International Journal of Social Science and Economic Research

ISSN: 2455-8834

Volume:01, Issue:08

PERFORMANCE MANAGEMENT: A COMPARATIVE STUDY OF SMALL AND MEDIUM ENTERPRISES IN THE UK

[1]Dr. Iftikhar Ahmed Butt, [2]Dr. Muhammad Shabbir

[1,2]Assistant Professor, University of Management Sciences and Information Technology Kotli AJ & K (Pakistan).

ABSTRACT

This paper explores performance management practices of Pakistani-owned enterprises in the UK. The special focus of the study was to contrast and compare small and medium enterprises in terms of their styles and strategies to utilize their human resources with an ambition to achieve higher performance. The study was aimed to gain insights through practical scenarios of these enterprises and make them a source of knowledge and inspiration for similar enterprises in the UK and Pakistan. The investigation was conducted around 21 respondents of 7 enterprises selected through simultaneous use of cluster and judgment sampling. The researcher was especially interested to pick and choose information rich cases with a better image of growth and development. The data gathering process was undertaken through in-depth face to face interviews facilitated by unstructured questionnaire. The analysis of the data revealed that performance networks varied from small to medium companies. Small firms were informal, flexible, less organized in their day to day operations. In contrast medium firms preferred to carry out their works in a formal and organized manner particularly at managerial and administrative levels. However, they were found flexible, generalized and informal at operating levels. Overall operations of these enterprises were being reinforced by their size, resources and nature of their products and services. Finings of the study are expected to provide some useful guidelines to similar enterprises to improve and refine their performance management practices and enabling them to grow and compete in the market.

Keywords: Performance Management, SMEs, Discipline, organizational structure, working environment, UK, Pakistan

1. INTRODUCTION

This research paper explores performance management strategies and practices of Pakistani-owned enterprises in the UK. The research was directed to conduct an empirical investigation

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

around selected enterprises to discover some facts and figures about utilization of human resources in these enterprises to achieve better performance. The special focus of the study was to obtain a comparative view of small and medium sized enterprises and to learn some lessons from their experiences. The target population (comprising 42 enterprises) was taken from the county of Bedfordshire - an area thickly populated with Pakistani-owned enterprises. Total population was divided into two major clusters of businesses - *Trading and Services* and then a group of 7 enterprises was selected from different categories of these businesses. The researcher did his best to select enterprises with potential to represent whole target population.

The research conducted around a selected group of enterprises discovered some valuable insights and thoughts about organizational structure, distribution of work, monitoring of activities, performance evaluation, discipline and overall working environment. The analysis of the data revealed that small enterprises (with 10 to 49 employees) are inclined towards centralized organizational structure. Paternalism is quite evident in these companies. Entrepreneurs of small firms believe that centralized structure facilitates centralized control of operational activities. They were found of the opinion that few operations and small number of employees it is better to keep a central check and balance to ensure uniform and speedy operations. Everyone was responsible before top management for his or her performance at work. Collectivism was another important aspect of these enterprises. They believed in team work and team operations. Despite clear distribution of work people were inclined to provide voluntary covers to each other in the case of emergencies are busy working hours. The word discipline was rarely used in these enterprises. They preferred to correct people through counseling, guidance, and support instead of any disciplinary measures against them. Performance of employees was being evaluated on the basis of team operations instead of individual basis. Overall working environment of small firms was based on consultation, cooperation, team work, voluntary covers and work-life balance.

On the other hand, medium enterprises (with over 50 employees) preferred a decentralized structure to provide some freedom to people down the line to take their decisions by themselves and run day to day operations of their working units without waiting for any directions and instructions from the top management. They believed that centralized structure leads undue delays and generates conflicts between different levels of performance management, particularly in the organizations where large number of employees are performing their respective roles under different departments and working units. The data further revealed that individualism is a leading feature of medium companies. Specialized roles and responsibilities are common at managerial and administrative levels, whereas generalized operations are preferred at operating levels. Performance based evaluation is another phenomenon of these enterprises. Employees are

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

evaluated in the light of their individual performance instead group performance. However, group evaluation may be applied in the case team based operations. Medium enterprises were found more disciplined as compared with small enterprises. Employees were held accountable for their negligence or wrongdoings. In some cases people were suspended or terminated from their services if they could not correct their behavior as per requirements of the organization. With regards to working environment a close similarity was found between small and medium companies.

2. RESEARCH QUESTIONS

Q1. What are performance management practices of Pakistani-owned SMEs in the UK?
Q2. How small and medium enterprises are different in terms of their performance practices?
Q3. What are implications of these experiences for similar enterprises in the UK?

3. RESEARCH OBJECTIVES

- To discover key contributing factors in shaping performance management practices of Pakistani-owned enterprises in the UK.
- To compare and contrast small and medium enterprises.
- To explore and indentify key results and making them a source of knowledge for writers, researchers and entrepreneurs.

4. LITERATURE REVIEW

4.1 SMEs defied:

The term SMEs stands for small and medium-sized enterprises. SMEs have been defined differently in different countries in terms of number of employees, turnover or balance sheet total. However, it is important to clearly define SMEs in given economic and business circumstances, because definition is an important tool for implementing efficient measures and programs to support the development and success of SMEs (DTI, 2005).The European Commission (DTI, 2005) has a single SME definition that includes micro firms (less than 10 employees), small businesses (10-49 employees) and medium sized enterprises (50-249 employees). The main factors determining whether a company is an SME are:

1) Number of employees and
2) Either turnover or balance sheet total

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

Table 1: Definition of SMEs

Enterprise category	Head count: annual work unit (AWU)	Annual Turnover or	Annual balance sheet total
Medium sized	< 250	≤ £30.95 million or (in 1996 £30.16 million)	≤£30.397 million (in 1996 £20.13 millions)
Small	< 50	≤ £7.9 million or (in 1996 £5.53 million)	≤ £7.9 million (in 1996 £3.95 millions)
Micro	< 10	≤ £1.58 million (previously not defined)	≤ £1.58 million (previously not defined)

Source: DTI, 2005

Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. It focuses people on doing the right things by clarifying their goals. The overall aim of performance management is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership. The research conducted by CIPD in 2003 (Armstrong and Baron, 2004) elicited the following views from practitioners about performance management. We expect organizations to recognize it (performance management) as a useful contribution to the management of their teams rather than a chore. Managing performance is about coaching, guiding, motivating and rewarding colleagues to help unleash potential and improve organizational performance. Where it works well it is built on excellent leadership and high quality coaching relationship between managers and teams. Performance management is designed to ensure that what we do is guided by our values and is relevant to the purposes of the organization.

4.2 Performance management in SMEs: One of the more contradictory images of HRM in SMEs is the apparent coexistence of 'informality' with a new wave of 'professionalized' performance management strategies. The new agenda covers a range of practices that are similar to the 'high performance work-place' of larger organizations (Duberley and Whalley, 1995). Examples include devolved managerial responsibilities, cultural change programs, team working and a range of employee involvement initiatives (Dundon et al., 2001). Downing-Burn and Cox

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

(2005) reported on small engineering firms using various high commitment practices such as quality audits, team working, job rotation and communication techniques. According to the literature, around one-fifth of SMEs have been found while using a range of performance management practices such as equal treatment/equal opportunity practices, union recognition, flexible working arrangements, and payment-by-results payment schemes. An increase has been reported in these practices by the passage of time (Forth et al., 2006).

4.3 Managing a satisfied and committed work force: The evidence from the UK Workplace Employment Relations Survey (WERS, 2004) reveals that employees in small firms report greater organizational commitment compared to large firms (Forth et al., 2006). Edwards et al. (2007) suggest that high levels of satisfaction and commitment in these enterprises may be due to a stronger sense of shared purpose - or even shared misery in very difficult circumstances - rather than evidence of harmonious employment relations. In respect of job satisfaction, it has been suggested that that size of the firm does appear to influence job satisfaction across a range of indicators, with workers generally most satisfied in the smallest organizations (Edwards et al., 2007). The literature-based evidence further highlights the fact that higher levels of employee satisfaction and commitment are linked with a favorable working environment in SMEs. As reported by Truss et al. (2006) people in these enterprises find opportunities to feed views upwards, feeling well-informed and influence managerial decisions (Truss et al., 2006). These opportunities are potentially associated with smaller workplaces and close interaction between employer and employees. Similarly, in contrast to large firms, small firms have more control over their internal environment and can potentially provide more opportunities for employees - through informal mechanisms such as informal and personal communication within the organization which creates a closer identification with the organization (Hodson and Sullivan, 1985). Contrary to above evidence, some authors are of the opinion that organizational commitment within organizations of the same size will vary according to both people management and operational aspects that influence the quality of the employment relationship and, in turn, perceptions of job quality within organizations. In other words, organizational commitment would be lower in SMEs with low employee satisfaction as compared to SMEs with high employee satisfaction (Saridakis et al., 2013). Furthermore, Storey et al. (2010) found that management formality has a significant negative effect on job satisfaction and employee commitment in single-site SMEs. Contrarily, Saridakis et al. (2013) argue that in certain circumstances, it may be deemed appropriate to formalize HR practices within underperforming SMEs with low employee satisfaction. However, in SMEs with high employee satisfaction, formalization may be viewed as both undesirable and unnecessary, and thus may have a negative effect on employees' commitment (Hutchinson and Purcell, 2003; Roberts et al., 1992).

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

4.4 Performance measurement in SMEs: There have been substantial changes in business performance measurement in the last 20 years, which has led to the development of new performance-measurement frameworks, of which the Balanced Scorecard (BS) concept is considered to be among the most popular (Tennant and Tanoren, 2005). BS is based on the principle that a performance measurement system should help managers (at all levels) monitor results in their key areas. The system forces managers to look at the business from four important perspectives (Kaplan and Norton, 1996).

(a) How do customers see us? - Customer perspective
(b) What must we excel at? - Internal perspective
(c) Can we continue to improve and create value? - Innovation and learning perspective
(d) How do we look to shareholders? - Financial perspective

The BS has been widely implemented in large organizations all around the world as a performance measurement framework and a strategy implementation methodology. The concept of BS also needs to be implemented in SMEs. The research suggests that SMEs are not aware of the BS and hence, the usage rate is very low compared to large companies. Furthermore, SMEs were found to be oriented towards day-to-day activities resulting in largely ineffective performance management of important but intangible assets such as employees, information systems, organizational learning and innovation. To improve efficiency, productivity and overall performance of their employees, these enterprises need to understand and apply the approach of BS like large organizations (Tennant and Tanoren, 2005).

5. METHODOLOGY

This research was undertaken through self administered face to face interviews conducted around 21 respondents of 7 Pakistani-owned enterprises in the area of south London. This area was thickly populated with Pakistani business community where a large number of Pakistani origin entrepreneurs have established their businesses at micro, small and medium levels. The researcher spent few weeks in preparing a complete list of potential cases which met the criteria of SMEs. Literature reveals that this form of sampling is often used when working with very small samples such as in case study research (as in the case of current project) and when a researcher wish to select cases that are particularly informative (Newman, 2002). To select representative samples out of target population, the researcher divided total population into two groups: 1) Trading (19 companies) 2) Services (23 companies). Again first group was divided into 3 categories and second group was divided into 4 categories. It was decided to shortlist total population while selecting 3 cases from each of these categories and 21 cases in total. The

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

shortlisted cases were evaluated in the light of information gathered through informal surveys conducted at the beginning of sampling process. After having a critical evaluation of these cases, the researcher selected 7 cases (3 medium and 4 small) out of 21 cases while taking 1 case from each of 7 categories. By this way, the researcher did his best to ensure that selected samples contain enough potential to represent characteristics of whole population.

Data gathering process was facilitated by unstructured questionnaire composed of open-ended questions. The interview questions varied depending upon nature, size and products of different enterprises. There was frequent addition of new questions and deletion from existing list of questions with flow of conversation with different respondents. The subjective and qualitative nature of the research required detailed interaction with respondents to collect in-depth information related to *what, why and how* types of the questions. Therefore, all respondents were contacted to conduct face to face interviews. It was not possible to conduct in-depth interviews through telephone, internet or mail questionnaire. Because of the face to face interview approach, the researcher and respondents were also flexible/comfortable in making changes/adjustments in interview timings with mutual understanding (Healy and Rawlinson 1994; Jankowicz, 2005) The conduct of these interviews was very important for the researcher. Keeping in view the suggestions of Saunders et al. (2007), the researcher did his best to take special care about interviewees in the process of conducting these interviews, particularly at the beginning of these interviews. Every interview was conducted while developing a pleasant atmosphere with the interviewees. They were taken into confidence while taking the following measures:

- Keeping in mind their convenience to agree with an interview appointment.
- Leaving the time and venue for these appointments on their discretion.
- Explaining the purpose of the research to every interviewee.
- Giving assurance regarding confidentiality of the data.
- Stating that they were not required to compulsorily cease their usual work.
- Providing written documentation of main themes of these interviews in advance for the convenience of interviewees.
- Briefing interviewees about the process of the interview, e. g. approximate number and range of questions to be asked, number of interview sessions and expected time needed to complete these them

6. FINDINGS

Analysis The empirical investigation discovered some valuable insights about performance management strategies and practices of these companies. The entrepreneurs/owner managers are

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

pursuing hard to achieve better performance through effective utilization of their human resources. They aimed to get better results by placing everyone at right position according to his ability and aptitude. There was a clear allocation of roles and responsibilities. The owner-managers monitored the day to day activities of their employees and reviewed their progress towards goals and objectives.

The data indicated that performance management styles and strategies varied from company to company depending upon different nature, size and resources of these companies. Particularly, notable differences were found between small and medium companies. As reported by the participants, the concepts of work distribution, formalization, specialization, decentralization and evaluation (of performance) were preferred in medium companies as compared with small companies. Medium companies with a number of employees and large scale operations were inclined to delegate authority and responsibility down the line to managers and supervisors to facilitate quicker decisions and operations; whereas, small companies because of a small workforce size and fewer operations, preferred a centralized approach to managing and controlling people and their performance. Table 2 below provides a comparative view of performance management practices in small and medium companies.

Table 2: Performance management practices of small and medium companies

Small Companies	Medium Companies
• Undifferentiated / homogeneous work schedules • Centralized control • Generalized roles and responsibilities • Informal distribution of work • Informal process of monitoring and feedback • Collective responsibility • Informal reviews of performance	• Differentiated / heterogeneous work schedules • Decentralized control • Specialized roles and responsibilities • Formal distribution of work • Formal process of monitoring and feedback • Individual responsibility • Formal reviews of performance

Source: Primary data gathered by the researcher

The following sections provide a detailed and comparative view of performance management styles and strategies of small and medium companies.

Small companies

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

6.1 Uniformity of work schedules in small companies: Small companies were found using uniform work schedules for most of their employees. They issued similar work schedules for a majority of their staff to dispel any impression of disparity or discrimination among employees. About similarity of work schedules Mr. H. B. commented:

"We do our best to maintain uniform work schedules for all of our employees. Every one works for six days - 48 hours per week and enjoys one holiday per week according to his will and choice".

Many other respondents from small companies responded similarly and favored uniformity of work schedules. As they remarked, uniformity led uniform pay, which in turn generated positive impressions in the minds of employees towards the organization and its management.

6.2 Centralized control: It was identified that small companies favored *'centralized control'* over people and their performance at work. People were required to follow instructions from top management about their day to day activities. There was no concept of middle management in these companies and therefore employees enjoyed close and direct interaction with the management. Employees work like a team rather than as of individuals. They feel more freedom and comfort at work. Mr. S. M. argued in favor of a centralized control as follows:

"We favor centralized system to keep in touch with our employees and directly monitor their performance. The management can take prompt action to resolve an undesirable situation instead of waiting for days and weeks. Similarly, employees can provide regular feedback to the management.

6.3 Generalized roles: The data revealed that small companies preferred a *'generalized approach'* towards roles and responsibilities. Participants were of the opinion that people with generalized skills could frequently cover each other in the case of emergencies. About the importance of employees with generalized skills in his company, Mr. T. K. commented:

"We understand that generally skilled people are more valuable for us as compared to people with specialized skills. We are convinced to train our people to cover each other and perform at different positions regardless of their described roles or job titles in the organization".

Mr. T. K. explicated in favor of generalization as follows:

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

"Because of the generalized potential of our employees, we rarely need temporary or part time staff to cover emergencies. We can easily find suitable alternatives of everyone within company premises".

A number of other respondents highlighted the fact that generalized styles of work were more effective at operating level where limited skills were needed to perform at semi-skilled jobs; however, this approach was less effective in technical and managerial positions where a higher level of professional ability and skills were needed to meet the requirements of the job.

6.4 Informal distribution of work: Unlike medium companies the process of work distribution in small companies was undertaken on daily or weekly basis. As reported by the majority of respondents, the process remained informal with flexibility to make necessary changes/adjustments in work distribution where required. Contrary to medium or large companies, reshuffles/rotations were common in small companies. Arguing in favor of work distribution and job rotations, Mr. H. B. expounded:

"Distribution of work generates a sense of individual responsibility and accountability among employees. At the same time, job rotations/reshuffles develop a sense of team work and collective responsibility among them. We favor existence of dual system in our organization to achieve efficiency and better performance".

Mr. R. M. described his point of view as follows:

"We understand that existence of dual approach of 'individual responsibility and functional flexibility' contributes in developing an all rounded dynamic workforce to achieve higher performance in organizations".

6.5 On-going process of monitoring and feedback: To achieve the desired level of performance, *'Monitoring and feedback'* remained as a continuous process in these companies. People's behavior at work was continuously monitored directly through face to face interaction or through CCTV cameras. As pointed out by Mr. and Mrs. S. M.

"We continuously monitor employees' behavior at work through cameras or face to face interaction with our employees with regard to multiple things including - their regularity, punctuality, commitment, quality of work and overall contribution for the organization".

The respondents argued that continuity of the process (monitoring and feedback) facilitated timely corrections/improvements in order to achieve desired results within specified limits of

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

time. As emphasized by a majority of respondents, management and employees were expected to keep in touch with each other, to exchange information about progress and problems at work and to facilitate quick actions to resolve any undesirable situation.

6.6 Collective responsibility: In small companies there was 'collectivism' where people were held collectively responsible by top management for their performance. The participants highlighted the fact that despite informal methods of work distribution, people were expected to perform as a team while helping and guiding each other. At the managerial level, few individuals were answerable in person to the top management; however, at the operational/working level, employees were held collectively responsible and accountable for their roles and responsibilities. The respondents were of the opinion that the concept of collective responsibility worked well where people were generally trained to perform at multiple roles instead of specific roles. In their opinion, team work was the natural result of collectivism and generalization.

6.7 Informal performance reviews: Alongside monitoring and feedback, these companies also *'reviewed'* their performance to identify any gaps between targets and achievements. Most of the review process was conducted on daily and weekly basis and remained informal. The objective of the review process (as reported by the respondents) was to identify weaknesses/ shortfalls on the part of management and employees and to improve things in future. Figure 1 depicts a model providing a quick view of performance management practices of small companies:

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

Figure 1: Performance management practices of small companies

Source: Primary data gathered through case studies

Medium companies

6.8 Differentiated work schedules: Unlike small companies, medium companies were inclined to apply differentiated work schedules because of heterogeneous nature of their administrative and operational activities. As reported by the majority (75%) of the respondents, there was a wider distribution of work among different departments/functional units requiring people with different abilities and skills. Mr. S. R. argued in favor of this approach as follows:

"We observe different work schedules for managerial, technical and operating staff of our company to meet requirements of differentiated role and responsibilities. This approach facilitates effective utilization of human and material resources".

The majority of the respondents from medium companies were found in favor of differentiated work schedules for different departments and people working with them to enhance functional efficiency and effectiveness of each and every functional unit of the organization.

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

6.9 Decentralized control: As compared with small companies, medium companies preferred *'decentralized control'* over administrative and operational activities. Because of the vertical structure and larger number of staff, these companies delegated authority and responsibility to managers and supervisors to take day to day decisions, however, policy decisions were taken by the top management. Mr. A. B. outlined the situation of decentralized control in his company as follows:

"In our company, managers and supervisors enjoy full freedom to take decisions and run day to day affairs of their departments. We are seeking to develop a culture of performance where people enjoy a reasonable level of authority to perform their jobs according to their own ways under the guidance and support of the higher management".

Issues associated with decentralization: Majority of the respondents (75%) from medium companies was found to be in favor of decentralized control over administrative and operational activities of their companies. However, they pointed out some problems and issues faced by them because of this approach. In their opinion, overdependence on employees performing at middle or lower management was negatively affecting the quality of decisions and also the overall performance of these companies. In the words of Mr. M. A., some managers and supervisors took undue advantage of their authority, resulting in favoritism and bias. Whereas, about the applicability of decentralized system in these companies, Mr. I. K. expounded:

"I feel, the desired outcomes of decentralization depend upon competency and sincerity of managerial staff of a company. If they are possessed by require ability and skills to guide, help and control people under them, it gives better results as compared to centralization".

Mr. T. K. of the same company endorsed his views and suggested:

"Decentralization proves effective in the situation where managers understand limits of their authority, prefer interest of the company on their personal liking and disliking, provide regular feedback to the company about the progress and problems, and avoid perpetrating any sort of favoritism and discrimination in the decision making process".

From this perspective, some respondents were of the opinion that the dual approach of centralization and decentralization was more effective in medium and larger organizations. They suggested that key departments such as recruitment, accounting and finance should be centrally

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

controlled; whereas, operational departments such as sales, services, security and caretaking should be decentralized.

6.10 Specialized roles: The empirical investigation further revealed that medium companies preferred the philosophy of '*specialization'* instead of generalization. With regard to a specialized approach of his company Mr. G. S. explicated:

"Most of our staff at managerial and administrative levels is qualified and skilled to perform at specific positions. They are placed at these positions on permanent basis instead of temporary basis. The objective is to enhance their confidence and competency with the passage of time".

Some of participants from medium companies were of the opinion that it was not possible to give any hard and fast opinion about applicability of specialization or generalization in different companies at different positions. In their opinion, it totally depended upon nature, size and structure of the company in determining the feasibility and applicability of specialization, generalization or both of these approaches.

6.11 Formal distribution of work: Unlike small companies where process of work distribution remained temporary and informal, in medium companies, there was a more formal distribution of work among departments and people according to their needs and requirements. As highlighted by the participants of this research, in small companies the process of work distribution was linked with generalization; whereas, in medium companies this process was linked with specialization.

The majority of respondents were of the opinion that people should be allowed to work independently according to the given circumstances without the undue interruption of the top management. Mr. A. S. communicated to the researcher as follows:

"In our company, there is total distribution of work among departments/functional units to achieve work efficiency and effectiveness. The managers and supervisors are running their departments independently and enjoy full trust and confidence of the top management while performing their roles and responsibilities".

Mr. G. S. of the same company added:

"In our company, managers of different departments are fully authorized to distribute different jobs/tasks among individuals and groups in their respective departments according to their will

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

and choice. Each employee needs to report his manager about his job and performance instead of the top management".

The above examples give a brief view of work distribution and its importance for these organizations.

6.12 Individual responsibility and accountability: The data revealed that medium companies believed in the individual responsibility and accountability of their employees. Every Manager/supervisor is answerable to the top management for overall performance of his own department; similarly every individual is answerable to the manager of his own department instead of others. However, in some cases as pointed out by some of respondents, a team or group of individuals were held responsible for its collective efforts and contributions for the organization. In most of the cases, this happened during the group based tasks. Similarly, about the policy of work distribution and the concept of individual responsibility in his company, Mr. M. A. stated:

"Every department is responsible to complete its own package of assignments and report back to the top management. Similarly every individual takes responsibility to complete his/her own assignment and report back to the department manager. This process facilitates speedy decisions and speedy actions. It also facilitates clarity of roles and responsibilities and consistent flow of administrative and operational activities".

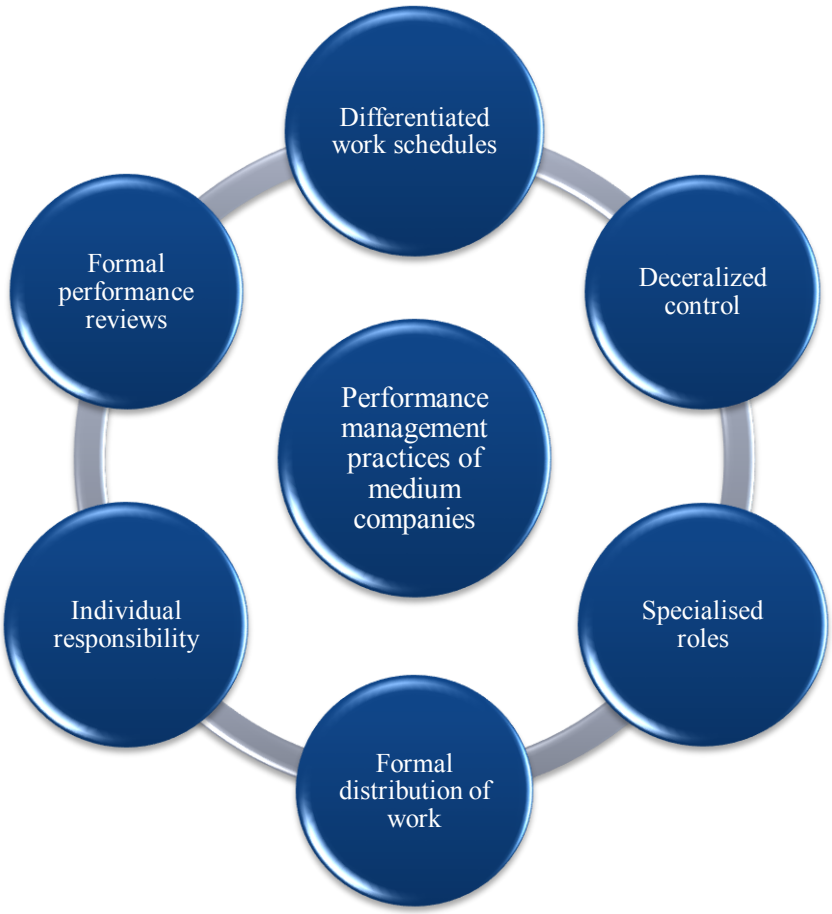
6.13 Formal reviews of performance: The empirical investigation further revealed that unlike small companies, medium companies were more formal and organized in monitoring and reviewing performance of their employees. The evidence from primary data indicated that top management closely monitored efforts and outcomes of managers and supervisors of different departments to keep them on target. They were required to provide hourly/daily reports of progress in their respective departments. Similarly, managers and supervisors regularly monitored the day to day activities of the people working under them in order to maintain focus. Alongside the continuous use of a monitoring process, medium companies conducted formal reviews of employee performance on weekly and/or monthly basis. As reported by the respondents, managers and supervisors were required to submit written reports about their progress and performance at work. Figure 2 reflects a brief view of people management practices of medium companies.

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

Figure 2: Performance management practices of medium companies



Source: Primary data gathered through case studies

Discipline

6.14 'Soft image' of the term discipline in these companies: The data further revealed that discipline was rarely used as the weapon of fear and punishment in these firms. It was mostly used to encourage people to avoid violation of prescribed systems and procedures. About application of the concept discipline in his company, Mr. H B remarked:

"We are pursuing to build-up a positive and soft image of the concept 'discipline' in our company. We understand, instead of fear and punishment, the disciplinary measures should be used to keep the people at right directions".

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

Furthermore, it was found that the concept of discipline was more limited in small companies compared to medium companies. Here discipline meant to implement work schedules, to ensure punctuality and regularity of employees and to control employee performance at work. In these companies (with some exceptions) people were advised about their shortcomings without taking any disciplinary action against them. On the other hand, in medium companies the term discipline covered both soft and hard measures to correct poor performance or the conduct of employees. While giving his vision about the concept of discipline, Mr. M. S. revealed:

"As I understand, the term discipline does not mean to exploit weaknesses of employees or to keep them under fear of punishment; rather it is an approach to control employees' behavior at work and to keep things at right directions".

Entrepreneurs of these enterprises preferred to keep them polite, flexible, and kind hearted with their subordinates. They avoided taking any serious action regarding employees' mistakes and omissions. They were of the opinion that no one was perfect, and therefore shortfalls/deficiencies were expected from everyone and everywhere. The data highlighted the benevolent and kind-hearted approach of entrepreneurs to their employees. They kept in close touch with their employees to help and guide them instead of putting them under pressure through disciplinary measures. In their opinion a gradual approach to correct and improve matters was better than exploiting the shortcomings of employees and expecting prompt improvements. Mr. T. K. expressed his opinion as follows:

I personally believe perfection does not exist and therefore individual mistakes and weaknesses are expected everywhere and in every organization. I understand that tolerating and advising behavior is more effective to correct shortcomings of employees instead of exploiting their weaknesses".

The data indicated that disciplinary proceedings against undesirable behavior of employees tended not to be initiated immediately. However, after issuing written and oral warnings, if things remain unchanged, companies did take disciplinary action to dismiss the employees who remained unwilling to change their behavior. However, as mentioned earlier, the concept of disciplinary actions rarely arose in small companies. Mr. T. K. favored a longer process to correct things without taking any actions to correct the situation. In his opinion:

"People should be reminded through formal and informal ways about their undesirable behavior at work. If there is no other way left to correct the situation, a disciplinary action can be proposed as a matter of last resort to mend the situation".

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

Table 3 below provides some highlights of discipline and disciplinary measures in these enterprises to keep the matters in place.

Table 3: Discipline and disciplinary measures in small and medium companies

Discipline in small enterprises	Discipline in medium enterprises
Soft image of term discipline	Both soft and hard image of term discipline
Limited use of term discipline	Frequent use of term discipline
Use of moral and social discipline	Use of moral, social and organizational discipline
Flexible rules and regulations at all levels	Flexible rules at lower level and inflexible at higher level
Rare examples of suspension or termination from service	Few examples of suspension and termination from service
Oral reminders and warnings to correct behavior at work	Both oral and written reminders and warnings to correct behavior at work
Disciplinary measures as a matter of last resort	Disciplinary measures as a matter of last resort

Source: Data gathered through case studies

7. CONCLUSIONS

The overall findings of the research have revealed the fact that Pakistani-owned enterprises in the UK are gradually moving forward through effective utilization of their human and material resources. They are strengthening their performance management practices to survive and grow in the UK's multicultural business environment. They are pursuing hard to run their day to day affairs in a professional manner to effectively compete in the market. These enterprises are making a blend of Asian and British performance structures to ensure more and more adjustability and acceptability among wider communities with an ambition to become main stream companies. They reflect a wider mix of centralization, decentralization, formalization, informalization, individualism, collectivism, high power distance and low power distance culture in their administrative and operational networks. A comparative analysis of the data further revealed that small and medium enterprises varied in their operations. Small firms were found more informal and generalized as compared with medium firms. They preferred specialization, formalization, decentralization, consultation and low power distance at managerial and technical levels; whereas these firms (small firms) were more inclined towards centralization,

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

generalization, informalization and high power distance at administrative and operating levels. They believed in team working, collectivism, voluntary covers and flexibility of work schedules to win motivated and loyal employees.

In contrast, medium firms were more inclined towards decentralization, formalization, specialization and high power distance at all levels of operations. However, they were found somewhat flexible and generalized at lower levels of management. Their work schedules were inflexible as compared with small enterprises. In small enterprises people were found comfortable in managing their work-life balance while dealing with their personal engagements even during their working hours. On the other hand, in medium firms due to fixed work schedules and specialized nature of tasks, it was too difficult for people to maintain a desired balance in their jobs and family lives. Performance practices of small firms were still under influence of Asian culture; whereas, medium firms were closer to British culture as compared with small firms. Overall analysis of the data discovered the facts that Pakistani-owned enterprises in the UK were pursuing to make a blend of Asian and British performance culture through hiring and keeping people from diverse backgrounds. They are formal, inflexible and specialized at managerial and technical level and informal, flexible and generalized at administrative and operating levels. These enterprises were found to build up their image as moderate and professional enterprises to survive and grow in the UK's highly competitive business environment.

REFERENCES

Armstrong, M and Baron, A (2004) *Managing performance: performance management in action,* CIPD, London.

Cox, A. (2005) Managing variable pay in smaller work places: In *Labour management in small firms,* eds. S. Marlow, D, Patton and M. Ram, London: Routledge.

Department of Trade and Industry (DTI) (2005) *The United Kingdom,* Wikipedia the free encyclopedia.

Duberley, J. and Whalley, P. (1995) Assessing the adoption of HRM by small and medium sized manufacturing organizations. *International Journal of Human Resource Management,* 6 (4), pp. 891-909.

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

Dundon, T., Grugulis, I. and Wilkinson, A. (2001). New management techniques in small and medium enterprises, In T. Redman and A. Wilkinson eds, *Contemporary human resource management: text and cases*, London: Prentice Hall.

Edwards, P., Gupta, S. and C. J. Tsai (2007) *Small satisfying but not all that beautiful: employee commitment and the small firm.* IRRU Briefing: Number 14, Spring, University of Warwick.

Forth, J., Bewley, H. and Bryson, A. (2006) *Small and medium enterprises: findings from the 2004 workplace employment relations survey.* London: Department of Trade and Industry.

Forth, J., Bryson, A., Bewley, H., Dix, G. and Oxenbridge, S. (2006) *Inside the workplace:* Findings from the 2004 Workplace Employment Relations Survey (WERS) London: Routledge.

Healey, M. J. and Rawlinson, M. B. (1994) Interviewing business owners and managers: a review of methods and techniques. *Geoforum,* 24(3), pp. 339-55.

Hodson, R. and Sullivan, A. T. (1985) Totem or tyrant? Monopoly, regional and local sector effects on worker commitment. *Social Forces,* 63, pp. 716–731.

Hutchinson, S. and Purcell, J. (2003) *Bringing policies to life: the vital role of front line managers in people management.* London: CIPD.

Jankowicz, A. D. (2005) *Business research projects.* 4th ed. London: Business Press Thomson Learning.

Kaplan, R. S. and D. P. Norton (1996) *The Balanced scorecard: translating strategy into action.* Cambridge (MA): President and Fellows of Harvard College.

Newman, W.L. (2002) *Social research methods.* 2nd ed. London: Allyn and Bacon.

Roberts, I., D. and Bamber, G (1992) Employee relations in small firms. In B. Tower (ed.) *A handbook of industrial relations practices.* London: Kogan Page. pp. 240–257.

Saridakis, G., Torres, M. R. and Johnstone, S. (2013) Do human resource practices enhance Organizational commitment in SMEs with low employee satisfaction? *British Journal of Management,* 24, pp. 445–458.

 Copyright © IJSSER 2016, All right reserved

ISSN: 2455-8834

Volume:01, Issue:08

Saunders, M., Lewis, P. and Thornhill, A. (2007) *Research methods for business students.* Harlow: Prentice Hall / Financial Times.

Storey, D. G., Saridakis, S. and Sen-Gupta, P. (2010) Management formality and employee evaluations of work. *Human Resource Management,* 49, pp 305-329.

Tennant, C. and Tanoren, M. (2005) Performance management in SMEs: a balanced scorecard perspective. *International Journal of Business Performance Management,* 7 (2), pp. 123-143.

Truss, K., Soane, E. C., Edwards, K. and Wisdom, A. (2006) *Working life: employee attitudes and engagement.* London: CIPD.

 Copyright © IJSSER 2016, All right reserved