the research methodology adopted in this study. The objective of this chapter is to analyse the data obtained through the qualitative in-depth interviews and a focus group during this research. In pursuit to this analytical description, a layout is needed to interpret raw data into information; this is to be achieved through codes, tags and labels. The sequence from open to the selective coding, themes and later memos is intended to facilitate the deduction of conclusions pertaining to the six research questions.

4.1.2 Chapter outline

This chapter is divided into six sections. After an introduction (section 4.1), the chapter provides an overview of qualitative data analysis characteristics (section 4.2), followed by the profile of the study participants (section 4.3). Thereafter, section 4.4 describes the methods used to analyse the data obtained, while section 4.5 describes data analysis for this research. Finally, a conclusion is provided in section 4.6. Figure 4.1 shows the structure of the chapter.
4.2 Qualitative data analysis

Chapter three provided a detailed discussion of the paradigm justification, structured approach to qualitative research approach and procedures adopted in the data analysis. Analysing qualitative data or giving meaning to text gathered from respondents can invite discussion and criticism from other researchers. Bernard and Ryan (2010) argue that the statement qualitative data analysis is itself misleading and does not clarify the distinction between the analysis of qualitative data or qualitative analysis of the data. For the purposes of this study, the researcher stipulates that it denotes the qualitative analysis of the qualitative data. This type of analysis enabled the researcher to address all the logical and debatable aspects of the study. However, the absence of a single or standard approach does not imply that qualitative data analysis is not structured. Qualitative data analysis has progressed to become more scientific and integrated with the passage of time (Miles & Huberman 1994; Ragin 1987). Data analysis in this research followed the structured guidelines suggested by
Eisenhardt (1989) as mentioned earlier in Chapter three (sub-section 3.6.4). Following this structured approach, the subsequent sections detail the data analysis for this research. This detail leads off with an overview of the study participants.

4.3 Participants’ profiles

Each participant was assigned with an identifier code to protect their identity and maintain confidentiality (see Appendix 1). These guidelines have been followed in pursuit of the ethics approval of this research from the Human Research Ethics Committee data analysis sub-section NS3. The details of the respondents are outlined in Table 4.3.

Table 4.3: Participant profiles

<table>
<thead>
<tr>
<th>Code</th>
<th>Respondent’s position in the organisation</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Senior Director</td>
<td>Director of the company as an employee with two years in this position, main focus on imported products</td>
</tr>
<tr>
<td>A2</td>
<td>Sales Manager (Middle management/Senior manager)</td>
<td>Looking after two geographical regions in different parts of the country and one of the decision makers related to PA as conducted by first line managers</td>
</tr>
<tr>
<td>A3</td>
<td>Sales Representative</td>
<td>Working in the organisation for almost a year with satisfactory performance record</td>
</tr>
</tbody>
</table>
## Chapter I: Data Analysis

<table>
<thead>
<tr>
<th>Code</th>
<th>Respondent’s position in the organisation</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organisation B: MNC with more than 700 employees in the sales department; annual sales volume of approximately AU$200 million and ranked among top ten companies globally. The organisation’s decision making process may be dispersed among line management and the head office; however, the sales management’s recommendations are less likely to be over-turned or challenged by the HR. The hierarchy in this organisation is as under: Representative → First line Manager (FLM) → Regional Manager → Sales Manager → National Sales Manager (NSM) → Director Sales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PA is reported to be filled mutually by the representative and the FLM and forwarded in-line from sales management with recommendations to the HR</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B1 Training Manager (HR manager)</td>
<td>Affiliated with this organisation for the last 25 years and looks after the training and evaluation of the employees at every level of the organisation</td>
</tr>
<tr>
<td></td>
<td>B2 First Line Manager</td>
<td>Responsible for managing team of 6 sales representatives with multiple products and employed for almost 15 years in this MNC</td>
</tr>
<tr>
<td></td>
<td>B3 Sales Representative</td>
<td>Working as a sales representative in this MNC for more than 10 years</td>
</tr>
</tbody>
</table>

|      | Organisation C: National organisation operating in the industry for the last 25 years with more than 500 employees in the sales department; annual sales volume of approximately AU$20 million and ranked among top 25 national companies in the industry. The organisation predominantly holds centralised decision making and is structured in geographical regions. These regions are headed by a regional or Zonal manager who may be looking after more than one team. The reporting structure in the organisation C is as under: Representative → immediate supervisor → Regional/Zonal Manager → Sales Manager → General Manager (GM) → Director (Owner) |
|      | PA of a representative is filled by the immediate manager and forwarded in-line to the GM – who then reviews and approves/disapproves the recommendations. |
### Code | Respondent’s position in the organisation | Attributes
--- | --- | ---
C1 | General Manager | General manager of this national organisation, operating for the last 25 years, managing for more than 10 years and in charge of all the activities in this organisation after the owner
C2 | Sales Manager (Middle management/Senior manager) | Associated with this NC for almost 10 years
C3 | Sales Representative | Fairly new representative in this organisation with one year’s experience in the industry

Organisation D: National organisation operating in the industry for almost 20 years having more than 500 employees in the sales department; annual sales volume of approximately AU$16 million and ranked among top 30 national companies in the industry. This organisation also manages its several teams on geographical basis with one Zonal Manager looking after all the teams in that region. Decision making responsibilities are wholly assigned to the Zonal Manager as the head-office prefers to discuss all matters with the in-charge of the region. The reporting structure in organisation C is as follows:

Representative ➔ immediate supervisor ➔ Senior Manager ➔ Zonal Manager ➔ National Sales Manager (GM) ➔ Director (Owner)

PA of the representative is filled by the immediate managers and forwarded to the Zonal Manager – who then inserts the recommendations and sends to the head office for approval.

D1 | Sales Manager (Middle management/Senior manager) | Managing in this position for this NC for almost 2 years and experience in the industry of almost 20 years
D2 | Sales Representative | Associated with this NC for the last one year and has worked in two teams after joining the company

Organisation E: MNC with more than 500 employees in the sales department; annual sales volume of approximately AU$80 million and ranked among top ten pharmaceutical companies globally. This company is perceived to be having the best PA system in practice in the industry. The organisation is functionally structured and HR holds a key position in employee and strategic decisions. Sales management’s recommendations are less likely to be over-turned or challenged by the HR; however, sales management has to justify their recommendations at an open managerial forum with the HR. The perceived reporting structure of organisation E is:
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

Chapter IV: Data Analysis

Representative — First line Manager (FLM) — Sales Manager — National Sales Manager (NSM) — Director Sales

PA is reported to be filled mutually by the representative and the FLM and submitted online to the respective sales manager to be forwarded with recommendations to the HR.

<table>
<thead>
<tr>
<th></th>
<th>First line manager</th>
<th>Sales Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>First line manager</td>
<td>Managing a team of 6 sales representatives in this MNC and associated with the company for the last 10 years</td>
</tr>
<tr>
<td></td>
<td>Sales representative</td>
<td>Working as a sales representative in this MNC for the last 5 years</td>
</tr>
</tbody>
</table>

Organisation F: National organisation operating in the industry for almost 25 years having more than 500 employees in the sales department; annual sales volume of approximately AUS$30million and ranked among top 15 national companies in the industry. This national organisation is structured functionally as well as geographically even at the HR level. The decision making process is rationally divided into head office and the sales management. The company is also striving to streamline HR processes in order to retain their valuable and high performing sales employees. The reporting structure in organisation F is as under:

Representative — First line Manager (FLM) — Sales Manager — National Sales Manager (NSM) — Director Sales

Web-based PA is filled mutually by FLM and the representative in the presence of an HR official while recommendations are inserted by the sales management.

<table>
<thead>
<tr>
<th></th>
<th>HR Manager</th>
<th>First line manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>HR Manager</td>
<td>Recently joined the position of HR in this national organisation with 10 years previous experience in sales and marketing</td>
</tr>
<tr>
<td>F2</td>
<td>First line manager</td>
<td>Associated with this NC for the last 5 years and managing a speciality team of 3 sales representatives</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sales representative</th>
<th>First line manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>F3</td>
<td>Sales representative</td>
<td>Associated with this NC for the last 10 years</td>
</tr>
</tbody>
</table>

Source: Developed for this research
4.4 Methods used in data analysis

Qualitative data is always open to interpretations (Veal 2005) and data collected may or may not support logical details (Neuman 2011); however, in order to mitigate debatable issues, the researcher has used an evidence-based approach. Moreover, the researcher has focused on linking the data to theoretical details and analysed interpretations rather than being descriptive (Neuman 2011). The sequence of the data analysis followed in this research is illustrated in Figure 4.4.

Figure 4.4: Data analysis sequence layout

Transcribing interviews necessitated all records such as notes and voice recordings to be in place and avoid loss of vital information. Interviews were only taped when it was allowed by the respondents. All the collected data were organised to be coded to generate themes and develop memos.

4.4.1 Data coding

Qualitative data analysis in this research relied on organising data into families of similar constructs, which further facilitated the understanding of relationships and introduction of new dimensions into the study’s concepts (Neuman 2011). The researcher also organised and tagged ideas with similar denotations, which helped to bridge the tags and
the theory in a particular case. The qualitative data coding represents concept categories inscribed in the research questions and requires data to be segregated for further contemplation (Miles & Huberman 1999). Miles and Huberman describe codes as:

…the tags or labels for assigning units of meaning to descriptive or inferential information compiled during a study…used to retrieve and organise chunks…and cluster segments relating to a research question (p. 56).

Strauss and Corbin (1990) consider coding to be an indispensable component for transforming data into theoretical constructs. Coding for this research was done in three phases - open, axial and selective, as recommended by Strauss (1987) and elaborated hereunder (sub-sections 4.4.1.1-3).

4.4.1.1 Phase I: Open coding

The first phase of the coding was done once the collected data became available by locating emerging terms and assigning initial codes (Neuman 2011). Glaser (1978) defines open or substantive coding as a process:

To generate an emergent set of categories and their properties which fit work and are relevant for integrating into a theory (p.56).

The emerging concepts and condensing of the data formulated open coding for this research. The interviews were transcribed with open coding by examining interview voice recordings and written notes. Open coding facilitated the labelling of similar denotations (Douglas 2003), which further assisted in organising chunks and clusters (Miles & Huberman 1999). The open coding not only facilitated the development of conceptual categories but also provided a focal point for developing a context-specific emerging theory (Douglas 2003). The open coding was done in three stages.

In the primary stage of the open coding process, each response was coupled with the applicable research questions and coded as ‘Y’. For instance, a response from the participant A1 “PA process should be combination of qualitative …” was coded for the group of research questions Two, Four and Five – that is, the questions about the PA objectives in the organisation, employee expectations from the PA system and factors considered as important in the PA. Table 4.4.1.1a exhibits an example of primary stage of this process.
Table 4.4.1.1a: Open coding process

<table>
<thead>
<tr>
<th>Respondent A1’s comments</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of the PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA process should be combination of qualitative and quantitative aspects of an employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for this research

In the secondary stage of the open coding process, a thematic code list was developed. Similar constructs were assigned with a common identifier in order to avoid confusion with other constructs. Neuman (2011) highlights, whether themes are enlisted before or after, the open coding further induces in location of newer themes in the research. Table 4.4.1.1b provides an illustration of the thematic code development.

Table 4.4.1.1b: Thematic code development exhibit

<table>
<thead>
<tr>
<th>Code</th>
<th>Comments</th>
<th>Common thread (Theme label)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11h</td>
<td>No focus on personnel development and training</td>
<td>Training &amp; development</td>
</tr>
<tr>
<td>11n</td>
<td>KPIs are vaguely defined</td>
<td>PA system</td>
</tr>
</tbody>
</table>

Source: Developed for this research

For instance, all similar responses referring to ‘No focus on personnel development and training’ were tagged with a common thread of ‘training and development’ while assigning a unique identifying code 11h. Subsequently, all the similar constructs were tagged with unique names and codes. These assigned labels or tags were determined on the basis of concepts which emerged from the data rather than forcing a pre-conceived tag on a category (Glaser 1978).
In the final stage of the open coding process, each response by an individual participant was assigned with a unique identifying code; this ensured the individuality of each response to avoid confusion with other responses by the same or other respondents. An illustration of a unique response code is exhibited in Table 4.4.1.1c.

Table 4.4.1.1c: Core category coding

<table>
<thead>
<tr>
<th>Response</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of the PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs' and NCs' PA measures?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1's comments</td>
<td>PA system essentials</td>
<td>11j</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for this research

As instanced above, this stage was similar to the primary stage; however, this differed in a sense that all the individual responses were tabulated with their unique codes and coupled with applicable common threads (themes) and the research questions.

**4.4.1.2 Phase II: Axial coding**

Open coding was initiated by developing data labels and later stages of organised and structured coding lists, these lists stemmed concepts called axial codes. Strauss and Corbin (1990) define axial coding as:

* A set of procedures whereby data are put back together in new ways after open coding, by making connections between categories. This is done by using a coding paradigm involving conditions, context, action/interactional strategies, and consequences (p. 96).

The difference between open and axial coding is that open coding is a reductionistic step that breaks the data into themes and core categories whereas axial coding creates linkages between themes and the core categories (Kendall 1999). Kendall believes that axial coding highlights the embedded contextual elements that influence a phenomenon or a category.
Starting with the initial concepts, more focus was given to the examination of the themes and the initial codes simultaneously (Neuman 2011) because Miles and Huberman (1994) emphasise coherence of the conceptual and structural order of the codes rather than when it is actually done. During the axial coding phase, the focus remained on clustering and categorising similar concepts. This provided the stimulus for linking the themes which enabled a deeper understanding. Table 4.4.1.2 provides an example of the axial coding process.

<table>
<thead>
<tr>
<th>Theme Code</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11ac</td>
<td>Importance of HR</td>
<td>We have departmental structure and IT, HR and Admin come under shared services while other functions come into commercial services like sales, marketing and training</td>
</tr>
<tr>
<td>11ac</td>
<td>Importance of HR</td>
<td>HR is one of major functions in the company</td>
</tr>
<tr>
<td>11ac</td>
<td>Importance of HR</td>
<td>All HR processes are IT based where each employee has access to respective HR data along with PA</td>
</tr>
<tr>
<td>11ac</td>
<td>Importance of HR</td>
<td>HR plays very important role in employee issues</td>
</tr>
<tr>
<td>11ac</td>
<td>Importance of HR</td>
<td>HR as a function is beginning to develop in our organisation</td>
</tr>
<tr>
<td>11ac</td>
<td>Importance of HR</td>
<td>HR is new initiative for last two years which was previously a clerical work at the company</td>
</tr>
</tbody>
</table>

Source: Developed for this research

As illustrated in the example, the axial coding points out the variables, environment and conditions that can influence (positively or negatively) a common thread, theme or a core category in a specific context (Kendall 1999). Similarly, the exhibited table highlights the responses, which influence the importance of HR in an organisation.

**4.4.1.3 Phase III: Selective coding**

The final phase in the coding process involved skimming through the coded data and selecting themes for comparison and contrast purposes. This involved selecting a category that enabled the drawing of inferences (Kendall 1999). In a sense, selective coding is referred to as a process whereby the core category or common threads are systematically related. This is followed by the integration of these into theoretical constructs (Glaser 1978; Strauss & Corbin 1990).
The selective coding not only guided the research analysis but also facilitated the linking of earlier coded themes to the core themes (Neuman 2011). Actual codes were later gathered to be used to construct an overall thematic analysis of the data. Table 4.4.1.3 illustrates an example of the selective coding.

### Table 4.4.1.3: Selective coding

<table>
<thead>
<tr>
<th>Absence of formal PA practices in the Pakistan pharmaceutical industry</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11b Importance of HR</td>
<td>HR is not an established function and a clerk looks after all the administrative work for HR activities</td>
</tr>
<tr>
<td>11c Strategic role of PA</td>
<td>HR does not play any role in strategy formulation rather than implementations and acts as a support function and this is common in the industry</td>
</tr>
<tr>
<td>11f PA system</td>
<td>We do not have any structured or organised PA system in our organisation</td>
</tr>
<tr>
<td>11g Post PA actions</td>
<td>Awards, increments and promotion depends upon the mood or mindset of the “SAITH” (the owner)</td>
</tr>
<tr>
<td>11h Training &amp; development</td>
<td>There are no personnel development practices in the industry although it is labelled as HR development even at large organisations</td>
</tr>
<tr>
<td>11am Higher management commitment</td>
<td>If GM is willing any process can be implemented</td>
</tr>
</tbody>
</table>

Source: Developed for this research

The researcher views the process of selective coding to that of telling a story, where the axial codes are woven together in such a way as to capture the lived experience of the informants. To illustrate, Table 4.4.1.3 showed how the axial codes are drawn together to explain why PA is not formally practised in Pakistan’s pharmaceutical industry. The scenario projected in this example occurs within the context developed during the open coding (Alston & Bowles 2003). The authors are of the view that these codes dominate the proceeding data analysis in the development of analytic memos and integration with the theory.

#### 4.4.1.4 Themes

Generating themes for a particular research can be initiated from the literature reviewed (Maxwell 2005; Strauss 1987) while Coffey and Atkinson (1996) highlight that the generation of themes starts from the research questions and interview protocol. Similarly, Ryan and Bernard (2003) are of the view that identifying themes and sub-themes in a text is preliminary stage of the data analysis. This also portrays a question: how does the researcher locate a theme in the data? Ryan and Bernard (2000) suggest that themes are repetitious, non-concrete and blurred constructs, which are identified during and after data collection. Establishing a tri-stage thematic analysis, Opler (1945) explains that themes are:
... limited number of dynamic affirmations...which control behaviour or stimulate activity (p.198-99).

Opler (1945) describes three characteristics of thematic analysis: firstly, themes can be visualised in data expressions; secondly, some themes are more obvious than the others; and finally, the importance of a theme, depends upon its recurrence and permeability across the data and the degree to which other constructs are influenced by a theme.

Themes may remain a mere description if they are not related to the research questions. Figure 4.4.1.4 illustrates the thematic linkage to the research questions of this research. As mentioned earlier, thematic search in the interview responses was based upon the repetitions, similarities and differences (Bernard & Ryan 2010). Furthermore, quotes considered as important were also grouped together (Lincoln & Guba 1985).
For instance, Table 4.4.1.4 highlights a theme *Higher management commitment* which is linked to research questions One, Three, Four and Five. Obviously for HR to fulfil its full potential requires an absolute commitment from the higher management of an organisation.
4.4.1.5 Memos

Memos provided the basis of thoughts for discussion after the coding process (Neuman 2011). Further, memos become the key element in the coding process as these highlight the significant features of the data (Alston & Bowles 2003). Strauss (1987) elaborates memos as:

... a running record of insights, hunches, hypotheses, discussions about the implication of codes...the memos add up to feed into the final integrative statements... (p. 110)

These provided a link between the codes with appropriate themes while facilitating the theoretical discussion. Table 4.4.1.5 illustrates an example of the memo sheet extracted from Appendix 6 of the thesis.

Table 4.4.1.5: Memo process

<table>
<thead>
<tr>
<th>Theme Code</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11a (A11)</td>
<td>Importance of HR</td>
<td>HR is headed by director finance and HR activities are delegated to line management in sales</td>
</tr>
<tr>
<td>11a (D11)</td>
<td>Importance of HR</td>
<td>We do not have any HR department</td>
</tr>
<tr>
<td>11b (A12)</td>
<td>Importance of HR</td>
<td>HR is not an established function and a clerk looks after all the administrative work for HR activities</td>
</tr>
<tr>
<td>11b (D14)</td>
<td>Importance of HR</td>
<td>There is no HR department and a clerk looks after all the HR related administrative activities</td>
</tr>
<tr>
<td>11c (A39)</td>
<td>Importance of HR</td>
<td>Our company needs vitally a department which looks specifically into employee matters</td>
</tr>
<tr>
<td>11m (A19)</td>
<td>Importance of HR</td>
<td>The owner does not take interest in things like HR and PA and thinks it as unnecessary</td>
</tr>
<tr>
<td>11ac (B11)</td>
<td>Importance of HR</td>
<td>We have departmental structure and IT, HR and Admin comes under shared services while other functions come into commercial services like sales, marketing and training</td>
</tr>
</tbody>
</table>

Source: Developed for this research

In accordance with the description from Strauss (1987), this illustration also summarises the details pertaining to the theme Importance of HR along with its code, response code and response.
4.5 Data analysis pertaining to the research questions

As mentioned earlier, data was obtained using in-depth interviews. An interview guide (see Appendices 3 and 4) was used for consistency purposes as recommended by Yin (1994). Table 4.5 hereunder describes the relation among each of the research questions to the interview questions.

Table 4.5: Research questions’ relation to interview questions

<table>
<thead>
<tr>
<th>Research questions</th>
<th>Corresponding interview questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ1: What is the strategic importance of HR in the organisation?</td>
<td>S1, S3, S4, M1, M4</td>
</tr>
<tr>
<td>RQ2: What are the objectives of PA in the organisation?</td>
<td>S7, S8, S9, M7, M8, M9, M11, M12, S15, M15 S19, M19</td>
</tr>
<tr>
<td>RQ3: How do employees perceive the PA system?</td>
<td>S12, S13, S14, M12, M13, M14</td>
</tr>
<tr>
<td>RQ4: What are the employee expectations from the PA system?</td>
<td>S16, M16, S17, M17</td>
</tr>
<tr>
<td>RQ5: What are the factors considered important in PA in the organisation?</td>
<td>S11, M11, S16, M16, S17, M17, S22, M22</td>
</tr>
<tr>
<td>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</td>
<td>Based on the contrast from the data related to RQ2</td>
</tr>
</tbody>
</table>

Prior to describing the data analysis pertaining to each of the research questions, the researcher feels it necessary to explain the data details mentioned in blue italics. These denote the respondents’ actual words (see Appendix 5). The code sequence used in the subsequent data analysis is described in the legend hereunder.

Figure 4.5: Code legend for responses in the data analysis

Legend: for example A1 (1)

A = Organisation
1 = Respondent number in the organisation
1 = Response number

A1 (1) denotes respondent A1’s 1st response or A1 as detailed in the Appendix 5

Source: Developed for this research
The codification of the respondents as well as the responses enabled the researcher to safeguard the confidentiality as required by the Human Research Ethics Committee standards and also the ability to keep track in the transcripts.

4.5.1 RQ1: What is the strategic importance of HR in the organisation?

The first research question intended to identify the strategic importance of HR as a function and to assess its ability to perform the required human capital operations. The forthcoming data falls into two categories: data for organisations with a formal HR function and the ones without it. However, on the basis of commonality, the researcher has divided these into sub-categories as described in the following excerpts.

4.5.1.1 HR as a function

Among the six studied cases, only three had a formal HR department; the responses of the others projected diversity in views. However, employees keenly sought to have a function looking after their issues and concerns. Some of the employees at the NCs were not fully aware of the role HR can play or its importance in their organisations.

It was observed in the NCs that HR as a separate function is not of primary importance. This inference has been based on the following responses from the interviewees.

A1 (1) said, *HR is not an established function and a clerk looks after all the administrative work for HR activities.* Likewise, D1 (4) responded, *There is no HR department and a clerk looks after all the HR related administrative activities.* Organisation C also did not have a separate HR function and C1 (9) acknowledged, *No company can grow without proper HR function in any business.*

However, the situation seemed more optimistic in the two MNCs (B & E) and one NC (F).

B2 (2) highlighted that *HR is one of major functions in the company.* Likewise, E2 (2) said, *HR plays a very important role in employee issues.* E1 (2) further added that *All HR processes are IT-based, where each employee has access to respective HR data along with their PA.* While, F2 (1) said, *HR is a new initiative introduced in the last two years, which was previously a clerical work at the company.*
4.5.1.2 Strategic role of HR

Despite the presence of HR in three of the studied cases, it transpired that HR is not involved in strategy formulation.

This was highlighted by B1 (4): *HR does not play any role in strategy formulation rather than implementation, and it acts as a support function and this is common in the industry.* Similarly, E1 (13) said, *HR is involved in all the key decisions at our company.* However, it appeared that the dominance of sales management still prevails as F1 (2) sceptically said, *Although all HR processes are followed categorically, key decisions like promotions are based on sales management recommendations rather than on HR.*

Regardless of HR’s strategic role at the NCs, C1 (10) emphasised, *Effective organisational strategy can only be made with the [functional] collaboration of marketing, sales, finance and HR.*

4.5.1.3 Top management commitment

It appeared from the studied cases data that top management commitment at the MNCs and the owners’ willingness at the NCs are vital to the success of HR initiatives.

B1 (14) said, *Commitment of top level management is vital for the implementation and clarity of any process in any organisation.* B2 (1) also added, *The implementation of any process depends upon the personality of the line director who can create change or openness in the culture.* The reason for HR neglect especially at the NCs was highlighted by A1 (9), *The owner does not take interest in things like HR and PA and thinks it as unnecessary.* C1 (11) further revealed, *Unfortunately most of the organisations are a one man show, who controls all the company decisions and that is also one of the reasons for HR neglect.*

The triangulated data from the focus group discussion substantiated the aforementioned findings. One of the respondents in the focus group said, *Pharmaceutical organisations in Pakistan are dominated by ‘Saithism’* (‘Saith’ means the owner, while the word Saithism points towards the owner’s authority as a sole decision maker). It was further highlighted that organisational management are least concerned with employee issues rather than putting more emphasis on sales objectives achievements.
In summary, the data shows an agreement on the view, Pakistani pharmaceutical organisations especially NCs, take a casual, even off-handed approach to the importance of HR. Furthermore, the respondents were of the opinion that top managements’ commitment to HR issues is relatively low as compared to marketing and sales. Traditionally, in this industry, management’s prime focus is on achieving financial objectives while overlooking the people who achieve them.

Figure 4.5.1 summarises the responses related to Research Question One.

Figure 4.5.1: Summary of responses: Strategic importance of HR

Source: Developed for this research
4.5.2 RQ2: What are the objectives of PA in the organisation?

The data collection process revealed that all the organisations implement some form of evaluation system irrespective of how and why it is being done. In order to understand the objectives of an implemented PA system, this research question attempted to explore the intentions of an organisation to conduct employee evaluations. The following excerpts highlight PA objectives in each of the studied cases respectively.

4.5.2.1 Case A: NC

Data from organisation A (see section 4.3 for organisation’s overview) reveals that a judgemental process is being used to evaluate the sales employees. The following excerpts shed light on some aspects of the evaluation process being implemented in this organisation.

A1 (5) said, *we measure performance through a judgemental process, which can involve the likes or dislikes of the appraiser.* This opinionated process does not serve underlined PA objectives as A1 (3) added, *we do not have any structured or organised PA system.*

Respondents were concerned about the *clarity in the process* as A3 (5) stated, *Objectives assigned are quite ambitious and sometimes vague.* A1 (10) potentiated this notion and said, *There are no seriously defined KPIs.*

*Rewards and promotions link to PA* appeared to be weak as A3 (4) said, *There is a lot of variation between the expectations and PA actual results.* A3 (7) elucidated, *Increments at the end of the PA cycle do not relate to performance and are unexpected.* A1 (8) explained the reason for this discrepancy and said, *Awards, increments and promotion depend upon the mood or mindset of the ‘SAITH’ [the owner].*

*Feedback for future development* was sought by the participants in this case as A3 (3) said, *No feedback is provided after the PA process; it should be given to improve future performance and address areas of improvement.* A1 (4) was sceptical about the importance rendered to training and development and said, *There are no personnel development practices in the industry, although it is labelled as HR development even at large organisations.*
In summary, organisation A, implementing a judgmental evaluation system, lacked in its objective orientation. This is why the informants believed that their company needed an easy to understand PA system aligned to future career and rewards.

4.5.2.2 Case B: MNC

A global organisation (see section 4.3 for organisation’s overview) would be expected to adopt a formalised and structured PA system. The influence of the local management style in the implementation of the practices is also depicted in the excerpts below.

Formality and structure of PA is evident from this case as highlighted by B1 (3): *PA is done entirely by HR officials with support from the line managers*. In addition to the prescribed evaluation procedures B1 (2) highlighted that *in quarterly meetings we assess product and medical knowledge, market competition and selling skills*.

Performance ratings also came under the focus as B3 (1) said, *Sales performance comprise 70% of weightings in the PA and professional skills and behaviours count for 30%* whereas B1 (5) pointed out, *sales is primarily the only criterion for weightings in PA*. B1 (11) was of the view that, *PA should be allocated 25% on behaviours and 25% on feedback from peers as feedback is vital for a successful PA process*.

Feedback pertaining to PA has been considered to be a key element in the process in the literature. Nevertheless, there appeared lack of its deliverance as B1 (9) said, *There is no feedback provided to the employees after PA process although it is mandatory to do so*. B3 (5) also revealed, *No feedback is provided after PA process to us*.

Rewards and promotions relevance to PA was also an area of concern as B1 (6) said, *Promotion and other rewards do not relate to PA and promotion is done through a third party assessment centre*. B2 (9) explained, *to be recommended for assessment centre, an employee has to achieve their objectives*.

Although third party involvement seems to be adopted to avoid organisational favouritism, the respondents were sceptical about the process as B3 (2) said, *Nominations for assessment centres are not based purely on PA and employees are nominated by line [sales] managers*. B1 (7) also highlighted the opacity in the process and said, *There are incidents*
when some persons do get promoted who fail in assessment centre or does not qualify for assessment centre.

Besides the aforementioned formal requisites of the PA system; the participants were concerned about the presence of two unwanted elements as stated hereunder:

**Bias in the PA ratings and recommendations** was robustly highlighted at all levels in the organisation as B1 (12) said, *Favour and support is a major problem in the line [sales] management*. B3 (10) was judgmental and said, *[his] PA ratings are almost 50% biased by our raters*. However, B2 (4) defended and said, *[PA] Procedures are not biased but sometimes being a human definitely there are some factors where bias is involved.*

**Confidentiality in the PA process** was not observed pleasantly as B2 (3a) added: *after co-visits with the representative the FLM jointly prepares a filed coaching summary as a part of PA*. However, B3 (4) did not agree and said, *PA is filled by the line manager [FLM] confidentially after the field coaching summary.*

In summary, the organisation B adopts a structured and formalised PA system as may have been channelled from the corporate headquarters. Although the PA system targeted its theoretical objectives, there seemed a casual approach to its implementation; it therefore may have been failing to achieve the desired outcomes.

### 4.5.2.3 Case C: NC

A national organisation (see section 4.3 for organisation’s overview) believing in strict behaviour control measures, Case C adopts evaluation procedures aligned to this ideology. Defining this approach, the respondent C1 (4) said, *daily, weekly, monthly, quarterly and annual strict control systems are adopted to avoid malfunctions with zero tolerance on requirements.*

**Strict control process** appeared to be implemented in this organisation with customised and enforced procedures of evaluation. In this regard, C1 (5) commented, *our strict control measures assure all employees are performers and sales is no problem for us.* C1 (6) defended organisation’s strict procedures and said, *we have adopted evaluation practices which are very suitable to us without copying from any other company.*
also of the similar view and said, *our evaluation system suits our organisations and we cannot say it is good or bad.*

Sales volume seemed to be predominantly the evaluation criterion as C3 (6) highlighted that for formal evaluation purposes, *80% weighting is given to sales [volume] in my evaluation.* Further, C2 (1) highlighted, *Performance review meetings are held six-monthly which overview sales and focus on planning for the next quarters.*

**PA discussion and feedback** was highlighted as a concern by respondents at the representative and managerial levels in this organisation as C3 (3) pointed out: *There is no discussion related to PA before and after and we are just informed by the manager that he has filed the PA to the head office.* There seemed more emphasis on sales achievement discussions as compared to the PA as C3 (4) said, *Feedback is often given related to sales in meetings but there is no feedback given specifically related to PA.* In response, C2 (5) confessed, *Feedback related to PA is not provided while it is given in a general manner.*

It appeared, this organisation seemed to concentrate more on sales volume objectives rather than other employee aspects such as training and development as C3 (1) pointed out, *There is no formal training after induction as a representative, which can provide better product and market knowledge.*

It was also observed that strict control procedures may be allowing managers to treat employees unfairly, as a subordinate C3 (11) commented: *Performers and non-performers should be treated fairly and equally, and this can build and enhance the team environment.*

In summary, organisation C implements strict systems for controlling behaviours as well as performance. However, its alignment to career and reward systems along with pertinent feedback mechanism seemed to be superfluous.

**4.5.2.4 Case D: NC**

A national organisation (see section 4.3 for organisation’s overview) in this industry for the last 25 years with more than 500 employees in its sales department, Case D projected
a similar picture to the Case C. In the absence of an HR function, the absence of a formalised PA process seemed obvious and evidence was provided by D1 (2) that, *We have no formal PA system and it is just a paper filling exercise.* D1 (8) further reasoned, this is why *Our PA is just an administrative and iterative process having little influence on anyone’s career and salary increments.*

**PA relation to rewards process** in their organisation was explained by D1 (3) saying, *Our performance related achievements are attached with non-monetary rewards;* whereas D1 (6) pointed out, *Salary increments are based on sales volume achievements.* However, employees at lower levels were not satisfied with this approach as D2 (2) complained, *We get nothing except salary and so-called cash prizes [which] are given without any time frame.*

**Training and development** appeared not to be objectively aligned to the PA system despite this being keenly sought at the representative level. As D2 (6) said, *There is no discussion about our career development and grooming.* There also appeared to be a discrepancy between the employee and organisational objectives as D2 (5) highlighted, *Employee want earning and learning while the company demands only sales.*

In summary, organisation D highlighted the absence of a PA system, specifically focusing on its objectives and influencing employee related decisions.

### 4.5.2.5 Case E: MNC

An organisation (see section 4.3 for organisation’s overview) striving for the best people management practices pivoted on organisational core values and competency entrenched behaviours (see Appendix 7). The strong allegiance to professional behaviours is also meshed in their PA system as highlighted by E1 (4), *our company believes that sales are by-product of behaviours and skills.* It appeared that equal importance is given to sales volume achievements and behaviours. E1 (1) explained this is why, *Sales accounts for 50% in evaluation and the remaining is allocated to customer coverage, organisational core values, behaviours and professional knowledge.*
**Training and development** is believed to be fundamentally rooted in the PA process as E1 (3) said, *the future developmental plan is synthesised after every quarterly evaluation for each employee*. E1 (7) further added, *Every PA [report] provides a summary page highlighting three strengths and three areas for future improvement.*

**Bias mitigation in the PA process** has been addressed through multiple factors, as E1 (6) highlighted, *Ratings are based on examples being exhibited; the appraised employees are encouraged to send emails at any time to substantiate the PA and reduce bias*. E1 (10) further explained, *At the end of each PA session, a meeting is conducted with HR and top management where every PA report is discussed with the relevant line manager and the reason for each of the assigned rating.* However, E2 (6) showed dissonance about the process and said, *Bias cannot be seen in the reports and PA but it is the word of mouth which travels from immediate manager to the top level can influence an employee’s career.*

**PA system open to agreement and discussion** can be as an additive advantage in achieving its objectives. E2 (4) agreed with this notion and said, *Our PA is very interactive and open to discussions*. E1 (5) also stated, *Employees are informed before any PA meeting and mutual agreement is required to sign a PA while everyone has the right to refuse and inform the HR in case of any discrepancy, bias or conflict.*

In relation to **rewards and promotions**, E1 (11) explained, *Promotions are in-house assessment centre based and a top management team observes the assessed person.*

In summary, organisation E assigns a higher priority and importance to the objectives associated with the PA system.
4.5.2.6 Case F: NC

A national organisation (see section 4.3 for organisation’s overview), aspiring to learn from MNCs’ practices and gain competitive advantage through better processes and economical products. This organisation adopts a formalised web-based PA system as F2 (6) highlighted: *PA is jointly filled by the line manager and the representative in the presence of an HR official to avoid any bias and favouritism.*

*The PA process* implemented in this NC was explained by F2 (5, 9): *PA is done on a six monthly basis* and *70% weighting is given to sales volume in PA.* F1 (6, 7) also said, *The web-based PA system automatically assigns ratings to sales volume and customer coverage while Behaviours are assessed on five scales with psychometric observations and related questions.*

Although this organisation aspires to embrace formal HR practices, there seemed to be lesser emphasis on representatives as well as managers’ training and development. F1 (17) highlighted that even in the presence of PA related feedback, *the line managers do not understand how to address a developmental plan of an employee.* F3 (4) was also of the view that, *the immediate manager does not understand how to develop other people.*

*PA and rewards* appeared to be feebly linked in this organisation as F1 (10) revealed, *Salary increments are based on the comments by the sales manager, which may not relate to PA ratings.* This view was supported by F2 (8) saying, *Salary increments depend upon top management’s decisions, which can be a fix amount to everyone across the board or a varying percentage on an individual basis.*

*Bias and discretion* by the line management has been a recurrent phenomenon observed commonly in the studied organisations and Case F was no exception. F1 (19) pointed out by that *The FLM and the sales manager use discretionary powers to bypass the PA system.* F1 (9) further added, *Line managers sometimes use discretionary powers to give higher ratings to a high-performing employee to cover other deficiencies.* F3 (1) confidently stated, *Managers are surely biased as their opinions are based on perceptions and views from other team members.*
In summary, organisation F is attempting to align its PA systems to other processes such as rewards and promotions. However, the infancy of the PA system and the influence of decision and authority in management seemed to be by-passing the recommendations set forth by the system.

The triangulated responses also confirmed that PA processes in pharmaceutical organisations have just become a cyclic process and do not address issues as projected. Furthermore, they were of the view that many employee-related decisions are made without any consideration of PA. Moreover, the data indicates that organisations without a formal HR function most likely will be deficient of a formal PA system as evidenced in organisation A, C and D.

Although PA link to salary increments is an established objective in the literature, organisations C, B and F seem to be implementing evaluation measures only to allocate annual salary increments. Similarly, organisations A and D though carry out annual evaluations but with unclear objectives as highlighted by their respondents.

In summary, the respondents from the cases and the focus group emphasised that PA objectives should be clearly defined and its outcomes should be linked to key employee decisions such as promotions. Figure 4.5.2 summarises these findings and identifies the common categories across the cases.
Figure 4.5.2: Summary of categories across the cases

Source: Developed for this research
The individual case analysis helped to obtrude the following categories consistent across the cases:

1. PA weak linkage with reward and promotion system
2. Casual approach to providing PA specific feedback
3. Bias in PA ratings
4. Triviality towards training and development of representatives as well as managers
5. PA ratings leaning towards sales volume
6. Use of discretionary authority to bypass the PA system.

However, there were few case-specific categories such as:

- Opacity in KPIs and organisational objectives
- Voice for fair treatment for employees irrespective of their performance
- Performance relation to non-monetary rewards.

The examination of case E exhibited evidence that despite traditional management practices in the industry, there is a possibility to adopt certain measures to clear up negative aspects in PA.

**4.5.3 RQ3: How do employees perceive the PA system?**

The perceptions about any process in an organisation can be a factor for motivation (Ilgen, Fisher & Taylor 1979) or disappointment (Skarlicki & Folger 1997) and can influence its objectives and outcomes. This research question intended to identify how employees perceive their PA systems irrespective of its formality and structure. The following data highlight perceptions at different levels in the studied organisations.

By and large, the respondents were critical about their PA systems. The data pertaining to the third research question reveal that processes underpinning negative perceptions fall into the following seven categories. This key information can be vital in
developing the PA model proposed in this research which is to be based on the factors highlighted by the study population.

1. PA being redundant process of no value addition
2. Bias and favouritism in PA
3. Discrepancy between rewards and performance
4. PA related feedback
5. Ambiguity in PA related factors
6. Overshadowing authority at senior management with ability to bypass PA
7. Confidentiality in PA process.

Respondent A1 (5) said, *we measure performance through a judgemental process which can involve likes or dislikes of the appraiser.* D1 (2) also criticised that their PA system is *just a paper filling exercise* and (8)... *having little influence on anyone’s career and salary increments.*

However, this was not the case in organisation E, as respondent E2 (4) said, *Our PA is very interactive and open to discussions.*

The presence of *Bias in PA* was assumed by the respondents in the studied organisations as B3 (10) responded, *PA ratings are almost 50% biased by our raters.* Similarly, F3 (6) believed, *There are instances when the sales achievements are shifted from one representative to other because [the] immediate manager wants to balance his own performance.*

B2 (3) however, defended this reproach and said, *Sometimes we provide positive ratings to representatives even if their sales are below the mark considering the person’s other attributes.*
B1 (12) accepted that *Favour and support is a major problem in the line management.* Nevertheless, E1 (12) said that in their organisation, *the opportunity to appeal any [HR related] decision reduces the potential of bias in the PA.*

*Discrepancy between rewards and performance* appeared as an injustice to the employees. As A1 (7) highlighted, *Sometimes increments, promotions and rewards do not match with performance.* F1 (10) perceived, *Salary increments are based on the comments by the sales manager, which may not relate to PA ratings,* while D2 (2) desperately remarked, *We get nothing except salary and so-called cash prizes are given without any time frame.*

*Feedback* specifically related to the PA also seemed to be a factor underpinning perceptions about the process. It appeared that feedback was perceived necessary for future and career development at the representative level; however, a casual approach prevailed in this regard at the management level.

A3 (3) pointed out that *No feedback is provided after the PA process; it should be given to improve future performance and address areas of improvement.*

From a manager’s perspective, C2 (5) accepted that, *Feedback related to PA is not provided while it is given in a general manner.* Similarly, B1 (9) said, *There is no feedback provided to the employees after a PA process although it is mandatory to do so.*

*Ambiguity in performance indicators and objectives* was perceived as an unwanted element in the PA process, primarily at the NCs. This was highlighted by A1 (10): *There are no seriously defined KPIs to be considered as a definition of performance.* A3 (5) also pointed out, *Objectives assigned are quite ambitious and sometimes vague.*

This was further emphasised by B1 (14) saying that success dwells in the, *clarity of any process in any organisation.*
Overshadowing authority in the sales management appeared to be another cause of dissatisfaction at the lower levels, as they perceive that their performance could become meaningless in relation to the comments reported by their senior managers.

D1 (10) explained this by saying, *All the decisions are verbally based without any substantiation of any performance rating scales and the senior manager is the key decision maker for employee related matters.* B3 (6) supported this view and said, *The second line manager (sales manager) is the sole person empowered to send recommendations and evaluations.* The same appeared to be the situation even in organisation E, as E2 (5) revealed, *The senior manager is the decision maker for promotions, recommendations and career related matters.*

B2 (5) highlighted the peculiarity of the management style and said, *Sometimes issues like promotions cannot be discussed openly and may be seen as a challenge to the authority of senior managers.*

Confidentiality in the PA process was one of the negatively perceived elements. B3 (8) expressed concerns by saying, *PA is required to be mutually discussed, on the contrary, it is filed confidentially by the line manager [FLM] and no feedback is provided.* C3 (3) also said, *There is no discussion related to PA before or after and we are just informed by the manager that he has filed PA to the head office.*

However, according to E1 (8), *there is no confidentiality involved in the joint session of PA with the representative; however, the confidential comments are inserted [later] by the senior manager.*

The triangulated responses also projected a similar picture. It was highlighted that PA in organisations does not address the issues raised therein. This makes PA an ineffective and redundant process. It was further highlighted that some line managers do use PA to discriminate or even punish an employee on the basis of personal opinions rather than the performance facts. There have been instances when undue favours are given to an employee who is a sycophant. There was a general consensus among the group members that PA in the industry does not provide a road map for career developmental or growth of sales employees.
It was further remarked that premature promotions result in poor managers who do not understand the means to develop their subordinates.

4.5.4 RQ4: What are the employee expectations from the PA system?

Research question three explored respondents’ perceptions about the PA process and identified multiple factors. This research question attempted to find out employees’ expectations from their PA system. The following excerpts detail the expectations and suggestions brought aboard by the study population.

Data reveal that the respondents intended improvements in the Rationale for PA rating scales being implemented. Respondent A1 (6) suggested that, *A PA process should be a combination of the qualitative and quantitative aspects of an employee.* Likewise, D1 (11) believed, *Sales, professional skills and other behaviours should be a vital part of a PA.*

The current allocation to sales volume ratings varied from 50% to 70% based on the responses by A3 (2), C3 (9) and F3 (9). However, in organisation E, *Sales accounts for 50% in evaluation and the remaining is allocated to customer coverage, organisational core values, behaviours and professional knowledge*; as stated by E1 (1). E1 (4) further explained that this is because *our company believes that sales are by-product of behaviours and skills.*

B1 (10) was proponent of the 360° evaluation process and suggested, *PA should be based on performance, behaviours and 360 degree evaluation because this will show an employee’s ability to deal with other team members which is vital in promotion to the next level.*

A3 (10) summed and emphasised, *PA should be objective oriented rather than a routine process.*

**PA and rewards** linkage appeared to be of common interest to the respondents; however, they differed in their opinions about the preferred types of rewards and recognition.

A1 (15) believed that in a country like Pakistan, *Everything centres on money and the motivation provided by monetary benefits cannot be matched by other elements.* A3 (1) was also of the view: *Monetary benefits should be the preferred choice as a form of reward.*
However, employees with elongated service in the profession had a different view as B2 (7) said, *Rewards should be tied with promotion because monetary benefits become secondary with the length of service.* C3 (7) also had a similar view and said, *Promotion should be linked to performance after couple of years in the company.*

Organisation D projected a different picture to the other as its respondents sought immediacy in rewards. D2 (3, 4) believed, *Incentive is very important as compared to salary increase and is a major attraction in switching to another company.* D1 (12) also raised concerns and said, *Employees believe that incentives are vital in their packages and can leave an organisation even if they are offered higher salaries [by this company].*

**Feedback specifically related to PA** was also an expectation in the studied cases as highlighted by the respondents A3 (3), B1 (9), B3 (5), C2 (5), and C3 (4). They were of the view that proper and a timely feedback can assist to improve their future performance by addressing the highlighted factors.

However, organisation F, implementing a web-based PA system, faces a different challenge. F1 (12) stated, *PA feedback is immediately flashed after submission, highlighting strengths and areas needing improvement for each employee.* Although PA feedback is flashed in an instant at the submission, F1 (17) was concerned that, *the line managers [FLM] do not understand how to address the developmental plan of an employee.*

**Career related discussions** also appeared an expected element to be attached to the PA process as D2 (6) stated, *There is no discussion about our career development and grooming.* Based on prolonged experience, F3 (4) laid the responsibility on the FLM and said: *the immediate manager does not understand how to develop other people.*

A1 (4) blamed the industry as a whole and remarked, *There are no personnel development practices in the industry although it is labelled as HR development even at larger organisations.* F3 (3) reasoned, this happens because *managers think well groomed performers are a threat to their position.*
There also appeared to be a discrepancy between individual and organisational objectives as D2 (5) stated, *Employee want earning and learning while the company demands only sales.*

Data from this research question revealed the following four categories. These are:

1. Rationale for PA rating scales
2. PA and rewards
3. Feedback specifically related to PA
4. Career related discussions
4.5.5 RQ5: What are the factors considered as important in PA in the organisation?

Data from research questions three and four assisted in the identification of the factors capable of building positive employee perceptions and fulfilling their expectations. Research question five aimed to identify the factors considered to be important parts of a PA system. Nevertheless, there can be variability in the importance of any factor in the eyes of the beholder. To develop consensus, an attempt was made to converge on the factors which emerged in the findings of research questions Two, Three and Four. Table 4.5.5 describes the factors drawn from earlier research questions.

Table 4.5.5: Key categories from research questions two, three and four

<table>
<thead>
<tr>
<th>Factors influencing perceptions (RQ 3)</th>
<th>Factors expected in a PA (RQ 4)</th>
<th>Current obstacles in achieving PA objectives (RQ 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. PA being redundant process of no value addition</td>
<td>1. Rationale for PA rating scales</td>
<td>1. PA weak adherence with reward and promotion system</td>
</tr>
<tr>
<td>2. Bias and favouritism in PA</td>
<td>2. PA and rewards</td>
<td>2. Casual approach in providing specific PA feedback</td>
</tr>
<tr>
<td>4. PA related feedback</td>
<td>4. Career related discussions</td>
<td>4. Use of discretionary authority to bypass the PA system</td>
</tr>
<tr>
<td>5. Ambiguity in PA related factors</td>
<td></td>
<td>5. Lack of focus on training and development of representatives as well as managers</td>
</tr>
<tr>
<td>6. Overshadowing authority at senior management with ability to bypass PA</td>
<td></td>
<td>6. PA ratings leaning towards sales volume</td>
</tr>
<tr>
<td>7. Confidentiality in PA process</td>
<td></td>
<td>7. Opacity in KPIs and organisational objectives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a) Voice for fair treatment for employees irrespective of their performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Performance relation to non-monetary rewards</td>
</tr>
</tbody>
</table>

Source: Developed for this research
There appears to be a commonality among the perceptions, expectations and obstacles highlighted in this table. The following common categories emerged from this data and are perceived as the factors being considered as important in a PA.

**Primary factors**

- Objective orientated PA system
- Formal, clear, structured and discussion oriented PA system
- Clarity in PA related factors such as objectives, KPIs
- Rational PA rating scales
- PA related specific feedback
- PA link to rewards and promotion system
- PA link to training and development.

**Secondary factors**

- Confidentiality and bias mitigation strategies
- Fair treatment of employees irrespective of their performance.

The following excerpts highlight the important factors pertaining to PA highlighted by the respondents.

**Objective orientated PA system** can be the first step in providing clarity about the system and defining to the employees what is intended from the PA process. Nevertheless, this process is done quite casually in organisations (Stone 2010). The studied organisations also seemed to be casual in communicating the objectives of their evaluation process as the respondent A3 (10) highlighted:

*PA should be objective oriented rather than a routine process.*

It also appeared that organisations do not focus on the objectives and action orientation in their PA process as F1 (18) pin pointed, *[Our] PA does not address any action
orientation or time frame for any developmental plan.

A formal, clear, structured and discussion oriented PA system can be advantageous due to the harmony in understanding by the representatives, managers and the HR. This was exampled by E1 (5): *Employees are informed before any PA meeting and mutual agreement is required to sign a PA while everyone has the right to refuse and inform the HR in case of any discrepancy, bias or conflict.*

Whereas A1 (17) commented, *Lots of companies have very good and structured PA systems but are not implemented properly; this makes it just a redundant exercise.*

Clarity in PA related factors, objectives and KPIs are considered as key elements not only in developing positive perceptions but also in the success of a PA system (Thurston & McNall 2010). Similarly, the respondents also called for clarity in PA objectives as well as the elements compositely defined as performance.

A3 (5) commented, *Objectives assigned are quite ambitious and sometimes vague.*

While B1 (14) was of the view that *Commitment of top level management is vital for implementation and clarity of any process in any organisation.*

Rationale for PA rating scales appeared to be inclined mainly towards sales volume achievements as highlighted by the respondents. This is why the respondents were concerned about monotonous evaluation criteria and called for a apportion justification among sales volume and other rating standards.

A1 (6) suggested, *A PA process should be a combination of the qualitative and quantitative aspects of an employee.*

This distribution rationale was supported by the example in organisation E, as E1 (4) reported, *our company believes that sales are by-product of behaviours and skills.*

PA related specific feedback does not seem to be of primary importance in the studied organisations. The respondents highlighted that, timely feedback specifically related
to performance issues can help to enhance future achievements. A3 (3) highlighted the importance of PA related feedback and said, it should be given to improve future performance and address areas of improvement.

**PA link to the rewards and promotion system** plays a pivotal role in its success or failure. Rewarding a performance means recognising the efforts of an employee for the organisation; however, performance not rewarded properly can not only result in negative perceptions about the process, and will also be a cause of disparity between individual’s and organisational objectives. Therefore, it highlights the priority required for adherence of this factor with the PA process.

A1 (16) highlighted its importance and said; recognition can make a lot of difference in an individual’s performance.

Nevertheless, C3 (7) was of the view that, Promotion should be linked to performance after couple of years in the company.

**PA link to training and development** can become a key advantage for an organisation in a knowledge driven industry like the pharmaceuticals. Improper knowledge can result in wrong promotional messages to the customers resulting into unexpected sales results for an organisation. Hence, training and development of sales employees becomes a vital factor in achieving individual as well as organisational objectives. The need for appropriate knowledge and career related development was also voiced by multiple respondents.

C3 (1) highlighted; There is no formal training after induction as a representative, which can provide better product and market knowledge.

D1 (5) highlighted a generalised NCs’ approach and said, the emphasis is given to do it yourself field coaching rather a planned training programme.

F3 (4) also emphasised managers’ training needs and commented, the immediate manager does not understand how to develop other people.
The triangulated responses were also consistent with the individual data and indicated that PA in pharmaceutical organisations have just become a cyclic processes whereas it should provide clear definitions of performance standards and rewards attached to this process. The focus group was of the view that employee training and development receives a very low priority in the organisations. It was further commented that confidentiality in PA process is a manipulative tool as line managers do not want to be held accountable for their comments and recommendations.

4.5.6 RQ6: What are the differences between MNCs’ and NCs’ PA measures?

The focus of Research Question Six was to compare and analyse the PA practices of the two groups. Prior to commencing this study, it was assumed that there are differences in MNCs’ and NCs’ PA measures due to their size, culture and management styles. It seemed, however, both groups may differ significantly in formalisations of procedures and practices related to PA; interestingly, the employees expressed almost similar feelings about the end results of PA.

Table 4.5.6 highlights the differences observed between the two groups drawn from the data of the research questions Two, Three, Four and Five.

<table>
<thead>
<tr>
<th>MNCs</th>
<th>NCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formalised and structured PA system implemented as inherited from the principal offices</td>
<td>Formal, structured, informal and also judgemental processes for performance evaluation</td>
</tr>
<tr>
<td>Conducted by HR in coordination with sales management</td>
<td>Conducted primarily by sales management and HR involved only when present as a function</td>
</tr>
<tr>
<td>Top management commitment as vital to the success of a PA process</td>
<td>Organisation’s owners are the key decision makers</td>
</tr>
<tr>
<td>Transparency of PA varies in organisations, some having good implementation while others still process oriented rather than its objectives</td>
<td>Still attempting for a standardised PA process but HR neglect, owner’s intervention, opacity in objectives of PA or absence of a prescribed reward system are a few of the hurdles in implementation of a transparent PA system</td>
</tr>
</tbody>
</table>
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

Chapter IV: Data Analysis

<table>
<thead>
<tr>
<th>MNCs</th>
<th>NCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bias in ratings, favours and authority and use of discretionary powers is concern for proper implementation</td>
<td>Bias in ratings, favours and authority and use of discretionary powers is concern for proper implementation</td>
</tr>
<tr>
<td>Absence of feedback to the appraised or not considered as necessary</td>
<td>Absence of feedback to the appraised or not considered as necessary</td>
</tr>
<tr>
<td>Confidentiality in PA process in one of the studied cases</td>
<td>PA process is predominantly a confidential process</td>
</tr>
<tr>
<td>50-70% weightings assigned to sales volume in PA ratings</td>
<td>70% weightings assigned to sales volume in PA ratings</td>
</tr>
<tr>
<td>Sales volume achievements gets preference for any future decisions like promotions</td>
<td>Sales volume achievement is the only criteria for decisions like promotions</td>
</tr>
<tr>
<td>Clarity in objectives</td>
<td>Clarity in objectives and opacity in some cases</td>
</tr>
<tr>
<td>Performance indicators defined</td>
<td>Performance indicators not clearly defined</td>
</tr>
<tr>
<td>Primarily standardised reward system</td>
<td>Variable and opaque reward system</td>
</tr>
<tr>
<td>PA linked to proper developmental plan and methods to implement</td>
<td>Developmental plans not categorically followed rather than <em>do it yourself</em> approach</td>
</tr>
</tbody>
</table>

Source: Developed for this research

It appears that the presence of a formal HR department plays a key role in the formality and structure of a PA system. This was evidenced in one of the NCs, which implements a formal PA system due to the presence of an HR function in the organisation.

The data also revealed that the objectives of the PA were clear in one of the MNCs with a focus on developmental, feedback, rewards and future perspectives; whereas in the other MNC, there appeared a casual approach in addressing the objectives of the PA system. The NCs also projected a similar picture, where it is being conducted fruitlessly.

Bias in the PA ratings, comments and career recommendations was observed in the studied organisations. This may be due to the extreme authority vested in the senior management as highlighted by the respondents.

Reluctance in providing feedback also prevailed commonly among both groups except organisation E. This organisation may be taking advantage of its web based PA system to provide immediate feedback. However, it was unclear, what kind of consolidated feedback is provided at the end of the business year in organisation E. In general, Lack of
feedback may have been rooted in authority of the managers and organisational culture in the industry.

Employees’ career and rewards decisions seemed to be primarily based upon sales volume achievements in both groups except organisation E. This invited employees to call for a rationale among sales volume and other performance factors ratings.

Training and development neglect was a phenomenon primarily prevailed in the NCs. However, this was not the case in the MNCs as they have rigorous training and development programmes at the induction and when required.

The triangulated responses did not project an entirely different picture. It was remarked in the focus group that the objectives assigned to teams are intuition based and do not match the statistical market intelligence reports. These unrealistic objectives assert undue pressure on the sales employees while hampering their performance. They highlighted that in NCs annual or quarterly objectives can be modified or increased if the achievements are good. Another member claimed that sales volume achievement in NCs is a diplomatic statement while it can be changed at the end of a business quarter or year. It was criticised that MNCs’ behavioural ratings provide cushion to line managers to inculcate bias and balance their own performance. It was further highlighted that evaluation meetings with the staff come as a surprise and tend to spread fear among the sales teams while these only pin point negative aspects rather than motivating the team members.

In summary, the researcher believes that MNCs have established a formalised and structured PA system originating from their corporate headquarters. Although a few NCs are attempting to adopt structured PA approaches, many are still struggling to implement these systems properly in the absence of a proper HR function.
4.5.7 Emerging factors

The preceding research questions analysed the data pertaining to research issues. In the pursuit of answers to the research questions, a few factors consistently emerged and considered as important by the respondents.

The question of whom to promote in a sales orientated organisation: a better sales performer or a person with better managerial skills is still a dilemma haunting sales oriented organisations and this industry is no exception. Respondents believed that organisational promotions have become a subjective process rather than being based on performance and merits. The following responses highlight the managements’ perspectives as:

The respondents A1 (14) suggested, Promotion should be related to the extent to which a person is capable and ready to take up next position; how much person is groomed and how much the person has developed himself.

Similarly, C1 (8) argued, Consistency in sales can only be achieved through better managerial skills and that’s why we prefer skills as a basis for promotion.

B1 (13) was also of the view, The person capable of better managerial attributes should be promoted rather than the better performer because the person with better attributes will definitely be the better performer.

Interestingly, data from the research questions revealed that subjectivity in the promotional process is induced at the management level and sales volume becomes the primary criterion for promotion.

Diminished influence of PA recommendations and ratings on organisational promotions and decisions was highlighted as an area of concern by the respondents. A1 (11) highlighted the approach of the industry towards this predicament and summed, It is said in the industry, PA has nothing to do with the promotion.

The triangulated responses highlighted that promotions in pharmaceutical organisations are biased by the management in many cases. They further noted that PA processes and other similar measures do not influence organisational decisions related to
employee career and development. They commented that in NCs, involvement of the owner/s as key decision makers becomes a major hurdle to adopt key measures in the organisation.

In summary, it emerged that PA is not playing a major role or facilitating the employees to climb the corporate ladder. However, fewer organisations are attempting to streamline this process. Promotions in the sales functions have been an ever debating issue and more is needed to look into this dilemma especially in the context of the Pakistan pharmaceutical industry.

Data from the multiple cases portray diverse situations at the studied organisations. Data evaluations from the organisations reveal that, case A at the primary stages of its development (also highlighted in their processes) is still over-shadowed by decisions of the owner. The unimportance assigned to HR, PA and other employee related matters has been highlighted at all three investigated levels, whilst organisational focus remains solely on sales volume objectives. Although organisation C has been in the industry for the last few decades, data highlights somewhat non-indulgent procedures. Despite being a comparative better paymaster in the industry, the dissonance about the processes and unimportance assigned to employee matters can be sensed in employee responses. The owner’s intervention in this organisation may not be as much visible as organisation A; however; the executive at C did highlight the reason for HR neglect to be one man show in organisations (see C111, Appendix 5). Similarly, organisation D showed absence of HR practices as well as formal and effective PA procedures. This has contributed to build a perception among the employees that their HR related procedures such as PA are just an exercise of no value as key decisions are based on the owner and sales management’s recommendations. Among the NCs, data from organisation F highlights that efforts are being made to strengthen HR processes. This is why an HR official is designated at different locations of the country. Moreover, the organisation is investing in HR initiatives such as web-based PA system, which is only thought in MNCs. On the other hand, data from the studied MNCs (see sub-section 4.5.6) reveal that these organisations do take advantage of HR processes and recommendations are vital part of their PA processes. Irrespective of their implementation – the inscribed recommendations can be related to career or training or developmental needs of an employee or a manager. However, the influence of culture and local style execution of organisational practices is evident in the data from the MNCs. This is why some of HR processes are
vulnerable to be by-passed by the management. Matters like employee promotions are not an exception – these may not be solely based on PA recommendations and are prone to be superseded by sales managements’ decisions. Consequently, this persuaded one of the executives to comment, *companies have very good and structured PA systems but are not implemented properly; this makes it just a redundant exercise* (see A117, Appendix 5).

### 4.6 Conclusion

The chapter analysed the data pertaining to the six research questions. Moreover, it also set forth some of the issues that emerged during this process. It is revealed that HRM in Pakistan’s pharmaceutical industry is still in its infant stages of development. It seems obvious in relation to HR’s general importance that many of the studied organisations do not attach much importance to strategic human resources management.

Organisations in the industry use formal, informal, electronic and judgmental processes for performance evaluation. Both studied groups may not significantly differ in their PA practices but some organisations in each group are ahead in channelling their PA measures. For the most part, sales employees are cynical about their PA processes and perceive as biased and a tool for manipulation. Casual feedback and opacity in process, objectives and KPIs are the majorly contributing factors in the build-up of these perceptions, while rewards attached to performance are considered inappropriate. To improve PA processes, sales employees and managers suggested that PA ratings should be rationally apportioned into sales and behavioural components. The respondents also pin pointed some factors to be included as part of an effective PA process. Their focus remained on structure and clarity in PA process along with rational rating scales. Further, they augmented the importance of PA link to rewards and promotion system with clear feedback mechanisms which should specifically pin point the deficient areas to be improved.
Chapter V

Discussions and conclusions

Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

“All great truths are simple in final analysis, and easily understood; if they are not, they are not great truths” Napoleon Hill
5.1 Introduction

This research focused and attempted to address the issues related to the problem; “How can the performance appraisal practices for sales people in the Pakistan pharmaceutical industry be improved?” as mentioned in sub-section 2.6.1 of this thesis. In an attempt to derive a solution, the researcher sequentially engaged the theory, adopted research methods and analysed the data. This sequence is detailed in the chapters in the following manner.

Chapter I discussed the background of this research and laid out a route map to the solution. The chapter outlined the research issues, justification for this research, roles that can be addressed through this research and unavailability of research material about the particular context.

Chapter II provided a detailed snapshot of the disciplines related to this research from the available literature. The chapter explored the parent literature including human resource management (HRM) contribution to organisational performance (section 2.2); proceeding into a discussion on historical developments in people management practices in general and particularly in HRM while sub-section 2.2.9 highlighted some aspects of the strategic HRM (SHRM). Section 2.3 detailed the literature on parent discipline two, performance appraisal (PA). This section also shed light on the theoretical models in PA along with its relation to employee perceptions, rewards, recognition and satisfaction and a critique on PA. Section 2.4 provided an overview of the pharmaceutical industry globally while section 2.5 detailed the literature on immediate discipline of PA practices in the Pakistan pharmaceutical industry. Sub-section 2.5.1 highlighted some realities about Pakistan and thereafter overviewed management practices in Pakistan (sub-section 2.5.2) as well as in the Pakistan pharmaceutical industry (sub-section 2.5.3). The chapter also presented the research issues, objectives, questions and propositions in section 2.6. Finally, the chapter is concluded by section 2.7.

Chapter III presented the methodology embraced for this research. After restating the research problem and questions in section 3.2, the chapter provided a detailed paradigmatic justification for this research in section 3.3. Section 3.4 elaborated the justification of the qualitative case study approach used for this research. The quality of a research depends upon its validity and reliability; this was explained in section 3.5 while section 3.6 laid out a detailed framework for this case study. Although, the research attempted to address every
possible issue related to the context, there were certain limitations to this research; these are pointed out in section 3.7. Section 3.8 addressed the ethical concerns related to the research, data and the respondents. The chapter is concluded in section 3.9.

Chapter IV discussed and laid out detailed analysis of the data pertaining to PA practices in the Pakistan pharmaceutical industry. Section 4.3 highlighted the characteristics of the qualitative data while section 4.4 described the profile of the study population. Section 4.5 explained the methods used in data analysis. Subsequently, section 4.6 analysed the data pertaining to each research question individually. Finally, section 4.7 concluded the chapter.

5.1.1 Chapter objectives

The purpose of this chapter is to triangulate the findings obtained from the data with the literature on the disciplines reviewed in Chapter two of the thesis. This measure is adopted to enable the researcher to corroborate and contrast the findings with the theoretical framework described in Chapter two of the thesis as well as deduce the theory emerging from the investigated research issues.

5.1.2 Chapter outline

This chapter is divided into seven sections. After an introduction (section 5.1) the chapter summarises the theoretical contributions made by this research in section 5.2. Thereafter, section 5.3 sequentially discusses each of the six research questions individually in sub-sections 5.3.1 to 5.3.6. Implications on theory, policy and practice by this research are put forward in section 5.4. Despite, every effort to address underlying issues in the research, it has some limitations; these are elaborated in section 5.5 while thoughts for future research outline are suggested in section 5.6. Finally a conclusion is provided in section 5.7. Figure 5.1 illustrates structural map of the chapter.
Figure 5.1: Structural map of Chapter 5

5.1 Introduction

5.2 Summary of the research contributions

5.3 Conclusions about the research issues

5.4 Implications for theory, policy & practice

5.5 Limitations of the research

5.6 Suggestions for further research

5.7 Conclusion

Source: Developed for this research
### 5.2 Summary of the research contributions

<table>
<thead>
<tr>
<th>Research question</th>
<th>Existing body of knowledge</th>
<th>Contributions of this research</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ 1: What is the strategic importance of HR in the organisation?</td>
<td>Literature overviewed key issues related to the importance of HR in the organisations, the role HR can play in effectively managing people and strategic involvement of HR in the organisations, which can become a competitive advantage over the period of time</td>
<td>The research confirmed the importance of HR in the organisations. However, the owners in some of the cases put aside the key role HR can play in enhancing organisational performance and productivity. These organisations still remain in need of an HR function to look after employee issues properly. Furthermore, in cases where HR exists as a separate function it does not play a significant role in strategy formulation and is rather involved in strategy implementation</td>
</tr>
<tr>
<td>RQ 2: What are the objectives of PA in the organisation?</td>
<td>The literature identifies that individual and PA objectives are not aligned with organisational strategic objectives</td>
<td>Organisations without a formal HR function will not have a formalised PA system</td>
</tr>
<tr>
<td></td>
<td>Formally informing and communicating the rating process to employees</td>
<td>Confirmed: the objectives of PA are perceived to be connected with annual salary increment only at all levels investigated forsaking its alignment to other objectives</td>
</tr>
<tr>
<td></td>
<td>Identification of reward deserving employees</td>
<td>Confirmed only in MNCs while there was evidence at an NC that PA is submitted by FLM without prior knowledge or information to the employee</td>
</tr>
<tr>
<td></td>
<td>Identification of employees’ areas of improvement and informing them specifically about those concerns</td>
<td>Partially confirmed only for annual salary increments but not related to other awards</td>
</tr>
<tr>
<td></td>
<td>Identifying and preparing deserving employees for future responsibilities</td>
<td>Areas of improvement identified but absence of immediate and specific feedback without any developmental plan (common in NCs)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PA is not related to identification or future promotions</td>
</tr>
</tbody>
</table>

Continued on next page…
<table>
<thead>
<tr>
<th>Research question</th>
<th>Existing body of knowledge</th>
<th>Contributions of this research</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ 3: How do employees perceive the PA system?</td>
<td>❖ PA perceived as fair &amp; accurate is a motivational element for employees and vice versa</td>
<td>❖ Confirmed: majority of the study population perceive their PA system as unfair &amp; biased causing dissatisfaction</td>
</tr>
<tr>
<td></td>
<td>❖ PA end results do not affect employees’ behaviours if they are satisfied with the whole process</td>
<td>❖ Although employees show dissatisfaction, it was not revealed that it influences their behaviours</td>
</tr>
<tr>
<td></td>
<td>❖ Confidence in process helps employees to remove gaps in performance</td>
<td>❖ Confirmed by the study population</td>
</tr>
<tr>
<td></td>
<td>❖ Perceptions directly relate to rater’s attitude towards employee</td>
<td>❖ Confirmed: employees’ perceptions revolve around the rating manager</td>
</tr>
<tr>
<td></td>
<td>❖ Suggest clarity in KPIs, objectives, feedback &amp; clear explanation of PA process to develop positive perceptions</td>
<td>❖ Confirmed partially: respondents were concerned about the clarity in process and feedback</td>
</tr>
<tr>
<td></td>
<td>❖ Confirmed: employees’ perceptions revolve around the rating manager</td>
<td>❖ Confidentiality in the process was perceived as bias and mean for manipulation</td>
</tr>
<tr>
<td></td>
<td>❖ Clarity in KPIs, objectives and explanation of PA process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>❖ Feedback is the primary objective of a PA process</td>
<td></td>
</tr>
<tr>
<td>RQ 4: What are the employee expectations from the PA system?</td>
<td>❖ Employee over rate themselves, have excessive expectations and contradict PA results resulting in negative perceptions &amp; dissatisfaction</td>
<td>❖ Confirmed: there was an element of discontentment in many respondents due to over expectation; despite all the loop holes in the system each of the employee aspire to be promoted to next level or should be highly rewarded monetarily</td>
</tr>
<tr>
<td></td>
<td>❖ Clarity in KPIs, objectives and explanation of PA process</td>
<td>❖ Confirmed</td>
</tr>
<tr>
<td></td>
<td>❖ Feedback is the primary objective of a PA process</td>
<td>❖ Absence of feedback, though employees expected to receive PA related feedback at earliest to improve their performance</td>
</tr>
</tbody>
</table>

Continued on next page…
<table>
<thead>
<tr>
<th>Research question</th>
<th>Existing body of knowledge</th>
<th>Contributions of this research</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RQ 5: What are the factors considered as important in PA in the organisation?</strong></td>
<td>✷ Employee responses are not considered important related to PA process</td>
<td>✷ Confirmed: employee’s opinion gets little value in matters pertaining to PA</td>
</tr>
<tr>
<td></td>
<td>✷ Advocacy for behaviourally centred appraisal ratings</td>
<td>✷ Research favoured behavioural PA ratings to get more focus as compared to predominant sales volume ratings</td>
</tr>
<tr>
<td></td>
<td>✷ Clarity in KPIs</td>
<td>✷ MNCs do provide clearer KPIs than the studied NCs</td>
</tr>
<tr>
<td></td>
<td>✷ Clarity in objectives</td>
<td>✷ Opacity in objectives at NCs was evidenced and are still struggling to communicate clear objectives</td>
</tr>
<tr>
<td></td>
<td>✷ PA Feedback: there is consensus in the literature that organisations fail to provide proper and swift PA feedback</td>
<td>✷ Confirmed: participants showed consensus that their managements do not give importance in providing feedback, if they do then it is in a general manner rather than specific</td>
</tr>
<tr>
<td></td>
<td>✷ Clear explanation of PA process to develop positive perceptions</td>
<td>✷ Research revealed that PA processes are not clear to the employees causing confusion, dissatisfaction, feeling of injustice and manipulation by line management, thus surely evolving negative perceptions about the process and organisation</td>
</tr>
</tbody>
</table>

The research found the following elements considered as vital by the study population:
- Employee development
- Employee satisfaction
- Formality & structure of PA system
- Ratings scale division with more emphasis on quality rather than quantity or sales volume
- Rewards attached to PA
- Openness in PA system
- Fair treatment of employees irrespective of their bottom line achievement

| **RQ 6: What are the differences between MNCs’ and NCs’ PA measures?**              | ✷ PA practices are formalised at MNCs in accordance with contextual factors with variability in richness, MNCs use PA measures which promote inter-individual competition | ✷ The research highlights that PA practices at pharmaceutical MNCs in Pakistan tend to be more formalised, structured and more process orientated (bureaucratic) while at NCs it is undertaken as an annual |

Chapter V: Discussions and Conclusions

151
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

Chapter V: Discussions and Conclusions

- Top management commitment has been emphasised in general by the literature for successful objective achievement of the PA process
- Literature highlight manipulations and skewed ratings in PA by the raters prohibiting to achieve desired objectives of PA exercise
- MNC’s performance evaluation measures objectify providing feedback, develop base for administrative decisions and means of warning
- MNCs developmental objectives aim to facilitate employees to achieve strategic objectives, pinpoint their problems and enhance organisational commitment
- MNCs lean toward a standard PA process across borders

- Confirmed: top managements’ commitment in implementation and execution of PA was seen as vital by study respondents in the both groups
- Bias in ratings, favours and use of discretionary powers by the line management was seen as a problem in both groups
- Absence of PA feedback was found in both groups except one MNC which had a web-based PA system. PA are not related to warning or termination decisions
- Employee developmental plans are not followed in a structured manner in both groups and are not fully attached to PA. Responses reveal that more focus is given to criticising problems rather than to addressing solutions or facilitation
- MNCs follow a local approach in addressing the objectives but they are structured and hierarchical in the process
- Confidentiality in PA process has been found in both groups studied cases except one MNC
- Both groups show that PA recommendations do not get weightings in case of important decisions like promotions to the next level

Source: Developed for this research
5.3 Conclusions about the research issues

Performance appraisal has been a continued area of interest by many researchers, as this has been one of the most published disciplines in the *Journal of Psychology* in the last decade (Budworth & Mann 2011). This is because of the influence of contextual and organisational factors and the need for individuality in performance evaluation practices. Lebas (1995) negates the notion of universality of these practices even in identical businesses or industries. PA not only enables and guides an organisation for multiple future decisions (Carson, Cardy & Dobbins 1992) but also serves as a launch pad for organisational evaluation, coaching and employee objectives (Beer 1981; Cascio 2006). In pursuit to achieve these objectives, strong strategic alignment of PA is needed (Kaplan & Norton 2001) with clear rewards, future directions and proper feedback mechanisms (Beer et al. 2004; Fay & Thompson 2001; Latham, Almost & Moore 2005). Despite the empirical evidence, there is still lack of PA harmony with organisational strategic objectives (Lawler & Worley 2011; Murphy & Cleveland 1991). Properly implemented PA systems not only enhance employee satisfaction (Lawler & Porter 1967), motivation (Herzberg 1968; McGregor 1985; Porter & Lawler 1968), retention (Khilji & Wang 2007) and convince underperformers to find new opportunities (Huselid 1995) but eventually improve organisational performance (De Cieri et al. 2008; Pfeffer 1998). Management theories and empirical researches have predominantly focused on westernised contexts overlooking variables influencing organisations as well as their employees in other continents (Adler 1983; Aycan et al. 2000). In this globalised village, this creates the need to identify and address PA issues contextually and specifically pertaining to an industry.

In the absence of prior empirical research (to the knowledge of the researcher) dissecting PA practices in the pharmaceutical industry and specifically in Pakistan; this evidence has addressed the identified gaps in the literature; the results of this research will further highlight the significance of PA practices to the industry to achieve their objectives, sustain competitive advantage and improve organisational performance.

The research questions explored on the basis of the literature review in Chapter two foresighted significant benefits for sales employees as well as their organisations in implementing these practices. The following sections highlight conclusions drawn for each of the research questions.
5.3.1 RQ1: What is the strategic importance of HR in the organisation?

Strategic directions supported by HR functions which are in line with organisational strategy provide a roadmap for employees to achieve their objectives efficiently and effectively. The literature emphasises that it is the unique set of skills and knowledge possessed by employees that creates strong competitive advantage. Hence, it deems necessary for an organisation to reframe its people management practices not only to retain and motivate the human asset but also to sustain its competitive advantage (Finegold & Frenkel 2006). This task can only be achieved through HR’s strong strategic commitment and alignment with the organisational strategy. This organisational commitment can result not only in outstanding performances (Kaplan & Norton 2001) but also in financial benefits for an organisation (De Cieri et al. 2008). Despite organisations’ rhetorical acknowledgement of people management practices, only a few strategically align their HR functions with their overall strategy (Kramar 1992). Organisational top management is relatively less committed to strategic involvement of HR as compared to functions like finance or marketing.

As mentioned earlier in Chapter two, Pakistani pharmaceutical organisations are at the infancy of HR practices (sub-section 2.5.3). Bashir and Khattak (2008) deduce that Pakistani organisations rely heavily on past experiences rather than modifying their practices to take advantage of their human capital. Findings reveal that even at the MNCs, HR functions only play a role in strategy implementation rather than a key ally in the formulation. Weak HR practices at studied MNCs may be influenced by local culture and management practices. Laurent (1991) validates that HR practices are context specific and MNCs are not an exception.

The findings pertaining to this research question described in Chapter four (sub-section 4.5.1) revealed that generally and strategically, the importance assigned to HR functions is relatively low or non-existent in the industry as compared to sales, marketing or finance. It was evidenced in the NCs, there is an absence of formal HR functions in three out of the four studied cases and some of the prevailing HR activities such as evaluation are delegated to the sales management. Despite the acknowledgment of HR’s strategic importance (see C19, Appendix 5), NCs’ top decision makers do not (willing to) render importance to people management practices and see it as an overhead expense for the organisation (see A19, Appendix 5). Due to their competition in price sensitive market (as
compared to research oriented MNCs) and short term planning, they perceive that HRM initiatives do not result in an immediate financial benefits for their organisations.

Overlooking people management practices is preventing the NCs from taking advantage of their human capital; moreover, it may also be the key reason for higher attrition rates at these organisations. Although NCs provide more fringe benefits compared to the MNCs, sales employees do not tend to stay longer than their counterparts in the MNCs. This implies that employees are not satisfied with their organisations as attrition rates are associated to employee satisfaction (Lawler & Porter 1967). This also infers that the people management practices of an organisation create glue to encourage employees to stick with an organisation. Boxall and Purcell (2011) also emphasise that better HR practices play a key role in sustaining businesses as well as retaining valuable employees. As mentioned earlier in chapter II (see section 2.5), higher unemployment levels may also be the reason for the HR neglect in the country as there are already more applicants on the waiting lists of an organisation. Therefore, the organisations may not feel obligated to retain their existing human resources. In addition, cultural factors also shape employee and organisational behaviours (Adler & Jelinek 1986), these factors influence the procedures or the way organisations will act and design their HR and other practices. The organisations studied in this research also presented the image portrayed by De Cieri et al. (2008) that strategic managers primarily focus on financial objectives and disregard human capital resulting in poor execution of strategies.

5.3.2 RQ2: What are the objectives of PA in the organisation?

The objectives of a PA can vary from an organisation to the other; however, the literature corresponds to formal information to the appraisee, reward performance and convey current deficiencies to take advantage of future possibilities.

The evaluation process requires a procedural approach in order to achieve the aforementioned objectives. Nevertheless, the research found variability in application and addressing the theoretical objectives of PA in the studied organisations. It is deduced on the basis of evidence from the findings that organisations without a formal HR function may not have a formalised or structured PA system. This finding is substantiated on the basis of evidence from organisation A, C and D.
The conclusions from the data reveal that the studied organisation achieve to some extent the administrative objectives of PA (Budworth & Mann 2011) as these are used to allocate salary increments, whereas these lack in achieving objectives pertaining to training and development, feedback and employees’ future careers. The organisational inabilities to address these issues may be the root cause of perceptions of injustice among the employees. The research reveals that employees at representative levels perceive their PA systems as being a redundant process and a tool to manipulate employee related decisions. However, one MNC takes an HR centric approach to employee related decisions despite being influenced by the local management characteristics of authority and autocracy.

Casual approaches in providing feedback in PA related matters was evident in all of the studied organisations except Case E (sub-section 4.5.2.5). This casual approach towards feedback can be due to multiple reasons: firstly, the informality of the PA process or its least influence on employee matters; secondly, the managers perceive the submission of PA to head office as an end to this process and in reality, it is the end of the process as even the head offices do not provide feedback about the submitted PA reports (see B19, Appendix 5). Finally, as PA matters are seen as the measure to evaluate sales volume and this is verbally discussed all-round the year, therefore, providing feedback about the PA may not be thought as necessary.

The research finds the evidence that employees at the MNCs are aware of their developmental aspects and its relation to PA (as a developmental summary is a key part in their PA irrespective of its implementation). However, their counterparts at the NCs are not even aware of the developmental factors needed to improve their future performance. Despite the absence of specificity of developmental factors, the aspirations at the representative level in the NCs remain high compared to their counterparts in the MNCs. One of the reasons for this difference may be the extensive induction training sessions at the MNCs while the focus remains on the do it yourself approach at the NCs (see D15, Appendix 5). Lack of training and developmental opportunities resulted in vigorous responses at the NCs as compared to the MNCs; this was not limited to the NCs’ sales representatives as the research reveals similar situations for their managers as well. Resultantly, this competency gap makes them unable to execute their professional responsibilities amicably. This particular situation at the NCs can be directly linked to their existing ineffective evaluation systems not aligned to training and development objectively. Furthermore, this very casual approach in employee development can be blamed on job scarcity and insecurity in the country (see section 2.5) as
employees have no other options rather than to compromise and adhere with the existing job provisions.

In general, research findings portray a casual approach towards the PA system from the organisations. This may be due to a few reasons. Firstly, delegation of HR processes to the sale management, which may be perceived as an extra work besides their field responsibilities. Secondly, the authority and bureaucracy in the line management may perceive PA as taking away their decision powers and control over the employees; finally, this approach may be due to top managements’ preference only to financial objectives of the organisation.

**5.3.3 RQ3: How do employees perceive the PA system?**

Employee perceptions or the way they see a process is influenced by the persons involved in that process. These perceptions are rooted in interpersonal relations within those individuals such as employee-supervisor (Thurston & McNall 2010).

The research found that employees in Pakistan’s pharmaceutical industry view their PA systems as unfair, biased and manipulative and do not bring out good for them. Despite all the criticism and scepticism the respondents showed eagerness to improve the PA system.

The judgemental evaluation at the NCs may include personal opinions raising concerns about the impartiality of the process. One of the NCs evidenced that FLM submits sales representative’s PA report without even informing and discussing related issues with the employee involved. Actions like these can be the basis of hampering employee perceptions as Greenberg (1986) iterates that employee perceptions are grounded in their interactions with their supervisors (raters). This implies that employee dissonance with the process may have been influenced by their supervisors rather than PA specifically. These results emphasise the need for better relationships within the teams and supervisors in order to achieve prescribed PA objectives. Besides these, factors such as the presence of bias in PA, favouritism and the absence of PA feedback also contributed in building negative perceptions around the particular evaluation system. Reluctance in providing or asking for feedback or giving liberty to employees is found to be the characteristic of Pakistani management style (Khilji 2001). It is evident that employees may not be willing or comfortable to speak in front of their superiors due to their cultural upbringing (see section 2.5); however, they do realise the need
for change in the existing practices. For the success of an organisational process like PA, employee perceptions can be a critical factor (Bernardin & Beatty 1984) and needs to be taken into account; however, Murphy and Cleveland (1995) are sceptical about organisational willingness to do so.

In order to extenuate this dissonance among employees, it is vital to build confidence about the PA process, so that it can be viewed as a just measure ensuring equal opportunity to every employee. Confidence in the PA process enables employees to improve their performance by removing gaps (Cropanzano & Folger 1989) and meet organisational standards. If the employees believe their PA system as fair and just then even the negative outcomes of the PA will not influence their perceptions and behaviours (Thurston & McNall 2010).

5.3.4 RQ4: What are the employee expectations from the PA system?

The research question three explored the factors influencing employee perceptions while this research question identified respondents’ expectations from their PA system apart from the factors sought by them.

The research reveals several expectations sought by the study population. One of these was the rationale for PA ratings among the sales volume and other performance standards. Concerns were raised at all organisational levels because currently organisational definitions for performance are solely leaning toward sales volume. This resulted into multiple suggestions of assigning sales volume ratings from 50% to 70%. Similarly, 360° evaluation also gained favour because of its ability to produce a likable manager recommended by the team (see Appendix 5). The literature also highlights variability in this approach as Silverman and Wexley (1984) suggests behaviourally anchored measurements while Muczyk and Gable (1987) are against this approach in appraising sales employees; moreover, Kaplan and Norton (2001) favour a balanced scorecard approach. In the absence of consensus on a single measure, it seems appropriate to use Ingram et al.’s (2012) approach of using multiple measures to avoid singularity in evaluating sales employees.

PA adherence to rewards and promotions was the factor highly sought by the study participants. It was found that decisions about rewards and promotions are made without any
consideration to PA outcomes. This may be a feature of the managerial traditions in the country to retain authority and make decisions. Rewards linkage to PA process is not only directly related to the notion of distributive justice (Folger & Konovsky 1989) and the fairness of the process (Waite & Stites-Doe 2000) but also results in positive perceptions and satisfaction (Folger & Konovsky 1989). The path goal theory also emphasises that employees tend to insert more effort to perform, when rewards are aligned with performance (Georgopoulos, Mahoney & Jones 1957). However, this research finds differences in the types of rewards with elongation of job tenure; newer employees tended to focus on monetary benefits whereas their senior counterparts sought promotions or designation changes as recognition for their performance (see Appendix 5).

Performance management systems primarily focus on the feedback mechanisms, so as to address the issues needing enhancement (Chatterjee 2009). The absence of such vital information indicates that future improvements will be stagnant. Similarly, the research reveals that although feedback was keenly sought by the study population (see Appendix 6); there was reluctance or a casual approach in its deliverance to the appraised employees.

Career related discussions were found to be another expected element by the study participants. It seems obvious that in the absence of feedback, any career related discussions were also likely to be absent. This expectation may not be of significant importance for newer employees; however, such discussions can be of critical value for sales employees and managers with prolonged service. Schlesinger, Kiefer and Brown (2012) believe that one reason for the avoidance of such discussions is to keep employees away from false hopes and commitments in uncertain business conditions. Nevertheless, Scales (2010) is of the view that managers rarely indulge in career discussions with their subordinates although such discussions can play a pivotal role in employee’s commitment and productivity. Scales further asserts that these discussions empower and enable employees to collaborate and lead them on the path of their career development.

Organisational management believe that employees may only demand monetary rewards but this has not been the case. This research demonstrates that although monetary benefits are a key component to be attached to a PA system, employees are seeking goal posts such as clarity in objectives, rewards and future opportunities. Moreover, employees also seek clarity and simplicity in the PA process accompanied with feedback, training and
development and fair treatment of employees irrespective of their performance as factors closely tied to their PA system.

There seems a communication gap, not only between representatives and supervisors but also at the supervisor and top management levels. This may be the reason for organisational inability to communicate their strategy at the individual level rather than generally through the hierarchy (Kaplan & Norton 2001). The underlying reason for this can be the absence of HR functions in these organisations as fostering open communication and team work are their core responsibilities (Stone 2010).

Figure 5.3.4 illustrates the contrasts between managers’ and representatives’ expectations.

**Figure 5.3.4: PA expectations**

![Diagram showing contrasts between managers' and representatives' expectations]

Source: Developed for this research

### 5.3.5 RQ5: What are the factors considered important in PA in the organisation?

The relative importance of factors pertaining to any organisational process can be different in the eyes of the beholder. It is impossible for an organisation to create a PA system which is able to satisfy each individual’s expectations.

As mentioned earlier in Chapter two, diversity prevails in the literature about the factors considered as important in a PA system. One arm espouses PA with composite factors
of formality; feedback and career development (Chatterjee 2009; Dransfield 2000; Stone 2010); while the other favours the balance scorecard approach (Kaplan & Norton 2001). Khilji (2002) argues for contextual factors and Beer (1981) divides the factors into multiple categories of development, coaching and employee perspectives. In short, organisations can get stuck in the middle if they intend to include all the factors and create a comprehensive ideal PA system. This is why Drucker (1958) stresses the need for usable and understandable measures to be adopted in a PA system.

This research finds that the study population has highlighted certain factors, which they consider to be important for a PA system in the Pakistan pharmaceutical industry. These important factors are illustrated in Figure 5.3.5.

Figure 5.3.5: Important factors in PA

It was found that MNCs possess more clarity in their objectives and KPIs. This may be due to their integration with their principal offices and formality of their PA systems, whereas some of the NCs still define their performance definition and objectives vaguely (see A35, Appendix 5). This creates the need for an objective orientation along with the clarity in PA related factors such as structure, formality and KPIs.

Performance is linked to rewards, recognition and satisfaction (Lawler & Porter 1967) while rewards are linked to satisfaction (Cherrington, Reitz & Scott 1971; Folger &
Konovsky 1989) and better future performance (Greene 1973). This necessitates PA adherence with clear reward and promotion systems. It is believed that if the factors highlighted by the employees are implemented properly, will not only benefit the employees in financial and career terms but will also enhance their motivation, satisfaction and commitment to the organisation.

Fair treatment and acknowledging employee contributions to organisational objectives also keeps them motivated (Herzberg 1968; McGregor 1985; Porter & Lawler 1968), enhances job interest while persuading them to remove performance gaps.

5.3.6 RQ6: What are the differences between MNCs’ and NCs’ PA measures?

Implementing and adopting standard or customised HR practices can be a dilemma for multinational organisations as these practices cannot be bounded into a single definition due to the contextual elements involved. Global organisations do face the challenge of keeping their HR practices homogeneous across borders for efficiency (Cullen & Parboteeah 2007). Standard HR practices at these organisations is an aspired myth due to strong influence of contextual cultural factors.

Similarly, the research found in relation to this question that HR practices in Pakistani pharmaceutical organisations are also influenced by local management practices. Findings reveal that authority of senior managers, bureaucracy, respect, conflict avoidance with superiors, confidentiality in PA process and the importance of word of mouth in decisions prevail in these organisations. These norms are not specific to a single group rather than an organisational persona in general in the industry. However, both groups differed significantly in formality and the structure of the implemented PA system irrespective of addressing the objectives. MNCs tend to have followed and implemented PA structure trickled down from their corporate offices. Although these are following a structured PA approach, the evidence reveals that the execution to achieve its objectives seemed to be influenced by the local management traditions. MNCs tend to make employee career decisions based on recommendations by the sales management rather than entirely based on the PA; whereas at the NCs, the decisions are predominantly dominated by the sales management. Moreover, NCs are taking a very myopic view of HR practices such as PA while fewer are trying to develop their HR functions (Case F). Performance evaluation procedures at the NC, whether
they were judgemental, structured or web-based are over weighed by the sales volume achievements. Besides bias, PA processes reveal the evidence of elements such as confidentiality, opacity in performance standards, a failure to align rewards and objectives with PA; and an absence of feedback related to PA matters. Figure 5.3.6 illustrates the contrast between the two groups.

Figure 5.3.6: MNCs and NCs PA differences

As illustrated in Figure 5.3.6, despite the differences, the groups illuminate some similarities in aspects such as: PA being an administrative exercise without any objective, influence of opinions upon the PA process, confidentiality in the process and the results and casual approach in providing PA feedback along the line. Moreover, PA ratings were found to be dominated by the sales volume only and most of the decisions are based on this quantitative aspect of performance.

Some of these commonalities and differences may have been associated with the structure, formality or implementation of PA systems or the organisational culture; however, the influence of national culture on these behaviours has been fairly noticeable. Evidence of these factors reiterates the importance of harmony between national culture and implemented management practices (Khilji 2002).
5.4 Implications for theory, policy and practice

The discipline of HRM has gained much attention from researchers and practitioners in the past half of the century. In a broader sense, performance management specifically has been widely researched in the last decade (Budworth & Mann 2011) due to its value addition to organisational performance. However, in developing nations like Pakistan, there was absence of any empirical research conducted specifically in the area of PA of sales employees whilst few researchers (Islam 2004; Khilji 2001) have contributed their expertise to the HRM practices in the country. Pharmaceutical organisations globally are research orientated; unfortunately these organisations have been unable to contribute to research issues pertaining to social sciences within their industry. Similarly, in the particular context of Pakistan, the literature does not elucidate issues about PA practices in the industry.

5.4.1 Implications for theory

This research has made a contribution to the theory of HRM and specifically to the SHRM by identifying PA issues and challenges needing attention in the Pakistan pharmaceutical industry. This research is of significant importance in theoretical and practical facets because:

This empirical research has addressed and repleted the theoretical gap existed in the country as well as in the industry.

The literature reviewed in pursuit of this research disclosed the absence of empirical investigation and dissection of PA practices in the Pakistan pharmaceutical industry. Therefore, this empirical exploration provides a foundation stone for research in this industry, knowledge-based sales orientated organisations as well as and in the discipline of SHRM in Pakistan. The researcher comprehends that some of the findings may not be novel and can be corroborative or contrastive to other similar investigations in the discipline. Nevertheless, this research adds new horizons, recent perspectives and evidence whilst strengthening the validity of the existing theory.

In addition, the research contributes by finding that organisations without a formal HR function will most likely not have a formal PA system in place. This is one of the reasons
why Pakistani pharmaceutical organisations in general and NCs in particular are lagging behind other countries in the region in relation to their HR practices.

Top management commitment to HR issues is very dismal in general while at the NCs, the owners rely on intuition or experience based decision despite the emphasis on HR (or PA) from their executives as organisational focus is primarily on financial objectives. This is why HR practices such as PA practices come at the bottom of organisational agenda.

Organisations, despite using formal and informal evaluation or PA systems, do not address its theoretical objectives and is generally being done in a manner to allocate annual salary increments. This organisational approach has resulted in call for an objective oriented PA system rather than a routine exercise without any value addition.

Sales employees as well as managers are more interested in addressing the gaps in their performance as well as PA systems rather than their emoluments. This can only be achieved through open and proper communication and feedback channels. The study deduces that a casual approach is being taken to provide feedback for training and career developmental aspects. There is a need for swift and specific feedback mechanisms aligned to PA system to address gaps in the performance and promote positive perceptions. Besides feedback mechanisms, the executives seek their top management’s commitment to the PA process and should be open in communication.

Open organisational environment may be a difficult task to implement in view of the management traditions in the country; however, to take advantage of PA system, the research findings emphasise the need for clarity in objectives and rewards system, clear succession plans along with clear performance definitions. Furthermore, in order to define performance standards, the research enforces the need for balance between sales volume and behavioural weightings in a PA system.

In a developmental sense, there seems to be a gap between the two groups; MNC employees are aware of their developmental aspects (irrespective of actions taken) while their counterparts at the NCs are on the flip side. The research identifies the need for proper training and development of the NCs’ FLMs; this will enable them to address theirs’ as well as subordinates’ professional issues pertinently. However, this does not under weigh the importance of training needs at the representative level as there is a tendency of do-it-yourself approach rather than formalised training programmes at the induction.
Furthermore, the prevailing authority in the senior management is enabling them to bypass the organisational systems such as PA recommendations in the MNCs as well as in the NCs. This is one of the reasons, why sales employees do not trust their PA system as it can be overshadowed by senior manager’s recommendations. In the presence of this element in both groups, the communication gap among representatives-FLMs and between FLMs-top management is evident, which is surely resulting in jagged messages such as strategic objectives from top to bottom.

This research has laid out a considerable theoretical platform and explored existing and needed factors to improve performance management systems pertaining to sales employees in the Pakistan pharmaceutical industry. This further facilitates Pakistani researchers, students and universities to use this study as a launch pad for further exploration in the discipline of HRM and specifically in SHRM.

A summary of the contributions made by this research in the discipline of HRM related to the Pakistan pharmaceutical industry is presented in Figure 5.4.1.
On the basis of the literature reviewed, the data analysed and the conclusions drawn, the researcher defines the PA process specifically pertaining to sales orientated organisations as:

*The process of harmonising the needs of both sales employees and the organisation; this requires consistent bilateral feedback to address and create areas of development with a view of promoting positive perceptions among various stakeholders (sales employees, managers and the organisation).*
5.4.2 Implications for policy and practice

Pakistani organisations may not feel obligated to improve HR functions because their visions may be blinding them to change. This orthodoxy in the industry may be based upon their past beliefs and success. Nevertheless, organisational stories of IBM, GM, DuPont (Ingram et al. 2012) and Kodak (Bingemann 2012) prove that learning and changing with the environment and industry requirement is the only way to sustain business and competitive advantage; else, extinction may not be far away. However, learning stories of Levis using Facebook (Rooney 2011) and Apple from Ritz-Carlton (Gallo 2012) authenticate that innovation and learning in practices not only sustains survival but also potentiates in becoming a leader in the industry. These sales orientated organisations benchmark themselves with the best practices in the industry in order to redesign their existing practices (Ingram et al. 2012).

MNCs have lesser gaps in policy and practice than the NCs; however, NCs meeting 90% of the country’s medicinal requirements, ought to take (accept) the responsibility to change. It is the time for the NCs to realise that 20th century practices will not enable them to survive in the intense competition of the 21st century.

The researcher does not intend to make the judgement that employee management practices at the NCs are wrong; however, in the presence of research evidence, the question is, are their practices right and match the current business needs. As some of the NCs aspire to extend their businesses across Pakistani borders, they need to ask themselves the question: do their existing people management (HR) practices allow them to compete against local companies in host countries. There is a strong need for synchronisation between the aspirations and the practices in order to achieve the desired objectives. HR functions at the MNCs are more formally structured (irrespective of their effectiveness) because these organisations experience and share their practices with their subsidiaries and attempt to standardise their practices to sustain their competitive advantage. However, NCs do not have any collaborative or sharing network to learn from newer innovations and practices in their own industry. This may be why NCs rely on past experiences and intuition based decisions.

Therefore, there is a colossal need for the national organisations to form a collaborative platform in order to share and learn from better organisational practices adopted by other organisations in the industry. It is further suggested that NCs need to share their
practices, learn from their industry based knowledge and from research specifically addressing their needs, in order to innovate their practices by inculcating new ideas and suggestions. As highlighted in each of the research question conclusions and the literature, being the carriers of change, it is the sole responsibility of the top management to introduce innovation and cultural improvement in their organisations. Updated knowledge is the best way to gain competitive advantage and this can only be achieved through a collaborative network and sharing of knowledge within the industry.

As mentioned earlier in Chapter two (sub-section 2.3.2.5), appraising the performance of a sales employee is fundamentally related to their satisfaction, motivation, performance and resultantly retention because higher attrition means higher costs for an organisation. It is evident from research and experience that keeping an existing employee motivated, satisfied and committed with an organisation is always far more effective and economical than a new recruit. This phenomenon can only be achieved by implementing an improvised PA system in knowledge driven businesses like the pharmaceutical industry.

Based on the research’s evidence supported by the literature, the researcher suggests adopting a *Performance Appraisal Spiral (PAS) Process*. The PAS process for the pharmaceutical sales employees is defined as:

> *The process composite of informing, evaluating, identifying, notifying and rewarding: preparing and assessing along with its strategic alignment to individual and organisational objectives.*

The denotation of the aforementioned terms is described as:

- **Informing**: Informing a sales employee for formal appraisal process
- **Evaluating**: Mutual agreement of the appraiser and the appraisee on the inscribed ratings
- **Identifying**: Individuals and performances to be rewarded according to the prescribed reward system
- **Notifying**: Specific feedback related to previous performance and highlighting areas needing development and rewarding previous performance
- **Preparing**: Deserving employees for next level responsibilities and training them for future roles
- **Assessing**: The appraisal process in order to address the difficulties and issues which arose and raised (by appraisers, appraisees or management) during the PAS cycle.

The adoption of this process will enable the pharmaceutical organisations to take advantage not only of future HR strategy development but also to develop positive perceptions towards the process and the organisation. Figure 5.4.2a illustrates an organisational perspective of the PAS.

**Figure 5.4.2a: PAS: an organisational perspective**

![Diagram of PAS: an organisational perspective](source: Developed for this research)
The researcher believes it is necessary to break down this spiral into procedural tasks, so as to address the stakeholder (employees, management and the organisation) concerns. These foci are derived from the summaries and conclusions of the research questions (subsections 4.5.1 to 4.5.6) and the researcher’s experience in the industry. Figure 5.4.2b illustrates stakeholder requisites for the PAS.

**Figure 5.4.2b: Stakeholder concerns**

Source: Developed for this research

Organisations may feel obligated to adopt a PA system which can also address their areas of interest. However, from the management’s and employees’ perspective, it should not only conform to their expectations but also diminish the negative elements highlighted in research findings (sub-sections 4.5.2-6). The researcher suggests the following cyclic process
to be implemented. These steps are developed on the basis of the findings from this research and the literature.

**5.4.2.1 PAS process**

It is vindicated in the literature and also in the findings of this study that top management’s willingness and commitment is vital for success (Regal & Hollman 1987), inter-functional collaboration (Rodríguez, Perez and Gutiérrez 2008) and implementation of a PA process. Therefore, the PAS process also requires these vital accreditations. Prior to leading in a formal and structured appraisal approach, an organisation should make sure that the following measures are in place.

- It is suggested that an organisation should *clearly lay out their strategic and financial objectives and must be communicated at the individual level*. Farthermost attempts will be made not to revaluate or increase these objectives during a business year, once already been declared, decided and agreed, as it is not sending the right signal at lower levels (this research finding).

- *Clear performance indicators, benchmarks and definitions of performance* in terms of achievement of objectives should be in place. These will also define each of the desired and measurable *performance behaviours*, so as to achieve harmony in understanding across the organisation for that behaviour.

- A clear *career succession structure* needs to be laid out and communicated. This must address future opportunities available to every employee in the organisation in ‘what’ and ‘how’ terms, as confusion exists due to unclear future organisational ladder.

- A *clear and descriptive rewards and recognition system* aligned with the PA system needs to be made public in the organisation, as it is the key and pivotal element in the success of the PAS.

  The following hierarchical approach can readily be implemented once the aforementioned decisions are in place; else it may not provide the aimed objectives.

**PAS1.** The PAS process will be conducted on a biannual basis (6 monthly) in order to keep performance behaviours as current as possible and to avoid blanked out performance behaviours.
PAS2. Sales employees and their managers fill in a *reflection (pre-evaluation) summary* at the start of each PA session (a mid-year and at the end of the year). This should not be limited to the aspirations of an employee only but also include the employee’s projected (forecast) growth on previous achievements, projected objectives and specific developmental aspects rather than general. Submitted directly to the HR (or the person responsible), this reflection should be filled out and corroborated with the achievements at the end of each appraisal session. This action will enable employees to benchmark themselves and formulate better and realistic objectives (in future) rather than to make their managers happy by forecasting ambitious growth and objectives. This report will serve as *feed-forward* mechanism and will highlight *what the employee wants* and can reveal future aspirations.

PAS3. PAS will be comprised of 60% *sales volume achievements* and 40% *measurable behaviours*. All measurable behaviours must be defined to have harmony in understanding across the board. These rating distributions have been considered as justified by the research population as there are currently concerns (from managers) about weightings associated to sales volume. Moreover, PA systems become more effective when importance is assigned to measurable behaviours along with pre-agreed objectives (Lawler 2003).

PAS4. Sales employees and managers will file a *monthly one page self-evaluation report* to their immediate manager and the HR (person responsible). This will be based on the aforementioned 60-40% division and contrasts *what was expected* and *what is achieved*. This is also a self-filed report and does not require any recommendations or comments from managers. This report also requires the inclusion of any critical incident, achievement or behaviour exhibited during that period. These self-rated reports will serve as a solid base for upcoming formal (mid-year or annual) appraisal process. This measure will reduce the confrontation and bias because of the availability of substantiative evidence.

PAS5. Each first line manager (FLM) will file a brief behaviour report to the HR, at least once a month for an *accompanied field work* with their subordinate. The supervisor will rate the sales employee on pre-defined measurable behaviours. This report will also inscribe the specific areas of development for the particular subordinate.
PAS6. In a formal PAS session (six-monthly or annual), the immediate manager will formally inform the subordinate to prepare and compile previous (individual and accompanied) reports (PAS 4 & PAS 5) and any additional required information in order to submit the PAS report. New ratings will be agreed mutually (immediate manager and the employee) as well as the previous report ratings (PAS 4 & PAS 5). This report is submitted to a senior manager (zone/region/area manager). The substantiation from PAS 4 and PAS 5 reports will diminish the element of confidentiality, bias or favouritism. Furthermore, on the basis of the supervisor’s monthly report, it will highlight the developmental aspects of an employee and will require measures to be taken to address those issues. This process will serve as a feed-forward (next 6 months) and feed-back (past 6 months) mechanism and will help to harmonise the link between what the employee wants and what the organisation wants. This parity will not only help to diminish the gaps but will also highlight what needs to be done to improve performance.

PAS7. A submitted report from PAS 6 will be reviewed by the senior manager (SM). This manager will provide own ratings for the appraisee besides the specific job related comments and recommendations. This manager will also substantiate the basis (why, when, how) of recommendations for rewards, promotions or salary increments. The bases provided by the senior manager should be specific and avoid general comments such as, excellent worker, consistent or average performer or poor professional knowledge.

PAS8. In order to triangulate these reports, a peer review report will be required from another sales employee (of the same area or team) for the appraisee. This person will be assigned by the HR. The behavioural ratings apportioned by the peer review should be inscribed in the employee’s final PA report by the HR (person responsible). This measure will enable the process to identify the areas of difference in ratings, reasons for these and pin point areas of improvement in an appraised employee (Stone 2010).

PAS9. Any market and industry knowledge assessment or field work assessed by a training, marketing or product executive (manager) will need to provide their review and rating report to the HR and the concerning sales management. As a part of promotional activities, field work by these managers is a common practice at these organisations. However, verbal (often) or written (rare) reports generated by them do not influence
employee’s future or performance ratings. Due to unconstructive nature of these accompanied customer calls, sales representatives and FLMs avoid these calls in order to avoid criticism. This report rating will motivate employees for co-working with these executives and encourage them to learn from their expertise and professional skills. Ratings in this report will put bilateral responsibility for the field work and generate report amicably. Ratings from this report are to be inscribed in the employee’s final appraisal report by the HR (person responsible).

This completes one phase of the PAS process. The next phase is to be implemented and compiled by the HR (person responsible) as elaborated in the next steps.

PAS10. The HR will ensure that all the ratings from the different reports are in place. A compiled PA summary will be generated and communicated back to the employee, the immediate manager (FLM) and the senior manager (SM). This summary will provide a detailed snapshot of an employee’s performance achievements, aspirations and specific areas needing development (based on FLM/senior manager/training manager reports). This summary will also describe all ratings assigned in the employee’s concerning reports [PAS 2, 4, 5, 6, 7, 8 & 9].

PAS11. To validate and strengthen the PA process, a PAS calibration meeting needs to be conducted between the HR and the sales management. The meeting will discuss the issues related to PA and how managers are rating their subordinates. This meeting will also discuss randomly selected PA reports and discuss the ratings (why and how) assigned. This meeting particularly focuses PA reports, which highlight contrastive ratings assigned to an employee and there is an evidence of personal interference in the process.

Figure 5.4.2.1 encapsulates and illustrates the aforementioned steps of the PAS process.
Figure 5.4.2.1: PAS process

Source: Developed for this research
Deming (2000) considers performance as a compendium of employee’s achievements, co-worker’s influence, job support activities, work environment and immediate manager’s influence. In dealing with these issues, PAS process uses multiple facets to compile results, which can be considered as performance for evaluation purposes. PA process is vulnerable to influences such as favouritism, bias, sycophancy or opinions by involved individuals. PAS steps 4, 5 and 8 address these by triangulating multiple reports from various players in the process. LMX theory also highlights supervisor’s subjective behaviour towards different team members influencing employee evaluation and job satisfaction (Mardanov, Heischmidt & Henson 2008). PAS deals with this issue by keeping the process open to everyone, monthly self-evaluation at PAS 4 and FLM’s report at PAS 5 attempts to mitigate subjective opinions towards any employee. Moreover, an open discussion at PAS 6 provides opportunity to employee as well as FLM to openly discuss areas needing consideration in future.

The researcher believes this process will meet the aforementioned stakeholders’ expectations by diminishing and establishing key elements highlighted by the literature and the study population. Trust and faith in the process can only be achieved if the process is formalised and structured so that each employee is aware of the next level in the process. On the basis of this research, extensive organisational and theoretical literature – it is recommended for organisations in the Pakistan pharmaceutical industry to have:

- An inter-organisational forum to share and benchmark better HR practices in and outside the industry
- A colossal need for dedicated HR functions at the NCs – as increase in their numbers and market share demand them to formalise HR approaches and accept responsibility of people development and due diligence
- MNCs should lead as change agents in the industry to promote and exhibit benefits of better HR and other organisational processes
- Organisations should indulge and engage their employees in order to understand their perceptions about organisational processes, which can only be achieved through better communication channels within organisational levels
- Focus on employee satisfaction – as it is key to employee retention
- Implement a formal PA system such as PAS
- Align PAS objectives to organisational strategic, functional and employee objectives as well as employee development
Organisations should ensure that PA processes such as PAS are a continuous process rather than an end of the year exercise.

A deliberate attempt has been made to mitigate negative factors in the process by triangulating the performance and evaluation reports from multiple contributors in the system in order to retain authority (to avoid resistance to the process) and abstain its misuse. The researcher is also aware of the fact that the appraised employees may not (able to) raise concerns (due to cultural factors) with the FLM in final/midyear review report to avoid confrontation. Furthermore, triangulation support into PA (even from a single source) motivates the appraisee to acquire new skills and enhance learning (Smither, London & Reilly 2005). The researcher emphasises the need for proper training and transmission of PAS, so as to have an identical level of understanding of this process among the raters and the ratees in an organisation. After the implementation of the PAS process, the researcher foresees the following outcomes and benefits, based on the findings and the literature, as illustrated in Figure 5.4.2.2.
Chapter V: Discussions and Conclusions

Figure 5.4.2.2: PAS process outcomes and benefits

Source: Developed for this research
The researcher is aware of organisational difficulties in adopting a new PA process; however, in order to implement the PAS process it is suggested that interested organisations should indulge into a change management process to avoid resistance from the employees and the management (Armstrong 2009). Although it can be trammelling task to have a universal PA system in the industry and the suggested model may not be conclusive for the industry; nevertheless, it provides a base layout for willing organisations to resolve the stakeholder issues highlighted by the research. Moreover, the accordance of the model with Pakistani culture and management style does not limit it specifically to the pharmaceutical industry; it can be customised and adopted to other industries as well to take advantage of their human resource.

The researcher focused and adhered on the stance to improve PA practices only rather than attempting to change the culture in these organisations.

5.5 Limitations of the research

This research presented evidence of the essentiality of an HR function in Pakistani pharmaceutical organisations in order to develop and sustain their competitive advantage through better people management practices. However, as mentioned earlier in Chapter three (section 3.7), the research possessed some limitations. Data collected for the research through in-depth interviews was done in the local languages and later transcribed into English by the researcher. This process may have resulted in some loss of data or interpretations by the respondents. Furthermore, the research focused on four NCs and two MNCs as the source of information related to their PA processes. Although the researcher has attempted to focus on information rich companies of different sizes (volume turnover, number of employees and organisational rankings); the findings may not be representative of the whole industry as even homogeneous organisations may differ entirely in their PA practices. Some of the respondents may have provided information based on their personal experiences in the organisation, which may have differed from others in the similar context. To avoid subjectivity and bias in the research, the researcher corroborated and triangulated the data findings with a focus group. Findings from the focus group have been discussed in sections on each of the research questions in Chapter four (sub-section 4.5.1 to 4.5.6).
5.6 Future research outline

This research has attempted to explore PA practices in the Pakistan pharmaceutical industry realising the presence of HR neglect in the country and particularly in the industry. The research may have taken a broader view to the context rather than addressing minute details of the PA systems in the industry. However, the research has projected factors (section 4.5.7) highlighted by the study population. These can further be studied in detail in order to have a deeper understanding of the issues.

- **The pros and cons of who is the best candidate to be promoted to the next level: better performer or the skilled: Go errors and drop errors.** On the road to this process, organisations do overlook good performers and good future manager who have the required attributes in favour of the high sales performers. Sales volume being considered as the primary definition of performance, it is also becoming the primary criterion for promotions and other future roles (see Appendix 5). This does result in shattered teams as newly promoted employees are unable to cope with new challenges. Future researchers may intend to explore this issue in detail.

- **PA and its impact on future HR decisions:** Future researchers may need detailed investigation of why, why not and how PA influences future HR strategies and plans.

5.7 Conclusion

This chapter has highlighted and discussed the conclusions pertaining to each of the research question corroborating with the existing body of knowledge. It is evident that HR is not considered to be the key function in the pharmaceutical organisations of Pakistan. MNCs, which are considered to be the flag carriers in the Pakistan industry to guide management practices, are also weak in HR’s strategic alignment to the organisational strategies. This may be due to the influence of local management practices in the industry. Moreover, HR as an organisational function in the NCs is still a no go zone.

Surprisingly, organisations operating in the industry for the last twenty five years with more than 500 employees do not have an HR function or a dedicated person for these activities. For this reason, PA is dealt with in a casual manner influenced by opinions, lacks in feedback and secluded from career and developmental needs. Furthermore, there are no
strategies in place to prepare suitable employees for future responsibilities, not to mention succession planning.

The studied groups differ significantly in terms of PA formality and structure irrespective of its intended objectives. Triviality to objectives of the PA systems is portraying it as a redundant process and a cause of negative perceptions. These dissonant perceptions may have been pivoted upon their interaction or relation with the rater or supervisor. Therefore, the employees thirst for clarity in objectives and KPIs; seek specific feedback and PA alignment to promotion and reward systems. More focus and interest was desired in regards to skill, knowledge and career development and its affiliation with PA systems. On the basis of the research findings, a PA spiral (PAS) process is suggested in order to achieve desired objectives, promote positive perceptions and diminish negative elements as highlighted by the study participants. This research or the proposed PAS process may not be conclusive and generalisable; however in the absence of any prior research and guidelines in this context, it is anticipated that this research has provided substantiative evidence for the industry to take corrective actions and has provided Pakistani universities for future research. Organisations need to share, collaborate and learn from best practices to revamp their old procedures if intend to prosper and keep up with the ever changing business environment. In knowledge based industries, there is a crucial need to adopt practices which enable organisations to take advantage of their human resource not only to retain, satisfy and motivate them but also to gain a competitive advantage.

An organisation can control its destiny to gain and retain its competitive advantage through its ability to learn and translate that learning into actions (Jack Welch)
References


Adler, N & Gundersen, A 2008, International Dimensions of Organizational Behavior, Thomson South-Western, OH., USA.


—— 2009b, Performance Management, 2nd edn, Pearson/Prentice Hall, New Jersey, USA.


Barrett, G & Bass, B 1970, *Comparative Surveys of Managerial Attitudes and Behavior*, Management Research Center, University of Rochester, New York, USA.


Campbell, DT 1975, 'Degrees of freedom and the case study', *Comparative Political Studies*, vol. 8, no. 2, pp. 178-93.


Carnegie, D 1998, How to Win Friends and Influence People, Pocket Books, New York, USA.


Cleveland, JN, Murphy, KR & Williams, RE 1989, 'Multiple uses of performance appraisal: Prevalence and correlates', *Journal of Applied Psychology*, vol. 74, no. 1, p. 130.


Davidson, L & Greblov, G 2005, 'The pharmaceutical industry in the global economy', *Kelley School of Business, Indiana University Bloomington, Indiana, USA*, Summer, pp. 1-
Debrah, YA & Budhwar, PS 2001, 'International competitive pressures and the challenges for HRM in developing countries', in PS Budhwar & YA Debrah (eds), Human Resource Management in Developing Countries, pp. 238-54.


Deming, WE 2000, Out of the crisis, reprint edn, Massachusetts Institute of Technology Press, Cambridge, USA.


Denzin, N & Lincoln, Y 2003, Strategies of Qualitative Inquiry, 2nd edn, Sage publications, California, USA.

—— 2005, The SAGE Handbook of Qualitative Research, Sage Publications, California, USA.


Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry


Georgopoulos, BS, Mahoney, GM & Jones, NW 1957, 'A path-goal approach to productivity', *Journal of Applied Psychology*, vol. 41, no. 6, pp. 345-53.

Ghauri, I 2010, 'Khyber-Pakhtoonkhwa new name for NWFP: Consensus at last', *Daily Times*, 1st April.


Ilgen, DR, Fisher, CD & Taylor, MS 1979, 'Consequences of individual feedback on behavior in organizations', *Journal of Applied Psychology*, vol. 64, no. 4, p. 349.

Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry


Kirk, J & Miller, ML 1986, Reliability and Validity in Qualitative Research, Sage Publications, California, USA.


Markham, AN 2006, 'Ethic as method, method as ethic: A case for reflexivity in qualitative ICT research', *Journal of Information Ethics*, vol. 15, no. 2, pp. 37-54.


McCracken, G 1996, *The long Interview*, Sage publications, California, USA.


McMurray, DW 2005, 'Critical Theory', Southern Cross University, Lismore, NSW, Australia.


Miles, MB & Huberman, AM 1994, *Qualitative Data Analysis: An Expanded Sourcebook*, Sage Publications, California, USA.


Mostyn, B 1985, 'The content analysis of qualitative research data: A dynamic approach', *The Research Interview*, pp. 115-45.


Nishii, LH, Lepak, DP & Schneider, B 2008, 'Employee attributions of the “why” of HR practices: Their effects on employee attitudes and behaviors, and customer satisfaction', *Personnel Psychology*, vol. 61, no. 3, pp. 503-45.


Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry


—— 2002, *Qualitative Research and Evaluation Methods*, 3rd edn, Sage Publications, California, USA.


Ragin, C 1987, *The Comparative Method: Moving Beyond Qualitative and Quantitative Strategies*, University of California Press, California, USA.


Riege, AM 2003, 'Validity and reliability tests in case study research: a literature review with “hands-on” applications for each research phase', *Qualitative Market Research: An International Journal*, vol. 6, no. 2, pp. 75-86.


—— 1999, Strategic Human Resource Management, Blackwell Publishers, Massachusetts, USA.


Silverman, SB & Wexley, KN 1984, 'Reaction of employees to performance appraisal interviews as a function of their participation in rating scale development', *Personnel Psychology*, vol. 37, no. 4, pp. 703-10.


Spitzer, DR 2007, *Transforming Performance Measurement: Rethinking the Way We Measure And Drive Organizational Success*, American Management Association, New York, USA.


Wera, E 1921, *Human Engineering*, Appleton and company, New York, USA.


Yin, RK 1994, Case study Research: Design and Methods, Sage Publications, California, USA.

—— 2003a, Applications of Case Study Research, Sage Publications, California, USA.

—— 2003b, Case Study Research: Design and Methods, Sage Publications, California, USA.

—— 2009, Case Study Research: Design and Methods, Sage Publications, California, USA.


Zainal, Z 2007, 'Case study as a research method', Jurnal Kemanusiaan, no. 9, pp. 1-6.

Zikmund, WG 2010, Business Research Methods, South-Western Cengage Learning, Ohio, USA.

Appendix 1: Information Sheet

Information sheet

NAME OF PROJECT

"Improving performance appraisal practices: A multiple case study of the Pakistan Pharmaceutical industry"

Dear (user name) (user surname),

You are invited to participate in an informational conversation regarding the performance appraisal practices in Pakistan pharmaceutical industry. Prior to our interview conversation or e-mails, I kindly request you to read the information provided below.

My name is Ehtasham Ghauri and I am a Doctor of Business Administration (DBA) student at the Southern Cross University, Australia. As part of my course requirements, I am required to conduct a research that will culminate into a thesis. The research is supported by Southern Cross University and is being conducted under the supervision of Dr Peter Wong.

By having this interview with you, I hope to gain a better understanding of the performance appraisal practices in Pakistan pharmaceutical industry. In a summarised context, performance appraisal is the systematic evaluation of the particular function on the basis of prescribed performance indicators and highlighting the areas for further development and growth. This process is required for alignment of desired performance with rewards to motivate and provide a clear future direction to enhance employees’ performance. From your voluntary participation in this research, I will be able to get data that will help me to evaluate performance appraisal practices adopted in Pakistani pharmaceutical organisations.
**Procedures to be followed**

The interview is envisaged to take approximately 30 minutes in total. In the first few minutes of the interview, the researcher will provide you with a background and rationale for the study. This will be followed by collecting background information that will be limited to your position in the organisation, length of time you have been in that position and the roles performed in your position. Lastly, the interview will focus on the HR and practices related to performance appraisal process.

Your participation in the research is purely voluntary and there are no financial incentives or remuneration given out to participants. You will not incur any expenses for participating in the research apart from your time.

**Possible discomforts and risks**

This is a low-risk research. Therefore, there are no foreseeable risks involved in participating in the research.

**Responsibilities of the researchers**

The researchers will make sure that any information given by you is protected in several ways. Firstly, your name and other identifying information will not be attached to the data collected. Secondly, any information that identifies you will be destroyed after your participation in the research. Thirdly, you will be asked to sign an *Informed Consent Form* before you participate in the research. The signed consent form will be held in safe storage at Southern Cross University for a period of seven years after which it will be destroyed. The research findings may be submitted for publication in peer-reviewed journals or presented in conferences, but only group data will be reported.

**Responsibilities of the participant**

You are free to seek clarification on any issue that may affect your participation in this research. If your participation is this research is likely to impact on you negatively, we kindly ask that you don’t participate in it.
Rights of the participants
As a participant, you have the following rights:

a) You are not forced to respond to the interview questions. The researcher will not ask for any personal information from you.

b) You are not identified with the information provided in the report.

c) You will be fully briefed about the nature of the research before the interview is conducted.

d) If at any time your participation in the interview is no longer tenable, the interview will be stopped at your request.

e) We will provide counselling service if you are adversely affected by the research (NS 2.2.6), although this should not occur in low-risk research such as this one.

Inquiries
Please keep this form for future reference. If you have any questions at any time, feel free to contact us. Our contacts are as follows:

Dr Peter Wong                     Ehtasham Ghauri
Supervisor                      DBA Candidate/ Researcher
Southern Cross business School  Southern Cross business School
Southern Cross University       Southern Cross University
P.O Box 42, Tweed Heads, NSW, 2485  P.O Box 42, Tweed Heads, NSW, 2485
Tel: +61 431 489 908               Tel +61 428890392 or +923217317337
Email: Wongpete@optusnet.com.au   Email: eghaur10@scu.edu.au

The ethical aspects of this research have been approved by the Human Research Ethics Committee (HREC) of the Southern Cross University. The approval number is ECN-10-078.
Complaints about ethical conduct of this research should be addressed in writing to the following:
Ethics Complaints Officer
HREC
Southern Cross University
PO Box 157
Lismore, NSW, 2480
Telephone (02) 6626-9139 or fax (02) 6626-9145
Email: ethics.tweed@scu.edu.au

All complaints are investigated fully and according to due process under the National Statement on Ethical Conduct in Human Research and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.

“I agree to participate in this research”

Participant’s signature

________________________________________

Date____________________________________
Appendix 2: Informed Consent Form

Informed Consent Form

This consent form is based on Guidelines from the National Statement on Ethical Conduct Involving Human Participants as issued by the NHMRC

Name of project: "Improving performance appraisal practices: A multiple case study of the Pakistan Pharmaceutical industry"

Researchers:

Dr Peter Wong  
Ehtasham Ghauri  
Supervisor  
DBA Candidate/ Researcher  
Southern Cross Business School  
Southern Cross Business School  
P.O Box 42 Tweed Heads NSW 2485  
P.O Box 42 Tweed Heads NSW 2485  
Tel (07) 55993125  
Tel (07) 55993125  
Email: wongpete@optusnet.com.au  
Email: eghaur10@scu.edu.au

NOTE: This consent form will remain with the Southern Cross University researchers for their records.

Tick the box that applies, sign and date and give to the researcher
I agree to take part in the Southern Cross University research project specified above.

I have been provided with information at my level of comprehension about the purpose, methods, demands, risks, inconveniences and possible outcomes of this research, including any likelihood and form of publication of results.

I agree to be interviewed by the researcher

I agree to allow the interview to be audio-taped and/or video-taped

I agree to make myself available for further interview if required

I understand that my participation is voluntary

I understand that I can choose not to participate in part or all of this research at any time, without negative consequence to me

I understand that any information that may identify me will be de-identified at the time of analysis of any data. Therefore, any information that I have provided cannot be linked to me (Privacy Act 1988 Cth)

I understand that neither my name nor any identifying information will be disclosed or published

I understand that all information gathered in this research is confidential. It will be kept securely and confidentially for 7 years at the University

I am aware that I can contact the supervisor or researcher at any time with any queries

I understand that the ethical aspects of this research have been approved by the SCU Human Research Ethics Committee
If I have concerns about the ethical conduct of this research, I understand that I can contact the SCU Ethics Complaints Officer.

**Contact details** for the ethics offices are:

**HREC Secretary**  
Sue Kelly  
Tel: (02) 6626 9139  
Fax: (02) 6626 9145  
Email: ethics.lismore@scu.edu.au

**HRESC Secretary Coffs Harbour**  
Tel: (02) 6659 3924  
Fax: (02) 6659 3622  
Email: ethics.coffs@scu.edu.au

**HRESC Tweed Heads/GC**  
Neroli Sheldon  
Tel: (07) 55069303  
Fax: (07) 5506 9202  
Email: ethics.tweed@scu.edu.au

*All complaints, in the first instance, should be in writing to the above address. All complaints are investigated fully and accorded to due process under the National Statement on Ethical Conduct in Research Involving Humans and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.*
☐ I understand that I will be given a copy of this consent form for my records. The researcher will also keep a copy in safe storage at the University.

_I have read the information above and agree to participate in this study._

Participant’s Name: _____________________________________________________________

Participant’s signature: ............................................................................................

Date: ...........................................................................................................................

Email address .............................................................................................................
Appendix 3: Interview Guide Sales

- Remind respondents of the informed consent form and take them through some of its contents.
- Begin the interview with general questions to gain rapport of the respondents.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td>Code</td>
</tr>
<tr>
<td>Respondent</td>
<td>Code</td>
</tr>
</tbody>
</table>

Interview questions:

S1. Please provide a snapshot on how your company is structured?

S2. How is your sales department structured?

S3. Could you please describe or recall your recruitment process in sales in your company?

S4. Is there any specific or separate department in your company which is responsible for recruitment, training and appraisal process?

S5. Do you have any quarterly or yearly meeting such as sales conference or sales meeting?

S6. What is the purpose of these meetings and what issues are addressed in them?

S7. How your efforts as sales employee are recognised? Could you please provide details? (Do you receive salary increment ask percentage increase or $, if it is gift or incentive ask what it is)?

S8. How your performance is evaluated: Could you please provide details?

S9. Who does your evaluation?

S10. Does your employer provide you with your duty statement? Do they advise you how your performance is evaluated?

S11. Besides sales revenue, are there any other factors which influence your evaluation

S12. Does management discuss with you about the results of your appraisal (if Yes, how often? If No: are you concerned about the lack of feedback?)

S13. Do you know when you are being evaluated?
S14. What sorts of rewards do you receive? Do you believe you have been fairly rewarded as the result of the PA?

S15. Was there any discussion about your career path during the evaluation process? Were there any feedback provided to you concerning your performance? For example, future development.

S16. From your personal experience, how PA should be conducted?

S17. What should be the evaluation basis or criteria for your evaluation?

S18. How soon do you think the results of your evaluation should be communicated back to you?

S19. Should your evaluation be related to pay increase, promotion, award, recognition; what is your opinion?

S20. Based on your personal opinion do you think your company has the best PA? If not which one?

S21. Are you in favour of a standard appraisal system in the industry? Why or why not?

S22. Do you see any limitations or restrictions to adopt a new or better PA process in the company? Please elaborate?

S23. What is your opinion about who should be promoted, should the best sales performer or the person with better managerial skills?

S24. When comes to promotion in your organisation who gets the preference; the experienced or the performer?
Appendix 4: Interview Guide HR

- Remind respondents of the informed consent form and take them through some of its contents.
- Begin the interview with general questions to gain rapport of the respondents.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td>Code</td>
</tr>
<tr>
<td>Respondent</td>
<td>Code</td>
</tr>
</tbody>
</table>

**Interview questions:**

M1. Please provide a snap shot on how your company is structured and how your sales department fit into your current structure?

M2. How is your sales department structured?

M3. How and in what format do you fill current vacant sales position?

M4. Is there any specific or separate department in your company which is responsible for recruitment, training and appraisal process?

M5. Do you have any quarterly or yearly meeting such as sales conference or sales meeting?

M6. What is the purpose of these meetings and what issues are addressed in them?

M7. How do you recognise the effort of your sales staff? Could you please provide details? (If they said salary increment ask percentage increase or $, if it is gift or incentive ask what it is)?

M8. How do you evaluate the performance of your sales staff?

M9. Who does the evaluation for sales staff?

M10. Do you provide duty statement to your sales staff? Do you inform them how their performance will be evaluated?

M11. Besides sales revenue, are there any other factors regarded important for sales staff evaluation?

M12. Does management (line manager) discuss with employee about the results of their appraisal (if Yes, how often? If No: are you concerned about the lack of feedback?)
M13. Do you let your staff know when they are being evaluated?

M14. What sorts of rewards do you offer or attach with appraisal? Do they believe that they have been fairly rewarded as the result of the PA (what is your opinion)?

M15. Does any discussion about their career path happen during the evaluation process? Was there any feedback provided to them concerning their performance? For example, future development.

M16. From your personal experience, how PA should be conducted?

M17. What should be the evaluation basis or criteria for sales staff evaluation?

M18. How soon do you think the results of their evaluation should be communicated back to them?

M19. Should their evaluation be related to pay increase, promotion, award, recognition; what is your opinion?

M20. Based on your personal opinion do you think your company has the best PA? If not which one?

M21. Are you in favour of a standard appraisal system in the industry? Why or why not?

M22. Do you see any limitations or restrictions to adopt a new or better PA process in the company? Please elaborate?

M23. What is your opinion about who should be promoted, should the best sales performer or the person with better managerial skills?

M24. When comes to promotion in your organisation who gets the preference; the experienced or the performer?
# Appendix 5: Interview Lists

## Interview List A1

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A11</td>
<td>HR is headed by director finance and HR activities are delegated to line management in sales</td>
<td>Importance of HR</td>
<td>I1a</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A12</td>
<td>HR is not an established function and a clerk looks after all the administrative work for HR activities</td>
<td>Importance of HR</td>
<td>I1b</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### A13
We do not have any structured or organised PA system in our organisation

<table>
<thead>
<tr>
<th>PA system</th>
<th>Y</th>
</tr>
</thead>
</table>

### A14
There are no personnel development practices in the industry although it is labelled as HR development even at larger organisations

<table>
<thead>
<tr>
<th>Training &amp; development</th>
<th>Y</th>
</tr>
</thead>
</table>

Developing people in organisations is the least priority because of the thinking that if they develop them they will leave the company and try to find better opportunities

### A15
we measure performance through a judgemental process, which can involve the likes or dislikes of the appraiser

<table>
<thead>
<tr>
<th>PA system</th>
<th>Y</th>
</tr>
</thead>
</table>

It is a common practice in the industry that perception are major part in appraising employees
| A16 | A PA process should be a combination of the qualitative and quantitative aspects of an employee | \text{PA system essentials} | 11j | Y | Y | Y |  
| A17 | Sometimes increments, promotions and rewards do not match with performance | Deficiencies in PA system | 11k | Y | Y |  | It shows the authority of the decision makers who does not value the procedures to be followed in any administrative process  
<p>| A18 | Awards, increments and promotion depends upon the mood or mindset of the “SAITH” (the owner) | Post PA actions | 11L |  |  | Y | The owner or director in command of the company are “the kings” and rule the company and make decisions on their will and feelings which cannot be substantiated by any rational decision making process |
| A19  | The owner does not take interest in things like HR and PA and thinks it as unnecessary | Importance of HR | 11m | Y |  | Anything related to employee issues is still considered as an expense to business due to the mindset of the owners |
| A110 | There are no seriously defined KPI’s to be considered as a definition of performance | PA system | 11n | Y | Y | Y | The processes in national organisations are still very vague and small companies are not exception |
| A111 | It is said in the industry, PA has nothing to do with the promotion | Post PA actions | 11p | Y | Y | Y | Y | This comment is very vital which shows the overall mentality of the management in the industry irrespective of national or multinational companies |
| A112 | Rewards should be related not only to the total annual or quarterly performance but also to any important/critical incident in | PA system essentials | 11Q | Y | Y | Y | Y | Rewards play a vital role in keeping employees to work harder and retain good ones in the organisations |</p>
<table>
<thead>
<tr>
<th>professional activities</th>
<th>Deficiencies in PA system</th>
<th>11r</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>As objectives are assigned on quarterly basis and PA is done on yearly basis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>There is a paradox in practice that objectives assigned in a quarter are evaluated and rated on performance scale at the end of the year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Promotion should be related to the extent to which a person is capable and ready to take up next position; how much person is groomed and how much the person has developed himself</th>
<th>Anticipated manager traits</th>
<th>11s</th>
<th>Y</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appendix 5: Interview lists 231
### A115 
Everything centres on money and the motivation provided by monetary benefits cannot be matched by other elements. 

| PA system essentials | Y | Y | Monetary benefits becomes the prime concern in the country's scenario of higher living costs and feeling of insecurity at large and not limited to employees |

### A116 
Recognition can make a lot of difference in an individual’s performance. 

| PA system essentials | Y | Y | Organisations and especially people in the top managements still are not aware of how to keep the moral high of their sales employees |

### A117 
Lots of companies have very good and structured PA systems but are not implemented properly; this makes it just a redundant exercise. 

| Deficiencies in PA system | Y | Y | Even in the presence of formal and structured PA systems their poor implementation makes those just redundant process in any organisation |
| A118 | Every objectives achieving person in the industry is not a performer and does not meet the criteria for next line manager | Anticipated manager traits | | | Y |
| A119 | If any employee who is a performer and fulfils all the qualitative and quantitative aspects and do not get promoted to next level signals that his boss does not suit him and should leave the organisation | PA Bias | 11x | | Y |

Source: Developed for this research
### Interview List A2

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A21</td>
<td>We give 70% weighting to sales and 30% to other behaviours</td>
<td>PA system</td>
<td>11y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>A22</td>
<td>Monetary benefits become a vital element in a tough county like Pakistan</td>
<td>PA system essentials</td>
<td>11t</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Y</td>
</tr>
</tbody>
</table>

Source: Developed for this research
## Interview List A3

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A31</td>
<td>Monetary benefits should be the preferred choice as a form of reward</td>
<td>PA system essentials</td>
<td>11t</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>There has been consistency and emphasis at every level on the increase in emoluments to be tied with PA</td>
</tr>
<tr>
<td>A32</td>
<td>PA should give 60% weighting to sales and remaining 40% to personality, professional skills and behavioural traits</td>
<td>PA system essentials</td>
<td>11j</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Similarly, employees related to every level have consensus that only sales should not be the sole criteria for promotion while it is opposite in practice</td>
</tr>
<tr>
<td>A33</td>
<td>No feedback is provided after the PA process; it should be given to improve future performance and address areas of improvement</td>
<td>PA Feedback</td>
<td>11z</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Feedback regarding PA is the most neglected practice throughout the industry or may be its importance for future development is not understood</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>-----</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A34</td>
<td>There is a lot of variation between the expectations and PA actual results</td>
<td>Deficiencies in PA system</td>
<td>11k</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A35</td>
<td>Objectives assigned are quite ambitious and sometimes vague</td>
<td>PA system</td>
<td>11n</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A36</td>
<td>KPI’s are bit vague</td>
<td>PA system</td>
<td>11n</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Clarity in KPIs is still an issue in most of the organisations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A37</td>
<td>Increments at the end of the PA cycle do not relate to performance and are unexpected as a surprise</td>
<td>Deficiencies in PA system</td>
<td>11k</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Performance of an employee and expected reward for it comes as a surprise which can be either higher or lower</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 5: Interview lists

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A38</strong></td>
<td>Our PA system needs 50% improvement</td>
<td>Deficiencies in PA system</td>
<td>11aa</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td><strong>A39</strong></td>
<td>Our company needs vitally a department which looks specifically into employee matters</td>
<td>Importance of HR</td>
<td>11c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A310</strong></td>
<td>PA should be objective oriented rather than a routine process</td>
<td>PA system essentials</td>
<td>11ab</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>

It is a similar story in small companies where considerable amount of work is required in most of the HR and other related functions.

Employees feel squandered and there is no particular person or department to listen to their issues.

Source: Developed for this research
### Interview List B1

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>We have departmental structure and IT, HR and Admin comes under shared services while other functions come into commercial services like sales, marketing and training</td>
<td>importance of HR</td>
<td>11ac</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Sales is the primary agenda of meetings in most of the companies and this can be a factor in disappointment of the employees that management does not talk anything except sales</td>
</tr>
<tr>
<td>B2</td>
<td>In quarterly meetings we assess product and medical knowledge, market competition and selling skills</td>
<td>PA system</td>
<td>11ad</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Sales is the primary agenda of meetings in most of the companies and this can be a factor in disappointment of the employees that management does not talk anything except sales</td>
</tr>
</tbody>
</table>

**Legend:**
- **A** = Organisation
- **1** = Respondent number
- **1** = Response number
| B13 | PA is done entirely by HR officials with support from the line managers | PA system | 11ae |  |  | Y |  |
| B14 | HR does not play any role in strategy formulation rather than implementation, and it acts as a support function and this is common in the industry | Strategic role of HR | 11e | Y |  | Based on the views from all responses from this organisation reveals that HR does not participate in strategic processes though it is major function in this organisation |
| B15 | Behavioural ratings does not get any weightings in PA (although it says so) and sales is primarily the only criterion for weightings in PA | Deficiencies in PA system | 11af | Y | Y | Field work observations made by other functions does not become part of PA because there are no ratings assigned to those observation ns and behaviours |
| B16 | Promotion and other rewards do not relate to PA and promotion is done through a third party assessment centre | PA system essentials | 11p | Y | Y | Y |
| B17 | There are incidents when some persons do get promoted who fail in assessment centre or does not qualify for assessment centre | Anticipated manager traits | T1ag | Y | Y | Y | It definitely highlights management’s intention and bias about sincere implementation of a process and bypass it when it is required |
| B18 | Overall there is closed environment rather than open environment | Organisational environment | T1aj | Y | Y | Y | Organisational culture where open expression of ideas or feelings is not encouraged |
| B19 | There is no feedback provided to the employees after PA process although it is mandatory to do so | PA feedback | T1z | Y | | | Providing feedbacks of PA process in the most neglected thing in the process and the line management does not feel any importance of providing feedback |
| B110 | PA should be based on performance, behaviours and 360 degree evaluation because this will show an employee’s ability to deal | PA system essentials | T1ak | Y | Y | Peer evaluations have been emphasised but less attention is given to peers’ comments rather than comments by line management, this can also be a factor in emergence of poor managers who get promoted without the reviews |
### Appendix 5: Interview lists

<table>
<thead>
<tr>
<th>B111</th>
<th>PA should be allocated 25% on behaviours and 25% on feedback from peers as feedback is vital for a successful PA process</th>
<th>PA system essentials</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>B112</td>
<td>Favour and support is major problem in the line management</td>
<td>PA Bias</td>
<td>11aL</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>
| B113 | The person capable of better managerial attributes should be promoted rather than the better performer because the person with better attributes will be promoted.  
This is the paradox in practice that promotions are based on sales performance rather than managerial capabilities | Anticipated manager traits | 11w | Y | | |
<table>
<thead>
<tr>
<th>B114</th>
<th>Commitment of top level management is vital for the implementation and clarity of any process in any organisation</th>
<th>Higher management commitment</th>
<th>11am</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
</tr>
</thead>
</table>

**B115**

| If GM is willing any process can be implemented | Higher management commitment | 11am | Y | Y | Top management commitment is vitally important in any decision and management at tactical level is helpless even if they are willing to create a better change in the processes |

Source: Developed for this research
### Interview List B2

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>B21</td>
<td>The implementation of any process depends upon the personality of the line director who can create change or openness in the culture</td>
<td>Higher management commitment</td>
<td>11am</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Top management commitment is vital in any exercise and implementation of decision</td>
<td></td>
</tr>
<tr>
<td>B22</td>
<td>HR is one of major functions in the company</td>
<td>Importance of HR</td>
<td>11ac</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Based on the views from all responses from this organisation reveals that HR does not participate in strategic processes though it is major function in this organisation</td>
<td></td>
</tr>
<tr>
<td><strong>B23a</strong></td>
<td>After co-visits with the representative the FLM jointly prepares a filed coaching summary as a part of PA system</td>
<td>PA system</td>
<td>11cu</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B23</strong></td>
<td>Sometimes we provide positive ratings to representatives even if their sales are below the mark considering the person’s other attributes</td>
<td>PA Bias</td>
<td>11aL</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B24</strong></td>
<td>Procedures are not biased but sometime being a human definitely there are some factors where bias is involved</td>
<td>PA Bias</td>
<td>11aL</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appendix 5: Interview lists</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B25</strong> Sometimes issues like promotions cannot be discussed openly and may be seen as a challenge to the authority of senior managers</td>
<td>organisational environment</td>
<td>11aj</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Top managements in the companies do not like or permit any employee to talk openly about their decisions related to promotions or any other matters because there are no appeal process in the companies. Effected employees keep quiet on this or look for options in other organisations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B26</strong> There has been instances when people get promotion who fail or does not qualify the assessment centre</td>
<td>Anticipated manager traits</td>
<td>11ag</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Promotions in the line management is highly biased in the industry as one of the respondents remarked “PA has nothing to do with promotion”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B27</strong> Rewards should be tied with promotion because monetary benefits become secondary with the length of service</td>
<td>PA system essentials</td>
<td>11an</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Promotion becomes the primary need of sales employees after couple of years and monetary benefits are perceived as secondary or as a routine process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B28</td>
<td>Person with better managerial traits and skills should be promoted and better sales person should be rewarded in some other ways</td>
<td>Anticipated managerial traits</td>
<td>1lap</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Paradoxically, Sales performance is the primary criteria for promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| B29 | To be recommended for assessment centre, an employee has to achieve their objectives | Organisational processes | 11ct | Y | | | | | Source: Developed for this research
### Interview List B3

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>B31</td>
<td>Sales performance comprise 70% of weightings in the PA and professional skills and behaviours count for 30%</td>
<td>Sales performance</td>
<td>11y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sales performance gets the priority in PA ratings</td>
</tr>
<tr>
<td>B32</td>
<td>Nominations for assessment centres are not based purely on PA and employees are nominated by line managers</td>
<td>Anticipated manager traits</td>
<td>11ag</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td>Selection or nominations for assessment centres are biased</td>
</tr>
<tr>
<td>B33</td>
<td>Initial comments in PA are given by line manager which are over-ridden by other comments from higher management</td>
<td>PA system</td>
<td>11aQ</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>The old myth of confidentiality related to PA still remains intact in organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B34</td>
<td>PA is filled by the line manager confidentially after field coaching summary</td>
<td>PA system</td>
<td>11ar</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B35</td>
<td>No feedback is provided after PA process to us</td>
<td>PA Feedback</td>
<td>11z</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B36</td>
<td>The second line manager (sales manager) is the sole person empowered to send recommendations and evaluations</td>
<td>PA system</td>
<td>11aQ</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recommendations for assessment centres, promotions, salary increments and awards are purely dependent on the comments by one over manager.
<table>
<thead>
<tr>
<th>B37</th>
<th>Annual and six monthly reward related to PA are monetary increments</th>
<th>Post PA actions</th>
<th>11as</th>
<th>Y</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B38</td>
<td>PA is required to be mutually discussed, on the contrary it is filled confidentially by line manager and no feedback is provided</td>
<td>PA system</td>
<td>11ar</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>PA is just another routine process in the company without understanding its importance for the career of appraisee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B38a</td>
<td>No feedback is provided after PA process</td>
<td>PA Feedback</td>
<td>11z</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B39</td>
<td>PA should be tied both to promotion and monetary benefits</td>
<td>PA essentials</td>
<td>11an</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>B310</td>
<td>PA ratings are almost 50% biased by our raters</td>
<td>PA Bias</td>
<td>11at</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Variance by 50% in the ratings does not only influence the career of the appraisee but also blinds the organisation to make right decisions for the future because “garbage in garbage out”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for this research
## Interview List C1

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Employee retention is based on fringe benefits car and house finance helping to keep turnover 2%</td>
<td>Employee retention</td>
<td>11au</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Although this organisations is one of faster growing companies, still does not have a formal HR function and activities are looked after by the people in sales department</td>
</tr>
<tr>
<td>C2</td>
<td>Individual PA evaluations are filled by representative and line manager and is compared with organisational individual evaluation system</td>
<td>PA system</td>
<td>11av</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 5: Interview lists

<table>
<thead>
<tr>
<th>C13</th>
<th>Biased reports are compared with the line managers previous monthly individual reports</th>
<th>PA Bias</th>
<th>11aw</th>
<th></th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>C14</td>
<td>Daily, weekly, monthly, quarterly and annual strict control systems are adopted to avoid malfunctions with zero tolerance on requirements</td>
<td>PA system</td>
<td>11ax</td>
<td></td>
<td>Having very strict control measures with multiple checks on every employee with zero tolerance has made this company to grow faster as compared to other</td>
</tr>
<tr>
<td>C15</td>
<td>Our strict control measure assures all employees are performers and Sales is no problem for us and we value behaviours only factor to promote any individual</td>
<td>PA system</td>
<td>11ax</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>This company has ideology that strict controls and emphasis on work only automatically provides the desired organisational objectives</td>
</tr>
<tr>
<td>C16</td>
<td>We have adopted evaluation practices which are very suitable to us without copying from any other company.</td>
<td>PA system</td>
<td>11ay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C16a</td>
<td>Universality of any practice in the industry is impossible because organisations does not want to become transparent.</td>
<td>Organisational processes</td>
<td>11az</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C17</td>
<td>We ask every employee to define their objectives for next year on individual products and customer basis which is substantiated by market intelligence report.</td>
<td>PA system</td>
<td>11ax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ID</td>
<td>Statement</td>
<td>Anticipated manager traits</td>
<td>Importance of HR</td>
<td>Strategic role of HR</td>
<td>Organisational processes</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------------</td>
<td>------------------</td>
<td>----------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>18</td>
<td>Consistency in sales can only be achieved through better managerial skills and that’s why we prefer skills as a basis for promotion</td>
<td>11ba</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>No company can grow without proper HR function in any business</td>
<td>Importance of HR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110</td>
<td>Effective Organisational strategy can only be made with the collaboration of marketing, sales, finance and HR</td>
<td>Strategic role of HR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>111</td>
<td>Unfortunately most of the organisations are a one man show, who controls all the company decisions and that is also one of the reasons for HR neglect</td>
<td>Organisational processes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C112</td>
<td>We have created extra managerial levels to satisfy, retain and motivate the employees that their designation has changed</td>
<td>Employee retention</td>
<td>11be</td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>C113</td>
<td>In national companies the strongest executive is the weakest because all the good and the bad goes to his account</td>
<td>Organisational processes</td>
<td>11bf</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for this research
### Interview List C2

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>C21</td>
<td>Performance review meetings are held six-monthly which overview sales and focus on planning for the next quarters</td>
<td>PA system</td>
<td>11bg</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C22</td>
<td>Good performance is appreciated with rewards and gifts while poor performance is discussed on area basis to provide complete view of it</td>
<td>Post PA actions</td>
<td>11bh</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Y</td>
</tr>
</tbody>
</table>

**Legend:**
- A = Organisation
- 1 = Respondent number
- 1 = Response number
<table>
<thead>
<tr>
<th>C23</th>
<th>20% counts as behaviours as nothing can be substantiated without good sales</th>
<th>PA system</th>
<th>11bh</th>
<th></th>
<th></th>
<th>Y</th>
<th>Major emphasis on sales performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>C24</td>
<td>Favours are definitely given in PA to good performers</td>
<td>PA bias</td>
<td>11aL</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>C25</td>
<td>Feedback related to PA is not provided while it is given in a general manner</td>
<td>PA Feedback</td>
<td>11z</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>C26</td>
<td>Our evaluation system suits our organisations and we cannot say it is good or bad</td>
<td>PA system</td>
<td>11ay</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>C28</td>
<td>Person who has 70% attributes and behaviours of being a good manager should be promoted rather than sales</td>
<td>Anticipated manager traits</td>
<td>11ap</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>C29</td>
<td>Our organisation condemns hiring managers from other organisation and emphasis is given on internal promotions</td>
<td>Employee retention</td>
<td>11bj</td>
<td>Y</td>
<td>This has been a major cause of higher attrition rate in NCs because employees eligible for promotion in the organisation take this as an offence and change the company ASAP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for this research
## Interview List C3

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>C31</td>
<td>There is no formal training after induction as representative which can provide better product and market knowledge</td>
<td>Training &amp; development</td>
<td>11h</td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Properly training the sales employees after induction is a neglected segment in most of the NCs</td>
</tr>
<tr>
<td>C32</td>
<td>Salary increments are given after yearly PA</td>
<td>Post PA actions</td>
<td>11as</td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Line managers especially in NCs do not understand the importance of PA and having discussion with employee or providing feedback related to PA is not seen as important or necessary</td>
</tr>
<tr>
<td>C33</td>
<td>There is no discussion related to PA before or after and we are just informed by the manager that he has filed PA to the head office</td>
<td>Deficiencies in PA system</td>
<td>11bk</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C34</td>
<td>Feedback is often given related to sales in meetings but there is no feedback given specifically related to PA Feedback</td>
<td>PA</td>
<td>Feedback</td>
<td>11z</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C35</td>
<td>Likings and disliking are mainly associated with misunderstandings which can be resolved after clarifications</td>
<td>PA bias</td>
<td>11aL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C36</td>
<td>80% weighting is given to sales in my evaluation</td>
<td>PA system</td>
<td>11bh</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C37</td>
<td>Promotion should be linked to performance after couple of years in the company</td>
<td>PA essentials</td>
<td>11an</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C38</td>
<td>We can only perceive about our PA comments after our salary increments</td>
<td>PA system</td>
<td>11ar</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------------------------</td>
<td>----------</td>
<td>-----</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C39</td>
<td>Ideally skills should get 60% weightings in PA then 40% to sales because sales cannot be achieved without behavioural skills</td>
<td>PA essentials</td>
<td>11j</td>
<td></td>
<td></td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C311</td>
<td>Performers and non-performers should be treated fairly and equally, and this can build and enhance the team environment</td>
<td>PA essentials</td>
<td>11bL</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Condemning non-performers may stop them to struggle more to achieve and be performers

Source: Developed for this research
### Interview List D1

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>We do not have any HR department</td>
<td>Importance of HR</td>
<td>11a</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D2</td>
<td>No formal PA system and it is just a paper filling exercise</td>
<td>PA system</td>
<td>11f</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D13</td>
<td>Performance related achievements are attached with non-monetary rewards. Every award is attached to an assigned unit achievement</td>
<td>Post PA actions</td>
<td>11bm</td>
<td>Y</td>
<td>Y</td>
<td>Performance is normally awarded with gifts which are tied with achievement of specific number of units</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D14</td>
<td>There is no HR department and a clerk looks after all the HR related administrative activities</td>
<td>Importanc e of HR</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D15</td>
<td>The emphasis is given to do it yourself field coaching rather a planned training programme</td>
<td>Training &amp; development</td>
<td>11h</td>
<td></td>
<td>Training and development of sales people comes at the bottom of the priority list in most of the NCs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D16</td>
<td>Salary increments are based on sales volume achievements</td>
<td>PA system</td>
<td>11bh</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D17</td>
<td>Promotion and career growth is solely based on sales performance</td>
<td>PA system</td>
<td>11bh</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------</td>
<td>-----------</td>
<td>------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D18</td>
<td>PA is just an administrative and iterative process having little influence on anyone’s career and salary increments</td>
<td>PA system</td>
<td>11bn</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organisational processes</td>
<td>11bp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>All the decisions are verbally based without any substantiation of any performance rating scales and the senior manager is the key decision maker for employee related matters</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D11</td>
<td>Sales, professional skills and other behaviours should be a vital part of PA</td>
<td>PA essentials</td>
<td>11j</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Although it can be similar situation in many organisations, rarely they will submit this scenario in their company and portraying all good picture.

While it is not unusual to make verbal decisions in both groups but it is quite common in the NCs.
<table>
<thead>
<tr>
<th><strong>D112</strong></th>
<th>Employees believe that incentives are vital in their packages and can leave an organisation even if they are offered higher salaries</th>
<th>Employee retention</th>
<th>1lau</th>
<th></th>
<th>Y</th>
<th>Companies without monetary incentive plans struggle to retain their employees even though they are paying higher salaries as compared to companies with lower salary and incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D113</strong></td>
<td>Sales based promotions results in loss of a good performer and becomes a failure if relocated to another territory</td>
<td>Anticipated manager traits</td>
<td>1lw</td>
<td></td>
<td></td>
<td>Source: Developed for this research</td>
</tr>
</tbody>
</table>
### Interview List D2

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>D21</td>
<td>There should be an achievement incentive policy</td>
<td>Post PA actions</td>
<td>11bm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Monetary incentive has been priority on the agenda of sales personnel</td>
</tr>
<tr>
<td>D22</td>
<td>We get nothing except salary and so called cash prizes are given without any time frame</td>
<td>Post PA actions</td>
<td>11bQ</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Management’s diminished importance fulfilling the commitments to the sales employees is also a factor of dissatisfaction among the employees which sends a signal that management is procrastinating to reward them</td>
</tr>
<tr>
<td>D23</td>
<td>Incentive is very important as compared to salary increase</td>
<td>PA system essentials</td>
<td>11t</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Code</td>
<td>Statement</td>
<td>Key</td>
<td>Source</td>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td>-----</td>
<td>--------</td>
<td>-------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D24</td>
<td>Incentive is a major attraction in switching to another company</td>
<td>Employee retention</td>
<td>Y</td>
<td>Sales employees do consider incentive policies of a company to leave or become interested in other company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D25</td>
<td>Employee want earning and learning while the company demands only sales</td>
<td>Employee expectation</td>
<td>Y</td>
<td>There has been a contradiction in organisational and individual goals which may be a factor in attrition and employee loyalty for an organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D26</td>
<td>There is no discussion about our career development and grooming</td>
<td>Training &amp; development</td>
<td>Y</td>
<td>This is a dilemical situation in the studied cases that line managers do not consider discussing career development with employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for this research
### Interview List E1

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>E11</td>
<td>Sales accounts for 50% in evaluation and the remaining is allocated to customer coverage, organisational core values, behaviours and professional knowledge</td>
<td>PA system</td>
<td>11bt</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>This company is viewed as having the best PA process in MNCs due to its comprehensiveness</td>
</tr>
<tr>
<td>E12</td>
<td>All HR processes are IT based where each employee has access to respective HR data along with the PA</td>
<td>Importance of HR</td>
<td>11ac</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fewer MNCs may have a good HR department along with implementation of HR practices</td>
<td></td>
</tr>
<tr>
<td>E13</td>
<td>The Future developmental plan is synthesised after every quarterly evaluation for each employee</td>
<td>Training &amp; development</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E14</td>
<td>Our company believes that sales are by-product of behaviours and skills</td>
<td>Anticipated manager traits</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>This company has this belief with emphasis on behaviours which is in contrast to other companies in the industry. Despite this belief, in the promotion for the line manager sales record and recommendations by the directors of the company plays a vital role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E15</td>
<td>Employees are informed before any PA meeting and mutual agreement is required to sign a PA while everyone has the right to refuse and inform the HR in case of any discrepancy,</td>
<td>PA system</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Although every employee has the right of say and appeal, the researcher is cynical about any employee challenging the opinion of immediate manager which can start a confrontation between the two and in highly insecure job market of Pakistan no one want to lose their job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>bias or conflict</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E16</td>
<td>Ratings are based on examples being exhibited, the appraised employees are encouraged to send emails at any time to substantiate the PA and reduce bias</td>
<td>PA system</td>
<td>11cs</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E17</td>
<td>Every PA provides a summary page highlighting three strengths and three areas of future improvement</td>
<td>PA Feedback</td>
<td>11bw</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appendix 5: Interview lists
<table>
<thead>
<tr>
<th>E18</th>
<th>There are no confidential comments in PA when filled with the employee; however, the confidential comments are inserted by the senior manager</th>
<th>PA system</th>
<th>11aQ</th>
<th>Y</th>
<th>Y</th>
<th>On the one hand there are no confidential remarks by the immediate manager while on the other word of mouth about any employee also plays a key role in building the opinion of one over manager about an employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>E19</td>
<td>Remarks by one over manager are only performance based and nothing can be included on personal basis or relating to employee personal concerns</td>
<td>PA Bias</td>
<td>11bx</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E10</td>
<td>At the end of each PA session, a meeting is conducted with HR and top management where every PA report is discussed with the relevant line manager</td>
<td>PA system</td>
<td>11bg</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

| E111 | Promotions are in-house assessment centre based and top management team observes the assessed person | Employee retention | 11bj |  | Y |
| E112 | The opportunity to appeal any decision reduces the potential of bias in the PA | PA Bias | 11by |  | Y |
| E113 | HR is involved in all the key decisions at our company | Strategic role of HR | 11e | Y |

Source: Developed for this research
### Interview List E2

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNC’s and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>E21</td>
<td>The process are very slow because of hierarchical approvals for simple things which can even take months</td>
<td>Organisational processes</td>
<td>11bz</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E22</td>
<td>HR plays a very important role in employee issues</td>
<td>Importance of HR</td>
<td>11ac</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E24</td>
<td>Our PA is very interactive and open to discussions</td>
<td>PA system</td>
<td>11ca</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**

A = Organisation  
1 = Respondent number  
1 = Response number
| E25 | The senior manager is the decision maker for promotions, recommendations and career related matters | PA system | 11aQ | Y | Y |  
| E26 | Bias cannot be seen in the reports and PA but it is the word of mouth which travels from immediate manager to the top level can influence an employee’s career | PA Bias | 11cb | Y |  

This response has raised a vital element that although managers cannot personalise the opinions in PA, a general opinion about an employee decides his career path.

Source: Developed for this research
## Interview List F1

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>HR as a function is beginning to develop in our organisation</td>
<td>Importance of HR</td>
<td>11ac</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F12</td>
<td>Although all HR processes are followed categorically, key decisions like promotions are based on sales management recommendations rather than on HR</td>
<td>Strategic role of HR</td>
<td>11e</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F12a</td>
<td>Some of the activities I do are not solely related to HR rather than it is related to sales management</td>
<td>Importance of HR</td>
<td>11cp</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>-----</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F12b</td>
<td>As HR manager I am aware that I can be transferred to sales department at anytime</td>
<td>Importance of HR</td>
<td>11cQ</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F12c</td>
<td>The challenge I face is to keep both happy, higher management and the sales managers and manipulations do occur swaying away from reality</td>
<td>Strategic role of HR</td>
<td>11cr</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F13</td>
<td>Objectives are set on annual basis and six monthly review is done in PA and ratings are assigned</td>
<td>PA system</td>
<td>11bg</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appendix 5: Interview lists
### Appendix 5: Interview lists

<table>
<thead>
<tr>
<th>F14</th>
<th>70% weightings are given to sales while remaining 30% to professional knowledge, personality and selling skills</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PA system</td>
</tr>
<tr>
<td></td>
<td>11y</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F15</th>
<th>20 days extensive training is provided to each inducted employee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Training &amp; development</td>
</tr>
<tr>
<td></td>
<td>11bu</td>
</tr>
<tr>
<td></td>
<td>Y</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F16</th>
<th>The web-based PA system automatically assigns ratings to sales volume and customer coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PA Feedback</td>
</tr>
<tr>
<td></td>
<td>11bw</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F17</th>
<th>Behaviours are assessed on five scales with psychometric observations and related questions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PA system</td>
</tr>
<tr>
<td></td>
<td>11cc</td>
</tr>
<tr>
<td>ID</td>
<td>Description</td>
</tr>
<tr>
<td>----</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>F18</td>
<td>All behavioural assessment scales should be exemplified with evidence</td>
</tr>
<tr>
<td>F19</td>
<td>Line managers sometimes use discretionary powers to give higher ratings to a high-performing employee to cover other deficiencies</td>
</tr>
<tr>
<td>F10</td>
<td>Salary increments are based on the comments by the sales manager, which may not relate to PA ratings</td>
</tr>
<tr>
<td>F12</td>
<td>PA feedback is immediately flashed after submission, highlighting strengths and areas needing improvement for each employee</td>
</tr>
</tbody>
</table>

Despite immediate feedback few managers will have the capacity to address the issue that what to do with this information now so as to improve the performance of an employee.
### Appendix 5: Interview lists

<table>
<thead>
<tr>
<th>Case</th>
<th>Details</th>
<th>Post PA actions</th>
<th>Employee retention</th>
<th>Training &amp; development</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>F113</td>
<td>Employees who have 90% ratings in PA are preferred as better salary increments</td>
<td>11as</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F114</td>
<td>Hiring managers from other companies has created problem of motivation factor in employees and also increased turnover</td>
<td>11bj</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F115</td>
<td>Employees’ consider it as an offence when the company hires manager from other companies rather than in-house promotion</td>
<td>11bj</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F116</td>
<td>Although the line manager identifies any developmental plan for any individual, there are no time lines defined for any action and</td>
<td>11cd</td>
<td></td>
<td></td>
<td>This is the dilemma for managers and companies that despite having a developmental plan they do not know how to address those issues or rarely there are time lines associated with</td>
</tr>
</tbody>
</table>
that is the main reason for lesser development of people

<table>
<thead>
<tr>
<th>F117</th>
<th>The line managers do not understand how to address the developmental plan of an employee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Training &amp; development</td>
</tr>
<tr>
<td></td>
<td>11cd</td>
</tr>
<tr>
<td></td>
<td>Y</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F118</th>
<th>PA does not address any action orientation or time frame for any developmental plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deficiencies in PA system</td>
</tr>
<tr>
<td></td>
<td>11ce</td>
</tr>
<tr>
<td></td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Y</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F119</th>
<th>The FLM and the sales manager use discretionary powers to bypass the PA system</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organisational processes</td>
</tr>
<tr>
<td></td>
<td>11cf</td>
</tr>
<tr>
<td></td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>The industry cannot be blamed for this rather it has become cultural factor that discretionary powers are norm not only in private but also in public organisations</td>
</tr>
</tbody>
</table>

Source: Developed for this research
### Interview List F2

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: What are the objectives of PA in the organisation?</th>
<th>RQ3: How do employees perceive the PA system?</th>
<th>RQ4: What are the employee expectations from the PA system?</th>
<th>RQ5: What are the factors considered important in PA in the organisation?</th>
<th>RQ6: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>F21</td>
<td>HR is a new initiative introduced in the last two years, which was previously a clerical work at the company</td>
<td>Importance of HR</td>
<td>11ac</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Some NCs are attempting to introduce HR departments which primarily used to</td>
</tr>
<tr>
<td>F22</td>
<td>There is an HR office in every zone of the country to address HR matters on local basis rather than a centralised centre</td>
<td>Importance of HR</td>
<td>11cg</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F25</td>
<td>PA is done on six monthly basis</td>
<td>PA system</td>
<td>11ch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Area</td>
<td>Yes</td>
<td>No</td>
<td>Code</td>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------</td>
<td>-----</td>
<td>----</td>
<td>------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F26</td>
<td>PA is jointly filled by the line manager and the representative in the presence of an HR official to avoid any bias and favouritism.</td>
<td>PA</td>
<td>11ae</td>
<td></td>
<td></td>
<td></td>
<td><strong>Appendix 5: Interview lists</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F27</td>
<td>In our in-house HR survey 90% of the employees gave highest ratings to job security.</td>
<td>Employee expectation</td>
<td>11cj</td>
<td>Y</td>
<td>Y</td>
<td>Besides monetary benefits job security is also becoming major desire of the employees due to higher attrition rate and incidence of firings in the NCs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F28</td>
<td>Salary increments depend upon top management’s decisions, which can be a fix amount to everyone across the board or a varying percentage on an individual basis.</td>
<td>Post PA action</td>
<td>11L</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F29</td>
<td>70% weighting is given to sales volume in PA.</td>
<td>PA</td>
<td>11y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Interview List F3

<table>
<thead>
<tr>
<th>ID</th>
<th>Words</th>
<th>Common thread</th>
<th>Code (No.)</th>
<th>RQ1: What is the strategic importance of HR in the organisation?</th>
<th>RQ2: How do employees perceive the PA system?</th>
<th>RQ3: What are the employee expectations from the PA system?</th>
<th>RQ4: What are the factors considered important in PA in the organisation?</th>
<th>RQ5: What are the differences between MNCs’ and NCs’ PA measures?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>F31</td>
<td>Managers are surely biased as their opinions are based on perceptions and views from other team members</td>
<td>PA Bias</td>
<td>11at</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td>There has been common stream along all the respondents that promotion and monetary benefits are considered as crucial among the sales employees in the industry</td>
</tr>
<tr>
<td>F32</td>
<td>Increment and promotion are vital elements along with organisational environment for the career path of any employee</td>
<td>PA system essentials</td>
<td>11t</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Immediate manager is vital person for any individuals future promotion because line managers think well groomed performers as threat to their position</td>
<td>Training &amp; development</td>
<td></td>
<td>Y</td>
<td>Respondents at the representative level believe that their immediate manager can build or destroy their career because of his opinions and views about anyone creates the basis of perception among higher management in consideration of any future decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F33</td>
<td>The immediate manager does not understand how to develop other people</td>
<td>Training &amp; development</td>
<td>11ck</td>
<td></td>
<td>Line managers in the industry perceive developed employees as a threat to their position and that is the reason that they are least interested in developing them provided they know how to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Armature or under developed managers may be less willing to develop others, thus also risking other’s future opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F34</td>
<td>Managers who do not develop their subordinates not only destroy employee’s career but also their own future growth</td>
<td>Training &amp; development</td>
<td>11cl</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F36</td>
<td>There are instances when the sales achievements are shifted from one representative to other because immediate manager wants to balance his own performance</td>
<td>PA Bias</td>
<td>11at</td>
<td>Y</td>
<td>Y</td>
<td>Bias in PA has been highlighted by almost each of the respondents which may highlight line managers intentions to portray own better performance or highlighting all good picture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------</td>
<td>---------</td>
<td>------</td>
<td>---</td>
<td>---</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F37</td>
<td>Sometimes the employee has to keep silent even knowing that unfair means are involved because no one wants to lose their job</td>
<td>organisational environment</td>
<td>11aj</td>
<td>Y</td>
<td>Y</td>
<td>It can also be a cultural factor that employees cannot speak openly to authority which may be seen as confronting or challenge and may cost the employee his/her job</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Case</td>
<td>Description</td>
<td>Deficiencies in PA system</td>
<td>11cm</td>
<td>11j</td>
<td>11cn</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>---------------------------</td>
<td>------</td>
<td>-----</td>
<td>------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>F38</td>
<td>Sales and behaviours become secondary and in current scenario promotion is purely depending upon relationship with line manager</td>
<td>As previously highlighted by few respondents that climbing the ladder does not entirely relate to performance rather on other factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F39</td>
<td>Ideally sales should get 60% priority in relation to promotions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F310</td>
<td>PA should be done purely on the basis which is being projected as an unbiased process and devoid of personal opinions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for this research
### Appendix 6: Data for memo preparation

<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11a (A11)</td>
<td>Importance of HR</td>
<td>HR is headed by director finance and HR activities are delegated to line management in sales</td>
</tr>
<tr>
<td>11a (D11)</td>
<td>Importance of HR</td>
<td>We do not have any HR department</td>
</tr>
<tr>
<td>11b (A12)</td>
<td>Importance of HR</td>
<td>HR is not an established function and a clerk looks after all the administrative work for HR activities</td>
</tr>
<tr>
<td>11b (D14)</td>
<td>Importance of HR</td>
<td>There is no HR department and a clerk looks after all the HR related administrative activities</td>
</tr>
<tr>
<td>11c (A39)</td>
<td>Importance of HR</td>
<td>Our company needs vitally a department which looks specifically into employee matters</td>
</tr>
<tr>
<td>11m (A19)</td>
<td>Importance of HR</td>
<td>The owner does not take interest in things like HR and PA and thinks it as unnecessary</td>
</tr>
<tr>
<td>11ac (B11)</td>
<td>Importance of HR</td>
<td>We have departmental structure and IT, HR and Admin comes under shared services while other functions come into commercial services like sales, marketing and training</td>
</tr>
<tr>
<td>11ac (B22)</td>
<td>Importance of HR</td>
<td>HR is one of major functions in the company</td>
</tr>
<tr>
<td>11ac (E12)</td>
<td>Importance of HR</td>
<td>All HR processes are IT based where each employee has access to respective HR data along with the PA</td>
</tr>
<tr>
<td>11ac (E22)</td>
<td>Importance of HR</td>
<td>HR plays a very important role in employee issues</td>
</tr>
<tr>
<td>11ac (F11)</td>
<td>Importance of HR</td>
<td>HR as a function is beginning to develop in our organisation</td>
</tr>
<tr>
<td>11ac (F21)</td>
<td>Importance of HR</td>
<td>HR is a new initiative introduced in the last two years, which was previously a clerical work at the company</td>
</tr>
<tr>
<td>11bb (C19)</td>
<td>Importance of HR</td>
<td>No company can grow without proper HR function in any business</td>
</tr>
<tr>
<td>11cg (F22)</td>
<td>Importance of HR</td>
<td>There is an HR office in every zone of the country to address HR matters on local basis rather than a centralised centre</td>
</tr>
<tr>
<td>11cp (F12a)</td>
<td>Importance of HR</td>
<td>Some of the activities I do are not solely related to HR rather than related to sales management</td>
</tr>
<tr>
<td>11cQ (F12b)</td>
<td>Importance of HR</td>
<td>As HR manager I am not sure when I can be transferred to sales department</td>
</tr>
<tr>
<td>11e (B14)</td>
<td>Strategic role of HR</td>
<td>HR does not play any role in strategy formulation rather than implementation, and it acts as a support function and this is common in the industry</td>
</tr>
<tr>
<td>11bc (C110)</td>
<td>Strategic role of HR</td>
<td>Effective organisational strategy can only be made with the collaboration of marketing, sales, finance and HR</td>
</tr>
<tr>
<td>11e (F12)</td>
<td>Strategic role of HR</td>
<td>Although all HR processes are followed categorically, key decisions like promotions are based on sales management recommendations rather than on HR</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11cr (F12c)</td>
<td>Strategic role of HR</td>
<td>The challenge I face is to keep both happy, higher management and the sales managers and manipulations do occur swaying away from reality</td>
</tr>
<tr>
<td>11e (E113)</td>
<td>Strategic role of HR</td>
<td>HR is involved in all the key decisions at our company</td>
</tr>
<tr>
<td>11f (A13)</td>
<td>PA system</td>
<td>We do not have any structured or organised PA system in our organisation</td>
</tr>
<tr>
<td>11f (D12)</td>
<td>PA system</td>
<td>No formal PA system and it is just a paper filling exercise</td>
</tr>
<tr>
<td>11g (A15)</td>
<td>PA system</td>
<td>We measure performance through a judgemental process, which can involve the likes or dislikes of the appraiser</td>
</tr>
<tr>
<td>11n (A110)</td>
<td>PA system</td>
<td>There are no seriously defined KPI’s to be considered as a definition of performance</td>
</tr>
<tr>
<td>11n (A35)</td>
<td>PA system</td>
<td>Objectives assigned are quite ambitious and sometimes vague</td>
</tr>
<tr>
<td>11n (A36)</td>
<td>PA system</td>
<td>KPI’s are bit vague</td>
</tr>
<tr>
<td>11y (A21)</td>
<td>PA system</td>
<td>We give 70% weighting to sales and 30% to other behaviours</td>
</tr>
<tr>
<td>11y (B31)</td>
<td>PA system</td>
<td>Sales performance comprise 70% of weightings in the PA and professional skills and behaviours count for 30%</td>
</tr>
<tr>
<td>11y (F14)</td>
<td>PA system</td>
<td>70% weightings are given to sales while remaining 30% to professional knowledge, personality and selling skills</td>
</tr>
<tr>
<td>11y (F29)</td>
<td>PA system</td>
<td>70% weighting is given to sales volume in PA</td>
</tr>
<tr>
<td>11ad (B12)</td>
<td>PA system</td>
<td>In quarterly meetings we assess product and medical knowledge, market competition and selling skills</td>
</tr>
<tr>
<td>11ae (B13)</td>
<td>PA system</td>
<td>PA is done entirely by HR officials with support from the line managers</td>
</tr>
<tr>
<td>11ae (F26)</td>
<td>PA system</td>
<td>PA is jointly filled by the line manager and the representative in the presence of an HR official to avoid any bias and favouritism</td>
</tr>
<tr>
<td>11aQ (B33)</td>
<td>PA system</td>
<td>Initial comments in PA are given by line manager which are over-rided by other comments from higher management</td>
</tr>
<tr>
<td>11aQ (B36)</td>
<td>PA system</td>
<td>The second line manager (sales manager) is the sole person empowered to send recommendations and evaluations</td>
</tr>
<tr>
<td>11aQ (E18)</td>
<td>PA system</td>
<td>There are no confidential comments in PA when filled with the employee; however, the confidential comments are inserted by the senior manager</td>
</tr>
<tr>
<td>11aQ (E25)</td>
<td>PA system</td>
<td>The senior manager is the decision maker for promotions, recommendations and career related matters</td>
</tr>
<tr>
<td>11aQ (F110)</td>
<td>PA system</td>
<td>Salary increments are based on the comments by the sales manager, which may not relate to PA ratings</td>
</tr>
<tr>
<td>11ar (B34)</td>
<td>PA system</td>
<td>PA is filled by the line manager confidentially after field coaching summary</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11ar (B38)</td>
<td>PA system</td>
<td>PA is required to be mutually discussed, on the contrary it is filled confidentially by line manager and no feedback is provided</td>
</tr>
<tr>
<td>11ar (C38)</td>
<td>PA system</td>
<td>We can only perceive about our PA comments after our salary increments</td>
</tr>
<tr>
<td>11av (C12)</td>
<td>PA system</td>
<td>Individual PA evaluations are filled by representative and line manager and is compared with organisational individual evaluation system</td>
</tr>
<tr>
<td>11ax (C14)</td>
<td>PA system</td>
<td>Daily, weekly, monthly, quarterly and annual strict control systems are adopted to avoid malfunctions with zero tolerance on requirements</td>
</tr>
<tr>
<td>11ax (C15)</td>
<td>PA system</td>
<td>Our strict control measures assures all employees are performers and Sales is no problem for us and we value behaviours only factor to promote any individual</td>
</tr>
<tr>
<td>11ax (C17)</td>
<td>PA system</td>
<td>We ask every employee to define their objectives for next year on individual products and customer basis which is substantiated by market intelligence report</td>
</tr>
<tr>
<td>11ay (C16)</td>
<td>PA system</td>
<td>We have adopted evaluation practices which are very suitable to us without copying from any other company</td>
</tr>
<tr>
<td>11ay (C26)</td>
<td>PA system</td>
<td>Our evaluation system suits our organisations and we cannot say it is good or bad</td>
</tr>
<tr>
<td>11bg (C21)</td>
<td>PA system</td>
<td>Performance review meetings are held six-monthly which overview sales and focus on planning for the next quarters</td>
</tr>
<tr>
<td>11bg (E15)</td>
<td>PA system</td>
<td>Employees are informed before any PA meeting and mutual agreement is required to sign a PA while everyone has the right to refuse and inform the HR in case of any discrepancy, bias or conflict</td>
</tr>
<tr>
<td>11bg (E110)</td>
<td>PA system</td>
<td>At the end of each PA session, a meeting is conducted with HR and top management where every PA report is discussed with the relevant line manager and the reason for each of the assigned rating</td>
</tr>
<tr>
<td>11bg (F13)</td>
<td>PA system</td>
<td>Objectives are set on annual basis and six monthly review is done in PA and ratings are assigned</td>
</tr>
<tr>
<td>11bh (C22)</td>
<td>Post PA actions</td>
<td>Good performance is appreciated with rewards and gifts while poor performance is discussed on area basis to provide complete view of it</td>
</tr>
<tr>
<td>11bh (C23)</td>
<td>PA system</td>
<td>20% counts as behaviours as nothing can be substantiated without good sales</td>
</tr>
<tr>
<td>11bh (C36)</td>
<td>PA system</td>
<td>80% weighting is given to sales in my evaluation</td>
</tr>
<tr>
<td>11bh (D16)</td>
<td>PA system</td>
<td>Salary increments are based on sales achievements</td>
</tr>
<tr>
<td>11bh (D17)</td>
<td>PA system</td>
<td>Promotion and career growth is solely based on sales performance</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11bn (D18)</td>
<td>PA system</td>
<td>PA is just an administrative and iterative process having little influence on anyone’s career and salary increments</td>
</tr>
<tr>
<td>11bt (E11)</td>
<td>PA system</td>
<td>Sales accounts for 50% in evaluation and the remaining is allocated to customer coverage, organisational core values, behaviours and professional knowledge</td>
</tr>
<tr>
<td>11ca (E24)</td>
<td>PA system</td>
<td>Our PA is very interactive and open to discussions</td>
</tr>
<tr>
<td>11cc (F17)</td>
<td>PA system</td>
<td>Behaviours are assessed on five scales with psychometric observations and related questions</td>
</tr>
<tr>
<td>11cc (F18)</td>
<td>PA system</td>
<td>All behavioural assessment scales should be exemplified with evidence</td>
</tr>
<tr>
<td>11ch (F25)</td>
<td>PA system</td>
<td>PA is done on six monthly basis</td>
</tr>
<tr>
<td>11cs (E16)</td>
<td>PA system</td>
<td>Ratings are based on examples being exhibited, the appraised employees are encouraged to send emails at any time to substantiate the PA and reduce bias</td>
</tr>
<tr>
<td>11cu (B23a)</td>
<td>PA system</td>
<td>After co-visits with the representative the FLM jointly prepares a filed coaching summary as a part of PA</td>
</tr>
<tr>
<td>11r (A113)</td>
<td>Deficiencies in PA system</td>
<td>As objectives are assigned on quarterly basis and PA is done on yearly basis</td>
</tr>
<tr>
<td>11v (A117)</td>
<td>Deficiencies in PA system</td>
<td>Lots of companies have very good and structured PA systems but are not implemented properly; this makes it just a redundant exercise</td>
</tr>
<tr>
<td>11k (A17)</td>
<td>Deficiencies in PA system</td>
<td>Sometimes increment, promotion and rewards do not match with performance</td>
</tr>
<tr>
<td>11k (A34)</td>
<td>Deficiencies in PA system</td>
<td>There is a lot of variation between the expectations and PA actual results</td>
</tr>
<tr>
<td>11k (A37)</td>
<td>Deficiencies in PA system</td>
<td>Increments at the end of the PA cycle do not relate to performance and are unexpected as a surprise</td>
</tr>
<tr>
<td>11aa (A38)</td>
<td>Deficiencies in PA system</td>
<td>Our PA system needs 50% improvement</td>
</tr>
<tr>
<td>11af (B15)</td>
<td>Deficiencies in PA system</td>
<td>Behavioural ratings does not get any weightings in PA (although it says so) and sales is primarily the only criterion for weightings in PA</td>
</tr>
<tr>
<td>11bk (C33)</td>
<td>Deficiencies in PA system</td>
<td>There is no discussion related to PA before or after and we are just informed by the manager that he has filed PA to the head office</td>
</tr>
<tr>
<td>11ce (F118)</td>
<td>Deficiencies in PA system</td>
<td>PA does not address any action orientation or time frame for any developmental plan</td>
</tr>
<tr>
<td>11cm (F38)</td>
<td>Deficiencies in PA system</td>
<td>Sales and behaviours become secondary and in current scenario promotion is purely depending upon relationship with line manager</td>
</tr>
<tr>
<td>11x (A119)</td>
<td>PA Bias</td>
<td>If any employee who is a performer and fulfils all the qualitative and quantitative aspects and do not get promoted to next level signals that his boss does not suit him and should leave the organisation</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11aL (B112)</td>
<td>PA Bias</td>
<td>Favour and support is major problem in the line management</td>
</tr>
<tr>
<td>11aL (B23)</td>
<td>PA Bias</td>
<td>Sometimes we provide positive ratings to representatives even if their sales are below the mark considering the person’s other attributes</td>
</tr>
<tr>
<td>11aL (B24)</td>
<td>PA Bias</td>
<td>Procedures are not biased but sometime being a human definitely there are some factors where bias is involved</td>
</tr>
<tr>
<td>11aL (C24)</td>
<td>PA bias</td>
<td>Favours are definitely given in PA to good performers</td>
</tr>
<tr>
<td>11aL (C35)</td>
<td>PA bias</td>
<td>Likings and disliking are mainly associated with misunderstandings which can be resolved after clarifications</td>
</tr>
<tr>
<td>11aL (F19)</td>
<td>PA bias</td>
<td>Line managers sometimes use discretionary powers to give higher ratings to a high-performing employee to cover other deficiencies</td>
</tr>
<tr>
<td>11at (B310)</td>
<td>PA Bias</td>
<td>PA ratings are almost 50% biased by our raters</td>
</tr>
<tr>
<td>11at (F31)</td>
<td>PA Bias</td>
<td>Managers are surely biased as their opinions are based on perceptions and views from other team members</td>
</tr>
<tr>
<td>11at (F36)</td>
<td>PA Bias</td>
<td>There are instances when the sales achievements are shifted from one representative to other because immediate manager wants to balance his own performance</td>
</tr>
<tr>
<td>11aw (C13)</td>
<td>PA Bias</td>
<td>Biased reports are compared with the line managers previous monthly individual reports</td>
</tr>
<tr>
<td>11bx (E19)</td>
<td>PA Bias</td>
<td>Remarks by one over manager are only performance based and nothing can be included on personal basis or relating to employee personal concerns</td>
</tr>
<tr>
<td>11by (E112)</td>
<td>PA Bias</td>
<td>The opportunity to appeal any decision reduces the potential of bias in the PA</td>
</tr>
<tr>
<td>11cb (E26)</td>
<td>PA Bias</td>
<td>Bias cannot be seen in the reports and PA but it is the word of mouth which travels from immediate manager to the top level can influence an employee’s career</td>
</tr>
<tr>
<td>11j (A16)</td>
<td>PA system essentials</td>
<td>A PA process should be a combination of the qualitative and quantitative aspects of an employee</td>
</tr>
<tr>
<td>11j (A32)</td>
<td>PA system essentials</td>
<td>PA should give 60% weighting to sales and remaining 40% to personality, professional skills and behavioural traits</td>
</tr>
<tr>
<td>11j (B111)</td>
<td>PA system essentials</td>
<td>PA should be allocated 25% on behaviours and 25% on feedback from peers as feedback is vital for a successful PA process</td>
</tr>
<tr>
<td>11j (C39)</td>
<td>PA system essentials</td>
<td>Ideally skills should get 60% weightings in PA then 40% to sales because sales cannot be achieved without behavioural skills</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11j (D111)</td>
<td>PA system essentials</td>
<td>Sales, professional skills and other behaviours should be a vital part of PA</td>
</tr>
<tr>
<td>11j (F39)</td>
<td>PA system essentials</td>
<td>Ideally sales should get 60% priority in relation to promotions</td>
</tr>
<tr>
<td>11t (A115)</td>
<td>PA system essentials</td>
<td>Everything surround money and the motivation provided by monetary benefits cannot be matched by other elements</td>
</tr>
<tr>
<td>11t (A22)</td>
<td>PA system essentials</td>
<td>Monetary benefits become a vital element in a tough county like Pakistan</td>
</tr>
<tr>
<td>11t (A31)</td>
<td>PA system essentials</td>
<td>Monetary benefits should be the preferred choice as a form of reward</td>
</tr>
<tr>
<td>11t (D23)</td>
<td>PA system essentials</td>
<td>Incentive is very important as compared to salary increase</td>
</tr>
<tr>
<td>11t (F32)</td>
<td>PA system essentials</td>
<td>Increment and promotion are vital elements along with organisational environment for the career path of any employee</td>
</tr>
<tr>
<td>11u (A116)</td>
<td>PA system essentials</td>
<td>Recognition can make a lot of difference in an individual’s performance</td>
</tr>
<tr>
<td>11ab (A310)</td>
<td>PA system essentials</td>
<td>PA should be objective oriented rather than a routine process</td>
</tr>
<tr>
<td>11p (B16)</td>
<td>PA system essentials</td>
<td>Promotion and other rewards do not relate to PA and promotion is done through a third party assessment centre</td>
</tr>
<tr>
<td>11ak (B110)</td>
<td>PA system essentials</td>
<td>PA should be based on performance, behaviours and 360 degree evaluation because this will show an employee’s ability to deal with other team members which is vital in promotion to the next level</td>
</tr>
<tr>
<td>11an (B27)</td>
<td>PA system essentials</td>
<td>Rewards should be tied with promotion because monetary benefits become secondary with the length of service</td>
</tr>
<tr>
<td>11an (B39)</td>
<td>PA system essentials</td>
<td>PA should be tied both to promotion and monetary benefits</td>
</tr>
<tr>
<td>11an (C37)</td>
<td>PA system essentials</td>
<td>Promotion should be linked to performance after couple of years in the company</td>
</tr>
<tr>
<td>11bL (C311)</td>
<td>PA system essentials</td>
<td>Performers and non-performers should be treated fairly and equally, and this can build and enhance the team environment</td>
</tr>
<tr>
<td>11cn (F310)</td>
<td>PA system essentials</td>
<td>PA should be done purely on the basis which is being projected as an unbiased process and devoid of personal opinions</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11Q (A112)</td>
<td>PA system essentials</td>
<td>Rewards should be related not only to the total annual or quarterly performance but also to any important/critical incident in professional activities</td>
</tr>
<tr>
<td>11z (A33)</td>
<td>PA Feedback</td>
<td>No feedback is provided after the PA process; it should be given to improve future performance and address areas of improvement</td>
</tr>
<tr>
<td>11z (B19)</td>
<td>PA feedback</td>
<td>There is no feedback provided to the employees after PA process although it is mandatory to do so</td>
</tr>
<tr>
<td>11z (B35)</td>
<td>PA Feedback</td>
<td>No feedback is provided after PA process to us</td>
</tr>
<tr>
<td>11z (B38a)</td>
<td>PA Feedback</td>
<td>No feedback is provided after PA process</td>
</tr>
<tr>
<td>11z (C25)</td>
<td>PA Feedback</td>
<td>Feedback related to PA is not provided while it is given in a general manner</td>
</tr>
<tr>
<td>11z (C34)</td>
<td>PA Feedback</td>
<td>Feedback is often given related to sales in meetings but there is no feedback given specifically related to PA</td>
</tr>
<tr>
<td>11bw (E17)</td>
<td>PA Feedback</td>
<td>Every PA provides a summary page highlighting three strengths and three areas of future improvement</td>
</tr>
<tr>
<td>11bw (F16)</td>
<td>PA Feedback</td>
<td>The web-based PA system automatically assigns ratings to sales volume and customer coverage</td>
</tr>
<tr>
<td>11bw (F112)</td>
<td>PA Feedback</td>
<td>PA feedback is immediately flashed after submission, highlighting strengths and areas needing improvement for each employee</td>
</tr>
<tr>
<td>11L (A18)</td>
<td>Post PA actions</td>
<td>Awards, increments and promotion depends upon the mood or mindset of the “SAITH” (the owner)</td>
</tr>
<tr>
<td>11L (F28)</td>
<td>Post PA action</td>
<td>Salary increments depend upon top management’s decisions, which can be a fix amount to everyone across the board or a varying percentage on an individual basis</td>
</tr>
<tr>
<td>11p (A111)</td>
<td>Post PA actions</td>
<td>It is said in the industry, PA has nothing to do with the promotion</td>
</tr>
<tr>
<td>11as (B37)</td>
<td>Post PA actions</td>
<td>Annual and six monthly reward related to PA are monetary increments</td>
</tr>
<tr>
<td>11as (C32)</td>
<td>Post PA actions</td>
<td>Salary increments are given after yearly PA</td>
</tr>
<tr>
<td>11as (F113)</td>
<td>Post PA actions</td>
<td>Employees who have 90% ratings in PA are preferred as better salary increments</td>
</tr>
<tr>
<td>11bm (D13)</td>
<td>Post PA actions</td>
<td>Performance related achievements are attached with non-monetary rewards. Every award is attached to an assigned unit achievement</td>
</tr>
<tr>
<td>11bm (D21)</td>
<td>Post PA actions</td>
<td>There should be an achievement incentive policy</td>
</tr>
<tr>
<td>11bQ (D22)</td>
<td>Post PA actions</td>
<td>We get nothing except salary and the so called cash prizes are given when they want without any time frame</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11h (A14)</td>
<td>Training &amp; development</td>
<td>There are no personnel development practices in the industry although it is labelled as HR development even at larger organisations</td>
</tr>
<tr>
<td>11h (C31)</td>
<td>Training &amp; development</td>
<td>There is no formal training after induction as representative which can provide better product and market knowledge</td>
</tr>
<tr>
<td>11h (D15)</td>
<td>Training &amp; development</td>
<td>The emphasis is given to do it yourself field coaching rather a planned training programme</td>
</tr>
<tr>
<td>11h (D26)</td>
<td>Training &amp; development</td>
<td>There is no discussion about our career development and grooming</td>
</tr>
<tr>
<td>11bu (E13)</td>
<td>Training &amp; development</td>
<td>The Future Developmental plan is synthesised after every quarterly evaluation for each employee</td>
</tr>
<tr>
<td>11bu (F15)</td>
<td>Training &amp; development</td>
<td>20 days extensive training is provided to each inducted employee</td>
</tr>
<tr>
<td>11cd (F116)</td>
<td>Training &amp; development</td>
<td>Although the line manager identifies any developmental plan for any individual, there are no time lines defined for any action and that is the main reason for lesser development of people</td>
</tr>
<tr>
<td>11cd (F117)</td>
<td>Training &amp; development</td>
<td>The line managers do not understand how to address the developmental plan of an employee</td>
</tr>
<tr>
<td>11cd (F34)</td>
<td>Training &amp; development</td>
<td>The immediate manager does not understand how to develop other people</td>
</tr>
<tr>
<td>11ck (F33)</td>
<td>Training &amp; development</td>
<td>Immediate manager is vital person for any individuals future promotion because line managers think well groomed performers as threat to their position</td>
</tr>
<tr>
<td>11cL (F35)</td>
<td>Training &amp; development</td>
<td>Managers who do not develop their subordinates not only destroy employee’s career but also their own future growth</td>
</tr>
<tr>
<td>11bs (D25)</td>
<td>Employee expectation</td>
<td>Employee want earning and learning while the company demands only sales</td>
</tr>
<tr>
<td>11cj (F27)</td>
<td>Employee expectation</td>
<td>In our in-house HR survey 90% of the employees gave highest ratings to job security</td>
</tr>
<tr>
<td>11au (C11)</td>
<td>Employee retention</td>
<td>Employee retention is based on fringe benefits car and house finance helping to keep turnover 2%</td>
</tr>
<tr>
<td>11au (D112)</td>
<td>Employee retention</td>
<td>Employees believe that incentives are vital in their packages and can leave an organisation even if they are offered higher salaries</td>
</tr>
<tr>
<td>11au (D24)</td>
<td>Employee retention</td>
<td>Incentive is a major attraction in switching to another company</td>
</tr>
<tr>
<td>11be (C112)</td>
<td>Employee retention</td>
<td>We have created extra managerial levels to satisfy, retain and motivate the employees that their designation has changed</td>
</tr>
<tr>
<td>11bj (C29)</td>
<td>Employee retention</td>
<td>Our organisation condemns hiring managers from other organisation and emphasis is given on internal promotions</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11bj (E111)</td>
<td>Employee retention</td>
<td>Promotions are in-house assessment centre based and top management team observes the assessed person</td>
</tr>
<tr>
<td>11bj (F114)</td>
<td>Employee retention</td>
<td>Hiring managers from other companies has created problem of motivation factor in employees and also increased turnover</td>
</tr>
<tr>
<td>11bj (F115)</td>
<td>Employee retention</td>
<td>Employees’ consider it as an offence when the company hires manager from other companies rather than in-house promotion</td>
</tr>
<tr>
<td>11az (C16a)</td>
<td>Organisational processes</td>
<td>Universality of any practice in the industry is impossible because organisations does not want to become transparent</td>
</tr>
<tr>
<td>11bd (C111)</td>
<td>Organisational processes</td>
<td>Unfortunately most of the organisations are a one man show, who controls all the company decisions and that is also one of the reasons for HR neglect</td>
</tr>
<tr>
<td>11bf (C113)</td>
<td>Organisational processes</td>
<td>In national companies the strongest executive is the weakest because all the good and the bad goes to his account</td>
</tr>
<tr>
<td>11bp (D110)</td>
<td>Organisational processes</td>
<td>All the decisions are verbally based without any substantiation of any performance rating scales and the senior manager is the key decision maker for employee related matters</td>
</tr>
<tr>
<td>11bz (E21)</td>
<td>Organisational processes</td>
<td>The process are very slow because of hierarchical approvals for simple things which can even take months</td>
</tr>
<tr>
<td>11cf (F119)</td>
<td>Organisational processes</td>
<td>The FLM and the sales manager use discretionary powers to bypass the PA system</td>
</tr>
<tr>
<td>11ct (B29)</td>
<td>Organisational processes</td>
<td>to be recommended for assessment centre, an employee has to achieve their objectives</td>
</tr>
<tr>
<td>11aj (B18)</td>
<td>organisational environment</td>
<td>Overall there is closed environment rather than open environment</td>
</tr>
<tr>
<td>11aj (B25)</td>
<td>organisational environment</td>
<td>Sometimes issues like promotions cannot be discussed openly and may be seen as a challenge to the authority of senior managers</td>
</tr>
<tr>
<td>11aj (F37)</td>
<td>organisational environment</td>
<td>Sometimes the employee has to keep silent even knowing that unfair means are involved because no one wants to lose their job</td>
</tr>
<tr>
<td>11s (A114)</td>
<td>Anticipated manager traits</td>
<td>Promotion should be related to the extent to which a person is capable and ready to take up next position; how much person is groomed and how much the person has developed himself</td>
</tr>
<tr>
<td>11w (A118)</td>
<td>Anticipated manager traits</td>
<td>Every objectives achieving person in the industry is not a performer and does not meet the criteria for next line manager</td>
</tr>
<tr>
<td>11w (B113)</td>
<td>Anticipated manager traits</td>
<td>The person capable of better managerial attributes should be promoted rather than the better performer because the person with better attributes will definitely be the better performer</td>
</tr>
</tbody>
</table>

Source: Developed for this research
<table>
<thead>
<tr>
<th>Code (Interview &amp; Order)</th>
<th>Topic</th>
<th>Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>11ag (B17)</td>
<td>Anticipated manager traits</td>
<td>There are incidents when some persons do get promoted who fail in assessment centre or does not qualify for assessment centre</td>
</tr>
<tr>
<td>11ag (B26)</td>
<td>Anticipated manager traits</td>
<td>There has been instances when people get promotion who fail or does not qualify the assessment centre</td>
</tr>
<tr>
<td>11ag (B32)</td>
<td>Anticipated manager traits</td>
<td>Nominations for assessment centres are not based purely on PA and employees are nominated by line managers</td>
</tr>
<tr>
<td>11ap (B28)</td>
<td>Anticipated manager traits</td>
<td>Person with better managerial traits and skills should be promoted and better sales person should be rewarded in some other ways</td>
</tr>
<tr>
<td>11ap (C28)</td>
<td>Anticipated manager traits</td>
<td>Person who has 70% attributes and behaviours of being a good manager should be promoted rather than sales</td>
</tr>
<tr>
<td>11ba (C18)</td>
<td>Anticipated manager traits</td>
<td>Consistency in sales can only be achieved through better managerial skills and that’s why we prefer skills as a basis for promotion</td>
</tr>
<tr>
<td>11w (D113)</td>
<td>Anticipated manager traits</td>
<td>Sales based promotions results in loss of a good performer and becomes a failure if relocated to another territory</td>
</tr>
<tr>
<td>11bv (E14)</td>
<td>Anticipated manager traits</td>
<td>Our company believes that sales are by-product of behaviours and skills</td>
</tr>
<tr>
<td>11am (B114)</td>
<td>Higher management commitment</td>
<td>Commitment of top level management is vital for the implementation and clarity of any process in any organisation</td>
</tr>
<tr>
<td>11am (B115)</td>
<td>Higher management commitment</td>
<td>if GM is willing any process can be implemented</td>
</tr>
<tr>
<td>11am (B21)</td>
<td>Higher management commitment</td>
<td>The implementation of any process depends upon the personality of the line director who can create change or openness in the culture</td>
</tr>
</tbody>
</table>

Source: Developed for this research
Appendix 7: PA specimen from the cases

Due to confidentiality reasons as committed in the code of conduct by Human Research Ethics Committee, the researcher does not disclose the organisations possessing these documents. However, the researcher acknowledges the source and intellectual property rights of these documents.

Case C exhibits

Source: Organisation C
<table>
<thead>
<tr>
<th>Team</th>
<th>SPO Name</th>
<th>Area of Improvement</th>
<th>Action Suggested</th>
<th>Current Act.</th>
</tr>
</thead>
</table>

### Next Month Objectives

<table>
<thead>
<tr>
<th>Team</th>
</tr>
</thead>
</table>

### Promotional Material Status

Receiving samples, stated products wise.

<table>
<thead>
<tr>
<th>Team Name</th>
<th>Products</th>
<th>Poor</th>
<th>Fair</th>
<th>Good</th>
<th>Excellent</th>
</tr>
</thead>
</table>

### Giveaways

<table>
<thead>
<tr>
<th>Team</th>
<th>Products Name</th>
<th>Gift Name</th>
<th>Quantity</th>
<th>QTY</th>
<th>Poor</th>
<th>Fair</th>
<th>Good</th>
<th>Excellent</th>
</tr>
</thead>
</table>

Source: Organisation C
Appendix 7: PA specimen

Source: Organisation C
Assessment Form
For Field Manager

Name: __________________________ Present Job Title: __________________________
Contact No./Cell No: __________________________ Place: __________________________

Company's Names you work: 1 From: _____ To: _____
2 From: _____ To: _____
3 From: _____ To: _____
4 From: _____ To: _____
5 From: _____ To: _____

Are you Married: Yes No If Yes How many Children you have:
1 Age: _____ Sex: _____
2 Age: _____ Sex: _____
3 Age: _____ Sex: _____
4 Age: _____ Sex: _____

Languages you command: __________________________ __________________________

If company transfer you any were in Pakistan you will ready to go __________________________

Your future Objective:

1. Why do you feel your suitability as Field Manager?
   (i) Best Territory Knowledge
   (ii) Strong relation with key customers
   (iii) Regular achievement > 100%
   (iv) Long stay in pharma sector
   (v) Any other

   (i) Already experience of this position
   (ii) Confident to display functions
   (iii) Long stay in MNC's
   (iv) Any other

2. List down five major monthly objectives:
   (a) __________________________
   (b) __________________________
   (c) __________________________
   (d) __________________________
   (e) __________________________

Source: Organisation C
Assessment Form

For Field Manager

3. Set priorities of tasks:
   (i) Monthly tour programme itinerary of SPO
   (ii) Sales monitoring
   (iii) Sales statement by distributor
   (iv) Expense statement of Field Force
   (v) Contact with Head Office
   (vi) Feed Back / Action Plan
   (vii) Report of team members
   (viii) Your own reports
   (ix) Persuasion of Distributor order

4. What steps will you take if a SPO does not achieve his targets (for 3 consecutive months)?

5. How much time (in %) will you spend on:
   (a) Meeting with SPOs
   (b) Joint Field visits
   (c) Distributor's Office
   (d) Independent Working
   (e) Sales Planning
   (f) Administrative issues
   (g) Coaching SPOs
   (h) Checking DCRs
   (i) Traveling & waiting time

6. What will be your criteria of territory division for your SPOs?
   (i)
   (ii)
   (iii)

7. What is your preference on target setting?
   (i) Should be given by the Head Office to each SPO
   (ii) Should be given by the Head Office to AFMs / PMs only
   (iii) Should be initially prepared by AFM / FM
   (iv) Only Sales Manager allocate to zones (AFM / FM)

Source: Organisation C
Assessment Form

For Field Manager

8. To achieve 100% target select any five mandatory elements.
(i) Call maximum no of Doctors (vi) Provide strong promotional mix
(ii) Maintain best field regularity (vii) Cash donation
(iii) Select few business pockets (viii) Organize meeting
(iv) Concentrate on institutions (ix) Motivate Field Force
(v) Buy doctors (deals) (x) Hard Working

Any other: 

What is your preference regarding target division:

   Value Wise      Customer Wise
   Unit Wise       SPO Wise
   Area Wise       Distribution Wise

If you asked by the company that you set the target and growth on a product and your competitor are selling 10000 units in your area what will be your targets

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
<th>Year</th>
<th>Growth</th>
<th>Year</th>
<th>Growth</th>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td></td>
<td>2nd</td>
<td></td>
<td>3rd</td>
<td></td>
<td>4th</td>
<td></td>
</tr>
</tbody>
</table>

Your suggestion

To achieve your target what will be your requirement / month / SPO

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samples</td>
<td></td>
</tr>
<tr>
<td>Literature</td>
<td></td>
</tr>
<tr>
<td>Giveaways</td>
<td></td>
</tr>
<tr>
<td>Doctor Scientific section</td>
<td></td>
</tr>
</tbody>
</table>

9. If you provide an opportunity to select a SPO, what will be your criteria?

Source: Organisation C
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

Appendix 7: PA specimen

Source: Organisation C
### Assessment Form

**For Field Manager**

1. __________
2. __________
3. __________

**14. What professional skills a Field Manager should have?**

________________________________________________________________________

________________________________________________________________________

**What is your opinion regarding Doctor Contact List:**

________________________________________________________________________

**Following are the things required to achieve the target & launching of products, Please set your priorities**

<table>
<thead>
<tr>
<th>Follow up</th>
<th>Market Analysis</th>
<th>Personal Observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Analysis</td>
<td>Field Force Potential</td>
<td>Distribution Profile</td>
</tr>
<tr>
<td>Competitor awareness</td>
<td>Coaching / Counseling FF</td>
<td>Customer Selection</td>
</tr>
<tr>
<td>Sales Monitoring</td>
<td>Product Availability</td>
<td>No. of Doctors</td>
</tr>
<tr>
<td>Short term Objectives</td>
<td>Long term Objectives</td>
<td>Strategic Planning of Company</td>
</tr>
<tr>
<td>Cake Cutting Ceremony</td>
<td>Film Show</td>
<td>Give Aways</td>
</tr>
</tbody>
</table>

**Product Knowledge**

<table>
<thead>
<tr>
<th>For Targets</th>
<th>For Launching</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

**Any Other**

________________________________________________________________________

________________________________________________________________________

**Source:** Organisation C
Improving performance appraisal practices: a multiple case study of the Pakistan pharmaceutical industry

Appendix 7: PA specimen

Source: Organisation C
### Appendix 7: PA specimen

**Selection Criteria for Manager**

<table>
<thead>
<tr>
<th>APPRAISAL CRITERIA</th>
<th>WEIGHTAGE</th>
<th>POINTS OBTAINED</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Ability to interact at different mngt. levels</td>
<td>2</td>
<td>0.5 1 1.5 2</td>
</tr>
<tr>
<td>13. Interpersonal skills (sympathetic, kind, fair, concerned for others)</td>
<td>2</td>
<td>0.5 1 1.5 2</td>
</tr>
<tr>
<td>14. Past achievements (3 yrs)</td>
<td>10</td>
<td>0 1 3 0 10</td>
</tr>
<tr>
<td>15. Best salesman of year, ICT award</td>
<td>2</td>
<td>0.5 1 1.5 2</td>
</tr>
<tr>
<td>16. Product, medical knowledge</td>
<td>5</td>
<td>0.5 3 4 5</td>
</tr>
<tr>
<td>17. Selling skills, knowledge</td>
<td>5</td>
<td>0.5 3 4 5</td>
</tr>
<tr>
<td>18. Previous S. Mngt. experience</td>
<td>2</td>
<td>0.5 1 1.5 2</td>
</tr>
<tr>
<td>19. Understanding of other business functions</td>
<td>2</td>
<td>0.5 1 1.5 2</td>
</tr>
</tbody>
</table>

**Total Points = 67**

**Total Points Obtained**

**Percentage**

*Source: Organisation C*
Case D exhibits

<table>
<thead>
<tr>
<th>Name of TM</th>
<th>Designation</th>
<th>Joining Date</th>
<th>Present Salary</th>
<th>Grade Given</th>
<th>Last Increment</th>
<th>Recommendations</th>
<th>Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TM's Profile and Appraisal Sheet**

- **Source**: Organisation D

**Area Covered Local**

<table>
<thead>
<tr>
<th>Area Covered Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dergh Ghul Khan</td>
</tr>
<tr>
<td>2. Jam Pur</td>
</tr>
<tr>
<td>3. Tonbas</td>
</tr>
<tr>
<td>4. Musalfar Garh</td>
</tr>
</tbody>
</table>

**SWOT Analysis**

- **Strengths**
  - 1. Targeted working approach
  - 2. Good customer's knowledge
  - 3. Selling skills
  - 4. Product knowledge

- **Weakness**
  - 1. Not Persistent Carrier
  - 2. Hypersensitivity

**Qualification Aspects**

- **Skill**
  - Average
  - Good
  - Excellent
  - Appraisal
  - Product Knowledge
  - Consumers Knowledge
  - Communication
  - Paper Work
  - General Behaviour

**Remarks/Recommendations**

- Having good experience of multiple organizations. Good territorial and customers knowledge. Need counseling about his carrier. Recommended to retain him in his current job.

**TM's Signature**: 

GCM's Sigma

Source: Organisation D
To: Field Force
Cc: GM (Marketing)
     NSMs, ZSMs, DZSMs, GCMs, CMs
From: 
Date: 
Subject: 

Dear Colleagues,

The difference between possible & impossible lies in determination & positive efforts of someone for the accomplishment of their goals. Here under are the names of performers, have tagged as pioneer members of

Let's put your hands together to congratulate the for the month of June.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name</th>
<th>Station</th>
<th>Division</th>
<th>Unit</th>
<th>Prize</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Peshawar</td>
<td>205</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>2</td>
<td>Peshawar</td>
<td>203</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>3</td>
<td>Kohat</td>
<td>212</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>4</td>
<td>Mingora</td>
<td>293</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>5</td>
<td>Mingora</td>
<td>205</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>6</td>
<td>Rawalpindi</td>
<td>230</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>7</td>
<td>Rawalpindi</td>
<td>200</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>8</td>
<td>Jhelum</td>
<td>252</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>9</td>
<td>Abbottabad</td>
<td>220</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>10</td>
<td>Abbottabad</td>
<td>216</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>12</td>
<td>Multan</td>
<td>210</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>13</td>
<td>Nawabshah</td>
<td>274</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>14</td>
<td>Nawabshah</td>
<td>222</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>15</td>
<td>Hyderabad</td>
<td>221</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>16</td>
<td>Bhawalpur</td>
<td>211</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>17</td>
<td>Karachi</td>
<td>223</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>18</td>
<td>Karachi</td>
<td>230</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>19</td>
<td>Karachi</td>
<td>269</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>20</td>
<td>Karachi</td>
<td>200</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>21</td>
<td>Karachi</td>
<td>231</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
<tr>
<td>22</td>
<td>Karachi</td>
<td>202</td>
<td></td>
<td></td>
<td>Emergency Light</td>
</tr>
</tbody>
</table>

**Juicer Blender**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name</th>
<th>Unit</th>
<th>Prize</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Peshawar</td>
<td>336</td>
<td>Juicer Blender</td>
</tr>
<tr>
<td>2</td>
<td>Peshawar</td>
<td>306</td>
<td>Juicer Blender</td>
</tr>
<tr>
<td>3</td>
<td>Islamabad</td>
<td>308</td>
<td>Juicer Blender</td>
</tr>
<tr>
<td>4</td>
<td>Abbottabad</td>
<td>331</td>
<td>Juicer Blender</td>
</tr>
<tr>
<td>5</td>
<td>Abbottabad</td>
<td>350</td>
<td>Juicer Blender</td>
</tr>
</tbody>
</table>

Source: Organisation D
“It’s crucial that all of us understand, that being part of a performance-driven culture doesn’t mean just making the numbers, but more importantly doing so the right way.”

Our Integrity & Compliance Program supports our management to establish high standards of integrity and promote our values through leadership, objectives, incentives, as well as training. The program enforces these standards through decision-making, monitoring, reporting, complaints-handling and auditing. Management is assisted by full- or part-time Integrity & Compliance Officers in every country organization worldwide.

Source: Organisation E web document
Our standards are derived from our mission and values and translated into operational documents such as our Code of Conduct and specific policies and guidelines. These are then engrafted into management processes to ensure responsible decision-making in daily business.

Source: Organisation E web document

Integrity values are part of the performance assessment matrix.

Source: Organisation E web document

Value chain

Source: Organisation E web document
## PERFORMANCE MANAGEMENT FORM: MANAGEMENT EMPLOYEES

**EMPLOYEE / APPRAISER DETAILS**
To be filled-in by the Human Resource Division

<table>
<thead>
<tr>
<th>Employee Name:</th>
<th>Personal No.:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designation:</td>
<td>Grade:</td>
</tr>
<tr>
<td>Division/Department:</td>
<td>Section:</td>
</tr>
<tr>
<td>Date of Joining HNE:</td>
<td>Years in Present Job:</td>
</tr>
</tbody>
</table>

## RATING SCALES
To be used by the Appraiser for scoring in Sections 1 and 2

<table>
<thead>
<tr>
<th>Rating Scale</th>
<th>Rating Description</th>
<th>Performance % Against Stated Goal and Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 = Outstanding Performance</td>
<td>Exceeds job requirements consistently</td>
<td>Above 125%</td>
</tr>
<tr>
<td>4 = Above Average Performance</td>
<td>Exceeds job requirements occasionally</td>
<td>Between 106% and 125%</td>
</tr>
<tr>
<td>3 = Good Performance</td>
<td>Meets job requirements consistently</td>
<td>Between 95% and 105%</td>
</tr>
<tr>
<td>2 = Satisfactory Performance</td>
<td>Meets job requirements occasionally</td>
<td>Between 75% and 94%</td>
</tr>
<tr>
<td>1 = Unsatisfactory Performance</td>
<td>Does not meet job requirement</td>
<td>Below 75%</td>
</tr>
</tbody>
</table>

## APPRAISAL SCORES
Please fill-in the Appraisal Scores of Sections 1 and 2 here

<table>
<thead>
<tr>
<th>Section - 1</th>
<th>Score in Key Areas of Work</th>
<th>0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section - 2</td>
<td>Score in Soft Skills (Job Related and Personal Attributes)</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Scores of Section 1 and Section 2</td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

## FOR USE OF HUMAN RESOURCE DIVISION

<table>
<thead>
<tr>
<th>Place of Posting:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form Sending Date:</td>
</tr>
<tr>
<td>Form Receiving Date:</td>
</tr>
<tr>
<td>HR’s Observations/Remarks:</td>
</tr>
</tbody>
</table>

Signatures of HRD Representative: Date:

Source: Organisation F
# PERFORMANCE APPRAISAL OF OBJECTIVES (Core Skills)

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>% Weight</th>
<th>Comments on Performance/Reasons for Ratings</th>
<th>Ratings</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Total Weight of Objective | 100% | Weighted Average Score of Section - 1 | 0.00 |
Net Score of Section - 1 = Weighted Average Score X 78% | 0.00 |

Name, Signatures & Date

Appraisee
Rater

Source: Organisation F
## APPRAISAL OF SOFT SKILLS (Job Related and Personal Attributes)

<table>
<thead>
<tr>
<th>No.</th>
<th>Soft Skills</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Job Knowledge</strong>&lt;br&gt;Demonstrates an in-depth understanding of the job and its accountabilities</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Quality of Work</strong>&lt;br&gt;Work output is consistently of high quality in terms of accuracy, completeness and follow-through in detail as well as in standards of productivity</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>Decision Making</strong>&lt;br&gt;Collects and evaluates relevant facts for effective decisions after considering available alternatives and their implications and takes decisions on time</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Planning and Organizing</strong>&lt;br&gt;Effectively plans and organizes and sets SMART (Specific, Measurable, Achievable, Realistic and Time-bound) goals and works systematically to achieve the required results</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td><strong>Cost Consciousness</strong>&lt;br&gt;Demonstrates concern for Company's resources (time, products and money) and is judicious and careful in their use</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td><strong>Stress Management</strong>&lt;br&gt;Demonstrates the ability to work under pressure to meet deadlines while maintaining the quality of work</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td><strong>Interpersonal and Communication Skills</strong>&lt;br&gt;Presents facts and expresses ideas clearly and interacts effectively while maintaining congenial and professional relationships with all</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td><strong>Leadership and Team Work</strong>&lt;br&gt;Demonstrates the ability to lead and guide peers and/or subordinates, inspiring confidence, motivating and developing them through efficient teamwork and delegation</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td><strong>Problem Solving</strong>&lt;br&gt;Makes correct assessment of problems, thinking through and analyzing data and facts objectively in all aspects of work</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td><strong>Initiative/ Drive</strong>&lt;br&gt;Demonstrates a sense of responsibility towards results, proactively takes action without being asked or before being forced by events to do so</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td><strong>Adaptability and Agility</strong>&lt;br&gt;Responds to changing situations with speed and efficiency</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td><strong>Integrity</strong>&lt;br&gt;Maintains strong work ethics, with a high level of professional integrity in all aspects of work, adhering to Company's policies, rules and regulations</td>
<td></td>
</tr>
</tbody>
</table>

**Total Score of Section - 2**

**Net Score of Section - 2 = (Total Score of Section - 2 ÷ 12) X 30%**

---

**Name, Signatures and Date**

---

Source: Organisation F
POST APPRAISAL INTERVIEW
The Rater and Appraisee to provide comments on the assessment evaluation

Rater’s Comments

Appraisee’s Comments

The Rater to provide time frame for the next appraisal (Tick Appropriate Box)

Next Appraisal due in:

3 Months

6 Months

1 Year

Rater’s Signature

Appraisee’s Signature

OVERALL ASSESSMENT BY THE REVIEWER, FUNCTIONAL HEAD AND HRD

Reviewer’s/ Functional Head’s Remarks

Signature

Date:

Functional Head’s/ HRD’s Remarks

Signature

Date:

HRD’s/ CEO’s Remarks

Signature

Date:

Source: Organisation F