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**A CASE STUDY ON PERFORMANCE MANAGEMENT SYSTEM OF A  
FAMILY OWNED COMPANY:  
PRESUMPTIONS, PERCEPTIONS AND IMPLEMENTATION**



**ABDUL HALIM BIN AYOB**

**UUM**  
Universiti Utara Malaysia

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FAMILY OWNED COMPANY:  
PRESUMPTIONS, PERCEPTIONS AND IMPLEMENTATION**



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## ABSTRACT

The main purpose of this study was to analyse the presumptions, perceptions and implementation of Performance Management System (PMS) in a private family owned company. This study examined the presumptions, perceptions and the responses of the upper level management and the lower level management of ABC company on the implementation of PMS. A total of 10 respondents were interviewed extensively and qualitatively to extract the results of the study. The findings in this study showed that the upper level management generally provide a globalized outlook of the system and how it can be implemented to grow the organisation. In spite of that, there are several upper level management personnel who did not have clear perceptions and presumptions of what PMS is for the company. In contrary, the lower level management provide a grounded outlook, a day-to-day notion of the system and how it can be implemented, specifying on going office administrative situation in ABC company. Due to the non-existence of PMS, there are several key issues that have been the stumble blocks for the development of ABC company. There are several positive notions on its implementation as well as negative notions on it in from the perceptions and presumptions of the respondents. This study sets out to be a reference for start-up family owned company to develop a systematic PMS, considering various familial factors in the Malaysian context and extends the knowledge about PMS in family owned company.

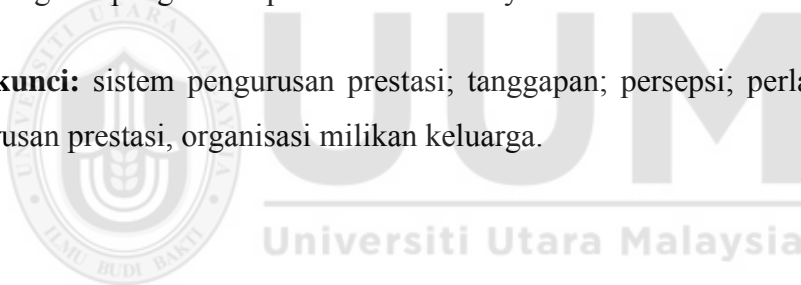
**Keywords:** Performance Management System; Presumptions; Perceptions; Implementation; Family Owned Company.



## ABSTRAK

Tujuan utama kajian ini dijalankan adalah untuk menganalisis tanggapan, persepsi dan pelaksanaan sistem pengurusan prestasi di syarikat swasta milikan keluarga. Kajian ini tertumpu kepada aspek tanggapan, persepsi dan respon pihak pengurusan atasan dan pihak pengurusan bawahan terhadap pelaksanaan sistem pengurusan prestasi. Seramai 10 orang responden telah ditemuduga secara kualitatif dan mendalam untuk menyarikan keputusan kajian ini. Hasil dapatan kajian ini menunjukkan pihak pengurusan atasan secara umumnya memberi pandangan dari sudut global ke atas sistem dan bagaimana ianya boleh dilaksanakan untuk memperkasa sesebuah organisasi. Walaubagaimanapun, terdapat beberapa reponden dari pihak pengurusan atasan yang tidak mempunyai persepsi dan tanggapan yang jelas mengenai pengurusan prestasi untuk syarikat ini. Namun begitu, pihak pengurusan bawahan memberikan pandangan yang lebih berlandaskan situasi harian di dalam urusan pengurusan harian di organisasi ABC. Oleh sebab ketidakwujudan pengurusan prestatsi pekerja, terdapat pelbagai isu penting yang menjadi penghalang untuk pembangunan syarikat ABC. Terdapat juga beberapa respon persepsi dan tanggapan positif dan juga negatif dalam kalangan responden. Kajian ini adalah untuk menjadi rujukan kepada syarikat swasta milikan keluarga yang baru untuk merencana sistem pengurusan prestasi, mengambil kira pelbagai faktor-faktor kekeluargaan di dalam konteks Malaysia dan menambah ilmu mengenai pengurusan prestasi di dalam syarikat swasta milikan keluarga.

**Kata kunci:** sistem pengurusan prestasi; tanggapan; persepsi; pelaksanaan sistem pengurusan prestasi, organisasi milikan keluarga.



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## LIST OF ABBREVIATIONS

PMS	Performance Management System
P	President
VP	Vice President
PT	Partner
LA	Legal Advisor
OM	Operation Manager
A	Admin
AA	Admin/Agent
AL	Admin/Lecturer
C	Clerk
L	Lecturer
MVO	Mission, Vision and Objective
ABC	Camouflage name of the company
RO	Research Objective
RQ	Research Question
ROI	Return of Investment
HRM	Human Resource Management
XYZ	Camouflage name of the public university

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction**

In this chapter, the foundations and the context of the study are established through background of the study, problem statement, research questions, research objective, significance of the study and definition of key terms.

#### **1.1 Background of the study**

A company is currently finding a way to expand its business internationally. This organization is also a partner to a public university, building international connections to enticing international students to enroll in public university. A great shift to the political landscape of this country, Malaysia, does in a way create seismic irregular economic movement which echoes the dawn of new Malaysia, with a new sense of direction from the newly appointed minister of education, the urge of expanding the horizon for a public university is higher than ever. It owing to the fact that new Malaysian government wants to comprehensively revamp institutions in Malaysia.

One of the most important institutions is education. It is important for the development of Malaysia. Education is one of the pillars to building a new Malaysia. Tun Dr Mahathir highlights the importance of education to prepare Malaysia for the Fourth Industrial Revolution during the discussion between the leaders of 21 Pacific Rim Nations annual summit. (Zuraimi Abdullah, 2018). This indicates the importance

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## APPENDICES

### Interview

#### Vice-president

**VP of ABC COMPANY:** What do I understand from performance management, what do I understand from performance management is in any management or in any organization, is everything based on performance, in any company whatever company you do or you open, there must be a performance management because that is how we show how we affect sales in business, correct? If you do not have performance management, that means there is no matrix no measurement, managing anything for a start with your staffs with the work progress you do, with our clients with our partners, everything has to be performance based, so if you asked me performance management, that is the middle key.

**Interviewer:** In the context of this company, what is the nature of performance management?

**VP:** In the context, like I was mentioning in XYZ university, see everything has to have a matrix, whatever we take from the principle, there must be a timeline or time frame of completion, for example, our exercise dealing with the visa unit and stuffs like that, there must be a benchmark of how we manage, whatever we give our principle to manage, it has to have a proper time matrix, with that algorithm we can enhance and improve our KPI to our partners and our customers.

**Interviewer:** How can performance be evaluated?

**VP:** of course, if there is a benchmark, evaluation, how can it be evaluated, based on whatever the benchmark they had given us, I need 3 months to complete this this, within the 3 months is your benchmark, anything more than that, that means you have not achieved your performance index.

**Interviewer:** When it comes to the staffs here?

**VP:** Staff's matrix is very different, from a clerk, to a trainer, to a manager, lecturer, a finance manager, KPI is based on your role, based on your role what do you need to achieve? What you need to progressive, show improvement, there must be a matrix right? So that lecturing, coordination of how you do, whatever enhancement you do, whatever timeline you are supposed to complete, these how are how basically performance management.

#### **What is your opinion on its advantages and disadvantages?**

**Interviewer:** What if this company is to have a proper performance management system, because actually we don't have a proper PMS

**VP:** yeah, we don't have, we have not even structured it to a proper way of running it, initial thing that was set up, was not properly done that means, no proper discussion with principles. Everything was a bit messed up. Because everyone took things from the air, presume this is the way, presume this is the involvement, presume that this

would complete within this thing. No matrix , no black and white documented. That is why, everything has to be black and white documented, in the sense that, my service to you is this, I give you this length of period for me to complete something so it would be easier for you to tie with other principles, if now principle don't give you black and white answer, how are we gonna tie up with anybody else ? that means it is something that has been taken out from the air ,which is not right, there is no way or worth mentioning the performance index.

**Interviewer:** What do you think, because of the nature of the company, and the staffs are very much interrelated to one another and have familial ties, what do you think of having a Performance management in a family owned company, and do you think it is possible to achieved it, or is it gonna be complicated ?

**VP:** of course it is gonna be very complicated when you deal with the family. There are a lot of situations in managing. Of course , having a whole lot of family members , everyone has got their own thing of , hey this one , I partially own this , in a way I want it two of family members, and in a way I also have got right on all that. When it comes to the administration part of it, it is a bit difficult, sometimes, lets sometimes like, when you expect something in return, you don't get it in time. But of course when you hire somebody else from an outside party, it is very easy to control, because everything is by KPI, performance and whatever, at the end of the day, you achieve your KPI then you have made it. But for family members , it is a bit different, there are a lot of give and take, that has to be put in role, sometimes that drags the time, so that would be slower process. But in a way that if everybody understands , if everybody from the day, has been briefed on what they need to do, everybody understands their role and the sense of belonging has to come naturally in them then I think it is not going to be a problem. But if one doesn't have a sense of belonging, if they do not know why they are here, and they just think that they are here because my so and so hold this certain position, and I have this much of share, then there would not be any performance. One has to be hired only through proper qualification, then you will understand that corporate nature of how business is done. When they don't have this certification, or exposure or experience, or in other words, if they don't have experience outside, they would not know what a company is all about. So, it all starts off from a very different thing. So, if you ask my opinion, of course it is harder to manage family company thing, especially when we are trying to doing big, of course small scope ,you re doing small training, small this and this and there, retail outlet, which is a bit different, but you are doing a big complex business dealing with international I think we need to have the proper guys with proper qualification and experience.

**Interviewer:** do you think if we are to have a performance management system in this company, would it be enough to sustain this company?

**VP:** of course, definitely, if you have performance based, then everything is measured, you don't have to prove anything. Your KPI will show everything. For example, I will give an example from our scenario. Example for the lecturers, what would be your KPI?

**Interviewer:** to make sure that they perform well for their exams.

**VP:** see, whatever that make any sense, that we are prepared the content of material, whatever teaching, the durables that you give in class, whatever it is outstanding , past years questions, of whatever the MUET exam which they are benchmarking on. If everything is given proper ,everything is derived from proper module and proper structure , the students should be able to pass. But if the student fails, then, where did we go wrong? Then we need to go back to performance, and study back where we did wrong, what we need to add, and from there we just give and take and see what we need to improve, so by doing that there will be improvements.

**Interviewer:** when it comes to the current situation that we are in now , do you think that if we are to work on PM having PMS now here in this company. Is it gonna help having a better situation than we are in now?

**VP:** with PMS?

**Interviewer:** with PMS, right now, if we are to have it, but the scenario that we are in with the other party, like you said earlier with XYZ university

**VP:** This thing has to be derived at the very initial state, when you do business, when A meets B , what has to be derived? Everything must be done proper. When A meets B and nothing was discussed and everything was just words of mouth but nothing black and white, this where problem starts, then B, discussed with A , A is the principle, B is the one intending to do the business model, B brings up to C, D, E, F, of what he thinks, I have already spoken, we can do this, this is how are we going to do this . but we never thought of the deep line of what are the problems, that is why we are facing a lot of issues today because everything was done on a very preliminary stage of discussion. No details discussions of the visas. Like example, like today we are having a lot of issues on visas, getting the supervisors on time. We got a lot of issues. So all the issues, are the ones are causing us a lot of harm indirectly effecting the visa, effecting our marketing strategy, effecting the whole process of whatever we have discussed internationally. So whatever we discussed internationally, is coming from the B , that discussed with A. so when B don't give the right information, when B discussed with C,D, E, F. it is all puzzled. Eventually it doesn't work, because A and B didn't tie up a good strategic business partnership.

**Interviewer:** how do you that by having Performance management system would affect the growth of the company , be it in mind that our company is like still two years, how do you think if we would have PMS would affect the growth of company?

**VP:** with Key performance index , everything is measured, within two days, we need to deliver something, I get it within two days, I am on already, because I am on with the timeframe that I have promised my principle. If you just tell me, for example about visa, if you tell me about visa that I am going to get it in 3months, I can put it in agreement 3 and half month, additional two weeks to give us a buffer. So when I get it within the three months, I have met my KPI with my principle, so I am not against the whole contractual agreement that we had. But when I don't have the initial 3 months on black and white, stated there, what am I going to promise , I cant go on promise with my principle within three months to settle. This is where the whole thing is going on in a loop, in a sense that that the principle are asking, why is it taking 7 months to come out with a visa, is it more completion for students to go home after

one year, and still the visa is not out. So we are caught in those scenarios. So if you tell me of course we didn't put in performance index because we are always fire fighting. If there is a scenario, we are going addressing, to put off the fire. In any company, only with preventive maintenance you can actually help to grow this business. That means everything has to be pre-look. For example, you buy a computer, when there's a problem with the computer, then I only check the computer? That should not be the way. Every month I should be doing the scanning for anti-virus, every month I should clear off whatever unnecessary files, do my defragmentation for my computer, then I see my performance, these are the preventive things that you do before the computer die. So when you have preventive methods measured using the performance index, then you can get proper goal. Everything is controlled within the KPI. That is it is measured, that is how corporate do it.

**Interviewer:** do you think it is important that this company should implement PMS or not in the future?

**VP:** in the future of course, I am definitely going to do it. it is because we have been fire fighting from day one since we started this. It is because of A and B the initial principle, outline of the whole model, the business model was not out properly. So I am not saying that, there could be a lot of improvement after we realise this after one and a half year, we realise, we should have done this, this, this, that is why I said, when any business, when any companies, ties out, everything is structured out black and white. When everything in black and black, everything should be thought through, everything should be vetted through for everything process, from the time students's time outside, and how they come in, the day they stepped in in our country, how are we gonna manage them. It has to be mentioned. Then we can do a proper thing. Now you see, from the day we started, it is just like every time we are fire -fighting, and we are not actually, we cant even look at preventive, it is like the whole jungle is on fire. By the time we put off the fire slowly by slowly, we are coming to an end to solve, but then we are not addressing the original issue, we have not even solved the issue we don't know the root cause of it, and that's the problem, now that we understand the root cause. So I always believe from the root cause, we need to have preventive method. So preventive method is to tie up between A and B a good bonding. So we need to go to A, saying look here, this is my issue I face here, for one and a half year, so we need to improve the business. So I need to know what is the legitimate time that you think you need to do the visa. How long do you take to get supervisor for me, how it take to enrol a student, how long to get the offer letter, everything has to be metrically studied, within A and A must tell B, B must put it black and white, and both must sign agreement. Only then B can be strong and tying up with everybody else. Anything else?

**Interviewer:** I think that is all. Because all the answers that you have given have exceeded whatever I have here.

**VP:** basically you understand? I will give you my experiences in various parties, when I was involved in party A, I used to manage the whole operation there, there is like 4500 people I have to answer, being the director accessing the whole project, their capacity is within half an hour they lose million dollars, so within half and hour and because of delays of transfers between containers to the shipments movement they lose so much of money. This company cannot tolerate nonsense. So for them, what they do

is, if a pc is goes down, within 20 minutes, that means no questions asked , you have got pre fixed pre -installed software that you can run operation, I can just run press play, and run. There is no stop operation. That is how it is managed. This is the measurement that we need to always put and improve. In the telco industry, everything is given timeline, because if a certain vvp said if they want a tower to be built in a week, they want it a week. But in order to get it , it is very impossible, because you need approval from local council approval , you need to get building ,everywhere you have to lock some a huge a money of money for security deposit. So this process, internally and externally we need to work on a lot of parties the involvement. To expedite this thing, to complete in one week is really impossible but if you have proper channel , proper mechanism, you have proper directive of you only allow to do a JB or discussion within two days. You can achieve it. but if the person sits down for a week not doing anything how can the tower be up in a week no way, so everybody has to work and face and have this sense of urgency which is very very important, and sense of belonging, and many of them don't want performance index, because they feel they cannot follow or fulfil the needs that is required it is because lack of courage within themselves and them being able to complete whatever given in stipulated time. Big company today , all MNC sthey all have KPI, if we need to complete, I don't care how you do it, if you sit upside down, hang upside down, do it, that's all. But I will give you a very reasonable timeline I will ask you can you complete it in two weeks? If you say yes, do it, I don't care whether you come or not come to office but work within the time line. That's basically performance, that's how they measure, if you can complete , you have made your first KPI, so each time you have you index your KPI for each six month there will be evaluation and you need to write you project and the timeline. That is how HR will measure your performance index based on how they pay you on bonus pay out. So, of course if you talk about KPI, is the thing in any industry or in any business, even in retail shop, even if you wanna buy bread, if your supplier doesn't give you enough bread based on time required every two days, you need to give me some bread, and then you might have customers coming and shop and not having bread, but your guy promised you in one day he will come for the bread to come, now three weeks no bread in your shop, will your customers come back again, cause he knows the chances to get bread is so slimy. That is why I said everything needs to have proper metric.

### **Operation manager**

**Interviewer:** The topic of my research is performance management system. It is a system to evaluate performance of employers. It has a cycle for the whole system. The purpose of this interview is to interview you, on what is performance management?

**Operation manager:** could you please be more specific?

**Interviewer:** what do you understand about performance management system?

**Operation manager:** PMS is a method to make sure the effectiveness of management. The second, PMS can expand the business. Third, PMS can be the data for the history of the company for reference in the future. There are three main things about PMS

**Interviewer:** in the context of the company, how can the performance of this company be evaluated in this company?

Operation manager: if we are to refer to this company, this is a small company. So, when it comes to evaluating the performance of the employers, the specifications of each job in this company has to be specified. But we are all multiskilled. Even at times we have to cut the onions! So, it is difficult to evaluate our performance. The main reason is that our scope of business is too limited. It is not like any other corporate companies. It involves many aspects. The scope is too small. Basically, if a person wants to pursue his or her study, doing Masters , so the persons submits the documents, so we process the documents to any public universities, as according to the standards required by public universities, so our job is done. Then, we got our salary. We don't do marketing. We are consultants. Easing the process of the students.

**Interviewer:** so, it is very difficult to implement PMS because of our nature or scope of business and core business

**Operation manager:** lets say, if a person opens a restaurant, despite the name is called as a small business it has a bigger scope, it is actually big, it involves the supplies, sales , dealing with customers, supplier, management, and account. We are smaller than that.

### **How can a performance be evaluated?**

**Interviewer:** as said earlier, the employers of this company are multitasking. does it mean that performance management is still relevant or is it not relevant?

Operation manager: it is relevant. But it is difficult to get its specific rating. As employees do all the work. For example, the general manager. He has to write and prepare letters, dealing with potential customers, potential students, bus tickets, flight tickets. And many other things. This is not a job scope of a general manager. But how do we evaluate him? It is very difficult. But overall, we can generally say that he is doing a good job.

**Interviewer:** if PMS existed in this company, would PMS sustain this company for a long period of time?

**Operation manager:** our core business is, after marketing is done by another group of people. Which means that if they succeed to marketing our company, or marketing agents, if they do not succeed to get the students, then we are not succeeding as well. It means, that we have to have good connection with the marketing agent. Even if we have good connections with the agents, it doesn't mean anything as there plenty of others who are doing the same core business like we do, the competitors. There will be other competitors who will tackle the agents. For example, bribery. Or even racial preference. Our students are from China, and Chinese Malaysians would have the advantages. Basically, we cannot sustain, or expand, by solely focusing on our business plan. Which means, we could have management development plan to manage this business better. But, we can fix on certain issues and speed up certain issues. Our challenges are quite simple. For example, we could prepare and provide the fastest way to the main campus for students who are interested.

**Interviewer:** meaning to say, if we are to implement PMS, we can do for those who are in the management of students who want to come to Malaysia. So, the most important people for us to evaluate are the agents?

**Operation manager:** yes, when it comes to the business. But when it comes to management, we would say that the target or goal, is the timeframe from the time the students land at the airport to the main campus. How long? So that is the evaluation that can be done for the employees of this company. So, who did it? The manager would conduct and pass to the subordinate, and later the subordinate would deal with the main campus.

**Interviewer:** what is your opinion, if PMS is implemented in this company as the employees are very much related, having familial ties, how would it affect this family owned company in implementation of PMS?

**Operation manager:** in management, in general, there are specification to jobs or department, in which staffs are responsible for each department. It is an advantage when it comes to a person, or a staff, can cover the other departments, and where can we get this advantage? In a family business. It is because, failures of the other departments, would affect one another as it is a family owned company. Let us compare with conventional business or company, the staffs would just think about his or her job only, and think only about the salary at the end of the month, but if family owned company, the staffs would cover one another as they would know the financial situations of the company. Hence, this is one of the advantages of having familial ties in a family owned company.

**Interviewer:** if let say this company does have PMS, for those who manage the process of the students to settle down in Malaysia, would PMS help to expand the business?

**Operation manager:** KPI is molded to make sure success in every aspect of the business. However, it depends on the nature of business. PMS has to be shaped based on the nature of business of this company. In reference to this company which recruits students, or consultants for student recruitment. We are not 100 percent student

recruitment company. As it would be different if we were student recruitment company, as it would involve marketing. And later we would have to cater the students until the students graduates. But our business nature, is not like that. We are here to be consultants for the students recruiters.

**Interviewer:** if PMS is to be implemented in this company, like we discussed before, like having PMS for the agents : how many students to be recruited within certain timeframe , or for management: evaluating them based on the timeframe for the process of settlement of students to the main campus, if PMS were to be implemented, or wanted to be implemented, how would it affect the employees, especially in the context of family owned company?

**Operation manager:** it won't greatly affect the success rate of the business. management doesn't directly influence the success of the company or doesn't affect the revenue of the company. The success of this company depends on sales, agent or marketing team. However, PMS would increase the credibility and accountability of the company. Our ability to manage the resources given to this company. For example, 30 students, the process of settlement of these students are done well and smoothly, and this would increase the level of trustworthiness of this company among the agents. Our customers are agents. Not the students. If the agents feel that the price is too expensive, then they would negotiate with the other companies. It cannot be denied that effective management would decrease our cost. This would increase the revenue of the company. However, this is too subjective involving different aspects of the business. In short, PMS would not affect the revenue of the company but it would increase the level of credibility of the company.

**Interviewer:** what is your job scope

**Operation manager:** my job is operation manager. I supervise all aspects of the business to ensure the smoothness of the business.

**Interviewer:** could you please elaborate your job scope?

**Operation manager:** I would receive the demands from the customers, the ones who will recruit the students. The students will be managed until payment is made. For example, a student wants to pursue his or study, doing masters or PHD. Or a short course , just wanting to experience learning in Malaysia. Once, they are here to pursue their goals, and my job is to manage this students and to ensure that they are satisfied with the service provided by the company.

**Interviewer:** thank you.

## **Lecturer**

**Interviewer:** could you please introduce yourself and your job scope?

**Lecturer:** Hello my name is Zulfikar, and I teach English for students from China to prepare them for MUET, teaching them and help them with the language skills: all the four skills, listening, reading, writing and listening. Mostly academic based.

**Interviewer:** first question, I would like to ask you about Performance management system. So, performance management system is keeping tab with the performance of the staffs of this company. Basically, what we are going to talk about is the management within our company.

The idea is to create PMS even for the employees of this company. What do you understand about PMS, based on your experience with this company?

**Lecturer:** Our basic job is to teach. The number of staffs is quite small. Normally we would relate to our manager, basically I am a trainer, and another trainee, and later, we have another level of supervisor, and a secretary. Performance here, the trainers here, have to supervise the progress of the students. Trainers have to be there to see the progress. The supervisor would overall supervise our job and on and off we would prepare programs for the students. And on and off we would discuss with the manager, to update the progress, and also to branch off, from teaching or trainings, by having different ways of teaching, to other areas, like academic writing, having seminars, or power point presentation to help improve the skills of the students.

**Interviewer:** Does it mean that the KPI is being set up at every time meeting that is held with the manager?

**Lecturer:** yeah, kind of, he wants performance from us, so that students would finish their course properly and go and continue their degree program. And that is why we have these discussion and to find new ways of things, and also going into new areas

**Interviewer:** how can the performance of the staffs of this company can be evaluated, for example, you as a trainer, or as a teacher, how do you think, that you should be evaluated?

**Lecturer:** yeah, I think one is your students, how well they do, that is the important part, that you have to see the students, do well in the exam, are able to speak in English and improve their performance.

**Interviewer:** So, your performance depends on the performance of the students?

**Lecturer:** yes, how well they do academically.

**Interviewer:** this company does not have a proper PMS, what do you think, if this company is to have PMS in which we have a proper evaluation from our manager and our students as well.

**Lecturer:** that is one that is lacking. We don't have anything written down in relation to our performance. We judge based on how students perform. I think, we should have a systemic KPI.

**Interviewer:** what do you think, if we are to have it, for example, what if your students have to opportunity to evaluate you and your manager has a proper way to evaluate you?

**Lecturer:** yeah that would be wonderful. Then we have a black and white way, something concrete written down. That's a good way of doing it.

**Interviewer:** do you think, that by having a proper PMS for each of the staff here in this company, would it help in sustaining the company?

**Lecturer:** of course, definitely, I think another thing is marketing, because we are not involved in marketing, so I don't know how marketing department is being evaluated.

**Interviewer:** do you think that PMS , is more important for the marketing department?

**Lecturer:** I think it is for everybody, as well as the marketing, is done. That is important.

**Interviewer:** most of the staffs, they are very much related to one another, so do you think, if we have a PMS would it be a setback for this company to evaluate one another because they have familial ties. Would it be problem or will it not be a problem?

**Lecturer:** I think it would be a problem. Everyone is related. I think it is going to be difficult to evaluate. I think it is difficult to be objective. We would lose sight of objectivity. We tend to overlook their weaknesses and their performance because familial ties,... we cannot be objective. That's the drawback.

**Interviewer:** What could possibly be the advantages for the company?

**Lecturer:** it would definitely , what happen if they don't perform, what are the consequences? If they don't meet the KPI? Or the standards What happen? Of course they would get reprimanded and get warning letters

**Interviewer:** what do you think , would be the disadvantages of having KPI in the context of the company?

**Lecturer:** I fear , everyone is related, I don't know, it would cause rifts, or animosity, as their personal relationship, the problems, might spread. That would be a disadvantage

**Interviewer:** how do you think PMS would influence the growth of the company? Do you think that there is going to be problems, how do you think that it could influence the growth of the company by taking the circumstances (possibly rift among the family members) of the company?

**Lecturer:** overall, if we have a KPI and it is managed properly and objectively, and it would be a great help, everybody is performing especially in the marketing department, and then we have more open discussion, another area is how competent are the staffs in their own area, in finance, all these things play a role. If you want to run a company well, you must get competent people.

**Interviewer:** if we are to implement PMS, how would it affect you as an employee? How will the employees react to this change?

**Lecturer:** I think, KPI is a positive thing, I mean, they want to measure your performance and things like that, definitely influence behavior because people are watching because of KPI. But I could see conflicts, as some people might not take it seriously, or even might be offended, there are problems. But overall it would be a good thing to have KPI.

**Interviewer:** do you think that it would be relevant to have PMS, bearing in mind, in the nature of business and circumstances?

**Lecturer:** we should all have. It is necessary as we don't know the direction of the company. We have to look at the revenues. We have to take a lot at outside people, as what they do affect us as also, that kind of delays outside of our power, I think KPI is essential for our performance. We can have meetings.

**Interviewer:** actually if we are to implement, we are going have cycle for every four months, will be evaluating by the system. What you said is actually true, as we are going to a lot more open discussion...

**Lecturer:** critical look. The thing is , people should be able to take it, we are not criticizing them personally, just their performance

**Interviewer:** even if we are to have this system, it is going to be for every cycle, we would be given new objectives for every cycle.

**Lecturer:** it is a good thing. We also have to deal with agents. How are they performing

**Interviewer:** do you think that it is more crucial for the agents to have KPI because they are bringing the students, because they are the core business of what we do here

**Lecturer:** yes of course, as our revenues depend on them. They are the ones who supply the students. Do we have any control over the agent?

**Interviewer:** I don't know, and I think , that is another area that this company should look at. Based on what I understand, it is more important for the agents to have KPI and we are here to manage the students and we are dependent on them. I think that's all. Thank you Mr. Patrick

**Lecturer:** yes, of course. Welcome.

**Lecturer/ admin**

**Interviewer:** could you please introduce yourself and your job scope?

**Lecturer/ admin:** My name is Ali and I am one of the English teachers.

**Interviewer:** what is your other job scope?

**Lecturer/admin:** I also prepare exam questions, modules and I do a bit of administrative works

**Interviewer:** do you know what is performance management system? Basically, PMS is a system which keeps track your performance, and it has full cycle of PMS . theoretically it is done for quarterly every year. What do you understand about PMS ? basically, what do you understand about KPI?

**Lecturer/ admin:** generally, what I understand is, KPI is for every staff and the employer can keep track on the performance of the employee and every decision made, is for the improvement of the business of the company.

**Interviewer:** okay, based on this company, based on the context of the company, what is your opinion, if PMS is to be implemented in this company?

**Lecturer/admin:** if PMS is implemented here, for each employee, I believe that the level of performance of each staff will increase, and each staff will have a specific target each, and the target will be documented in PMS. It will impact the company hugely in the development of this company.

**Interviewer:** In your opinion, how should PMS in this company be implemented? How should your performance be evaluated?

**Lecturer/ admin:** in my opinion, with the right system, an official system, in which every staff has the access to look at their own performance, as in my view, if PMS is implemented by the employer, the employees wont be able to know their progress, hence, a good system, should allow the employees to keep track with their own performance to evaluate whether they have managed to fulfill the goal set for them.

**Interviewer:** do you think that PMS would be able to sustain the company in terms of revenue and others?

**Lecturer/ admin:** In my opinion, yes absolutely. Not only sustain, but it could improve the development of this company.

**Interviewer:** The size of the company is small, and most of the staffs have familial ties, and we can categorize this company as family owned company as big decisions are made by family members. If PMS is implemented in this family owned company, what is your opinion?

**Lecturer/ admin:** in my opinion, it is an obligation to implement PMS, despite its nature: having familial ties or not family related. When it comes to work, everybody has to be professional. In my view, it is an obligation, as work is work, family is family and when we are in the office, regardless of our relationships, we have to be

professional. that is how feel as I don't think, it is an option (to implement PMS), even though it is a family owned business.

**Interviewer:** hypothetically speaking, if PMS were implemented in this company, what the reactions that you predict among the staffs?

**Lecturer/ admin:** in my opinion, I would be happy for that, but there would be several staffs who would not be interested with such implementation, as they have the mentality that this company is my family's company, they can do whatever they want to do and I think that there would be slight disputes in terms of unity among the staffs.

**Interviewer:** what is your opinion on the advantages of implementing PMS in this small sized company that the staffs have familial ties?

**Lecturer/admin:** like I said earlier, there would be staffs who would disagree and agree. But if everybody agrees with PMS, even if the size of the company is small, it can stabilize the company for a long run. But, some of the staffs, would feel like it is like a burden, and this would affect the company greatly. As probably, some of them, would take it lightly of all the work and they feel like PMS is unnecessary, as long as they do their work. There would be two possible situations, if everyone agrees on PMS, the company could sustain and develop, if there are some of the staffs who disagree, it would negatively impact the company in the future.

**Interviewer:** what is your opinion on the staffs who disagree with PMS, what is the best way to overcome this problem?

**Lecturer/ admin:** first, initiative action has to be taken. These staffs have to think professionally and do their work seriously. Second, most probably, the employer has to take action by sending them to training or motivational talks, to prove that work is work, even though this company is a family company.

**Interviewer:** in your opinion, if PMS is implemented in this company, in the circumstances of this company, what are the disadvantages of the that the company might experience?

**Lecturer/admin:** in my opinion, in the early of PMS, perhaps, that the company would be able to detect or see bad performances of the staffs, as I said earlier, this is a family business, as some of the staffs would take things lightly, if this is implemented, perhaps, maybe, employer would unearth the ugly truth of the performance of the staffs. However, this would take time for the company to enjoy the good impacts of PMS. For me, the implementation marks the restart of the company, because of the implementation of PMS as PMS is done officially, not a verbal implementation.

**Interviewer:** how PMS could influence the company, in what aspect that PMS could influence the company?

**Lecturer/admin:** For me, PMS could influence the company in various aspects, like in management, academic, and perspectives of the staffs. If everybody has their own KPI and target as mentioned earlier, work will be done according to the targeted date, so, in my view, in the aspect of management, this would smoothen managerial work

of the company. In the aspect or in the context of academic, we would not stuck in one syllabus, we would be able to add more syllabus time to time. From the perspective of the outsiders, or the party we deal with, they would see that this company's management is smooth and well prepared, and academically, from the perspective of the subjects offered, they would know that the subjects are periodically improved. The outsiders or the people that this company deal with would give positive remarks about the company.

**Interviewer:** in general, how do you feel about performance management system if it is to be implemented in this company?

**Lecturer/ admin:** first, as we discussed, the company is in trouble. For me, the first thing that this company has to do is we have to solve the existing problems first before we can start with PMS. I feel, if PMS is implemented officially, this company could expand further and stabilize itself like the other companies.



## **Administrator**

**Interviewer:** introduce yourself, your position and your job scope

**Administrator:** Hi, I am Anis, I am the assistant administrator here. My job scope is I have to do filing, meeting the students, and all the administrative works except finance and teaching

**Interviewer:** what is your opinion on PMS? PMS is a system to keep track your performance and it has quarterly cycle and would evaluate your performance holistically. What do you think about PMS?

**Administrator:** in my opinion, PMS is like KPI, so, it will evaluate the employees, based on our performance. For example, based on our attendance, our attire, whether our attire is appropriate or not, and the goals set. I think, there are other aspects but basically it is about an employee's performance.

**Interviewer:** in your opinion, how should an employee's performance be evaluated?

**Administrator:** in my opinion, an employee should be evaluated on the ways one does his or her work, the ways one communicates with other employees and the employer and one's ability to do his or her work within the timeframe. Beside that, the way one handles a group work and how he or she handles stress.

**Interviewer:** what is your opinion, if PMS is to be implemented in this company?

**Administrator:** yes, it is very good, even though this company is a family owned company, I think we should apply PMS so that it is fair for everybody, for example, if the system is not used, it wont be fair for everybody. For example, like if one decides to not come to work, then one thinks it is fine, and it is acceptable. But for some staffs, they do follow the right procedure for example, to apply for leave.

**Interviewer:** if this company implements PMS, is it going to help sustain the company?

**Administrator:** I think yes. If the company has PMS, we could see the performance of the employees. even though it is a family business. If you think about it, a business is supposed to help the company gain revenues, not to lose them. By having PMS, it would help the employers to determine if an employee is worth keeping or not.

**Interviewer:** my next question, it is a much detail question, what is your opinion, in the context of the company, what if PMS is implemented in this small company, and most of the staffs have familial ties, what do you think?

**Administrator:** I think, PMS should be implemented regardless of the size of the company. Even though we might know that person, it doesn't that person knows how to do his or her work properly. It has to be fair. It is because the welfare of the employees has to be taken care of. For example, one could get more because of certain vague criteria and one could get (salary) less because of certain vague criteria as well. This is not fair. Another example is, if there is a dissatisfaction among the employees,

and employees know one another. If one is dissatisfied, and one wants to take a legal action, one would reconsider and having familial ties would make one reconsider again and it would be a problem. Hence, it is vital for the company to have PMS.

**Interviewer:** in your opinion, if this company wants to implement PMS, what are the advantages of this system and how would PMS benefit the company?

**Administrator:** I think, basically, this company can grow bigger if PMS is implemented. It is because people of higher position would be able to evaluate the performance of the employees. if the employee comes to work or not, does his or her job or not. So, PMS is needed.

**Interviewer:** what about the disadvantages of PMS, taking into account the size of the company and the familial ties that the employees have between one another?

**Administrator:** I don't think there are disadvantages

**Interviewer:** like you said earlier, there might be disputes if PMS is implemented, so what is your view on it?

**Administrator:** perhaps, maybe there is dissatisfaction between the employees. even among family members as well, the relationship is not close, so maybe there might be dissatisfactions. Even in big companies, there might be some employees, who would belittle one another, like if you come early, people would say, owh you think you are better than me? Maybe there might these sort of things to happen

**Interviewer:** how do you feel, how would PMS expand the business of this company?

**Administrator:** in my opinion, by having this system, the employees would be productive. Employees would not take things for granted. I think employees would be more productive and responsible.

**Interviewer:** how would PMS would impact the employees of this company?

**Administrator:** I think, PMS would give a positive impact to the employees of the company. Like I said earlier, they would be more responsible, their work might be better, as they have to take into considerations of their KPI, and I think that's it.

**Interviewer:** as a conclusion, could you please summarize, if PMS is to be implemented in this company, taking into account the size of company and its nature of having familial ties, if you can summarize, what is your opinion on PMS, please summarize.

**Administrator:** in conclusion, I think PMS, should be implemented, regardless of its size, or a family business or not a family business, from there, we can comprehend the performance of everybody. It is not only for employees; it is also for the upper level management system too. So, despite there might be some dissatisfaction, but PMS has to be implemented, so that the system would be fair for everybody, and cases like lying or dishonesty could be reduced.

## Agent/admin

**Interviewer:** could you please introduce yourself and what is your jobscope?

**Agent/admin:** My name is Karim. In this company, I am the agent who will lure international students from Indonesia and China especially

**Interviewer:** What do you understand about PMS?

**Agent/admin:** for PMS, I don't really understand it, but what I know is , performance is when staffs and managers work for one purpose and with one method/framework)

**Interviewer:** in your opinion, how should a staff be evaluated?

**Agent/admin:** in my opinion, staffs should also be given the chance to talk or give their opinions or excellent ideas. It is because it doesn't mean that the upper level management's work is perfect. I think, the lower level staffs would know better about the work needs to be done, and how to do it efficiently.

**Interviewer:** in your opinion, what if PMS is implemented in this company, what is the impact?

**Agent/ admin:** maybe this company would succeed, the cost can be reduced, time will be utilized efficiently and more profits could be gained. I think, PMS is important, for any company, especially this company

**Interviewer:** could you please explain in details, how could PMS be implemented in this company?

**Agent/admin:** I think, cause I am in lower management, I feel like I cant voice out my opinion, because all the instructions are directly from the manager, and I have to complete the tasks. Supposedly, a task can be completed in one day, however, the work is a lot, and can't be handled in one day, so it will take more time, so the cost will increase. Supposedly the work can be completed in one or two days, however, the work is relayed to different parties to complete it so it delays, as I have to wait for the different parties to complete their tasks.

**Interviewer:** you did say about the delay of the process, so, why is the process that needs to be done is delayed or late?

**Agent/admin:** supposedly the manager has to listen to what the staffs have to say. supposedly one staff has to work on managing the process of administrations of one to five students or five to 10 students, so, it will be more focused. Works can be done a lot more faster. In comparison, like working on settling one offer letter for a student is done by another staffs, settling the visa for another student is done by another different staffs, so, in order to complete the task, we have to wait for the offer letter to be completed before we can do other administrative work. Step by step, and this takes longer time.

**Interviewer:** can PMS sustain the company? sustaining is to maintain the performance of the company?

**Agent/admin:** I think yes, it can. It is indeed can be done because if we work together, and the lower management and the upper management have the same purpose and work together, we would know that this thing (PMS) can make this company a success for a long period of time.

**Interviewer:** in your opinion, what is the importance of having one goal for a company?

**Agent/admin:** if we have one goal, or one purpose, we would know what to do, if we do not know what is the purpose of this staff, this staff, and the other staff, and we would be clueless about their purpose. We won't do a reflection on ourselves asking why is the process of administration is delayed and late, because we do not know about our own purpose

**Interviewer:** in your opinion, what is the purpose of the existence of this company?

**Agent/admin:** for now , from what I know, the main thing is to get the students, and the money because the purpose is not from the manager, and it is not about providing a good service, it is about getting the money, and students,

**Interviewer:** so, when you said about getting the students and the money, could you please explain further about this?

**Agent/admin:** it is like this, it is a process, to get the students, and we have to apply, and get the offer letter, and accomplishing the visa documents, and finally can further his or her studies, this thing can be completed in one or two weeks and everything can be settled. But we don't know the intention (or the purpose of the work) of others, and the performance of the other staffs, and we don't know why some of the staffs' works are delayed, why cant he or she perform, and the process is actually quite simple if it is done properly, and we have to know that the standard of the company: to know how long the whole process (registering the students) can be completed, and the students do not have to continuously ask when the whole process of registration is completed.

**Interviewer:** what is your opinion if PMS is to be implemented in this company which consists of family members, what is your opinion on this? What would happen if this is implemented?

**Admin/agent:** I think, for a family owned company, supposedly, the manager and the higher level officers should be fair for all the staffs, as they should not see the staffs as family members or staffs( who are not family members), if they see them as family members, the family members who are staffs would think that this company belongs to their family, hence, they can do whatever they want and the workloads that is supposed to be completed, are easily transferred to the other staffs (non family member staffs) , but the problem is the non family member staffs have their own job scope given, that is why some of the works are delayed to be processed as the non family member staffs are given much more workloads compared to the family members.

Supposedly, the family member staffs should perform better because they are the ones who are going to support this company for a long period of time.

**Interviewer:** could you please illustrate further examples in relations to giving workloads to the others that causes heavy workload to the other staffs?

**Admin/agent:** based on my experience, I worked on an offer letter for the students, and there are 30 to 50 students that I had to provide offer letters, and I had to settle the work within 2 days because the students had been asking, when could they receive offer letter, but the family members asked a lot of my favors to do the other works. So I could not settle the said job, my job. I could have completed by my job first before entertaining to the request but they would say do this work first (their work), how can I complete my job if this is not settled. It is supposed to be his or her work, but because the fact that he or she is a family member and I am just another non-family member staff. They would consider as an outsider who works in this company, in his or her family's company, and they would think that the outsider(non-family member staffs) would work harder. I think, the family member staffs should give a good example for the other staffs, because if the family member staffs work at their best, automatically the non-family member staffs would also work at their best and give the best performance too.

**Interviewer:** what is your opinion if PMS is implemented and what are the advantages if this company is to implement this system in the context of family owned company?

**Admin/agent:** the first advantage is time will be used efficiently , cost will be reduced and the company would appreciate the non-family member staffs. And for the students, the service and facilities provided by the company would be satisfactory. For example, the offer letter will be gotten faster from the company, the visa process will be much more efficient. It is because for international students, it is important to receive the offer letter as we do not know if we are going to further our studies or not and if the visa is not yet received from the company, the students might have troubles to travel around and it is going to be a problem as the students are adapting to a new life in a new country as the students do not have the permit to live here. Lastly, it would affect the students to study thinking about the visa, and the possibilities of having problems with the immigrations.

**Interviewer:** what is your opinion, if the system is to be implemented, what is the disadvantages of this system for the company or what are the negative impacts that could possibly face by the company in the context of family owned company and its relatively small size?

**Admin/agent:** maybe, for the non-family member staffs would feel like this is like working for any other company, and I think there might not be any problems for these staffs, and even the students would feel its negative impact, even they would feel its positive impacts.

**Interviewer:** how would this system influence the growth of the company? the performance of each staff will be evaluated and how this would influence the growth of the company?

**Admin/Agent:** if the staffs really know what they are doing, it would give a good positive impact for the company, because this company relies heavily on its staffs, and if the staffs could not properly do their job, this company would not grow.

**Interviewer:** how would PMS impact the staffs, would it create a positive environment or a negative environment because this is done among the family members, so what is your opinion?

**Admin/agent:** I think it would create a positive environment cause it would increase the revenue of the company, as we are talking about family members, and if the family members are experiencing this system, they would abide the system and they wont work following their own wills, as they would work according to the standard set by the company. in the end, they have to work, regardless whether they are family members, the father or the son, or the daughter. If they want to work here as the pay is equal, and supposedly they would work at equal amount of workload and give their absolute best and there wont be any delays, because it would negatively impact the company,

**Interviewer:** based on your own experience working in this company, would it be possible to implement the system in the context of family owned company and its size realistically?

**Admin/agent:** I think it is a must for this company , because I think , the company really depends on the non-family member staffs, and I think the family member staffs do not know how to properly do their job. Their workloads are being given to the other staffs. If this system is implemented in a family owned company, it would function well.

**Interviewer:** in your opinion, should the staffs in this company undergo training to accomplish their task and to improve their performance?

**Admin/agent:** supposedly yes, because if there is an open recruitment for new staffs, the new staffs would frequently ask us right, and this would lose our focus. Supposedly before the new staff enters the workplace, the new staff has to undergo the training, he or she has to know how to accomplish the task, how to settle the task, as the work involves international relationships, and this is so important for the company. if one comes to the company and does not know how to do his or her work, it would be a troublesome for the other old staffs who are accomplishing their tasks.

**Interviewer:** in a nutshell, how can you summarize , with the new system to evaluate in this family owned company?

**Admin/agent:** maybe, from what I know, the company will be busy, when the students are about to enroll. Before the students enroll, the company should give one or two months to train the staffs, like for example, if the staffs who have to work on the offer letter , have to be trained on how to work on the offer letter efficiently and better, and how the staffs who handle the visa of the students could work and handle the visa efficiently and faster and this includes the family members who are also the staffs and how for example, some of the staffs have kids at home, and how can they work from how and they have to meet the deadline regardless, even if the sons or the daughters

of the staff is sick or not, they have to meet the deadlines, because if they are not working on it, the other staffs would have to cover, and the staffs who have to cover would upset the manager as they could not meet their own deadline covering for the staffs who pass the work to them. I think it would be confusing

**Interviewer:** thank you

**Admin/agent:** you are welcome.



## **Partner**

**Interviewer:** what is your opinion on performance management in a company?

partner: it is good for a company. it can focus on certain departments on the company and on certain staffs to improve the company. these are all a process to make sure that the company could achieve its goal

**Interviewer:** could you please elaborate further about achieving the goal of the company?

**Partner:** the goal of this company is to be one of the most successful companies which could ease the process of enrolling more international students to XYZ university

**Interviewer:** in your opinion, how can a PMS be implemented in this company taking into account of its size and familial relationship?

**Partner:** it can be done, however, each individual of the family has to be open and can accept constructive criticism for the sake of the improvement of the company

**Interviewer:** how would the staffs react if their performance is kept tracked, in your opinion, what is the reaction of the employees?

**Partner:** the workers who are open minded and positive would always be ready to be evaluated and upgraded for the future of themselves and the company

**Interviewer:** how about the closed minded individuals in the company?

**Partner:** on the flip side of the coin, for the workers who are negative, they do not like to be monitored. There is no need for us to think of thousands of excuses, if the mind is close, they themselves would not want any changes, only thinking that they are right all the time and can't accept criticism to change for the better

**Interviewer:** in your opinion, with the structure of the company, the hierarchy of the company, how would an employee should be evaluated?

**Partner:** in a company, evaluation can be done internally and externally.

**Interviewer:** could you please explain further?

**Partner:** in the case of this company, the external evaluator is the ones who deal with this company. like the international delegates of other country and XYZ university. Meanwhile internal evaluation, perhaps could be done by the owner of the company or the manager to evaluate each of the employee

**Interviewer:** do you think that PMS for each employee would sustain the company?

**Partner:** yes of course. It could also improve the company

**Interviewer:** if the company wants to implement PMS , in your opinion, how should it implemented? What are the steps need to be taken?

**Partner:** first , each employee has to know the goal of the company. second, the employee should feel the sense of belonging. Third, each employee has to be ready to receive and execute the instruction. Fourth, if the company is still a new company, there should be SOP and rules that ought to be abided by each staff without any exceptions. Everything has to be in black and white. Everything has to be documented. Fifth, the owner of the company should choose people with qualifications to strive the company. if among the family members, the right choice has to be done so that the journey of the company would not face any petty or trivial problems which could tarnish the name of the company. sixth, each staff has to be immune to criticism and changes. Seventh, each employee has to be given the chance to voice out their opinions in the open discussion especially in this family owned company. eighth, the owner has to frequently supervise the employees in the early stage of the journey of the company and give the autonomy to the management after the owner is convinced with the ability of the management. Tenth, evaluation ought to be done from time to time. Eleventh, training should be provided to enhance the skills and ability of the employees. twelfth, once a while, employees ought to be appreciated. Financial side of the company has to be handled well too.

**Interviewer:** does the company have any problems in managing its finance?

**Partner:** is this a general or specific question?

**Interviewer:** it depends on how you interpret

**Partner:** when it comes to finance, any company would face problems especially when it is not handled well. There are more....

**Interviewer:** if you do not mind, you can share, I will conceal the name of the company.

**Partner:** every employee is obliged to have knowledge, values in their lives, honesty, integrity and responsibility.

**Interviewer:** could you please summarize PMS in relation to this company taking into account its size and familial ties?

**Partner:** there is no PMS. Zero. The size of the company is small, but if it is managed well, it can be a big company. Familial ties is a foundation or basic, there would be insecurity among them and no understanding at all. Zero .

**Interviewer:** I think, this should be enough, thank you for participating.

**Partner:** Thank you.

## **Clerk**

**Interviewer:** Assalamualaikum, could you please introduce yourself and your information will be concealed, could you please introduce yourself and your job scope?

**Clerk:** Waalaikumussalam, my name is Ayu , I am the clerk of ABC company. I am also an admin assistant to prepare the letter and the documents

**Interviewer:** what do you understand about PMS, a system which will keep track the performance of the employee.

**Clerk:** performance management , from what I understand, every job in the office, has its own responsibilities. For example, like me, I am the clerk, I will arrange the files and the documents, and prepare letters,

**Interviewer:** in your opinion, how should an employee be evaluated?

**Clerk:** first, through his or her level of education, and later his or her experience, level education and experience

**Interviewer:** how about his or her performance? How should a performance of an employee be evaluated?

**Clerk:** he or she has to commit with his or her work, and he has to be punctual coming to the office, and one has to make sure that his or her job is done according to the time frame, and one has to be meticulous, and knows what he or she is doing.

**Interviewer:** based on the jobs in the office, how should one be evaluated?

**Clerk:** I think that's all

**Interviewer:** in your opinion, how should PMS be implemented in this company? what do you think, if PMS , is implemented?

**Clerk:** if PMS is done, properly, the company will run smoothly

**Interviewer:** do you think, that PMS will be able to sustain the company? the employee will be evaluated according to the job

**Clerk:** hurmm, I think, with the right procedure, the methods are right, employee is committed with the work, that it will run smoothly.

**Interviewer:** the company is filled with family members, and close friends, what if PMS is to be implemented taking into account that everybody knows each other well?

**Clerk:** if it is implemented then, it is going to be good, as it will run smoothly

**Interviewer:** will it work if everybody is being evaluated? Like the father is evaluating the sons and the daughters, siblings will evaluate the other siblings, and friends are evaluating one another, would it work?

**Clerk:** hurmm, maybe it will be a bit hard to be successful because your own family is evaluating so it will be a bit bias and unfair.

**Interviewer:** if the company implements PMS, what do you think the advantages are?

**Clerk:** even though the employees are family members, if the procedure is correct, for example, the owner hires the sons or daughters, and if they have the qualifications and the experience, the advantage will be good for the company, as the company can sustain for a long period of time.

**Interviewer:** what about the disadvantages?

**Clerk:** sometimes, if, hurmm, if the sons or daughters are dissatisfied, the other staffs will also be dissatisfied, I think, because the close relationships

**Interviewer:** Do you think, PMS will influence the growth of the company?

**Clerk:** I think it will be good, for the family, as we are doing it for the family, for the future of the business, like if we build a company full of people outside the company, the question whether would they be able to continue the legacy of the company in the future might arise.

**Interviewer:** what is your opinion, how would PMS affect the employees? if it is implemented, how would it impact the employees?

**Clerk:** I think, like I said earlier, there might be some dissatisfactions

**Interviewer:** why do you say so?

**Clerk:** if PMS is done, since, it is done in this family owned company, the evaluation is done, and for example, there is one employee who is lack of experience but is paid higher, it would create a disharmony in the company, but if one is paid, according to the qualification, then I guess, it should be fine.

**Interviewer:** what causes this?

**Clerk:** based on the evaluation

**Interviewer:** so what you said is if the evaluation is done properly then it is going to be fine, but if not, there might be some problems, right?

**Clerk:** yes

**Interviewer:** could you please summarize, if PMS is implemented in this company taking into account the size and its familial ties?

**Clerk:** like I said before, in my opinion, family owned company is good, but before that, family members ought to be trained, and look at their qualifications as well whether they can do the job or not, introduce the company and the job scope, and once the person is deemed capable, then the owner should hire him or her. If not, the family member who is inexperienced should work as a layman, working under the experts of the field in the company

**Interviewer:** so training is important?

**Clerk:** yes, so then the family member can be placed at the right position in the company

**Interviewer:** thank you.

**Clerk:** you are welcome.



**President**

**Interviewer:** Assalamualaikum

**President:** waaalaikumusalam

**Interviewer:** I would like to ask some questions about the company

**President:** okay, talk

**Interviewer:** it is about PMS. PMS , it is for each company. what if your company is to have PMS, it is to evaluate the employees. what is your opinion about PMS?

**President:** it is good for a company to develop the company. we evaluate the weaknesses of the employees and it could strengthen the teamwork by covering the weaknesses of individuals. The individuals could fill the weaknesses of the other weak individuals.

**Interviewer:** in your opinion, how can an employee be evaluated?

**President:** there are many ways to evaluate the weaknesses and strengths of the employees. one of the ways is to give an assignment to individuals or group that we want to mentor and we evaluate the results of the given assignments

**Interviewer:** what is your opinion if PMS is to be implemented in ABC company?

**President:** good

**Interviewer:** could you explain in details how it could positively impact the company?

**President:** every company which offer services needs a good marketing team, a management team that is excellent, a team of excellent lecturers, so if we can overcome the weaknesses it can help the company to grow better. Personally, I encourage if there is any help from any parties to help to evaluate or to give an input for the company to strive

**Interviewer:** in terms of performance, could PMS sustain the company

**President:** of course, it is like this, it wont work if we know our weaknesses or our strengths it wont move forward if there are no efforts to fix the weaknesses. And if we know our weaknesses and we work on it, it is vital to fix it. If we know, and we do nothing about it then, it is useless, there might be help from outside that might help us to strive and it would be good.

**Interviewer:** in your opinion, if PMS is to be implemented in this company, taking into that this company is managed or run by family members and closed friends.

**President:** it is like this. This company is built based on discussion and helps among friends who know the strengths and weaknesses of this company. we started from zero. And we are not capable to pay employees with huge amount of salary. So in the early

stage, we do need help from family members and friends, so these people are willing to work without any salary, and when we got the revenue, it is not possible to fire these people and hire other people, so , we would continue with the momentum and we would add more employees outside of the circle to expand the company.

**Interviewer:** if there is a system to evaluate the family members and friends, would there be any disputes? As all of them know one another and have familial ties.

**President:** family members are family members when we are at home. When we are at the office, we are coworkers, and if there are weaknesses then we will take action to address them

**Interviewer:** would there be any conflict of interest, as having familial ties, if employees are not fulfilling KPI ?

**President:** like I said earlier, this is the teamwork, we don't address individuals performance. Teamwork. If there are weaknesses in terms of execution of jobs, we would work on it with the consultations of those who are capable and experts, to help.

**Interviewer:** what is your opinion about PMS, do you have any thoughts to implement PMS before this or is this a new thing for you?

**President:** it is a good thing. Like we have a car, that could protect us from the rain and the sun, if it is beneficial for the company, I encourage such changes, and would work towards fixing the company to strive forward.

**Interviewer:** do you think that PMS would help , increasing the revenue of the company

**President:** of course, if there is a system to detect our weaknesses and if we fix the weaknesses, of course it will increase the performance of the company

**Interviewer:** could you please elaborate further on the weaknesses of the company and how would you address these problems?

**President:** the truth is it is a very good question but it is very subjective in a way that everybody has their own opinions on this, on how to address it. Depending on the capabilities of the company. if the company doesn't have financial strength it will be in trouble. If the company has employees who are not good enough, but it has financial strength, it has the capability to hire qualified individuals, I think it will be a good thing for the company to strive forward.

**Interviewer:** you did say that the problems are subjective, why do you say so?

**President:** some people would evaluate one person, like, that person could not bring in revenue or the business, but that person has a good PR skill that could convince the clients that the company is good, but he cant bring in the revenue, or the business. Evaluation depends on the angle of how an employee is being evaluated, in aspect, revenue, PR, quality of work. We have several different departments in the company. the marketing team is to bring in the clients, the management is to manage the clients and the staffs, teaching department is to make sure that the students and should reach

the KPI. That is why it is subjective as you cannot evaluate, like for example, the tutors are not capable to bring in the business, and of course they cant! Because their job is to teach, so, we cannot evaluate them equally like the marketing system. That is why I said subjective

**Interviewer:** could you please summarize PMS in this company, taking into account the size of the company and its familial ties?

**President:** okay, in the early stage, we needed the supports from friends and family. But as the company grows bigger, we could hire employees who are qualified. It doesn't mean that I don't need the support from friends and family. We want to grow, lets say, if you have a problem, are you going to consult people whom you do not know to help you solve your problems. I don't think this would happen. You would consult your family members, to solve the problem. In the early stage, friends would help your family members would help, and at one point, you are at the stage where you are financially strong then you can open the company to the public, hiring qualified people to solve your problems, this is what happen to this company. in the early stage, my friends and family do help me. When we are at a higher stage, we would open it to those who are qualified. We are not a company who have a strong financial strength, and we started from zero.

**Interviewer:** I think that's all. I really appreciate your help

**President:** I hope that your thesis would be a success.

**Interviewer:** assalamualaikum

**President:** waalaikumussalam.

### **Legal advisor/partner**

**Interviewer:** assalamualaikum, could you please explain what do you understand about performance management system?

**Legal advisor/ partner:** performance management system is a method or business strategy of a company, acting as a benchmark to move towards the ultimate goal of a company, this system needs to be implemented for the achievement of the company. companies all around the need to have this system so that they have a certain standard to follow in terms of globalization to sustain in this new era.

**Interviewer:** do you have any other examples?

**Legal advisor/ partner:** for example, listed company, YTL, they have sustained for more than 15 years, they have 35 billion asset including in Japan and UK. Therefore, the system that they have been implementing and they are still enhancing to ensure sustainability and competitive advantage of the company that is very tough nowadays. Besides that, YTL, still can sustain and they have their system and they improvise from time to time

**Interviewer:** do you have anything add?

**Legal advisor/ partner:** YTL, have role model and they take it from Japan and UK to adapt and to suit with the current environment in Malaysia. YTL, despite the emergence of new companies, YTL, is still relevant and is still able to compete. Therefore, PMS is vital for every company to survive

**Interviewer:** how can an employee be evaluated? Based on the size and circumstance of the company how can the employees be evaluated?

**Legal advisor/partner:** it is compulsory for an employee to be evaluated, based on their performance. The evaluation ought to be done, or assessed quarterly, half a year, or towards the end of the year. The purpose is to witness if there are weaknesses that can be addressed by training by mentoring. It is because guidance should be given to the employees to ensure that they are equipped with knowledge. It is very broaden in terms of knowledge and most of the employees are not well exposed. Therefore, we should have a strategic planning to enhance new knowledge, new experience and for exposure. One of the methods, is to send the employees for training or to get trainers to come in to this company to provide fresh ideas. And the ideas must be internalized for each of the staff so that they can perform in accordance to the system or it needs to have a SOP or any administrative order as a guidance for employees to perform and achieve MVO of the company. coming to the company, as I mentioned earlier, YTL , is a big company even after 50 years. And they sent their employees abroad, UK and America to gain experience and knowledge. They also offer scholarship to pursue their studies and to gain new knowledge and new ideas to compete globally. I would like to recommend that this company to follow YTL as a model or the framework. As to have rule and function and then they will perform very well. I think they need mentor or supervisor to follow the progress of the employees to detect the weaknesses weekly and it should be documented. So from the documents, evaluations can be done to

improve for betterment. In term of strategic performance, it has to be documented and it should be evaluated quarterly, half a year or at the end of the year, from this, recommendations, can be given to the employees, and finally solutions can be found. Models like from Europe, on PMS , and it has to be adapted under circumstances which is suitable with our country and culture. It is because to change or to transform human being it requires passion and patience to improve the performance of the employees to understand what the MVO of the company is. In conclusion, my personal view, it needs to have weekly or monthly meeting, just to evaluate face to face and to call personally to give constructive comments to each of the staff who cant perform at the certain level. If fail to do so for a long run, the company will collapse. The fact of mismanagement, and management literacy, financial management, if financial is being mismanaged the company will for sure collapse. In current, situation, the economy is not too good in Malaysia, they have to gear up themselves, with sufficient knowledge and manage the finance properly. Failure awaits if they are illiterate in finance.

**Interviewer:** what is your opinion if PMS is to be implemented in this company?

**Legal advisor/ partner:** if PMS is implemented in this company, I completely agree, because from the guru of management, Peter Drucker, efficiency and effectiveness must come together. However, it needs to have a tool to bridge to bring together all the employees to one destination. Coming back to Peter Drucker, efficiency and effectiveness, one of leaders in the world now, Donald Trump, if I am not mistaken, 20-30 years now, he was an apprentice and he was successful and even until now, the principles that he holds, and how he implemented and yet the principle he is still implementing now, and even now, US and China are having trade war, and now he is still using the same principles from back then until now. He does his research in this development, and he wrote books and the books are practical and can be used in new economic era, now look, a couple of months ago, Donald Trump visited China they had an argument on trade war between the west and east. China which has the largest population still can sustain and they are rival of US . Because of Donald Trump has strategic planning of business, they can compete in the world. USD is still one of the strongest currency in the world. Donald trump rules the country like a business, US is like a business. If Donald Trump applies the principles he has been using 30 years, US can still sustain in terms of economy, it is a micro and macro. In this small company, this company, most of the principles can be adjusted adapted in our circumstances. However, chief executive officer needs to trust his personnel. Weaknesses have to be determined and need to be addressed properly and steps of management have to be applied. Coming back to government agency, Royal Malaysia Police, IPCMC, is to supervise because of the failure of monitoring and supervising, and it is no longer relevant in current situation. It is being debated as people in Malaysia because people are looking for performance and result, if the result is not as expected by the people, people will protest to the government. That is why, it is important, to have KPI or the system to be improvised from time to time. That is why I would like to recommend here, whatever findings or outputs, need to have recommendations, recommendations need to be studied meticulously to get the results, nowadays, people want the results. They want the services. To compare with the company, outcomes are the business, how much is ROI, if they have invested certain money for the company it needs to have some time to ensure ROI can be achieved, if not how can the company will sustain and maintain competitive advantages in this new era, if not you will be outdated and obsolete can no longer survive in this world.

Interviewer: how can PMS sustain the company ?

**Legal advisor/ partner:** PMS is a tool, is an equipment, or a bridge, without a bridge, people cant go across the river or a building like a twin tower. As a human being without food or leg people cant walk. It is a set of rules or principles need to be in place or on track, so that it is a route to the ultimate goal. PMS need to be implemented because it is a bible or Quran, as a guideline, guiding all the employees to a set of goal. Therefore, each of the company , particularly in this company, they must have set of goals, a set of goals must consist of procedure, SOP administrative order that should be given to all employee or personnel. It is because all staffs need to be guided to go to the route of the MVO of the company. coming back to Donald Trump in those days, when he was leading the apprentice in the US. After many years, till now, he is one of the presidents who has a big voice. The principle of think big,make it happen business in life, this is the principle hold by donald trump. PMS, is a tool, a vital important, because without this, people are the body without souls, or human being walk without leg. It is as a tool or a bridge, it is to equip the employees to lead them en route to the destination. However, in this borderless world, all these ought to be done and to have a strong leader to lead them, with a certain characteristic to lead them. One of the most important factors that is suitable is sense of belonging in this company. everyone has to have the sense of belonging and the passion to perform their duty. And also the employees need to have mentors to ensure that they are doing the right thing on track to the ultimate goal. And from time to time, I believe that they need to adapt or adopt certain principle of new management strategic management from the latest , for instance Robert Kiwosaki. First, must think big, trust yourself and thirdly you must be passionate when you do something, self-determination and also sense of belonging , I think these five principles are more than enough if it is executed. And of course as I mentioned earlier, weekly , quarterly monthly meeting must be held, why am I saying this, because from these we can determine where is the weaknesses, how assessment can be made, how evaluation can be made, which lead to PMS. However, if we see big companies in Malaysia like Petronas, Khazanah, why all these companies fail, and one of the companies under Malaysian Airline System, it is suffering towards natural death. That is why PMS, SOP administrative or any other related to the orders or any directives that should be given to the employees and they well understand how it can be executed, if they cant understand, about these simple set of rules, I think, failure will be waiting and natural death will be coming to this company.

**Interviewer:** in your opinion, how do you think that PMS can be implemented in family owned company

**Legal advisor/ partner:** in my point of view, first rule is sense of belonging. It means that each employee should have this in their soul. Sense of belonging it means that this company belongs to them. If this company fails they are jobless. They should have sense of responsibility, and also accountability, whatever they do, they are accountable for. And if they fail to follow the rules and procedures, they will failure and definitely in a long run the failure will affect their company. and as a result, they are jobless. Thirdly, they should have discipline, integrity are the keys for most of big companies still sustain and still are competitive in this new world. Fourthly, they should have punctuality in terms of performing and carrying out their duty. Time is vital important. Fifthly, they ought to have their own self belonging in whatever they do, it will affect

the company and their job. Manage the time properly as I mentioned earlier, and be sure they should be professional in dealing with people. Communication, this is one of the factors, that I think from my observation, the communication skill is lacking. Because effectiveness or efficiency must couple together with communication skill. And of course, their attire in the office. As mentioned by Edward de bono, they should be able to distinguish, this is official, this is family, this is friend, this all of the facts can't be mingled or mixed together, in this regards, the thin line, they should distinguish, where am I. or I work for whom. Even if you work in family, like YTL, one of the listed companies in Malaysia, they can differentiate it, they are seven siblings, brothers and sisters, and when dealing with them, they are really professional, they know the rule and function, they know how to deal with the problems, and how to solve the problem. Moreover, research and development in a company should be implemented, because most of the big companies in the world Samsung, Apple, or other companies, they have strong research development. And of course all this expertise, they will do their research and comparative, and now if you observe in Japan or new economy power in China, they are really having good research development, therefore, in order to stay competitive and to sustain and to stay relevant in Malaysia. This company needs to take lesson learnt from their failure till end of this year. And be frankly if they don't admit what they did before, and they don't learn, and my point of view, they will fail and they will no more sustain in Malaysia.

**Interviewer:** in your opinion, what are the advantages and disadvantages if PMS is to be implemented in this family owned company and the size of the company?

**Legal advisor/partner:** in my point of view, the advantage if PMS is executed, for sure it will enhance more money, the capital, and will encourage more students and more investor, will come in. however, the key here is trustworthiness. If they have certain integrity, certain discipline and can be trusted, for sure this is the advantage for this company in terms of KPI, and all this while, the check and balance ought to be executed, why am I saying this? It is because, check and balance is very important. Coming back to the theory that we learn, Montesque theory, judiciary, parliament, and administrative. If these three bodies is mingled, and mixed, definitely, it will not have check and balance. Check and balance is important in terms of financial, debit credit income, and how the money and financial, have been expense, how they expense the money, and this is important because, without capital, without money, how the company will run and check and balance, integrity, trustworthiness is not internalized for each of the employee, I believe this will be very weak. It is like a tree, if there is no strong root, and the tree will collapse. Disadvantages, it goes to the employees or it goes to the employer, they feel distress because it is very strict, and most of the employees, they are staying in the comfort zone. Whereas this will be disadvantages for the company. for a long run, people surrounding, they are making observation, the performance, trust, integrity, this is spreading by mouth, and in the new media war, media social, in a few seconds the whole world would know. That is why wherever you go, abroad, people will judge you. First thing first is trustworthy, your integrity your discipline, and of course from time to time you should enhance new knowledge, new experience. How does it come to you? Through reading, through meeting, seminars and many other ways, or many other tools or many other methods, all these must be internalized by each staff, the power of knowledge, the power of networking, the power of communication, these are the rules that must be in their minds. If they know but it has not been done, it will be a failure, and as a result, the whole thing will

be affected especially to sustain and competitive, especially next year, the year 2020, people are becoming smarter and smarter, and if you are still in the comfort zone, or under the cocoon, you think that you are well smart, whereas you know nothing, you are nowhere, the power of knowledge, the power of education, the power of networking, integrity, trustworthy, self-esteem, your pride, sense of belonging, these are the rules need to be have, implant in your mind, and of course, change or transform, to anticipate to predict the change, we must be ten steps ahead, in order to ensure for the competitiveness. A big company, in Europe or US, most of developed countries, they are looking for integrity. They are looking for trustworthiness, they are looking for discipline, they don't want to stay under the same way. That is why, my point of view is if they still under the cocoon, they don't want to learn, definitely I believe they will be dead.

**Interviewer:** how can PMS influence the growth of the company?

**Legal advisor/partner:** in this regards I believe that PMS is one of the factors, I strong believe to support my view, without PMS, without certain rules, PMS, you are nowhere. It means that PMS is a system from the history, it shows that, has lead to the ultimate goal, for example, Apple Steve Jobs, Samsung korea, and then Mr Donald Trump, president of the US currently, what he is doing right to apply most of the business and PMS, how we make evaluation and assessment, that is why he is leading the US and now the world through business, coming back to the fact about business, from my reading and research, I find that Starbucks that every fifteen minute, they will be new outlets open world wide. Why? It is because PMS is in place, and from time to time, they make, an evaluation and they improve it from time to time. This brings them to climb the leader of success. Thousands step begin with the first step. Most of the big companies, big brother, like the US, they learn from mistakes, and from my research, president of America has fallen several time, and he wakes up, lesson learnt, he learns through failure, we must be strong enough and believe that from our failure, it is a valuable thing that you can learn about, from this you can make you own framework, from you findings you can make your own recommendation and of course solutions. Whatever problem, talk about problem, but you are looking at that problem, as the best for you to learn. You can make the solutions, you think about it, whether you think creatively and this has to be supported with fact and figures, and my view is that, if this company still in most of, they are in the family and still in comfort zone, and they don't want to learn new things, they don't accept failures, and they don't want to learn from other companies, they cant achieve. And if they don't want to make it as a lesson from their experience, it is difficult for them to sustain and stay competitive in this new world.

**Interviewer:** how do you think, PMS will affect the employees of this company?

**Legal advisor/partner:** from my observation, if PMS is implemented, for a long run they will be demotivated because they think that this company belongs to their family. The thing is they can be free. however, in terms of business, to me there is no such thing of thing about selfish or think about themselves, if you want to sustain, or you want tot develop your company, you must be ready in your mind to transform and change, the behavior of the company, the attitude, there are three things about human being, the attitude, the skill and knowledge. The new dimension of attitude skill and abilities. Abilities, ability to handle people, the ability to face new challenges, the

ability to anticipate new challenges, to predict new things, like a wave, we must be able to face new challenges especially in borderless country. You cant stop people from spreading any news Just few seconds, it can spread all around the world. That is why the importance of integrity, self-discipline and self-determination , and I would like to add in, that blue print , the framework, or action plan, all this must be documented, I will cite RMP, what happened here facing a lot of problems. Truly there are other agencies worst than RMP, however, it is a leading enforcement in Malaysia, hold a lot of rules and law in Malaysia, they are under the microscope, for this small company to develop to sustain and to stay competitive, they need to change, they need to transform especially this end of the year, 2020, if they don't take this failure for new challenges next year, it is going to be difficult for them. They should have a blueprint, action plan, how to execute. And this must or should have mentor supervisor with strong character or behavior. In an organization, behavior, attitude, ability skill and knowledge all these components, must be put in one, and also all these to have check and balance and must be evaluated thoroughly to done from time to time.

**Interviewer:** could you please summarize PMS in the context of the company.

**Legal advisor/ partner:** I would like to sum up, as mentioned earlier in my introduction, integrity, consist of self-discipline, honesty, trustworthiness, these are the components to me are paramount important. We cannot hide, we cannot sweep under the carpet, people surrounding they are talking, even though it is not an official report, from the feedbacks, for a year, I have received a lot of feedbacks quite negative, my mid point, my own solutions, if integrity, they cant uphold it properly they will not be relevant because of in terms of legality in come tax, in terms of legal from the court, people are demanding , using and keep changing the name here and there, to me to be a good company, to sustain competitive you must hold just one name. if you keep changing the name, people will judge you and cannot be trusted. That is why integrity consist of all things, all elements that I mentioned must be uphold, to uphold this, you must be honest, honest to yourself. My observation after a year, they have to change, they have to transform, don't feel like this company belong to my company, it belongs to me , my father and my family, a lot of embezzlement had happened in this company. I would like to wrap up, integrity is the most important thing.

**Interviewer:** thank you very much for your time

**Legal advisor/ partner:** you are welcome.