

**A STUDY ON THE IMPORTANCE &
AFFECTS OF PERFORMANCE MANAGEMENT
ON THE EMPLOYEES**

OF



PAKISTAN TELECOMMUNICATION AUTHORITY
Government of Pakistan

Submitted in partial fulfillment of the requirements
for the Degree of Master of Business Administration

March, 2011

Bahria University
Islamabad Campus

**A STUDY ON THE IMPORTANCE &
AFFECTS OF PERFORMANCE MANAGEMENT
ON THE EMPLOYEES**

OF



PAKISTAN TELECOMMUNICATION AUTHORITY
Government of Pakistan

SUBMITTED BY

1. Syed Ammar Haider - 01-220082-058
2. Zehra Rizvi - 01-220082-070
3. Huda Abdul Qadir - 01-220082-028
4. Nerissa Naveed - 01-220082-049

SUPERVISOR

MS.KISHWAR SAMEEN GULZAR

Department of Management Sciences
Bahria University, Islamabad

FINAL PROJECT APPROVAL SHEET
Viva-Voice Examination

Date / /

Topic of Research: A Study on the affects and importance of Performance Management on the employees of Pakistan Telecommunication Authority.

<u>Names of Student(s):</u>	<u>Enroll #</u>
i. Syed Ammar Haider	01-220082-058
ii. Zehra Rizvi	01-220082-070
iii. Huda Abdul Qadir	01-220082-028
iv. Nerissa Naveed	01-220082-049

Class: MBA

Approved by:

(Ms. Kishwar Sameen Gulzar)
Project Supervisor

(Mr. Ali Anwer)
Internal Examiner

(Dr. Naveed Akhtar)
External Examiner

(Mr. Kashif Ahmed)
Research Coordinator

(Ms. Salma Atif Sheikh)
Head of Department
Management Sciences

ABSTRACT

For every organization it is vital to understand that their most valuable asset are the employees i.e. the human resource. Without proper performance management of employees, organizational objectives are hard to meet. It is recommended to carry out a procedure through which a continuous and ongoing performance management of employees can be maintained.

With reference to this context, this project has been arranged to put light on Performance Management in Pakistan Telecommunication Authority (PTA) highlighting the problems faced by the organization owing to the subject. Furthermore, a problem has also been highlighted in the project which is that due to lack of performance management in PTA, the true essence of performance management lacks throughout the organization which compelled the HR department of PTA to redesign their appraisal forms and procedure consecutively for three years. This project includes Meanings and Definitions of Performance Management, Need and Purpose of Performance Management, Evaluation of Performance Appraisals, Types of Performance Appraisals, PTA's Performance Management / Appraisal system, Rating Scales and Analysis of Appraisal ratings of PTA employees for the last 5 years. Furthermore, in order to clearly identify the issues and challenges faced in the organization due to lack of proper performance management system, questionnaire responses from Managers have also been analyzed.

Performance management and Performance appraisals are parallel processes and are completely reliant on each other. They are imperative components of the organization and are different from each other. Since all the aspect needs practical example and explanation, this project includes Performance Management Process of Pakistan Telecommunication Authority (PTA).

ACKNOWLEDGEMENTS

We take this opportunity to express our sincere gratitude towards Mr. Imtiaz Hussain, Assistant Director (HR) and Mr. Yasir Yaqoob, Assistant Director (HR) at Pakistan Telecommunication Authority (PTA) for supporting us throughout the project. We would also like to thank all the others in the HR Dept. at PTA for being very co-operative and guiding us throughout our project.

We thank Ms. Kishwar Sameen Gulzar, our project supervisor, under whose guidance and ongoing support we completed this project and the faculty of Bahria University Islamabad who contributed in providing us the knowledge and capabilities.

TABLE OF CONTENTS

1.	Chapter-1: Introduction	1
	1.1 Broad Problem Area / Background	2
	1.2 Problem Statement	3
	1.3 Objectives of the Project	4
	1.4 Research Methodology	5
	1.5 Scope & Limitations of Project	6
2.	Chapter-2: Contemporary Research / Literature Review	8
3.	Chapter-3: Industry Overview & Industry Analysis	19
	3.1 Industry Overview & Analysis	20
	3.2 SWOT Analysis of Telecommunication Industry of Pakistan	28
4.	Chapter-4: Organizational Overview	30
	4.1 PTA's Vision	31
	4.2 PTA's History	31
	4.3 Establishment of PTA	31
	4.4 PTA Headquarters	32
	4.5 PTA Zonal Offices	32
	4.6 Functions & Responsibilities of PTA	32
	4.7 Divisions & Directorates of PTA	33
5.	Chapter-5: Identification of Issues	38
	5.1 Questionnaire Responses	39
	5.2 Analysis of 5 years Appraisals of PTA	42
	5.3 Prevailing Performance Appraisal system of PTA	47
	5.4 Observations	49
6.	Chapter-6: Possible Options / Alternatives	54
	6.1 Implementation of Performance Management System	55
	6.2 Implementation of a comprehensive Performance Management Policy	59
	6.3 Appraisal Trainings for Managers	60
	6.4 Re-Designing the Appraisal Form	64
7.	Chapter-7: Best Options & Recommendations	71
	7.1 Implementation of Performance Management System in PTA	73
	7.2 Development of Performance Management Policy for PTA	78
	7.3 Appraisal Trainings for PTA's Managers	80
	7.4 Re-Designing Appraisal Form of PTA	81
8.	Chapter-8: Action Plan	82
	8.1 Implementing the Performance Management System in PTA	83
	8.2 Implementation / Designing of a comprehensive Performance Management Policy for PTA	85
	8.3 Implementation / Designing of a Performance Appraisal Form for PTA	88
	8.4 Implementation / Formulation of Appraisal Training Program for PTA's Managers	92
	BIBLIOGRAPHY	95
8.	Recommended Performance Management Policy	Annex-A
9.	Questionnaire	Annex-B
10.	Organizational Structure of PTA	Annex-C
11.	ACR form used by PTA before 2008	Annex-D
12.	Performance Evaluation Form implemented in PTA in 2008	Annex-E
13.	Performance Appraisal Form implemented in PTA in 2009	Annex-F
14.	Proposed Appraisal Form for PTA	Annex-G