

Internship Report

On

**“Evaluation of Performance Appraisal System at GSK,
Bangladesh, LTD”**

Prepared for

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Letter of Transmittal

December 17, 2012

Ms. Kulsum Popy
Lecturer in Management,
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Subject: Submission of Internship Report

Dear Madam,

This is a great pleasure for me to submit this Internship Report on “**Evaluation of Performance Appraisal System at GlaxoSmithKline, Bangladesh, Limited**”. This report has been prepared during my three months internship program at GlaxoSmithKline, Bangladesh, Limited. In this report I tried to illustrate the performance appraisal system practiced by this organization. I intended to present whatever I found and observed in GSK during my internship program.

I would appreciate if you please render your valuable comments and observations.

Sincerely yours,



Nabila Alam
ID# 09104121

Acknowledgement

All praises goes to all mighty Allah, the most gracious and the most merciful without whose blessing I could not have completed this report.

The accomplishment and completion of this report would not have been viable without the contribution of some accommodative people, who gave their valuable time from their busy schedule to guide me in doing my project work.

I would like to extend my heartiest gratitude to all those who directly or indirectly contributed to the completion of the report. At the beginning, I would like to convey my gratitude and appreciation to my supervisor at GSK, Bangladesh Mr. Syed Ali Sajjad, Training Manager for his intimate and tremendous support and cooperation.

I would also like to express my gratitude to Mr. A.K.M. Firoz Alam, Director HR at GSK, Bangladesh for giving me the opportunity to experience real life business environment.

I would also like to thank to my academic supervisor Ms. Kulsum Popy, Lecturer in Management of BRAC Business School for providing valuable guidelines in preparing the report.

Executive Summary

GlaxoSmithKline started its journey in Bangladesh on the year 1949 as an importer of its own products and its importing activities used to hold in Chittagong but eventually it emerged its roles to manufacturing sector also and established factory in Chittagong. So, GSK is operating in Bangladesh for 63 years and it's really providing excellent service in Consumer Healthcare and Pharmaceutical sector. GlaxoSmithKline has a strong HR department which is working in line with the strategies of the organization and working with the aim of attaining the mission and vision of the company. GSK has mainly three divisions in HR department and these are - HR development, HR services and administration. Under the HR department performance appraisal system takes place. A survey is conducted at corporate office of GSK to evaluate the appraisal system. The whole report is divided into six parts. First part comprises of introduction part which includes objectives, methodology, scope, limitations of the study, second part comprises of organizational overview which includes GSK worldwide to GSK Bangladesh. Moreover, third part comprises a briefing on performance appraisal system; its history, techniques, perceptual errors; fourth part comprises of performance appraisal system conducted at GSK Bangladesh and fifth part includes findings and analysis of the research conducted through my internship period and last part comprises conclusion and recommendation and its effective implementation.

List of Abbreviations

- MNC= Multinational company
- GSK= GlaxoSmithKline
- LTD= Limited
- PLC= Public limited company
- CEO= Chief Executive Officer
- PDP= Performance Development Plan
- MBO=Management By Objectives
- GMS= Global Manufacturing Supply
- HRP= Human Resource Planning
- R & D= Research and development
- HR= Human Resources
- HRD= Human Resources development
- HRM= Human Resource Management
- DMO= District marketing offices
- CNS= Central nervous system
- BARS= Behavioral anchor rating scale
- ACR= Annual Confidential Report
- IPM= Individual Performance Multiplier

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Chapter-1

Introduction

1.1 Introduction

The pharmaceutical industry in Bangladesh is one of the most developed hi-tech sectors within the country's economy. After the promulgation of Drug Control Ordinance in 1982, the local pharmaceuticals companies of our country get rapid support for growth and development of this sector was accelerated however, from then MNC's are lag behind. There are now about 231 companies in this sector and the approximate total market size is about Taka 76,500 million per year. Bangladesh Pharmaceutical Industry is now heading towards self-sufficiency in meeting the local demand. The industry is the second highest contributor to the national exchequer after garments, and it is the largest white-collar intensive employment sector of the country.

There are about 450 generics registered in Bangladesh. Out of these 450 generics, 117 are in the controlled category i.e. in the essential drug list. The remaining 333 generics are in the decontrolled category, the total number of brands /items that are registered in Bangladesh is currently estimated to be 5,300, while the total number of dosage forms and strengths are 8,300. Bangladesh pharmaceutical industry is mainly dominated by domestic manufacturers. Of the total pharmaceutical market of Bangladesh, the local companies are enjoying a market share reaching around 80%, while the MNCs are having a market share of 20%. The growth of the country's domestic pharmaceutical market to the tune of \$1.13 billion in terms of value, as it stands now, is quite a positive development. Such a development has occurred because of decreasing dependence on imported drugs. Currently about 97% of the total requirement of medicines is created by the local companies and the rest 3% is imported. The imported drugs mainly comprise of the cancer drugs, vaccines for viral diseases, hormones etc. Its value-wise growth, recorded at 23.59% in 2011 over that of 2010 points to the fact that many of the pharmaceutical companies have not only successfully replaced the imported medicines in quality and quantity, but also reached a point where they could be able to capture markets abroad if only the policy regime is favorable enough.

The top 12 leading pharmaceuticals company in Bangladesh including local and MNC's are - **Square, Incepta Pharma, Beximco, Oponin Pharma, Eskayef, Renata, A.C.I., Aristopharma, Drug International, Sanofi Aventis, GlaxoSmithKline.** Market share of those top pharmaceutical companies' are shown on a chart below-

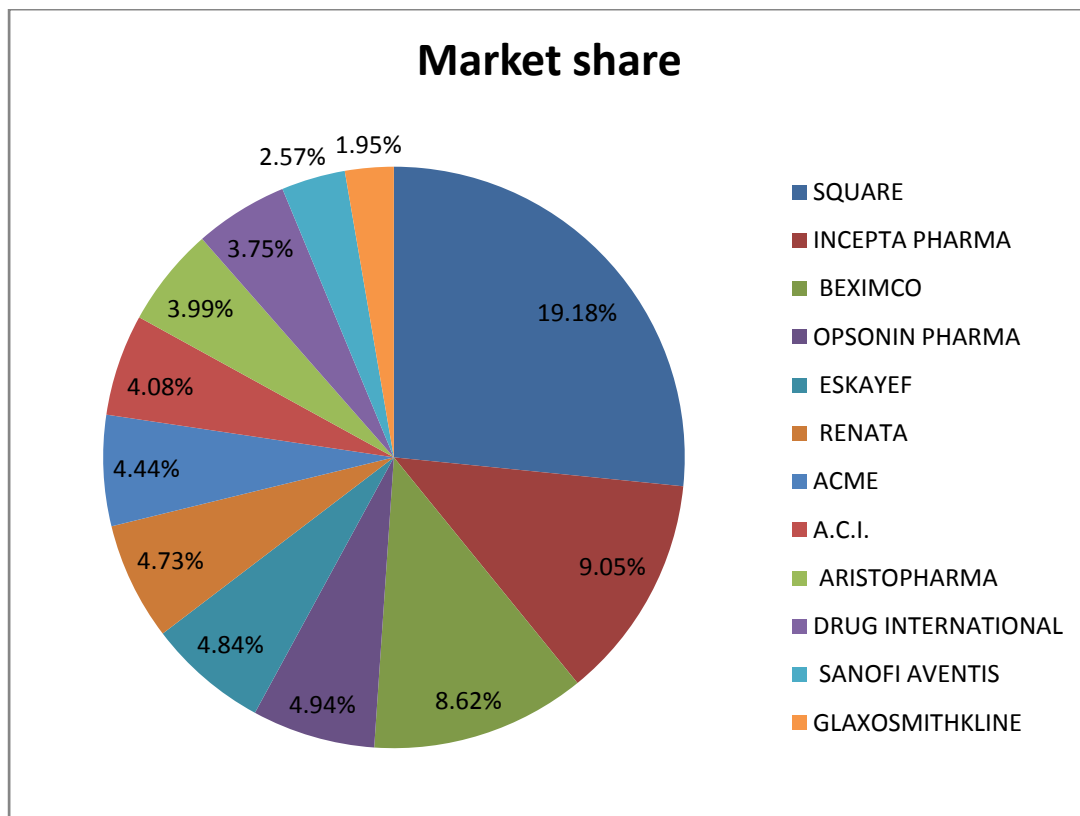


Figure: 1 GlaxoSmithKline’s market share among top 12 pharmaceutical industries in Bangladesh

With an enviable image and reputation for the past 6 decades GlaxoSmithKline (GSK) Bangladesh Limited running its operation as a subsidiary of GlaxoSmithKline plc- one of the world's leading research-based pharmaceutical and healthcare companies. GSK is at 12th position among top 12 pharmaceuticals in Bangladesh. Relentless commitment, setting of standards of ethical standards and quality backed leading edge technology of the Company has built a strong relationship between the stakeholders and GSK Bangladesh. With the ever committed 701 numbers of personnel all over the country GSK Bangladesh, which now comprises of both pharma and consumer, continually strive to meet this organization’s mission. Human Resources Department of GSK, Bangladesh plays a vital role in favor of achieving enviable image. As a HR major I have done internship under Human Resources Department of GSK and carried out internship report based on the topic-“**Evaluation of Performance Appraisal System At GlaxoSmithKline, Bangladesh, Limited**” assigned by my academic supervisor Kulsum Popy.

1.2 Objectives of The Study

The main objective of this report is to get an extensive idea about the performance appraisal system at GSK. The broad and specific objectives of this report are given below-

1.2.1 Broad Objectives:

- To analyze the present performance appraisal system of GSK, Bangladesh, Limited and determine strengths and weakness of their system.

- To recommend best practices for GSK, Bangladesh, Limited.

1.2.2 Specific Objectives:

- To analyze present appraisal system of GSK, Bangladesh, Limited.
- To find out how the reward system is linked with performance appraisal systems of this organization.
- To identify any shortcoming in the performance appraisal system of this organization.
- To recommend ways to improve deficiency of performance appraisal systems for this organization.

1.3 Scope of the study

The scope of the study is basically limited to the analysis of the present performance appraisal system of GSK, Bangladesh, Limited and to the analysis of the strengths and weaknesses of the system to recommend best practices for GSK. Moreover, this study was conducted only at corporate office of GSK so it does not cover any District Marketing Offices (DMO) and factory office (Chittagong) of the company.

1.4 Methodology

1.4.1 Type of research

The project falls in the category of exploratory and descriptive research, i.e., a research designed to evaluate the performance appraisal system of GSK, Bangladesh, Limited. This applies to the research part. Prior to that, the organizational part is helpful for the clear understanding of the existing position of GSK, Bangladesh, Limited and also serves the purpose of the exploratory research.

1.4.2 Basic Research Method

The basic research method in this is based on the empirical review method. In that the annual report and websites were the major sources of secondary data. Alongside, the discussion with the concerned managers/employees (primary data) provided the additional information and helped in clear understanding.

1.4.3 Sources and Method of Data Collection

To carry out the research study, data has been collected both from primary and secondary sources.

1.4.3.1 Primary Data

Primary data have been collected as follows-

- **Structured Questionnaire**

Keeping the problem statement- “**Evaluation of Performance Appraisal System At GlaxoSmithKline, Bangladesh, Limited**” in view, a number of questions in the form of checklist had been formulated. The checklist had been the main tool for relevant question to the primary data sources to formulate the operational definition of problem statement and precisely find out the area of study. Single questionnaire is formed for managers and officers/executives (questionnaire is shown in appendix A) and it is designed in such a way so that all important elements of the performance appraisal system can be covered by it.

After questionnaire formulation, a comprehensive and deliberate discussion was conducted and necessary adjustments were made. Pretest for screening of the questionnaire (to investigate things as difficulties with

question wording, problems with leading questions and bias due to order) has been carried out. After pretest, the final questionnaire has been prepared.

- **Face to Face Interview**

The primary source also includes unstructured interview with HR development Manager and HR services manager. They were asked several open-ended questions on various aspects of the performance appraisal system to know about the system.

- **Observing the Ongoing Process**

Observing the ongoing performance appraisal system as an intern at GSK, Bangladesh, Limited has been a useful source of information to write this paper.

1.4.3.2 Secondary Data

Secondary data have been gathered from followings:

- **Annual Reports and Other Publications** - Annual reports and other publications were the main sources of secondary information.
- **Internet Websites** - Websites of GSK, Bangladesh, Limited were explored to obtain relevant information about the organization.

1.4.4 Sampling Plan

Sampling as prepared for the purpose of this research is specified subsequently:

1.4.4.1 Target Population

The target population included in the research is the personnel who had gone under some performance appraisal process at corporate office of GSK, Bangladesh, Limited.

1.4.4.2 Sample Type

Nonprobability, convenience and judgmental sampling have been used. This has been done in congruence with the objective of the study. Total population has been divided into strata for example- managers and officers/executives. Again for each stratum respondent has been selected on convenience and judgmental method.

1.4.4.3 Sample Size

Total 15 respondents have been selected. Total population and their distribution are as follows-

- GSK- 5 Managers 10 Officers/Executives

1.4.5 Samples Selection

Samples were selected from all the strata as spelt before. Besides, HR people respondents were selected from all functional departments of the company.

1.5 Limitations of The Study

Followings are the limitations of the study-

1. Due to time constraint, I could not make the report a more detailed one.
2. Lack of previous literature and scarcity of other secondary information.
3. Study on performance appraisal system needs lot of fieldwork which involved huge cost so lack of fund was also one of the major limitations.
4. Respondent's unwillingness/ hesitation on providing confidential information. They felt they are leaking out some information, which they are not supposed to.
5. Most of the respondents were not conversant with the whole system of the performance appraisal system.

Chapter-2

Organizational Overview

GlaxoSmithKline (GSK) is a world's leading research-based pharmaceutical company with a powerful combination of skills and resources that provides a platform for delivering strong growth in today's rapidly changing healthcare environment. It is the only British organization in the world's top 20 pharmaceutical companies. Subsidiary companies are established over 50 countries of the world many with their own manufacturing facilities and the group have agency representation in more than 100 offices. GSK has leadership in four major therapeutic areas- anti infectives, central nervous system (CNS) and respiratory & gastro- intestinal/ metabolic. In addition it is a leader in the important areas of vaccines and has growing portfolio of oncology products. GSK supplies products to 140 global markets and has over 100,000 employees worldwide. GSK has 180 manufacturing site in 41 countries.

2.1 GlaxoSmithKline- At a Glance:

- GSK's mission is to improve the quality of human life by enabling people to do more, feel better and live longer
- GSK is a research-based pharmaceutical company.
- GSK is committed to tackling the three "priority" diseases identified by the World Health Organization: HIV/AIDS, tuberculosis and malaria
- GSK's business employs around 99,000 people in over 100 countries
- GSK makes almost four billion packs of medicines and healthcare products every year
- In November 2009, GSK launched ViiV Healthcare, a global specialist HIV company established by GlaxoSmithKline and Pfizer to deliver advances in treatment and care for people living with HIV.
- Many of our consumer brands are household names: Ribena, Horlicks, Lucozade, Aquafresh, Sensodyne, Panadol, Tums, and Zovirax

2.2 GlaxoSmithKline in time

- - Every second, more than 30 doses of vaccines are distributed by GSK.
- - Every minute, more than 1,100 prescriptions are written for GlaxoSmithKline.
- - Every hour, GSK spends more than US \$ 450,000 to find new products.
- - Every day, more than 200 million people around the world use a GSK toothbrush or toothpaste.
- - Every hour, GSK donates more than US \$ 148 million in cash and products to communities around the world.

2.3 History of GlaxoSmithKline

Year	History
1873	The company was oriented as Joseph Nathan & Company in New Zealand with the founding of a small import export company. It started its operation as a processing unit of abundant fresh milk of New Zealand. The only product it was producing was <i>Glaxo Baby Food</i> .
1875	It started to export baby food to UK Alec Nathan, son of Joseph Nathan, coined the name <i>Glaxo</i> from <i>Glactose</i> .

1924	Joseph Nathan & Company entered the pharmaceutical industry with the manufacture of Ostelin, the first Vitamin D preparation. The importance of the pharmaceutical market was soon realized
1935	Glaxo Laboratories Limited was founded with its headquarters at Greenford, Middlesex and London for the production and marketing of foods and pharmaceuticals.
1947	After the 2 nd world war, Glaxo developed rapidly. Glaxo Laboratories Limited absorbed its parent Joseph Nathan & Company, and became a public company.
1963	Edinburgh Pharmaceutical Industries Limited, which owned Duncan, Flock hart and Company Limited and MAC Far lane Smith Limited, joined Glaxo.
1995	Glaxo acquired 100% share, of Wellcome PLC on may 01, 1995 and formed Glaxo Welcome PLC.
1998	Glaxo Wellcome achieved a number of regulatory milestones for several of its key projects, such as <i>ZEFFIX</i> for the treatment of influenza.
2000	Glaxo Wellcome and SmithKline Beecham merged to form GlaxoSmithKline; a worldwide research based pharmaceutical company.

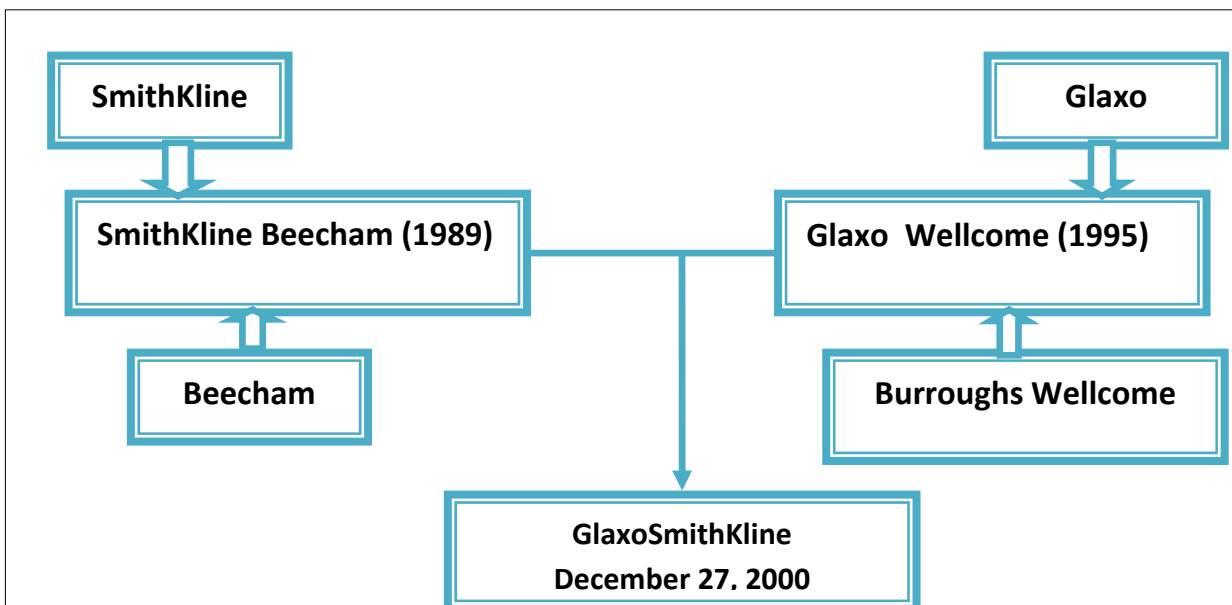


Figure 2: Merging History of GSK*

*Source: Secondary data, provided by HR Department

2.4 GlaxoSmithKline- Mission, Strategic Intent & Spirit

2.4.1 Mission

The mission statement of the business- “ **Our global quest is to improve the quality of human life by enabling people to do more, feel better and live longer**”

2.4.2 Strategic Intent

Our strategic intent states our business goal – **“We want to become the indisputable leader in our industry.”**

2.4.3 Spirit

“Our company spirit describes how we need to behave if we are to achieve our goal” –We undertake our quest with the enthusiasm of entrepreneurs, excited by the constant search for .

2.4.4 Vision

Becoming the undisputed leader in the industry means conquering the challenges that will be face as an industry and as a global society.

2.4.5 Quality Statement

Quality is at the heart of everything we do- from the discovery of the molecule through product development, manufacture, supply and sale- and vital to all the services that support our business performance.

2.5 Global Operation

The operation of the company splits into three geographical region- Europe, the USA and International and each of which has separate pharmaceutical and healthcare organizations. GSK pharmaceutical’s International regions divided into seven geographical areas. The complete division is shown below-

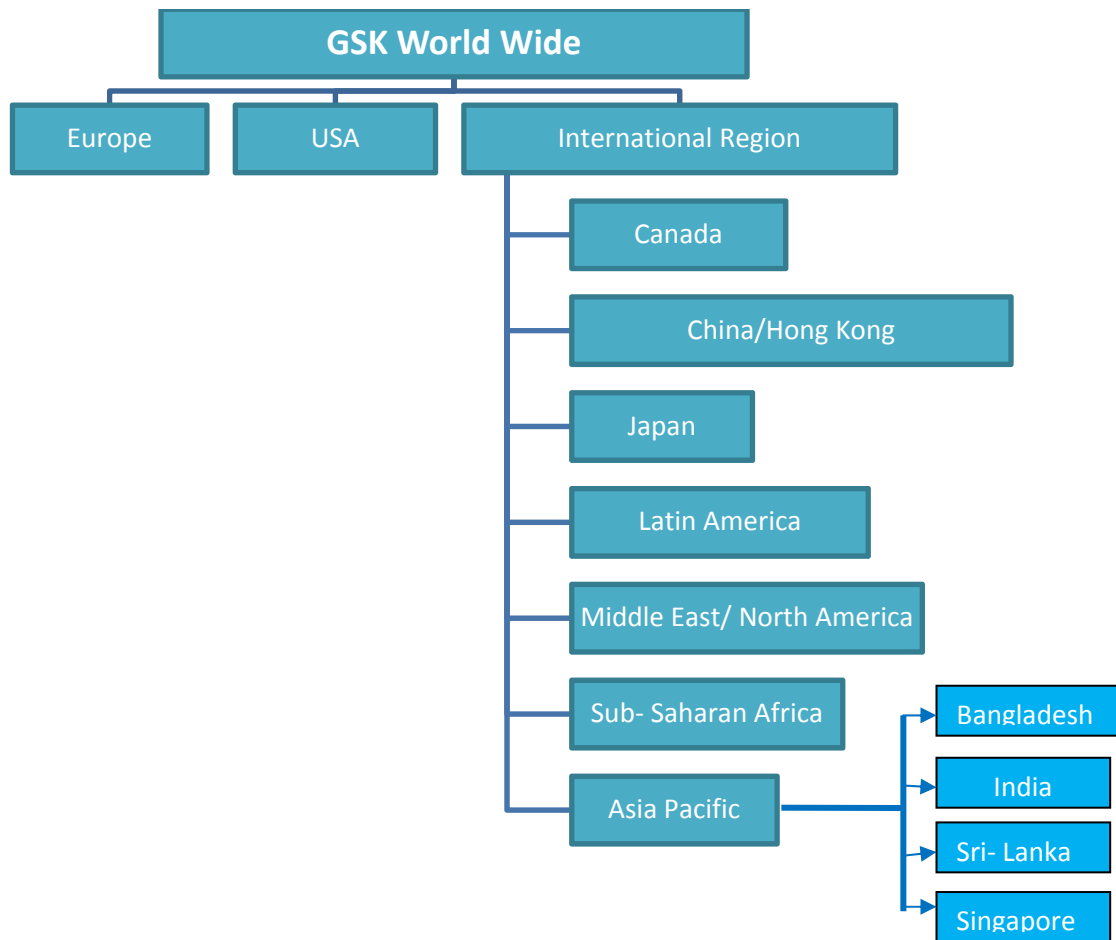


Figure 3: Workstation of GSK*

*Source: secondary data provided by marketing department

2.6 GlaxoSmithKline Bangladesh Limited

With an enviable image and reputation for the past 6 decades GlaxoSmithKline (GSK) Bangladesh Limited running its operation as a subsidiary of GlaxoSmithKline plc- one of the world's leading research-based pharmaceutical and healthcare companies. In 1949 the Company commenced its journey in Bangladesh with its' corporate identity as Glaxo in Chittagong as an importer. In 1967, the company established its own manufacturing unit at Chittagong. The facility till date is considered as one of the Centre of Excellence in Global Manufacturing & Supply Network of the Group. The global corporate mergers and acquisitions have seen the evolution of the Company's identity in the past 6 decades. In line with mergers and acquisitions the identity changed from Glaxo to Glaxo Wellcome Bangladesh Limited following the Burroughs Wellcome acquisition in 1995 and finally to GlaxoSmithKline Bangladesh Limited during 2002 after merger with SmithKlineBeecham in December 2000. The mega merger of the Company enables it to deliver cutting edge advancements in health care solutions. The relentless commitment, setting of standards of ethical standards and quality backed leading edge technology of the Company has built a strong relationship between the stakeholders and GSK Bangladesh. With the ever committed 701 numbers of personnel all over the country GSK Bangladesh, which now comprises of both Pharma and Consumer, continually strive to meet the GlaxoSmithKline mission.

2.6.1 Operations in Bangladesh

Headquarter GlaxoSmithKline Bangladesh Limited Corporate Office House # 2A, Road # 138. Gulshan-1.	Registered Office & Factory Fouzderhat Industrial Area North Kattali, Chittagong. District Marketing Office
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GlaxoSmithKline Bangladesh Limited has twelve District Marketing Offices (DMO) throughout the country. These are divided in five zones by which GSK's products are sold.

- **District Marketing Offices:** GSK has 12 District Marketing Offices (DMO) in Bangladesh. The locations of DMOs are shown below-

Zone	DMO
Dhaka	Dhaka, Mymensing
Chittagong	Chittagong, Maijdee
Comilla	Comilla, Sylhet
Bogra	Bogra, Rajshahi, Rangpur
Khulna	Khulna, Jessore
Barisal	Barisal

Table 1: List of DMOs*

*Source: Secondary data, provided by Marketing Department



Figure 4: Location of DMO of GSK, Bangladesh

2.6.2 GlaxoSmithKline Bangladesh Ltd. (In Market Place)

- **Total Market Share:** Tk. 140 Corer (2011)
- **Market Share:** 1.95 % (2011)
- **Ranking:** 12 (2011)

2.6.3 Share Information GlaxoSmithKline Bangladesh Ltd.

- Share Price Tk. 10 each
- Total No. of Authorized Share 20,000,000
- Authorized Share Capital Tk. 20,000,000
- Market Capitalization 6920.685 (Million)

2.6.4 Distribution Channel

- **Mutual Food-** Distributor of consumer health care product of GSK, Bangladesh.
- **Zuellig Pharma-** Distributor of pharmaceuticals product of GSK, Bangladesh.

2.7 Organizational structure of Company

2.7.1 Top Management:

As per provisions of the Article of Association, Board of Directors holds periodic meetings to resolve issue of policies and strategies, recording minutes/decisions for implementation by the Executive Management.

2.7.2 Executive Management:

The Managing Director heads the Executive Management, the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management.

2.7.3 Corporate Governance Structure:

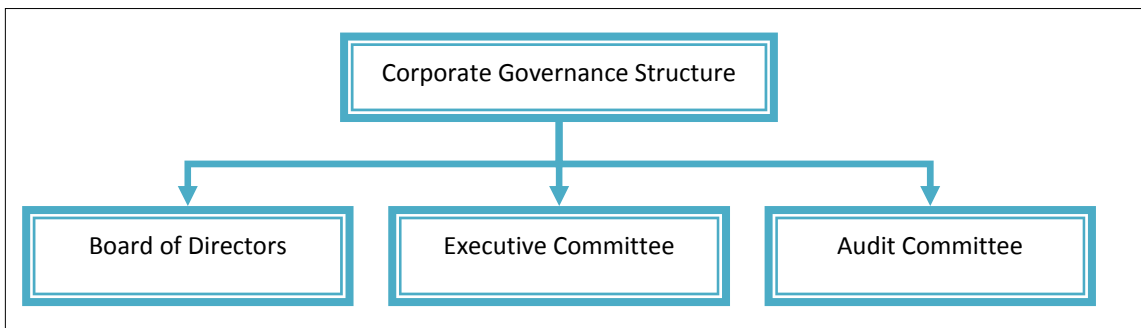


Figure 5: GSK corporate governance structure

2.7.4 Audit Committee:

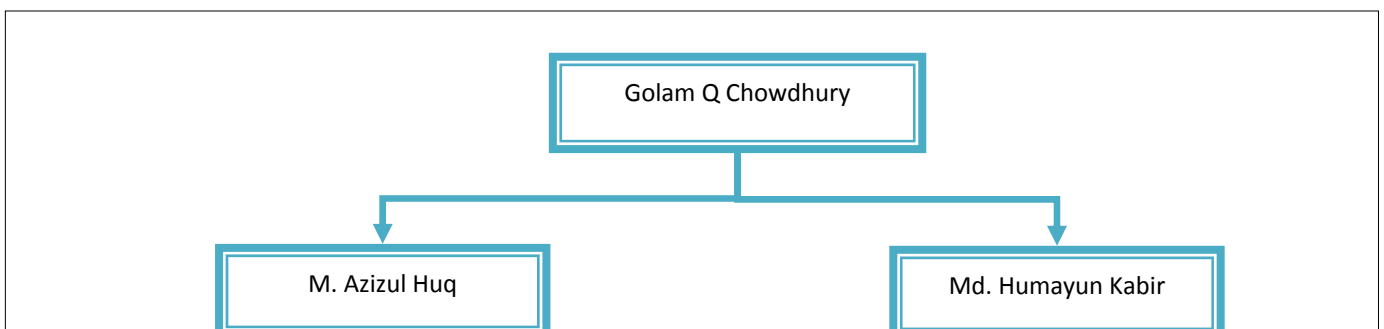


Figure 6: GSK audit committee

2.7.5 Board of Directors:

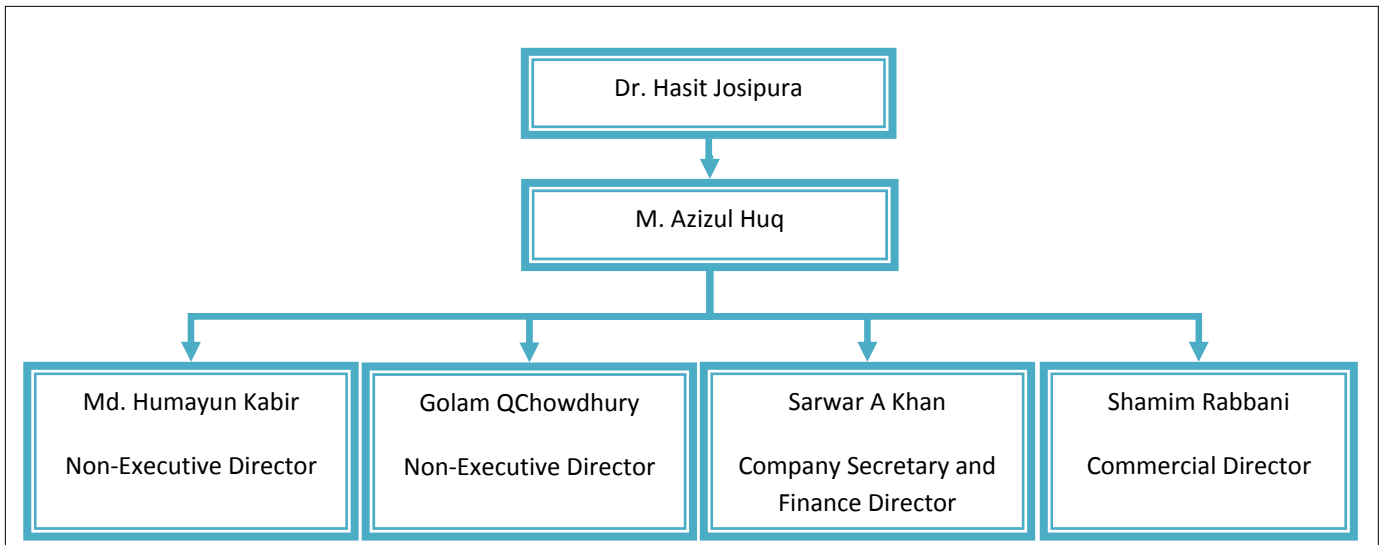


Figure 7: GSK board of directors

2.7.6 Executive Committee:

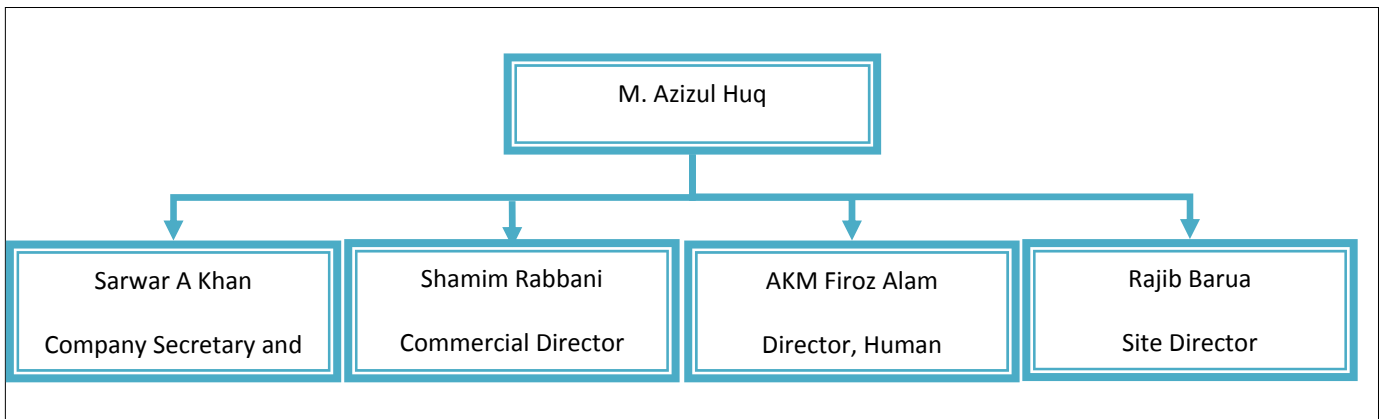


Figure 8: GSK executive committee

2.7.7 Company Organogram:

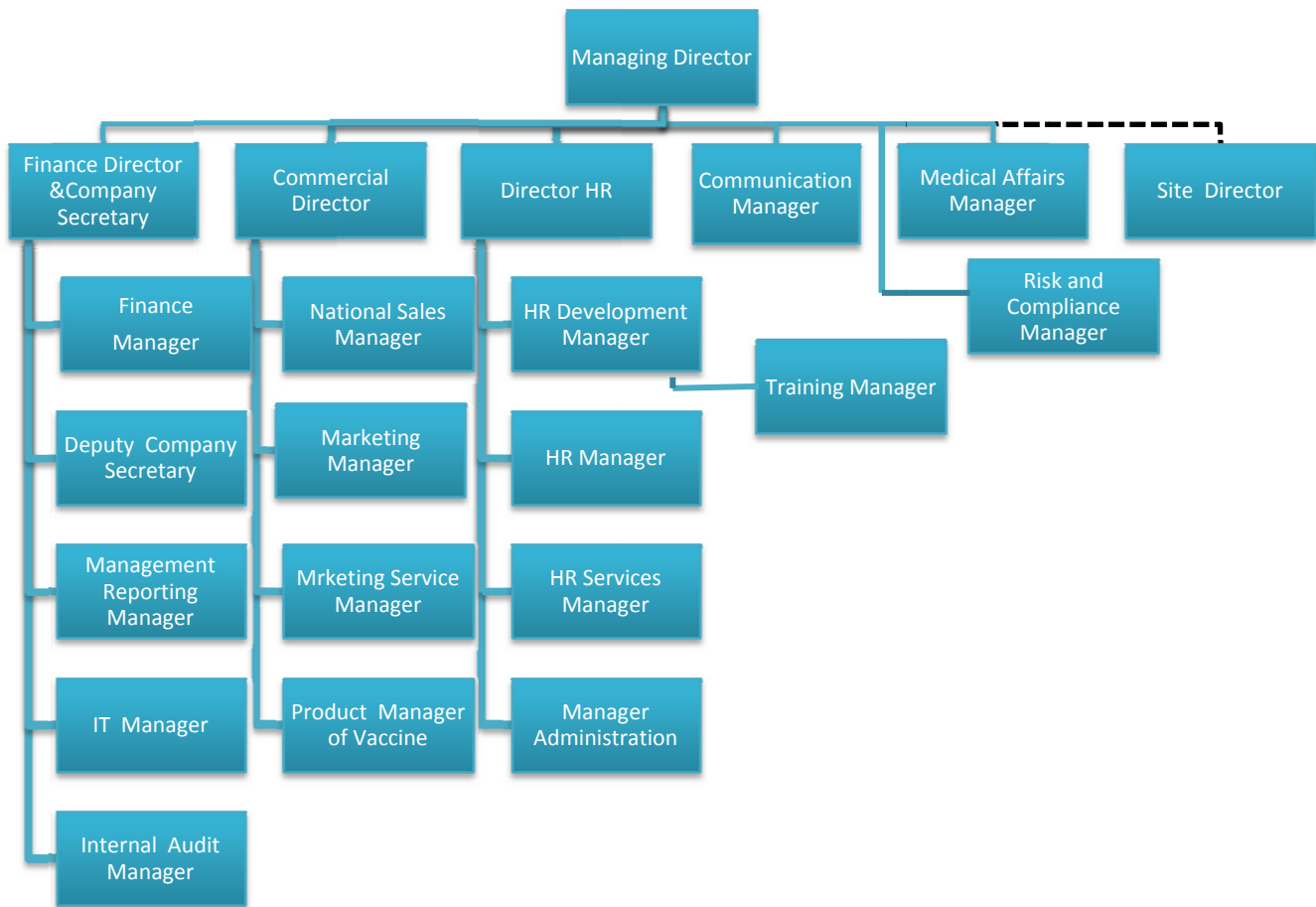


Figure 9: Organogram of GSK Bangladesh Limited (GMS Corporate Head Office)*

*Source: Secondary data, provided by HR Department

2.8 Functional Department of GlaxoSmithKline Bangladesh Ltd.

GlaxoSmithKline, Bangladesh, Limited comprises of five major departments. They are given below-

- Human Resources
- Marketing
- Finance
- Medical and regulatory affairs
- Information Technology

Each department of GSK operates in different aspects but they are inter-related as well as complementary to each other. Above mentioned functional departments are worked under the Managing Director. The company's delegation of authority is decentralized. The main functions of these departments are shown below-

❖ Human Resources-

HR department is one of the most active departments in GSK. Previously this department was known as “**Personnel Management**” department. The company places great emphasis and commitment in developing the human resources as the management body believes that only the best people with professional competencies can contribute successfully to achieve the organization’s goals. GSK has two HR Division, one is at corporate head office and other one is Chittagong factory office. There are four functional sub-departments. They are- HR Development, HR Services, HR Administration and Industrial Relations. First three sub departments are looked after by corporate head office HR division and last one is looked after by Chittagong HR division. There are various functions of HR department of GSK. The main activities of this department are given below-

1. Recruiting and training the best pool of employees according to company’s requirement
2. Administering smooth workflow in the organization
3. Managing demands of the labors in the factory
4. Allocating annual holidays
5. Organizing motivational programs for employees
6. Looking after the wage structures and waivers

At corporate head office six-member HR division takes care of GSK, Bangladesh, LTD. The member and their chain of authority are shown in the organogram below-

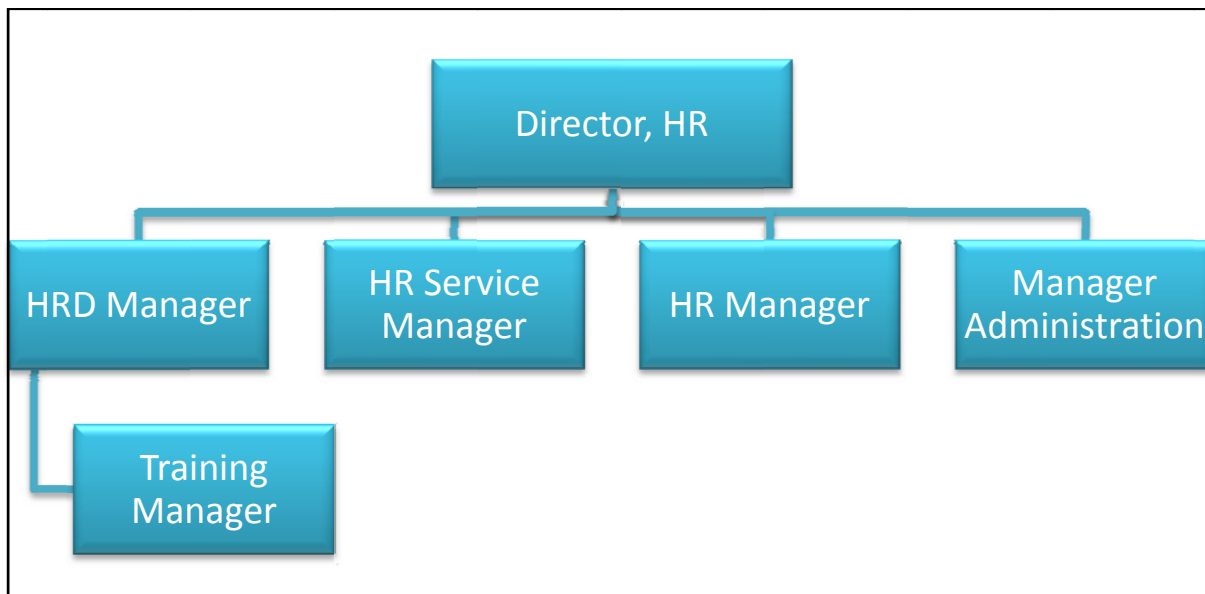


Figure 10: Organogram Of Human Resources Department of GSK, Bangladesh (Corporate Office)*

*Source: Secondary data, provided by HR Department

❖ Marketing-

The pharmaceutical industry of Bangladesh has limited field for marketing. Yet in an age of high competition like today's, firms are heavily spending and effectively practicing marketing. The summary of marketing functions is given below-

1. Designing and implementing sales strategies
2. Controlling and updating distribution network
3. Designing and carrying out promotional programs
4. Providing marketing information services
5. Carrying out different awareness programs
6. Controlling international trades
7. Keeping records of data regarding marketing activities
8. Building up public communication network
9. Looking after all the brands and patents
10. Conducting marketing surveys as needed

❖ **Finance-**

GSK gives proper importance to their finance department. The financial statements of GSK have been prepared in accordance with Bangladesh Accounting Standards and the relevant requirements of the schedule to the Securities and Exchange Rules, 1987 and of the companies Act 1994 following the historical cost conversion. The primary tasks of finance department are given below-

1. Controlling the accounts
2. Completing annual budgets
3. Allocating all kinds of payments to the staffs and managers
4. Looking after all the revenue and expenses
5. Conducting internal audit
6. Keeping records through IT
7. Facilitating local production costs

❖ **Medical and regulatory affairs-**

Medical and Regulatory Department of GSK, Bangladesh is compiled with required number of doctors and qualified people. This department is primarily responsible to perform tasks like liaison with government for legal issue purpose, communicate with doctors, handling advertisements, etc.

❖ **Information Technology-**

The technical department of GSK is extraordinarily strong. The organization always strives for reaching the global standard of applications of information technology. This company is one of the very few companies in Bangladesh that use world class sophisticated software.

2.9 Product line of GSK, Bangladesh, Limited

GlaxoSmithKline operates principally in two industry segments:

1. **Pharmaceuticals:** prescriptions, medicine and vaccines.
2. **Consumer HealthCare:** Over the counter medicines, Oral care and nutritional healthcare products.

Product overview:

1. Pharmaceuticals:

GSK's board pharmaceuticals product line includes antibiotic, antidepressant, gastrointestinal, dermatological, respiration, cancer and cardiovascular medications. GSK has a variety of vaccine products, including hepatitis A and B, diphtheria, tetanus, whooping cough and influenza.

2. Consumer Healthcare:

GSK Consumer Health brings oral health care, over the counter medicines and nutritional health care products to millions of people.

GlaxoSmithKline Products Glossary	
Local production	60 products including Berin Cytamen Kefdrin Pentamox
Imported product	17 products including Alkeran Seretide Zinnat
Vaccines	17 products including Engerix-B Fluarix Synflorix
Consumer Healthcare	9 products including Horlicks Chocolate Horlicks Junior horlicks Mother Horlicks Horlicks Lite Boost Maltova Glaxose

Table 2: GSK Product Glossar*(Source: Marketing department GSK, Bangladesh)

2.10 GSK'S Market Share & Position

Year	Market Share	Position
2007	2.90%	12
2008	2.91%	12
2009	2.24%	12

2010	1.95%	12
2011	1.95%	12

Table 3: GSK's Market Share & Position (2007-2011)

2.10.1 GSK'S Market Share & Position Comparison

Top 12 Pharmaceutical Company's Comparison		
Companies	Market share	Ranking
SQUARE	19.18%	1
INCEPTA PHARMA	9.05%	2
BEXIMCO	8.62%	3
OPSONIN PHARMA	4.94%	4
ESKAYEF	4.84%	5
RENATA	4.73%	6
ACME	4.44%	7
A.C.I.	4.08%	8
ARISTOPHARMA	3.99%	9
DRUG INTERNATIONAL	3.75%	10
SANOFI AVENTIS	2.57%	11
GLAXOSMITHKLINE	1.95%	12

Table 4: GSK's Market Share & Position Among Top 12 Pharmaceuticals Company in Bangladesh

2.11 SWOT Analysis

SWOT is the acronym for Strengths, Weaknesses, Opportunities and Threats. It is an analytical framework to help summarize in a quick and concise way the risk and opportunities for any company across the value chain. A good SWOT should look into internal and external factors affecting the issue at hand.

- Factors pertaining to the **internal environment** of the company. These are usually classified as Strengths (S) or Weaknesses (W)

- Factors that pertaining to the **external** environment of the company. These are classified as Opportunities (O) or Threats (T).

Strength	Weakness
<ul style="list-style-type: none"> ▪ GSK is considered as world's one of the leading pharmaceutical companies because of its performance. ▪ Efficient, capable and honest workforce ▪ GSK has intense demand of their product nationally and internationally which helps them to inflate their business ▪ Considerable financial resources to grow the business ▪ Proprietary technology and importance patents ▪ Ability to take advantage of economies of scale ▪ Better product quality relative to rivals ▪ Goodwill of the company ▪ Follows GMR-Good Manufacturing Practice 	<ul style="list-style-type: none"> ▪ Underutilized plant capacity ▪ Higher unit cost relative to key competitors ▪ Group compliance due to group policy the company has to import raw materials from UK rather than from neighboring countries (other than those which are produced locally) resulting in higher cost of production. ▪ Lack of variety in products ▪ Low pack size ▪ Lack of sufficient promotional effort. ▪ GSK has weaker distribution network and sales force are relatively low compared to competitors.
Opportunities	Threats
<ul style="list-style-type: none"> ▪ GSK as a multinational company has opportunity for expansion of its investment and has potential growth in the Bangladeshi market. ▪ Expanding the company's product line to meet a broader range of customer needs. ▪ Target and acquire an untapped market for vaccines ▪ Market is significantly large and growing ▪ Proper utilization of vaccines may result in higher profit. ▪ Availability of natural resources is the most lucrative opportunity for GSK to work with Bangladesh. ▪ In Bangladesh, GSK can get labor at a very cheap cost. ▪ High confidence brand name and quality 	<ul style="list-style-type: none"> ▪ Adverse shifts in foreign exchange rates and trade policies of government ▪ Aggressive movement of rivals ▪ Slowdown in market growth ▪ Growing bargaining power of the end consumers, thus high priced medicines are inconvenient for them ▪ Costly new regulatory requirements ▪ Competitors' lower prices ▪ Increasing threats from local competitors.

Table 5: SWOT Analysis of GSK, Bangladesh, Limited

Chapter-3

Overview of Performance Appraisal System

Performance appraisal can be viewed as the process of assessing and recording staff performance for the purpose of making judgments about staff that lead to decisions. Performance appraisal should also be viewed as a system of highly interactive processes which involve personnel at all levels in differing degrees in determining job expectations, writing job descriptions, selecting relevant appraisal criteria, developing assessment tools and procedures, collecting, interpreting and reporting results.

Quoting Winston and Creamer, 1997; “Performance appraisal is an organizational system comprising deliberate processes for determining staff accomplishments to improve staff effectiveness.”

Quoting Gary Dessler, “Evaluating an employee’s current and/or past performance relative to his or her performance standard”

3.1 History of Performance Appraisal

The history of performance appraisal is quite brief. Its roots in the early 20th century can be traced to Taylor's pioneering Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management. As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the Second World War - not more than 65 years ago.

Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order.

Little consideration, if any, was given to the developmental possibilities of appraisal. If was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well. Sometimes this basic system succeeded in getting the results that were intended but more often than not, it failed. For example, early motivational researchers were aware that different people with roughly equal work abilities could be paid the same amount of money and yet have quite different levels of motivation and performance. These observations were confirmed in empirical studies. Pay rates were important, yes; but they were not the only element that had an impact on employee performance. It was found that other issues, such as morale and self-esteem, could also have a major influence. As a result, the traditional emphasis on reward outcomes was progressively rejected. In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The general model of performance appraisal, as it is known today, began from that time.

3.2 Objectives of Performance Appraisal Method

There are some objectives for using performance appraisal method within an organization those are given below-

1. To judge the gap between the actual and the desired performance

2. To help the management in exercising organizational control
3. Helps to strengthen the relationship between superior-subordinate and management-employees
4. To diagnose the strengths and weaknesses of the individual so as to identify the training and development needs of the future
5. To provide feedback to the employees regarding their past performance
6. Provide valid ground for promotion, laid off decision
7. Provide clarity of the expectations and responsibilities of the functions to be performed by the employees
8. To judge the effectiveness of the other human resource functions of the organization such as recruitment, selection, training and development
9. To reduce the grievances of the employees

3.3 Performance Appraisal Techniques

Following are the tools used by the organizations for Performance Appraisals of their employees-

- Ranking Method
- Paired Comparison
- Forced Distribution
- Confidential Report
- Essay Evaluation
- Critical Incident
- Checklists
- Graphic Rating Scale
- BARS
- Forced Choice Method
- MBO
- Field Review Technique
- Performance Test

3.4 Brief Discussion of some performance appraisal tools and techniques

Discussion of some important performance appraisal tools and techniques in detail is given below-

❖ Ranking Method

The ranking system requires the rater to rank his subordinates on overall performance. This consists in simply putting a man in a rank order. Under this method, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is tested in terms of his numerical rank. It may also be done by ranking a person on his job performance against another member of the competitive group.

Advantages:

- Employees are ranked according to their performance levels.

- It is easier to rank the best and the worst employee

Disadvantages:

- The “whole man” is compared with another “whole man” in this method. In practice, it is very difficult to compare individuals possessing various individual traits.
- This method speaks only of the position where an employee stands in his group. It does not test anything about how much better or how much worse an employee is when compared to another employee.
- When a large number of employees are working, ranking of individuals become a difficult issue.
- There is no systematic procedure for ranking individuals in the organization. The ranking system does not eliminate the possibility of snap judgments.

❖ **Forced Distribution method**

This is a ranking technique where raters are required to allocate a certain percentage of rates to certain categories (for example: superior, above average, average) or percentiles (for example: top 10 percent, bottom 20 percent etc). Both the number of categories and percentage of employees to be allotted to each category are a function of performance appraisal design and format. The workers of outstanding merit may be placed at top 10 percent of the scale, the rest may be placed as 20 % good, 40 % outstanding, 20 % fair and 10 % fair.

Advantages:

- This method tends to eliminate raters bias
- By forcing the distribution according to pre-determined percentages, the problem of making use of different raters with different scales is avoided.

Disadvantages:

- The limitation of using this method in salary administration, however, is that it may lead low morale, low productivity and high absenteeism.
- Employees who feel that they are productive, but find themselves in lower grade(than expected) feel frustrated and exhibit over a period of time reluctance to work.

❖ **Critical Incident techniques**

Under this method, the manager prepares lists of statements of very effective and ineffective behavior of an employee. These critical incidents or events represent the outstanding or poor behavior of employees or the job. The manager maintains logs of each employee, whereby he periodically records critical incidents of the workers behavior. At the end of the rating period, these recorded critical incidents are used in the evaluation of the worker’s performance. Example of a good critical incident of a Customer Relations Officer is: March

12 - The Officer patiently attended to a customer's complaint. He was very polite and prompts in attending the customers' problem.

Advantages:

- This method provides an objective basis for conducting a thorough discussion of an employee's performance.
- This method avoids recency bias (most recent incidents are too much emphasized)

Disadvantages:

- Negative incidents may be more noticeable than positive incidents.
- The supervisors have a tendency to unload a series of complaints about the incidents during an annual performance review sessions.
- It results in very close supervision which may not be liked by an employee.
- The recording of incidents may be a chore for the manager concerned, who may be too busy or may forget to do it.

❖ **Checklists and Weighted Checklists**

In this system, a large number of statements that describe a specific job are given. Each statement has a weight or scale value attached to it. While rating an employee the supervisor checks all those statements that most closely describe the behavior of the individual under assessment. The rating sheet is then scored by averaging the weights of all the statements checked by the rater. A checklist is constructed for each job by having persons who are quite familiar with the jobs. These statements are then categorized by the judges and weights are assigned to the statements in accordance with the value attached by the judges.

Advantages:

- Most frequently used method in evaluation of the employees' performance.

Disadvantages:

- This method is very expensive and time consuming
- Rater may be biased in distinguishing the positive and negative questions.
- It becomes difficult for the manager to assemble, analyze and weigh a number of statements about the employees' characteristics, contributions and behaviors.

❖ **Management by objectives(MBO)**

Management by objectives is a technique applied primarily to personnel management. In its essence, it requires deliberate goal formulation for periods (like the next calendar or business year); goals are recorded and then monitored.

Advantages:

- Forces managers to think about planning for results, rather than merely planning activities or work.
- Forces managers to clarify organizational roles and structures.
- Encourages people to commit themselves to their goals.
- Helps in developing effective controls.
- All managers have a clear idea of the important areas of their work and of the standards required.
- Greater participation may improve morale and communication

Disadvantages:

- It takes a few years to be effective
- Too much paperwork and difficulty in measuring key operations
- Sacrificing everything to meet goals may lead to poor managerial judgment
- Too high targets lead to frustration.
- Appraisals are sometimes made on personality traits rather than on performance
- Some of those giving appraisals may not be properly trained, may not be motivated to make the system work and may tend to treat it in a mechanical manner

3.5 Perceptual errors of Raters

Perceptual errors are those errors which occur when HR or line managers work for performance appraisal. Organizations always try their best to avoid these errors. But it happens because of some lacking.

- **Halo effect:** When HR manager evaluates an employee based on an individual characteristic, then it is called halo effect.
- **Stereotyping:** When raters evaluate an employee on the basis of his personal characteristic, then it is called stereotyping.
- **Recency error:** When recent events and behavior of employees has effect on the rates, then it is called recency error.
- **Central tendency:** If raters evaluate all employees on the basis of a common scale, then it is called central tendency error.
- **Leniency or strictness:** In this error, it happens that either the rate is too strict or too easy in performance appraisal.

Personal biases and organization policies: Personal biases and an organization policy have a great effect on the performance appraisal of the employees.

Chapter-4

**Performance Appraisal System at GSK,
Bangladesh, LTD**

4.1 Aim of Existing Performance Appraisal System at GlaxoSmithKline, Bangladesh, Limited

The management of GSK views performance management as an integral part of a comprehensive human resource management strategy. Its objective is to maximize individual's performance and potential with a view to attaining organizational goals and enhancing overall effectiveness and productivity, it also helps to improve communication between managers and staff on managing performance.

Performance objectives are set at the beginning of the performance management cycle (January to December) through open discussion between the supervisors and the appraisees. Progress is monitored regularly and feedback from staff and supervisors is collected to help clarify objectives and output expectation and enhance performance.

4.2 Uses of Performance Appraisal System at GSK

Following are the purposes for which the performance of employees are appraised-

4.2.1 Development

Performance appraisal system at GSK can determine which employee needs more training and it can help to evaluate the results of the training programs. It helps the subordinate-supervisor-counseling relationship and it encourages supervisor to observe subordinates' behavior to help employees.

4.2.2 Basis of Reward Allocation

It is used as the basis of reward allocation. It helps the organization to decide who gets pay rise, provide valid ground at the time of promotion and other rewards.

4.2.3 Motivation

The presence of well-designed evaluation system motivates people at GSK, Bangladesh. It encourages initiatives, develops a sense of responsibility and stimulates to perform better.

4.2.4 Legal Compliance

Performance appraisal serves as a legally defensible reason for promotions, transfer, discharge and rewards.

4.2.5 HR Planning

It serves as a valuable input to skills inventories and human resources planning. When all the functional heads complete the whole procedure of evaluation they send it to HR Department for their record and subsequent process.

4.2.6 Compensation

It provides information that can be used to determine what to pay and what will serve as equitable monetary package. Based on the performance the Supervisor awards Individual Performance Multiplier (IPM) ultimately that IPM indirectly decides how much pay rise one is going to receive.

4.2.7 Communication

Evaluation is a basis for an ongoing discussion between superior and subordinate about job related matters. Through interactions the parties get to know each other better. GSK is giving emphasis on this aspect.

4.3 Performance Appraisal System

GSK Bangladesh Ltd. has four functional sub-department of HR department. The departments are HR Development, HR Services, Administration, Industrial Relations. Performance appraisal is practiced under Operation of whole HR department. Performance appraisal is related with compensation, training and is also used as a tool for measuring readiness for the next position. GSK has divided its total employees into two categories for appraisal:

(1) Management employees and

(2) Non-management employees

Management employees are divided into director, manager and officer. Their appraisal process in mentioned below. All appraisal processes has been conducted once in a year with a midyear review option.

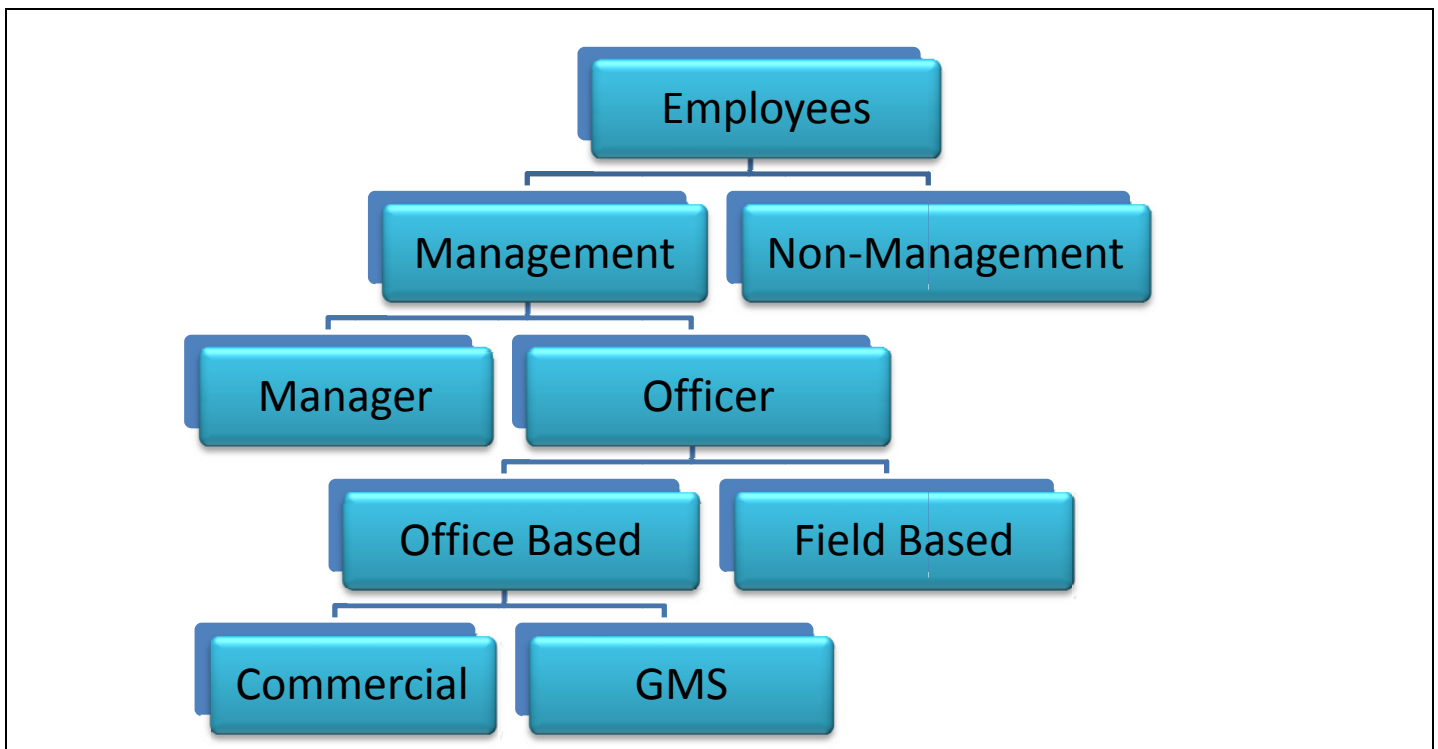


Figure 11: Classification of Employees from the Point of View of Performance Appraisal

4.3.1 Director’s and Manager’s Appraisal Process in GSK:

For directors’ and managers’ appraisal process, GSK Bangladesh Ltd. used a standard performance appraisal form that is known as ‘Performance and Development Plan’ (PDP) followed & practiced by all GSK International affiliates. Apart from that for top executives they followed the talent review or successor planning process through this appraisal process. Overall they followed the overall process of Management by Objectives (MBO) method. Performance and Development Planning (PDP) is an important step in the global effort to engage and enable employees to deliver their contribution to GSK's business success. Equally as important, PDP serves to enable employees to identify and realize personal opportunities for development that are aligned to current and future business challenges.

GSK values the "Pay for Performance" approach, which makes it critical to have a sound process for measuring performance. The tools included in GSK's PDP program are designed to define, measure, review and reward employee performance. The process consists of setting objectives and performance measures, identifying leadership Essentials and behaviors for each essential and periodically reviewing progress.

Another important component of PDP is the Development Plan. This plan includes the identification and review of developmental objectives related both to current role and to career aspirations. This plan has been used in 'Talent Review' meetings for the top 10,000 GSK managers globally every year.

The following guidelines have been enforced throughout GSK for using and storing the data of PDP:

- It allows the employee to monitor and track their progress against their yearly objectives and development plan.
- The annual review portion of the form will feed into GSK's compensation process as a variable for both bonus and salary increases.
- The information form may be used in the talent review process to provide feedback to the employee on their career development and to allow GSK Management to forecast the future talent needs of the corporation.
- In addition to that data security guideline is there in order to protect confidentiality of both employers and employee during appraisal process.

The PDP Form consists of 7 sections. They are explained below:

'Part A – Performance Plan & Objectives' clearly defines expected results and also conforms to as many of the following criteria as possible which are Specific, Measurable, Action- Oriented, Realistic and, Time-Based. These criteria are there to ensure what the employee wants to do, by when and at what level of quality. Also it determines what to do in order to exceed his or her manager's expectations. Here they have the flexibility to choose any number of objectives, but not less than 3.

'Part B – Leadership Essentials' is there to find how work gets done to achieve GSK goals and culture. Here employees' agree up to 3 Leadership Essentials which will directly impact achievement of their objectives.

'Part C – Periodic Reviews' set up reviews of employee objectives and essentials with their manager several times throughout the year. This enables them to know how they are progressing in both areas and allow time to adjust if necessary.

'Part D – Annual Review' take place at the end of the year. Here the manager first evaluate each objective and essential, noting results in Parts A and B of the PDP Form, and then review overall performance and document in Part D. It is important to note here that the manager's overall review of an employee's, performance will be an important, but not the only, element in making compensation decisions.

'Part E – Development Plan' is to develop knowledge, skills and behaviors that will enable an employee to be successful in their current position, as well as prepare them for future roles to which they aspire. In this part they look at how they can leverage their strengths to achieve their current goals and plan how to address development needs.

'Part F – Development Plan Periodic Reviews' is there to review their progress on their development plan several times a year with their objectives and Leadership Essentials.

'Part G – Development Annual Review' is to take place at the end of the year and may take place at the same time as the review of their objectives and Leadership Essentials or at a separate time if an employee and their manager prefer. Here too, it is important to get customer input to help them assess how they are progressing on their development. However this review does not impact their compensation. In addition to that PDP process, directors and above have to pass under 360 degree feedback systems.

Talent Review is another form of appraises the performance of top-level i.e. executive employee. The purpose of Talent Review is to focus on the development of leaders to meet future business challenges and to make key talent more visible across GSK. The process also ensures that organizational changes are anticipated and successors identified. Both PDP & Talent Review are designed to help retain key talent. In world class organizations, top performers are motivated by challenging work that is aligned with corporate objectives, opportunities to learn and develop, and compensation packages that reflect their performance.

GSK group has some top level strategy in case of performance appraisal; Talent Review is one of those where in case of top-level executive successor planning is taken. E.g. in case of CEO in GSK Bangladesh Ltd. who will be the next CEO it has already been decided by the GSK group but this information is not available to all level of employees.

4.3.2 Officer's Appraisal Process in GSK:

Officer's appraisal is a formal process being conducted through participatory manner. This is not viewed as an annual event rather it represents a systematic year- round process. At the initial stage of the performance year, both supervisor and supervisee discuss about targets to be achieved in the current year and share mutual expectations. At this stage, objectives are set and action plans are developed. During the year, supervisor provides performance feedback to the employee. Supervisors observe the pattern of behavior of the subordinate in connection with job performance. This is process of observation, follow-up, providing necessary support, counseling, coaching and mentoring etc. The timing of officer's appraisal is the same to managers.

There are two types of appraisal formats used for officer's performance assessment: (1) office-based officers and (2) field force officer.

HR checks and processes all appraisals and communicates with the concerned employees in writing about the appraisal outcome. For any discrepancy it has been discussed with the concerned line manager and solved immediately.

4.3.2.1 Office Based Officer's Appraisal System

Office based officers are of two types – (1) Commercial officer and (2) Global manufacturing & supply (GMS)/ factory officer.

The appraisal system of these two categories employees is almost same. The traits that have been focused in both cases are knowledge/experience relating to job, self-expression speech, self-expression writing and application of intelligence, use of initiative, reliability, and relationship with superior, co-operation with colleagues, leadership qualities, and success in delegation. After assessing the mentioned adjectives, performance is measured. The only difference in this case is that in case of Global Manufacturing & Supply (GMS)/ Factory Officer final approval must come from Technical Director. In these two cases evaluation is done on each of the items on a six point scale - Outstanding, Good, Average, Poor, Unsatisfactory and +/- Last.

The approval system of performance stairs in case of Global Manufacturing and Supply (GMS) officer is as follows:

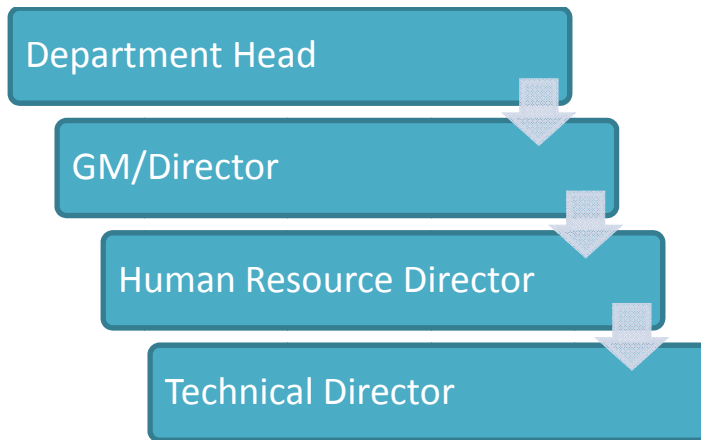


Figure 12: Stairs for GMS Officers Recommendation *

*Sources: Secondary data provided by HR department

The performance evaluation stairs in case of Commercial Officer is as follows:



Figure 13: Stairs for Commercial Officers Recommendation *

*Sources: Secondary data provided by HR department

4.3.2.2 Sales Force Officer's Appraisal Process in GSK:

In case of measuring the performance of sales force officer following adjectives are considered: target achievement (give percentage if available), product knowledge, market knowledge, Customer relations (doctors, chemists etc.), selling skills (detailing, listening & closing), knowledge of competition, achievement of work assigned (doctors/chemist calls), ability to organize work, initiative, quality of reporting, maintenance of MSL & call planners, attitude towards superiors & colleagues, active participation in conference & meeting, effective utilization of promotional materials, trustworthiness and integrity and Attention to safe working.

Under this category adjective rating scale method is used as well. Here evaluation is done on each of the items on a point scale – Outstanding (A) Very good (B) Good (Performance superior to expected standard) (C) Satisfactory (Expected standard of performance) (D) Marginal (Not entirely satisfactory) (E) Unsatisfactory (Requires action, assistance & training).

4.3.3 Non-Management Staff's Appraisal Process in GSK

Appraisal system of non-management staff is different than that of management employees. Non-management staff (i.e. sweeper) to confidential secretary is under non-management appraisal system.

In case of non-management employees' appraisal, mainly two issues are considered:

(1) Individual record: based on individual record following items are considered - discipline, punctuality, leave record, monthly medical visits, leave availed and (2) Performance: in case of evaluating performance following things are considered - knowledge of job, accuracy, neatness, dependability, work speed, responsibility, adaptability, attitude to others, health & safety awareness, leadership.

GSK Bangladesh Ltd management maintains Annual Confidential Report or ACR to assess annual job performance of each and every non-management staff. Job performance of non-management staffs is evaluated once at the end of each financial year. In ACR, every departmental heads put their remarks about the individual's job performance and efficiency. And for non-management staff adjective rating scale method is used as well. Here evaluation is done on each of the items on a five point scale – (A) Very Good, (B) Good, (C) Satisfactory, (D) Poor, and (E) Very Poor.

4.4 Evaluation Period

The evaluation period of GSK is from 01 January to 31 December in case of all employees other than workers. For workers the evaluation period is from 01 July-30 June. Within the month of February the employees set their objectives for performance appraisal system.

4.5 HR Actions

Human Resources department checks and processes all appraisals and communicate to the concerned employees in writing about the appraisal outcome. In the process, if anomalies are detected regarding appraisals then those are discussed with the concerned line manager and solved immediately.

4.6 Strengths and Weakness of Performance Appraisal of GSK

4.6.1 Strengths of Performance Appraisal of GSK

Some of the mentionable strengths of performance appraisal system of GSK Bangladesh as found out through this research are given below-

- **Uses of Appraisal Method-** GSK uses MBO method which is very effective, both appraisers and appraisees actively involved in the objective formulation process, and they also agree on the nature of performance assessment for example, what measures will be used to evaluate success and failure.
- **Regular Appraisal System-** GSK conducts performance evaluation regularly so the employees always remain cautious to perform well.
- **Useful in Employee Motivation-** It is very systematically used in promotion decisions as well as compensation and reward decisions as a result it is useful in counseling and development of employees.

- **Use of Different Rating Forms-** GSK, Bangladesh believes that an organization needs different types of employees for several activities and there must be different appraisal system for them. People in the management, officers and workers are bound to differ in respect to work style, qualification, educational background and demographic characteristics. The concept is quite logical and gives better justice.
- **Fulfills the Requirements of Established Criteria-** Fulfills the criteria of relevance for example- measure of performance is related to the actual output s logically as possible, sensitivity for example- able to reflect the difference between high and low performers and practicality for example- it is measurable(in most of the cases)

4.6.2 Weakness of Performance Appraisal of GSK

Some of the mentionable weakness of performance appraisal system of GSK, Bangladesh as found out through this research are given below-

- **Lack of Periodic Review-** The performance review should be periodically monitored to obtain correct feedback and provide guidelines for problem solving. It should not be viewed once in a year.
- **Difficulty in Compilation for Final Grade-** For officers' performance evaluation the overall grading is done based on the frequency of occurrence tick marked in a specific column. The second highest or third highest rate is meaningless. The raters have the scope to be biased.
- **Use of Many Qualitative Factors-** Many of the attributes and trait's specific measuring standards were not spelt to raters as well as rates. Factors like dependability, initiative, attitudes etc. are all most impossible to measure. It provides scope of personal error.
- **Complexity of PDP Form-** The PDP format has been introduced after receiving from the global corporate headquarters. In developing this system GSK, Bangladesh, Limited did not participate so the format does not match with the level of knowledge and understanding of the present employees.
- **Lack of legal defense-** In some organizations, before giving any employee extreme low rating; the rater has to give at least two written warnings. However in GSK there is no such provision as a result it may not be legally defensible.
- **Scope of Personal Biases-** In GSK raters have the liberty to grade any number in any grading as a result there is a chance for leniency or harshness error.

Chapter-5

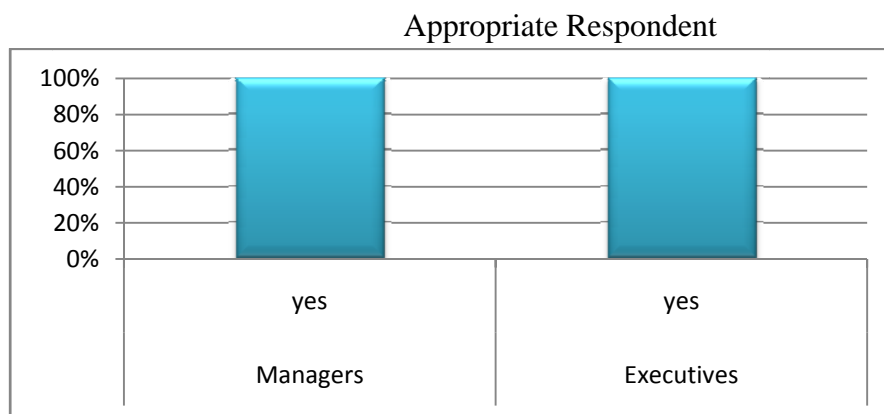
Findings and Analysis

5.1 Analysis and Interpretation of Collected Data from Respondents

For analyzing GSK's performance appraisal a broad analysis of the collected data through the questionnaire survey is shown below-

5.1.1 Determination of Appropriate Respondent (Question no-1 of Appendix-A)

- **Findings-** GSK, Bangladesh use formal appraisal tools to appraise their employee performance.

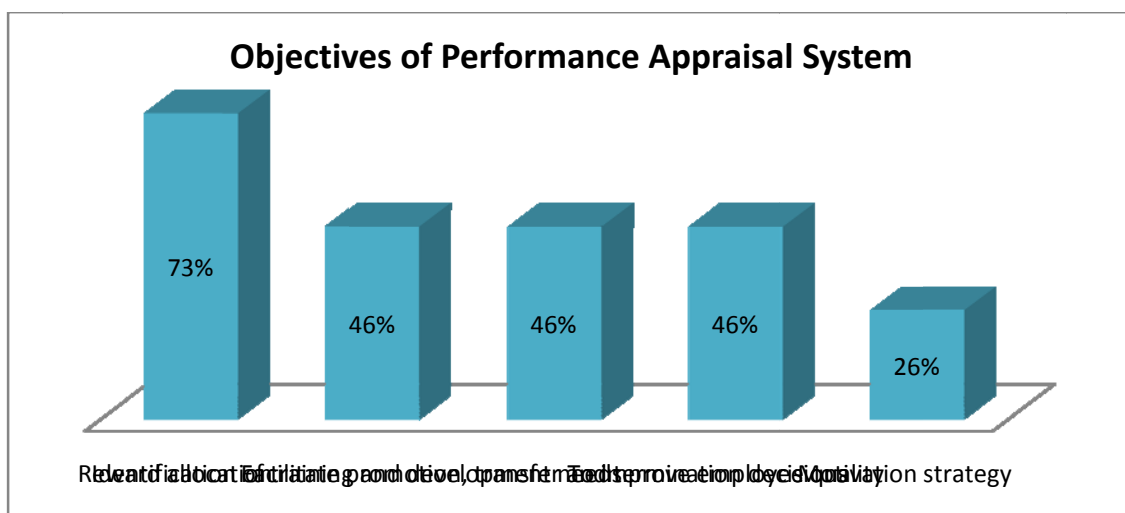


- **Interpretation**

Every respondent was either a rater or ratee.

5.1.2 Determination of Objectives of Performance Appraisal System (Question no-2 of Appendix-A)

- **Findings-** Performance appraisal is directly linked with reward allocation and indirectly linked with identification of training needs, provide valid ground for promotion, help to improve employee quality and last but not the least boost up motivation strategy.



- **Interpretation**

All options given in the questionnaire fulfill the purpose of performance appraisal system however reward allocation get 73% preference as in GSK performance appraisal is mostly used for this purpose. 46% preference given by respondents to identification of training needs, facilitation for transfer, promotion or termination and quality improvement for employee. 26% preference given by respondents to motivation strategy.

5.1.3 Types of Performance Evaluation Techniques Used by the Organization (Question no-3 & 5 of Appendix-A)

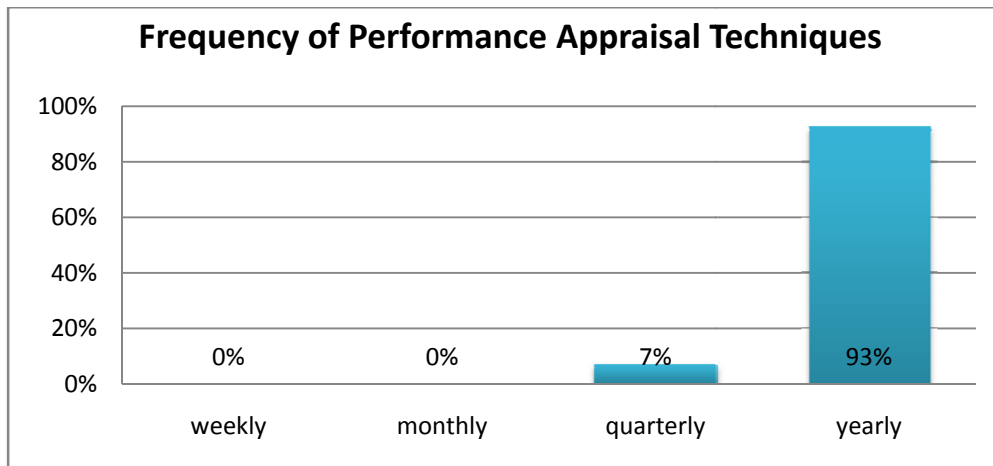
- **Objective-** To find out the types of performance evaluation techniques and their uses in case of different graded employees at GSK
- **Findings-** All employees both managerial and executive level are aware about techniques used for evaluating their performance. GSK, Bangladesh appraises the performance of its different category employees in different ways. For managers and above GSK uses MBO method whereas for rest they use rating scale made in combination of trait and result based appraisal.
- **Interpretation-** GSK, Bangladesh believes that an organization needs different types of employees for several activities and there must be different appraisal system for them. People in the management, an officer and worker are bound to differ in respect to work style, qualification, educational background and demographic characteristics.

5.1.4 Determination of who are Related With Appraising system (Question no-4 of Appendix-A)

- **Objective-** To find out who are related with appraising system.
- **Findings-** The immediate superiors only do the rating and there is no provision of rating by the peers or subordinates. For consumer health department 360 degree appraisal is used.
- **Interpretation-** To maintain good communication between immediate superior and subordinates GSK confined their appraising system within it. As immediate superior and subordinates both effort for achieving organizational and personal goals are interrelated.

5.1.5 Need for Continuous Performance Review Over the Year (Question no-6 of Appendix-A)

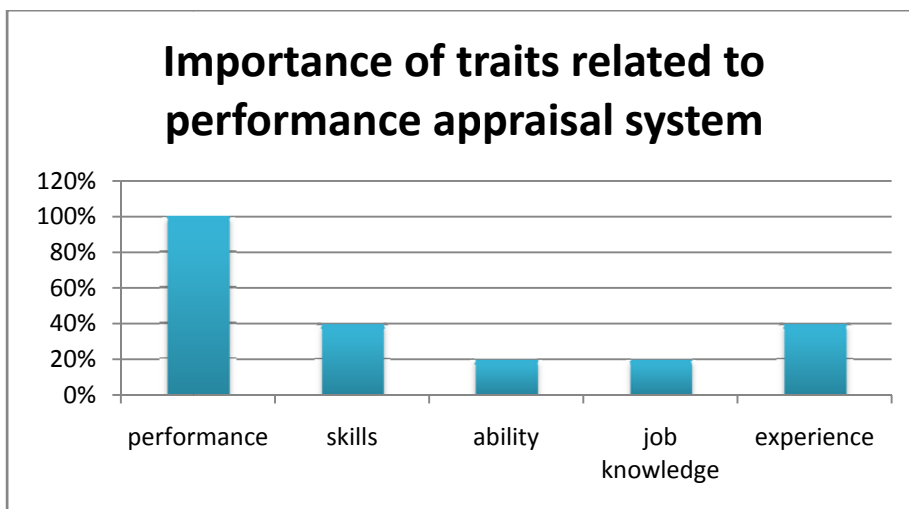
- **Objective-** To determine the frequency of the Performance appraisal in the organization in a evaluation period.
- **Findings-** Though there is a provision of periodic review but it is hardly observed. 93% departments reviewed their performance yearly only 7% quarterly reviewed their performance. The management desires it should be done bi-annually.



- **Interpretation-** Medical and regulatory department comprise of doctors and it is a sensitive department so to retain employee performance this department do evaluation of their employee regularly.

5.1.6 Traits used to evaluate performance (Question no-7 of Appendix-A)

- **Objective-** To determine that for appraising performance which traits are given more importance
- **Findings-** Traits used for appraising performance differs based on different job criteria. Sales and production emphasis more on performance than others. 40% give emphasis skills and experience and 20% give emphasis ability and job knowledge.



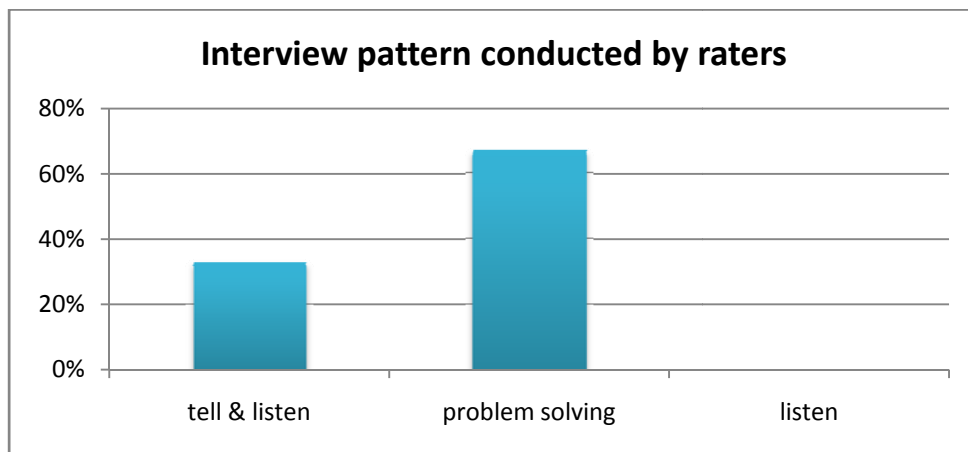
- **Interpretation-** GSK, Bangladesh believes that an organization needs different types of employees for several activities. People in the management, an officer and worker are bound to differ in respect to work style; qualification as well as evaluation traits based on their job criteria.

5.1.7 Determination of Challenges and overcoming of those challenges (Question no-8, 9 &11of Appendix-A)

- **Objective-** To find out drawbacks of appraising system
- **Findings-** Everybody among respondents avoid these questions (8&9) said they do not face any challenges. Most avoid this question(11) among those who answered few are undecided and others strongly disagree.

5.1.8 The Effectiveness of Periodic Review in the Organization (Question no-10 of Appendix-A)

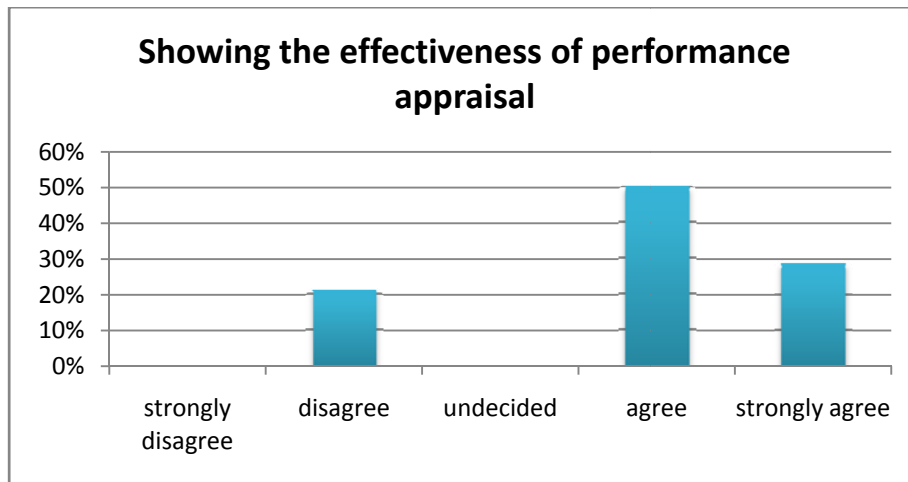
- **Objective-** To identify how the feedback interview is conducted and its impact in the performance interview.
- **Findings-** Interview pattern as conducted by the raters during their performance review interview found out from the survey is given below-



- **Interpretation-** 33% respondents finds they only listen their boss's advice and tell their superior about their problem but problems are not solved however, majority(73%) feel their bosses' show them the way of solving problems.

5.1.9 Assessing the Effectiveness of Performance Appraisal (Question no-12 of Appendix-A)

- **Objective-** To identify the effectiveness of performance appraisal system for example- whether employees are satisfied or not this is motivating them to work harder.
- **Findings-** In reply 50% agreed, 29% strongly agree and 21% disagreed



- **Interpretation-** To find out the true satisfaction or motivation level this question is asked. 21% of the employee said that the appraisal system does not convince them to work harder; so it can be said that people still need some tangible outcomes from appraisal system.

5.1.10 Necessity of performance appraisal (Question no-13 of Appendix-A)

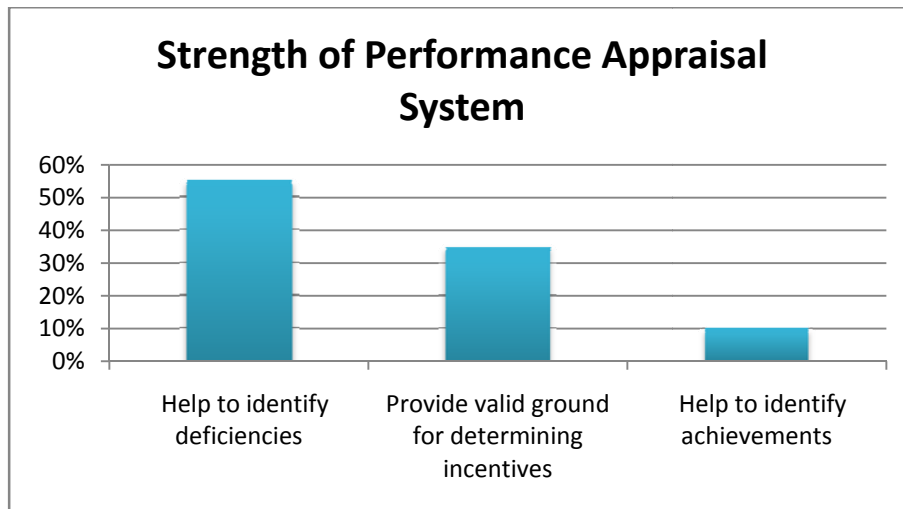
- **Objective-** To find out the employee perception regarding the level of performance appraisal at GSK
- **Findings-** 100% of the respondent think performance appraisal can play effective role to improve business condition.
- **Interpretation-** All most all the employee perceive that, performance appraisal would directly convince employee in working harder as a result the company's productivity would increase.

5.1.11 (Question no-14 of Appendix-A)

- **Findings-** At managerial level all are aware about the appraisal process however at executive level through mail/ induction they are given an idea however, this level appraisal depends on immediate superior so the appraisal system is not clear to them.

5.1.12 Determine the strength of performance appraisal system (Question no-15 of Appendix-A)

- **Findings-** 55% respondents think main strength of this system is to help out in identifying deficiencies, 35% think it provide valid ground for determining incentives, 10% think it helps to identify achievements.



5.1.13 (Question no-16 of Appendix-A)

- **Findings-** Only HR department respondents response this questions and others avoid it they said they reallocate the job for non-management employee and arrange training for management employee.

5.2 Summary of Major Findings

Considering it to be one of the most important aspects of HRM, GSK Bangladesh Limited has given due importance in designing and implementing performance appraisal system. After analyzing the primary and secondary data regarding the performance appraisal system of GSK, Bangladesh and owing to the researcher's experience in this organization some important facts are attached below as findings of the research:

1. GSK Bangladesh appraises the performance of its different category employees' in different ways. Five types of classification is made for the purpose of performance appraisal system, i.e. Manager, Field force officer, Commercial officer, GMS officer and Non-management employee group.
2. The PDP format has been introduced after receiving from the global corporate headquarters. In developing this system the employees of GSK Bangladesh Limited did not participate. The new format does not always match with the level of knowledge and understanding of the present employees.
3. PDP format has been introduced at this organization in the end year of year 2002 since then only once a formal briefing and presentation has been given for employee. Now at the time of orientation of managerial position a formal briefing on this has been given to concerned employee. However, in case of executive/ officer position there is no such induction process for introducing performance appraisal system so 80% of this level employee does not have any clear idea about this process.
4. 100% officers/ executives did not know their last year overall rating, but seeing the pay rise they make assumption about the overall rating.
5. In GSK it was found that for many of the attributes and traits specific measuring standards were not spelt to the raters as well as rates.

6. Most of the raters do not maintain any log to record employees any positive or negative behaviors so there is a chance of recency error.
7. Though there is a provision of periodic review but it is hardly observed. The management desires it should be done bi-annually.
8. The superiors only do the rating and there is no provision of rating by the peers or subordinates.
9. The measure of performance at GSK is able to reflect the differences between high and low performers.
10. The existing link between rewards:
 - In GSK whatever may be the level of achievement one will not be promoted until there is an opportunity for promotion and employee is ready for the position. For promotion readiness of employee is measured through performance appraisal system.
 - In GSK eligibility for an individual performance incentive is linked with the rating obtained from performance appraisal system. If the organization does not achieve the targeted profit then employee will receive less incentive. Basing on the performance rating every employee is allotted with IPM. This IPM is multiplied with company profit rate to determine one's pay rise. For example- Mr. X has exceed his objectives in the previous year so his boss recognizes it to be 120% achievement, the company has earned 10% profit; so the individual will receive pay rise of $0.1 * 1.2 = .12$ so he will receive 12% pay rise.
 - If someone receives extreme low ratings then sometimes he is tried in other place of working but someone receives consecutive extreme low ratings then termination/separation from service is considered.

Chapter-6

Conclusion & Recommendation- Implementation Plan

6.1 Conclusion

Performance appraisal is a human resource management process by which the organizations determine how effectively the employees are performing the job. It takes place primarily for managerial employees with a view to identifying weakness and strengths as well as opportunities for improvement and skills development.

It is very difficult to give a complete remark after conducting a research within such a limited time frame. However with the survey analysis it can be said that, the appraisal system of GSK, Bangladesh, Limited is a modern and well worked out system with a little room for improvement here and there. There is a mixed feeling existing in the organization, the raters feel the system is very where as others feels it could have been better. The gray areas of the system is identified in the research, if taken care, the system will be a defensible one and people of GSK will be more satisfied ultimately contribute better in achieving the corporate goal. Many of the problems about the performance appraisal system are known to senior management. They are consciously thinking of making some change in the as well as officer's appraisal form. The change will be incorporated by the upcoming few years.

6.2 Recommendations and Implementation Plan

Basing on the findings and the conclusions drawn, I may put forward some recommendations that are given below-

1. In order to make the system fair and unbiased GSK, Bangladesh should eliminate personal biases from the system as soon as possible.

Implementation Plan:

To mitigate 'Recency of Events' error, besides using MBO for managerial grade employee, raters may use Critical Incident method or irregularly scheduled evaluations for example- maintain log of records of positive and negative behavior. Moreover, for alleviating leniency and harshness error the management of GSK, Bangladesh should plan a comprehensive training program; taking experts into consideration and follow the program religiously.

2. GSK, Bangladesh should not view evaluation as simply as once a year completion of rating forms; on the contrary, it should be continuous process.

Implementation Plan:

GSK, Bangladesh should periodically hold a feedback evaluating interview with each subordinate in order to discuss his/her appraisal and to set objectives for upcoming period. Raters and rates should prepare for the meeting and be ready to discuss the employee's past performance against the objectives for the period. The rater should put the employee at ease and highlighting that the interview is not a disciplinary session, but a time to review past work in order to improve the employee's future performance, satisfaction and personal development. The rater should encourage the ratee's involvement and self-review and evaluation; should ask the rate to do his/her own evaluation on a periodic basis. The final aspect of the interview should focus on future objectives and how the superior can help the employee to achieve organizational and personal goals.

3. According to the appraisal system in most of the cases only the supervisors of a particular employee appraise his/her subordinate's performance and in this process biasness can occur.

Implementation Plan:

To solve these types of problem GSK can appoint employee(s) in HR department who will observe the performance of employees' on regular basis.

4. For the evaluation system to work well, the management of GSK should ensure that; employees must understand it and feel that this is a fair way to evaluate performance

Implementation Plan:

To ensure that evaluation system to work well, GSK may form committee, which should study the rating forms and make it as simple as possible by avoiding unnecessary complexity.

5. In case of using 'Graphic Rating Scale' rating for performance outcome should be standardized.

Implementation Plan:

For rating 'outstanding' to 'poor' a clear standard should be introduced by the management committee.

6. The PDP format has been introduced after receiving from the global corporate headquarters. In developing this system GSK, Bangladesh, Limited did not participate so the format does not match with the level of knowledge and understanding of the present employees.

Implementation Plan:

GSK, Bangladesh, Limited should customize the format to appraise their employee more effectively.

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Questionnaire
GlaxoSmithKline Bangladesh Limited
Questions for Employee

Dear Respondent,

I am a student of BRAC Business School with major in HRM. I am conducting this survey for the purpose of fulfilling my internship report based on “**Evaluation Of Performance Appraisal System At GSK, Bangladesh, LTD**”. This questionnaire is part of my academic requirement and will be only used for academic purpose. So, my request is to get all kind of assistance from you to prepare my report. I am assuring you that all the information and feedback provided by you will be kept completely confidential, and will be used only for this report purpose. No information will be disclosed/published without your permission.

General Profile of Respondents

- Sex: a) Male b)Female
- Age Group: a)25-35 b)36-45 c)46+
- Designation: _____

Main Questions

1. Does your performance appraised through formal performance appraisal tool?
 - Yes/No
2. Objectives of performance appraisal system. You can put tick (✓)marks for more than one option.
 - Reward allocation
 - Identification of training and development needs
 - Facilitate promotion, transfer and termination decisions
 - To improve employee quality
 - Motivation strategy
3. What are the performance evaluation techniques used by your organization to evaluate performance?
 You can put tick (✓)marks for more than one option.
 - A. **Graphic Rating Scale** - [a scale that lists traits (such as quality) and a range of performance values (from unsatisfactory to outstanding) for each trait]
 - B. **Alternation Ranking Method** - (Ranking employees from best to worst on a particular trait, choosing highest than lowest, until all are ranked)
 - C. **Paired Comparison Method** – [For every trait (such as quantity/quality of work) need to pair and compare every subordinate with every other subordinate]
 - D. **Forced Distribution Method** – (Predetermined percentages of rates are placed in various performance categories)
 - E. **Critical Incident Method** – (Keeping record of positive and negative examples of a subordinate’s work related behavior)
 - F. **Behaviorally Anchored Rating Scales** – (Numerical rating scale for specific behavior)
 - G. **Management by Objectives(PDP)**
 - H. **Electronic Performance Monitoring** – (Supervisors electronically observe the employee’s output)

4. Who do evaluate the performance? You can put tick (✓)marks for more than one option.

- Immediate supervisor
- Peer
- Rating Committee
- Self
- Subordinates
- 360- Degree Feedback (supervisor, peer, customers)
- Others

5. Do you use different appraisal form for different group of employees? If yes, then please specify how do you carry out this?

Answer: Yes/No

- A. **Graphic Rating Scale**
- B. **Alternation Ranking Method**
- C. **Paired Comparison Method**
- D. **Forced Distribution Method**
- E. **Critical Incident Method**
- F. **Behaviorally Anchored Rating Scales**
- G. **Management by Objectives(PDP)**
- H. **Electronic Performance Monitoring**

Management	Officers/ Executives	A	B	C	D	E	F	G	H
	Field Force	A	B	C	D	E	F	G	H
Non - management		A	B	C	D	E	F	G	H

6. How frequently you do the evaluation?

- a) Weekly b) Monthly c) Quarterly d) Yearly

7. What are the traits you do use to evaluate performance?

- a) Ability b) Performance c) Production d) Job Knowledge e) Skills
- f) Experience

8. Do you face any challenges during the time of appraising performance? If yes, then which of the following, you can put tick (✓)marks for more than one option.

- Setting standard
- Having vague knowledge about appraisal system
- Lacking proper training
- Lacking bare knowledge about subordinate
- Legal issue and organizational culture
- Recency error/ biasness/central tendency/leniency/strictness
- Others

9. How could you overcome these problems?

- Understanding the potential problems and try to solve it by discussion with employees
- Having proper training
- Controlling external and internal influences

- Using right tool
- Keeping record
- Provide feedback on performance, on daily/ weekly/ monthly basis

10. Your experience about your interview with your supervisor during performance objectives review.

- Tell and listen
- Problem solving
- Listen

11. “My boss can give me any rating he/she wants and there is hardly anything I can do”-

1. Strongly Disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly Agree

1	2	3	4	5

12. “The performance appraisal system motivate people to work hard”-

1. Strongly Disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly Agree

1	2	3	4	5

13. Do you think performance appraisal play as effective role improving your company’s present business condition?

- Yes/No

14. Does your superior or anybody from the management explain you in detail about the organization’s performance appraisal system? If yes, then how?

Answer: Yes/No

15. In your opinion what are the main strengths of the performance appraisal system of your organization?

Answer:

- Help to identify deficiencies
- Provide valid ground for determining incentives
- Help to identify achievements

16. What do you do when you identify poor performers?

Answer:

- Provide training for improving performance
- Reallocate the job
- Degrade from current position
- Dismiss them from job
- Any other-

Signature

-----Thank you for your valuable time and cooperation-----

GSK Performance & Development Plan (PDP)

Name		Business Unit	
Job Title		Department	
Manager's Name		Location	
Plan Year		Country	

Performance Plan

Performance Objectives: "what" you need to achieve	Accomplishments/Examples/Comments Describe your progress to date
Behavioral Objectives: "how" you need to deliver your performance objectives	

Development Plan

Development Activities/Objectives: Include both long and short term development goals for your current role and career aspirations	Progress & Accomplishments Describe our progress to date

GSK Performance & Development Plan (PDP)

Review of Performance and Behaviours

Stakeholder Feedback:

Record here feedback received from direct reports, colleagues, customers and other stakeholders

Annual Review- Manager's Comments**Annual Review- Employees Comments**

Employee's Signature: _____ Date: _____

Manager's Signature: _____ Date: _____