



Received on 15 June, 2012; received in revised form 25 September, 2012; accepted 29 September, 2012

BARRIERS TO IMPLEMENTATION OF PERFORMANCE-BASED MANAGEMENT PRACTICES IN PHARMACIES IN A DEVELOPING COUNTRY

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ABSTRACT

The objective of this study was to conduct a survey and determine the barriers to implement performance-based management in pharmacies in Trinidad. PBM is defined as “a systematic approach to performance improvement through an ongoing process of establishing strategic performance objectives, measuring performance, collecting, analyzing, reviewing, and reporting performance data, and using that data to drive performance improvement” (Performance Management Handbook). A questionnaire was conducted, with respect to the presence or absence of barriers to implementation of performance-based management at pharmacies along the East-West corridor of Trinidad. A twenty-two (22) question survey was administered to sixteen (16) pharmacies to be assessed. This region was chosen because of its close proximity and convenience. Fourteen (14) of the twenty-two (22) questions were based on a Likert-type scale, so that respondents were able to specify their level of agreement or disagreement of applicability on a symmetric “strongly agree - strongly disagree” scale for a series of statements based on the barriers of PBM implementation. Pharmacies were selected in a non-randomized manner. The SPSS statistical computer software was used to estimate a model that would best describe the barriers to the implementation of PBM in pharmacies of Trinidad. While Performance Based Management (PBM) is implemented in various pharmacies throughout Trinidad, it is usually found in those of larger companies with more staff employed and also with the infrastructure and funding available to support this type of management. Since most pharmacies operate with smaller staff, most aspects of PBM are not practised but this does not mean that the management are unaware of PBM. Some pharmacists and pharmacy owners have expressed intentions of employing PBM in the future and do follow some of its practices such as employee documentation and giving performance feedback. However with the many barriers to PBM existing, this type of management may seem too cumbersome for most businesses to implement fully. Although, PBM may not be fully implemented in pharmacies, (especially smaller businesses) if most pharmacy owners do not adapt to changes in the business settings they may not reap the full benefits that come with performance management.

Keywords:

Implementation-Challenges,
Performance-Management & Developing
Country

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INTRODUCTION: Performance based management (PBM) initiatives within the public service of Trinidad and Tobago have been in existence since the early 1960s. All high-performance organizations, whether public or private, are, and should be, interested in developing and deploying effective performance based measurements and PBM systems, since it is only through such systems that they can remain high-performance organizations. Performance management goes by many names, is defined in a variety of ways, and includes an array of concepts.

Within the past decade, PBM has attracted much research interest from both the academic and business communities. In this respect, PBM is defined as “a systematic approach to performance improvement through an ongoing process of establishing strategic performance objectives; measuring performance; collecting, analyzing, reviewing, and reporting performance data; and using that data to drive performance improvement” (Performance Management Handbook). Although this may not be the ultimate definition, it is one that works best within the scope and concept of this study.

Basically, PBM follows the “plan-do-check-act” (Continuous Improvement) cycle developed by Walter Shewhart of Bell Labs in the 1930s. In the performance-based management cycle shown in **Figure 1**, the first step is to define the organization’s mission and to establish its strategic performance objectives (also known as the strategic planning phase). The next step is to establish performance measures based on and linked to the outcomes of the strategic planning phase.

Following that, the next steps are to do the work, collect performance data (measurements) and to analyze, review, and report that data. The last step is for management to use the reported data to drive performance improvement, i.e., make changes and corrections and/or “fine tune” organizational operations. Once the necessary changes, corrections and fine tuning have been determined, the cycle starts over again. (Note that accountability for performance is established at all steps in the framework.)

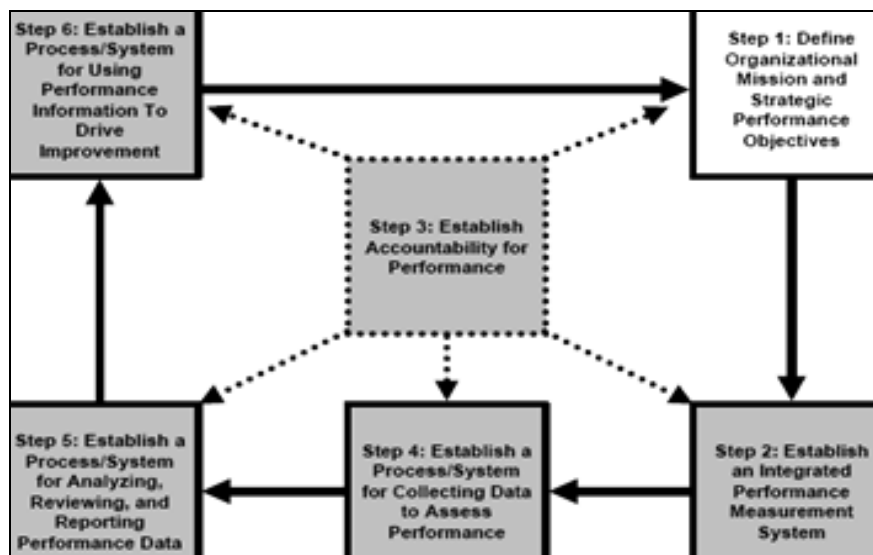


FIGURE 1: PERFORMANCE BASED MANAGEMENT CYCLE¹

The effectiveness of the process is defined as the achievement of financial as well as non-financial targets, the development of skills and competencies, and the improvement of customer care and process quality.

Besides the latter, there are numerous benefits that PBM can offer a business. Some of these are as follows:

1. It provides a structured approach to focusing on strategic performance objectives
2. It provides a mechanism for accurately reporting performance to upper management and stakeholders
3. It brings all “interested” parties into the planning and evaluation of performance.

4. It provides a mechanism for linking performance and budget expenditures
5. It represents a “fair way” of doing business
6. It provides an excellent framework for accountability
7. It shares responsibility for performance improvement
8. Targeted Staff Development
9. Encouragement to staff
10. Reward staff for a job well done
11. Underperformers identified and eliminated
12. Allows for employee growth

Despite these benefits, the fact remains that effective performance management systems are difficult to design and a number of various barriers have hindered businesses from successfully implementing performance based management. The implementation of an integrated performance management system (that is, integrating organization structure, human resources and technology towards superior public sector performance) is now at the forefront of the public service transformation agenda, as developed country status by year 2020 is the guiding vision and mandate of the Government of Trinidad and Tobago. Although Trinidad and Tobago’s public sector has not yet established a fully integrated performance management system, the Government recognizes the importance of such a system as a means of achieving the country’s vision and is moving assiduously towards its implementation. Since existing studies on these barriers in Trinidad are scarce, we aim to investigate these barriers in pharmacies located in the East West corridor of Trinidad.

Literature Review: As our research suggests, the presence of barriers to Performance Based Management (PBM) is a common occurrence in many workplaces. Researchers ¹ noted it rare to find an organization that doesn’t have problems with implementing of performance measurement system.

Firstly, employees’ resistance to change is quite regularly encountered, particularly in long-standing

businesses in which procedures have become habitual and attachments are formed. Artley and Stroh again explain, “It’s inevitable that you will find resistance to the performance measurement process, usually in the development phase. It’s human nature. It’s a fact: people don’t like change. And, besides, performance measurement may expose weak areas in employee performance. It also carries along that accountability factor. The only way to deal with resistance is by involving employees in the performance measurement process from start to finish.”

Artley ¹ discusses how the barriers to establishing an accountable environment eventually lead to the failure of PBM. These include, lack of leadership, lack of resources, and lack of follow-through.

If PBM awareness or training is lacking, it is obvious that managers are unlikely to adopt such systems in the workplace. Hazard reiterates that line managers often don’t have the skills to perform essential evaluative and developmental tasks. If such crucial qualities are absent from a manager’s portfolio, it is natural that PBM will not be considered for implementation, or if it is, that success will not be achieved. Without consequences or repercussions in place for poor performance by personnel, the ideal results may not be achieved ².

A vital element to the PBM process is the appraisal of employees’ performance. The lack of this element can certainly hinder the success of PBM in a business. According to the organization ‘The Thriving Small Business’ ³ a major part of Performance Based Management deals with employee’s performance appraisals. Appraisals can be encouraging to staff once they point out positive workmanship and addressed as situations arise so that annual reviews will not be something to be feared.”

They additionally stress that proper documentation of performance is imperative, “Of course employee performance documentation is important as all work displayed will be recorded for appraisals and reviews.” The article further points out that, “Incentives and rewards for staff are also beneficial to work output to employees.” It is therefore clear that lack of any of the aforementioned factors could manifest as a barrier to PBM.

Employee feedback is another important feature of the PBM process, which if absent would pose a problem. Jose Luis Romero states, "Feedback is essential because it allows managers to express to their employees both desired behaviours and undesired behaviours and this, when done right, can lead to increased desired behaviour and a decrease in undesired behaviours. When providing feedback, ensure that it is immediate feedback, specific to the behaviour, and frequently. The feedback should also be sincere on the part of the manager."

Behn ⁴ lists further fundamental factors that relate to our study. The list of barriers starts with the fact that individuals expect the best for themselves while trivialising the needs of society and the wider community. When a person's outlook resembles this, the urge to instil PBM into a business framework would be non-existent since PBM's structure values the needs of all stakeholders.

In addition, if employees perform their jobs with the fear of making mistakes and purpose of preventing negative impacts, this attitude would pose a hurdle to Performance Management. Employees should instead be focused on doing the job right and at their full potential.

Another psychological barrier is presented when management insists on improving and restructuring policies that are already put in place, rather than understanding that the root of the problem is simply that there is poor micro management within the existing workforce and that an entirely new policy may be needed. Behn expresses this as when "Policy thinking emphasizes creating better policy rather than managing better within the existing policy framework." Stroh emphasized this point by stating "it is very easy for personnel to get caught up in the process of developing and perfecting the process. When this preoccupation occurs, the original intent of improving performance takes a back seat, while people totally engross themselves in a jungle of charts and graphs and meetings to design and redesign and re-redesign the system. Beware of this cycle. Don't let the design process take over the overall project to improve performance"

Behn ⁴ also states that the idea of giving employees the freedom to make certain decisions is thought of by some to bring decreased productivity and progress. However, in actuality and following the principles of PBM, allowing employee-flexibility should increase morale and encourage higher standards of performance.

In addition, Behn ⁴ mentions that the holistic-picture thinking permits the enormity of the task to blind people to the opportunity to create meaningful improvement through a series of individually small but collectively significant wins." If employees only think of the success of the end result before analysing the smaller and simpler steps required to get to the outcome, then the process of workmanship becomes meaningless, and thus, optimum performance may not be achieved.

Some keys barriers to PBM include the funding restrictions/inflexibility and bureaucracy. These barriers were further illustrated in another article entitled '*Strategic Performance Management in Practice*' by Kourtit and de Waa ⁵ who state that a disadvantage to PBM is that it is too expensive and bureaucratic.

Statutory/Regulatory Requirements, Old Paradigms/Culture, Technical Data Rights Issues and Lack of PBL Awareness/Training as well as an Inability to Incentivize are all categorized as barriers to implementation of PBL.

Also included in our study were potential benefits to a PBM system. Enablers to PBL include end-to-end customer support, strategic alliances and performance-based metrics.

A direct proportionality (or any relationship for that matter) between barriers and PBM success was not proven. This means that the study proved that despite the presence of barriers, as long as enablers exist, PBM implementation will bring success. However, for the purpose of the study at hand, focus was placed on the barriers alone and the outcomes or influence on PBM implementation.

Methods: A questionnaire was administered to sixteen (16) pharmacies along the East-West Corridor of Trinidad. This region was chosen because of its close proximity and convenience since conducting a nationwide survey would have been impractical considering the time constraints of this project. It was ensured that all respondents were either Head Pharmacists (Managers) or Pharmacy Owners, since persons in such positions are better equipped to answer questions based on management. Fourteen (14) of questions were based on a Likert-type scale, so

that respondents were able to specify their level of agreement or disagreement of applicability on a symmetric “strongly agree - strongly disagree” scale for a series of statements based on the barriers of PBM implementation. The questionnaires were collected a day or more after distribution, so that respondents had ample time to complete them comfortably, and to the best of their ability.

RESULTS: The results of the study are summarized in **Table 1**.

APPENDIX 1

S. No.		Strongly Agree N (%)	Agree N (%)	Neutral N (%)	Disagree N (%)	Strongly Disagree N (%)
1	Insufficient infrastructure in pharmacy	0 (0.0%)	0 (0.0%)	4 (25.0%)	3 (18.8%)	9 (56.3%)
2	Lack of continual documentation	0 (0.0%)	0 (0.0%)	6 (37.5%)	3 (18.8%)	7 (43.8%)
3	Inability to exercise incentives	0 (0.0%)	0 (0.0%)	2 (12.5%)	5 (31.3%)	9 (56.3%)
4	Lack of performance feedback	0 (0.0%)	0 (0.0%)	5 (31.3%)	3 (18.8%)	8 (50.0%)
5	Inability to execute repercussions	0 (0.0%)	0 (0.0%)	5 (6.3%)	5 (31.3%)	10 (62.5%)
6	Lack adherence to legislation	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (6.3%)	10 (62.5%)
7	Lack of customer service	0 (0.0%)	0 (0.0%)	1 (6.3%)	1 (6.3%)	14 (87.5%)
8	Presence of public employees thinking	0 (0.0%)	0 (0.0%)	1 (6.3%)	1 (6.3%)	14 (87.5%)
9	Lack of strategic alliances and partnerships	0 (0.0%)	0 (0.0%)	1 (6.3%)	3 (18.8%)	12 (75.0%)
10	Absence of policy thinking	0 (0.0%)	0 (0.0%)	2 (12.5%)	3 (18.8%)	11 (68.8%)
11	Absence of PBM metric scale	0 (0.0%)	0 (0.0%)	4 (25.0%)	4 (25.0%)	8 (50.0%)
12	Presence of distrustful thinking	0 (0.0%)	0 (0.0%)	1 (6.3%)	4 (25.0%)	11 (68.8%)
13	Lack of performance documentation	0 (0.0%)	0 (0.0%)	8 (50.0%)	5 (31.3%)	3 (18.8%)
14	Lack of big picture thinking	0 (0.0%)	0 (0.0%)	4 (25.0%)	6 (37.5%)	6 (37.5%)
15	PBM implemented	0 (0.0%)	0 (0.0%)	5 (31.3%)	0 (0.0%)	11 (68.8%)
16	Intention of implementing PBM	0 (0.0%)	0 (0.0%)	7 (43.8%)	5 (31.3%)	4 (25.0%)
17	Lack of awareness	0 (0.0%)	0 (0.0%)	1 (6.3%)	3 (18.8%)	12 (75.0%)
18	Lack of training	0 (0.0%)	0 (0.0%)	4 (25.0%)	6 (37.5%)	6 (37.5%)
19	Old Paradigm	0 (0.0%)	0 (0.0%)	3 (18.8%)	5 (31.3%)	8 (50.0%)
20	Funding restriction	0 (0.0%)	0 (0.0%)	4 (25.0%)	5 (31.3%)	7 (43.8%)

DISCUSSIONS: It is evident from the data that the majority of responses per question strongly disagree to the problems, mentioned earlier, at their institutions. Everyone was not in agreement with the statements of various barriers mentioned in Table 1. Noteworthy though, are those taking a neutral position on the issue, meaning that these persons are unsure if this is in fact occurring, or do not want to say. If the former is true, proper education for the various categories of barriers needs to be implemented such as outlined in the Table 1.

CONCLUSIONS: A survey was done which involved the distribution of questionnaires to pharmacies along the East- West corridor of Trinidad. The barriers which may affect PBM implementation were presented and the answers were given in a rank order scale from strongly disagree to strongly agree. Numbers were assigned to the choices, including neutral options and the answers were summated.

Most pharmacists agree that the barriers to implementation of performance-based management practices do not exist where they operate.

Limitations exist where the persons actually filling the questionnaires out were Head Pharmacists and as such may not be entirely unbiased in their response. A person who is not in charge may have had a more candid opinion concerning the existence of barriers in the workplace.

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How to cite this article:

Maharaj S, Pandey S, Mohammed F, Ali S, Niamath A, Persad C, Roopchandsingh B, Ali F, Dialsingh I, Antoine R and Sahai A: Barriers to Implementation of Performance-Based Management Practices in Pharmacies s Developing Country. *Int J Pharm Sci Res*. 3(10); 3881-3886.