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I, Timea Henter declare that the work contained in this dissertation is entirely my own and that all sources used have been acknowledged as required by the college.

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Date:

MBA in Human Resource Management

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Dublin Business School
excellence through learning

The Strategic Challenges Involved in Performance Measurement System Design. A Case Study from Brazil.

A dissertation submitted in part fulfilment of the requirements of the MBA in Human Resource Management to Dublin Business School and Liverpool John Moore's University

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To the children in Solas Project, keep letting that light shine.

Table of Contents

List of Abbreviations

Human Resource Management = HRM

Resource Based View = RBV

Performance Management = PM

Performance Measurement System = PMS

High Performance Work Systems = HPWS

Abstract

The research set out to highlight on strategic challenges involved in performance measurement system design in Brazil. The subject bears high relevance in the current resource based view oriented management trends in leading organizations. The paper was eager to find how such a congruent subject is played out in the equally pertinent, emerging context of Brazil. It found that organizations strive to link their human resource management strategies to overall organizational strategies in order to practice effective performance measurement. Their practices are however based on theoretic principles as opposed to proven functional purpose. The lack of the latter is due to insufficient reflection on the macro-environmental and organizational factors influencing theoretic principles. The paper concluded the need for bespoke strategies and performance system measurement design. This will allow organizations to measure in a compelling manner. Implicitly, their human resources will perform beyond their functional expectations, turning into valuable assets. This will serve as strong basis for competitive advantage.

1. Introduction

Organizations are one of the most complex entities in the universe, consisting of thousands, even millions, of components. ‘What’ organizations decide to do is linked to their vision from which they build up strategies, goals and objectives. ‘How’ they do it is embedded in their values and operating principles. These are then translated into organizational and employee performance expectations. Attaining the desired results depends on synergic management and appropriate synchronicity. Strategic incorporation of human resource management (HRM) “(…) provides alignment of human resource practices and business/corporate strategy” (Ekhsan, Othman, 2009, pp.198). Appropriate synchronicity is reported to be achieved through such synergic management, which in turn leads to improved organizational performance.

A resource based view (RBV) of organizational strategy beholds internal firm resources as basis of competitive advantage (Pertusa-Ortega, Molina-Azorin, Claver-Corte, 2010). Ekhsan et al (2009) outline how participatory decision making, involvement of employees and the HR function as a whole can yield the basis for competitive advantage as opposed to business cost burden. Internal resources, systems and employees become aligned to strategic goals and objectives via performance management (PM). The cyclical process of PM deals with planning, monitoring, evaluating and rewarding performance Blasini et al (2012).

Within the process of PM, measurement has been recognized as a crucial management tool for the improvement of business performance. Measurement leads to understanding, which attends to control and improvement. “Performance measurement arose from divergent sources, to create and deliver strategy in expected and unexpected ways, means and forms” (Srimai, Radford, Wright, 2011, pp. 662). Interest in the subject increased considerably in the past twenty years as it evolved from a focus on the financial perspective into a non-financial one (Taticchi, Tonelli, Cagnazzo, 2010, pp. 4), expanding its original role of implementing strategy to facilitate strategy management (Srimai, Radford, Wright, 2011, pp. 667).

The challenges involved in measuring performance are as complex as the organizational entities in which the processes take place themselves. As suggested by Taticchi et al (2010) the vital question for organizations is what data to measure and capture in the way that it transforms it into value-making activities. The answer is of course context dependant, extremely complex to define and it is not the purpose of this paper to do so. Performance measurement systems (PMS) serve as tools that help find a part of the answer to the above question. While measurement is but a particle in PM, which is further but an aspect of the HRM mechanism within a RBV of organizational strategy, it is a particle that has a major influence on the strategic functionality of the entire mechanism. Although existing studies have highlighted the issue of the relevance and reliability of what is being measured and how it is being measured by these systems, no in depth research has been carried out regarding the importance of PMS design in overcoming strategic challenges. The literature carries little review over the relevance of an appropiate system design for effective measurement that can further lead organizations to competitive advantage.

This paper aims to contribute to the specialist literature with the recognition of the strategic challenges involved in the design of PMS and the environmental and organizational threats and opportunities to the enhancement of these systems. It seeks to further provide knowledge in the context of emerging markets, where little research was carried out to date, on the subject; despite their economic importance on a world scale. “(..) Once attractive only for their natural resources, or as a source of cheap labour and low-cost manufacturing, emerging markets are now seen as promising markets in their own right. “ (Howard Martin , Global Consumer Markets Product Leader, Ernst& Young, 2013). Brazil is, within the catergory of these markets “(…) not only a source of significant revenue growth for companies, but also a source of talent, true innovations and ground-breaking approaches to business” (Emanuelle Roman, Global Consumer Markets Product Leader, Ernst& Young, 2013), which makes the subject of this paper of high relevance within its case study context.

1.1. Research Area

This paper is set out to pursue the strategic challenges involved in PMS design within the context of large organizations in Brazil. Effective measurement is majorly dependant on appropiate system design. Consequently, the research will examine what can be learned from the management challenges involved in the design of theses systems in order to enhance effective measurement which can lead to competitive advantage.

The research investivates the opinions and attitudes of main stakeholders within large organizations in Brazil in order to establish the strategic challenges they are faced with. It further reviews the appropiate improvements advised by them, whilst outlining the obstacles to performance measurement system design progression.

1.2. Research Objectives

Research objectives are set as an evidence of the researcher's understandable sense of direction and purpose. As defined by Saunders et al (2009) these are coeherent, specific statements that reflect what the researcher is looking to accomplish via the conduct of the investigation into a particular subject.

The objectives that have been focused on in this paper are the following:

1. To examine the strategic role and effectiveness of HRM in large organizations
2. To analyze the role of PM in linking HRM strategy to overall organizational strategy
3. To determine the importance of PMS in achieving efficient PM
4. To discover the environmental and organizational factors that affect PMS design
5. To inspect the strategic challenges involved in PMS design in large organizations in gneral and Brazil in particular

1.3. Research Question

According to Clough and Nutbrown (2002) research questions have to be appropiate for investigation at a given time in a given setting.

It is important that they are not be too broad or too narrow as outlined by Saunders et al (2009) because the research question is the most critical part of the research. The topic of the paper is "(…) an interest defined narrowly enough'' for the reasearcher "(…) to imagine becoming a local expert on it" (Booth et al., page 41). The case study context is appropiate for investigation both in setting and time given the importance of the topic within HRM and the emerging nature of its case study context. The primary question that motivated the study is the following:

What are the strategic challenges of PMS design in large firms in Brazil?

The research aims to evaluate strategic challenges in PMS design in general and Brazil in particular. The question led the researcher to evaluate the role of environmental factors as well as internal organization effects on the design of an effective PMS.

1.4. Research Suitability

The researcher, who holds Bachelor of Arts degree in Political Science from the University of Bucharest has succesfully completed all the relevant MBA course modules in DBS. The knowldege gained from this course guided and ultimately helped the completion of this research. Specifical knowledge gained from HRM, International Management and Strategic Management course modules were used in the paper.

The researcher is confident about the knowldege gained through the completion of the all the course modules undertaken in DBS and due to this comprehension of, and enthusiasm for the subject of this research, the researcher is considered well suited for the completion of the paper.

1.5. Recipient of the Research

The dissertation paper is submitted, as part of the curriculum of Masters in Human Resource Management at Dublin Business School in Association with Liverpool John Moore University. The principal recipient of this dissertation paper will be Dublin Business School and Liverpool John Moore University. The primary recipient will be Mr. David Wallace.

Due to the investigation carried out upon PMS design in the Brazilian context where little research has been carried out to day, the respondents of the semi-structured interviews have shown an interest in the outcome of this research. A copy of the paper will be made available to the respondents of the semi-structured interviews

2. Literature Review

2.1 Business Strategy

Since the need for creative exploitation of intangibles arose; in the present era- knowledge assets became one of the key factors of production for large organizations. In the attempt of capturing, manipulating and channelling assets held by their HR (Gunigle et al, 2011) outline that organizations have directly aligned their HRM strategies to the overall corporate strategy. The theory holds that by establishing a HR philosophy and strategy that compliments overall strategic decision and improves organizational performance companies can create competitive advantage (Armstrong and Long, 1994; Budhwar, 2000; Schuler and Jackson, 1999; Ulrich, 1997).

As reviewed in articles by Law and Jones (2009), the effectiveness of this practice and the actual role of strategic HRM became the centre of much debate. Critics argue that the literature on the subject is either too normative or too conceptual to demonstrate its efficiency. There is a lack of empirical knowledge on the contribution of HRM to business performance (Prowse and Prowse, 2009, p. 145). The empirical studies that do exist outline single-country, best practice views focused on managerial opinions, as reported by Boselie et al (2009). This leaves a gap in the literature as summarized by Edgar and Geare (2009). Their study, outlined in more detail at a later stage in this paper, show the differences in attitudes towards HRM activities and the lack of research on their role from employee's perspective.

The diversity of the subject is well reflected in the high number of definitions that HRM has. Prowse and Prowse (2009) reports how these range from ones that define it as a product of employee welfare concern or workplace relationship development to definitions that go as far as to describe it as a mere change of terminology. The terminology is claimed to have evolved from industrial relations to employee relations and personnel management to HRM. Whilst this could arguably be the result of a shift from the ''collective''- trade union to the ''individual'' (Prowse and Prowse, 2009, p.147) focus within the practice, it is too simplistic of a definition for it.

Further, based on Purcell's (1989) upstream and downstream categorization of strategic decisions, HR is defined as a simple response to a given strategy, cascaded down within the organization (Gunigle et al, 2011, p.44).

This opposes the concept of an equal involvement with the overall organizational strategy resulting in a strong impact on the firm's competitive advantage. Pfeffer et al (2000) on the other hand argues that HR processes play a key role in informing and crafting organizational strategies, provided the organizational culture allows for shared task management-employee relations as opposed to a top-down decision making structure (Law and Jones, 2009, pp. 314).

In the attempt of encompassing both hard and soft HRM approaches, a number of different models were developed in the past. Developed in the mid-1980s, the Harvard framework (Figure 1.) of HRM (Beer et al, 1984) is based on recognizing a commonality in all businesses. Via its central philosophy and strategic vision it refers to employees as vital stakeholders. Their interests and environmental factors result in HR policies that have been criticized as too prescriptive (Torrington and Hall, 1995, p. 54), neglecting the dynamism of the HRM phenomena.

Prowse and Prowse (2009) contrast this soft model with the hard approach of the Michigan model, developed at the same time. The latter claims that human resources should be viewed and treated in the same way as all other organizational resources: recruited rationally, rewarded in line with their performance and exploited fully (Fombrun, Tichy and Devanna, 1984) for the purposes of corporate profitability. Whilst the objective measurement practices through quantitative managerial requirements prescribed by the model eliminate performance level ambiguity, the human element of the practice is neglected and the de-skilling task fragmentation model (Boxall and Purcell, 2033) is foreseen to dismantle when faced with workforce diversity (Alcazar et al, 2011). This would lead to corporate performance failure.

As the specialist literature evolves it emphasizes authors like Guest, 1987, who developed on the basis of the earlier Harvard model, adopting similar views on business commonality. However, in addition to the Harvard model prescriptions, Guest, 1987, also stressed the importance of a conscious strategy, supportive leadership and a strong corporate culture in place for an effective practice of the model. This is yet again a plausible normative theory but given the multitude of variables it becomes too comprehensive for empirical examination (Blyton and Turnbull, 1992, p.35).

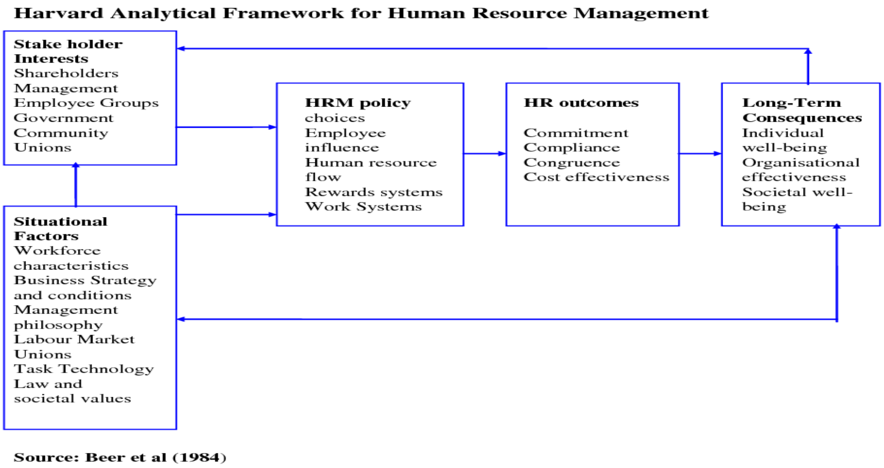
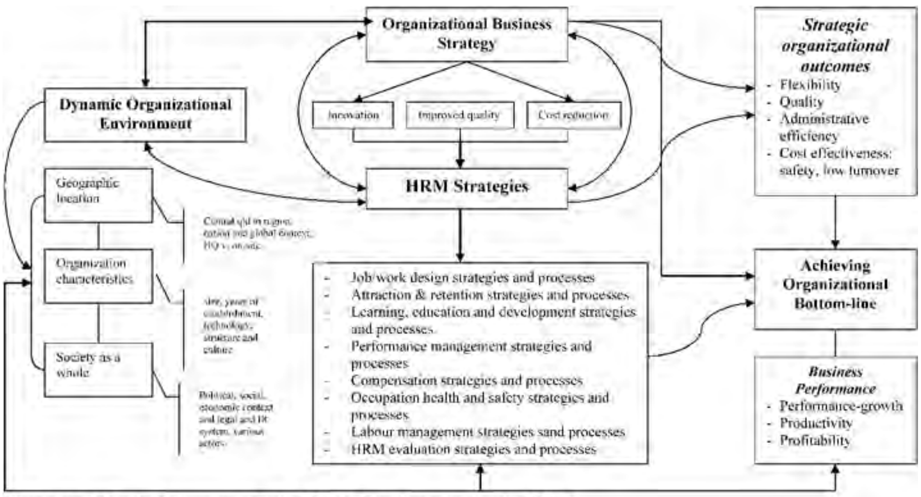


Figure 1. The Harvard Framework of HRM

Research focus in the nighties was directed by Purcell (1999) among others, on the lack of attention on the individual employee and the negative results of high performance work systems leading to stress dissatisfaction and burn-out in the human resources of organizations. As suggested by Prowse and Prowse (2009) this could arguably have been the result of the convergent nature of the above outlined models, more suited to the American and post-Thatcherist Anglo- Saxon environments that encourage free enterprise and the 'right to manage'. They recognized the need for more divergent models.

Further studies looked at the linkages between HR practices and selected performance measures, like sales, quality and profit (Gunigle et al, 2009, p.49). Huselid (1995), Wright and Snell (1998) among others categorized these into 'best fit' models that carry contingency approaches to HRM on the one hand and models that carry a more universalistic heritage, called 'best practice' ones.

Boxall and Purcell (2003), note Miles and Snow's (1984), best fit model (Figure 2.) among the most influential ones for HRM. Best fit models distinguish between external and internal factors to which HRM strategies need to be aligned to. Horwitz, (1999) refers the alignment of HRM strategies to the first set of factors as a 'vertical' fit that is achieved via the mobilization of organizational resources so as that they are able to compete in the external environment. The alignment of HRM strategies to the latter is defined as a 'horizontal' fit and it is developed by effective implementation of strategic goals and policies, as well as an alignment of the stated intend and operational performance level. Research focus is based on the relationship between the stages of development of the organizations and HRM as well as the links between competitive strategy and HRM.



Source: Martin Alcazar *et al.*, 2005; Nankervis *et al.*, 2005

Figure 2. Miles and Snow's 'Best Fit' Model

Best practice models are based on the idea of 'one size fits all', as reported by authors like Shields (2007). They establish universal rules for selection, training and appraisals and straightforward practices. They set out to create a sense of concern within the employees about the performance of the organization and encourage on-going involvement and measurement. Pfeffer's (1994) set of seven important HR practices

(Figure 3.) of a successful organization is perhaps the best known one. As reported by Armstrong (2009), these consist of selective hiring, employment security, high compensation of performance, training, and the encouragement of self-managed teams, reduced status differentials and information sharing.

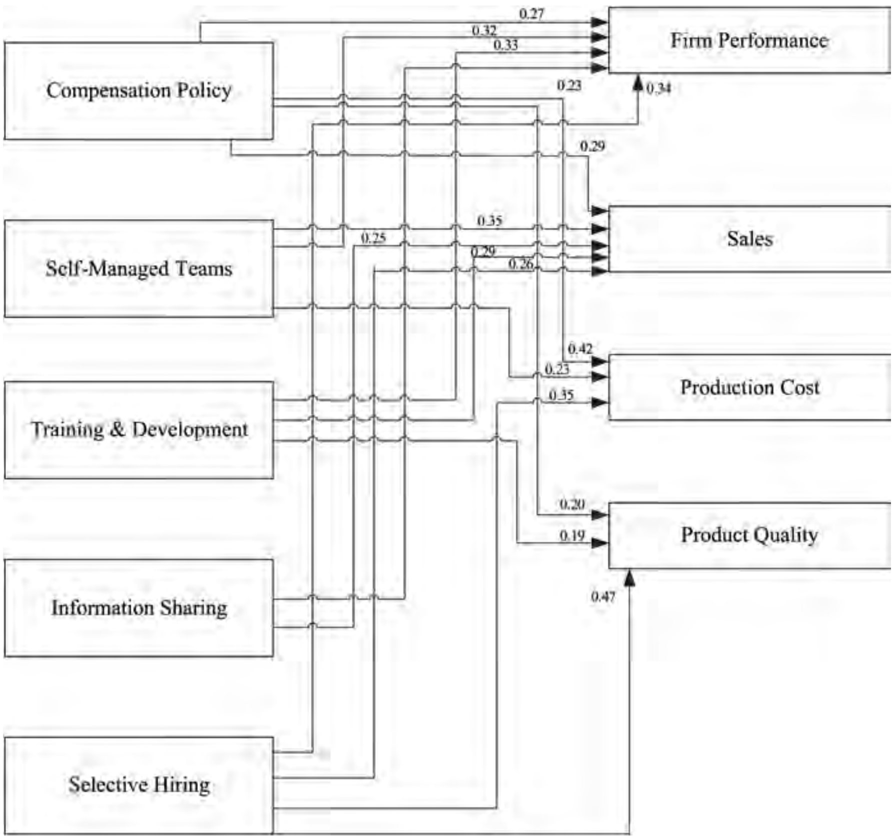


Figure 3. Pfeffer's Best Practice HRM Model

Further, macro-economic factors cannot be neglected when considering business strategies as a whole and for the purposes of this study, HRM ones. As reported by Harzing and Pinnington (2011) by conducting a simple PESTLE analysis, organizations will identify a multitude of environmental factors that affect their strategic decision making in a number of different ways. Implicitly, the paper cannot help but question the potential misfit of collective HRM models with overall business strategies influenced by the audit of their environment.

2.2. Performance Measurement Systems and Design

2.2.1 Performance Management

As outlined by Boxall (1994) and Legge (1995) and briefly reviewed above, the literature envisages a HRM strategy which is aligned with the overall organizational strategy via its conversion from a prescriptive, administrative and reactive function into an executive and proactive one. However, Edgar and Geare (2009) claim that even with this connection accomplished, the linking mechanism between HRM practices and performance is what Wright and Nishii (2007) defined as the “black box” of HRM.

Authors like Becker et al (2011) believe that the linkage consists in the implementation of an appropriate work system. Boxall and Purcell (2003), among other authors have briefly reviewed the evolution of work systems. The mass productive, de-skilled, routine tasks based employee and low discretion and trust environmental work systems, prescribed by capitalist factories and improved in efficiency by ‘Fordism’ evolved considerably in the mid 1970’s due to the productivity declining global crisis. As economies of scale were being replaced by economies of scope, the evolved systems became more focused on management labour division, flexible specialisation and multiskilling team-based organizational systems.

Due to the possibility of strategic choice being recognized over production techniques, a number of senior managers and strategists started looking at workforce systems as potential new routes to competitiveness. Longenecker (2013) outlined how strategy was still based on the relationship between the firm and its environment and human resources were merely utilized for operational effectiveness and considered a matter of implementation and administration. HR systems were viewed from personnel perspective, the function being primarily administrative, hiring people without focus on employee excellence. This then further evolved into the compensation work system perspective, which through incentives created a gap between high performers and low performers within organizations.

Since the beginning of the millennium however, due to globalization and its interrelated developments, organizations were faced with previously unidentified competition on all geographic areas and in all economic sectors. Hinterhuber (2013) summoned how relying on positioning for market share dominance and profitability became no longer sufficient. Boxall and Purcell (2003, pp. 91) report how attention was directed to the design in which work was organized and workforce managed. The new management trends were based on participatory action as opposed to the previously practiced authoritarian ones, whilst the organizational culture purpose became employee motivation and commitment. This lead to the formation of the alignment work system perspective within which employees are seen as strategic assets but the leadership does not invest in overhauling in HR capabilities. This was followed by a HPWS, within which executives view the HR function embedded within a larger system of the firm's strategy implementation.

Building and maintaining a stock of talented human capital that translates into valuable intangible organizational assets on the financial market is what HPWS claim to achieve through first and foremost linking selection and promotion decisions to ascertain competency models. They further develop timely and effective support strategies for the demand of skills for strategy implementation. Finally they appoint compensation and PM policies that attract, retain and motivate high performance employees.

Within this system, the cyclical process of PM becomes both a strategic and tactical tool, as referred to by Biron et al (2011), Blasini et al (2012) also describe PM as a recurrent process, with the functional attributes of planning, monitoring, evaluating and rewarding performance. In their acclaimed lessons from world leading firms on the subject, they stress the importance of senior management involvement in PM in order to achieve this. Armstrong and Baron's (2009) contradictory view claims that it's a process owned and driven by line managers, as per his cyclical PM model (Figure 4.) Becker et al (2001) stress the importance of a PM function that is based on management thinking with a percept of work and workers as a strategic value within their organizations.

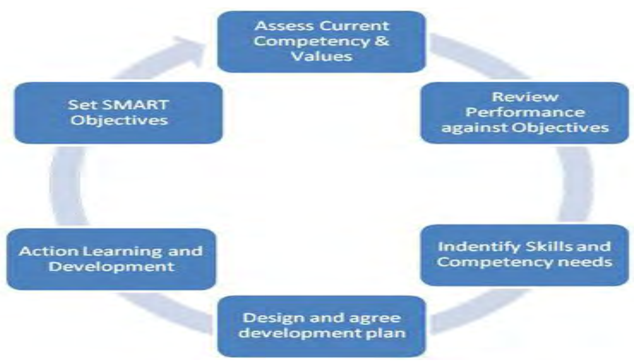


Figure 4. Armstrong and Baron's Performance Management Cycle

2.2.2 Performance Measurement

Measuring performance is a key driver in achieving synergic management and appropriate organizational synchronicity, because measurement leads to understanding, which leads to control and improvement. Prior to expending its original role of implementing strategy into one of facilitating strategic management (Srimai, Radford, Wright, 2011, pp. 667) measurement had to evolve from a focus on financial perspective into a non-financial one (Taticchi, Tonelli, Cagnazzo, 2010, pp. 4). As summoned by Teerantansirikool et al (2012) measurement now plays a key role in the development, implementation and monitoring of strategic plans.

Whilst recognized as an imperative management tool within organizations, Becker et al. (2001) describe how even in the best case scenarios of firm executives acknowledging their human resources as vital assets, they will still find it difficult to measure HR's influence on performance. Consequently, a lot of the specialist literature is sceptical about how effective measurement can be in creating competitive advantage.

Kaplan and Norton (1996) claim that performance measurement has a vital role in translating strategies into action. This would suggest a downstream categorization of the strategic function, as per Purcell's (1989) theory. Teerantansirikool et al (2012) conducted a study based on measurement aligned with competitive advantage strategy- as per Porter's (1994) theory - and found that organizations aiming for cost leadership will focus on the financial perspectives of performance measurement, whilst firms that chose differentiation as their competitive strategy contrast in this and focus on non-financial perspectives.

Becker et al. (2011) further outlines the importance of recognizing performance enablers and drivers and basing their performance measurement on them. They report how organizations often focus on identifying key performance drivers without making a business case for their importance. The authors admit that finding them can be challenging because they are different for each organization, but mere assertion is not enough. Performance enablers are of the same importance as drivers. Whilst the above would suggest that in order for a performance measurement system to be efficient, it would have to be one that is bespoke to the organizations specific needs, a number of ‘one size fits all’ systems have been developed (Pinhero de Lima et al 2009; Pavlov and Bourne, 2011). What organizations loose out of sight, however, in their performance management systems - be it bespoke or not - is that performance is what their employee’s do, not what they produce (Masterson, 2013). An accurate percept of this leads to more effective performance measurement systems. These will briefly be outlined below.

2.2.3. Performance Measurement Systems

When measuring their employee’s performance, organizations need to decide upon the approach that they will take towards performance. The literature differentiates three different approaches consisting of trait, behaviour and result approach. Masterson (2013) reports how the first approach emphasizes individual traits and is appropriate if improvement is under individual control, while the second one focuses on how employees do their jobs and is based on a long-term approach towards performance as the outcomes take time to show. The latter, as reported by Taticchi et al (2012) is based on what employees produce and so the data withdrawn from this is more objective.

Existing PMS (Fisher, 1992; Kaplan and Norton, 1996; Waggoner et al., 1999; Neely et al. 2002) can be differentiated between comparative and absolute systems. In the case of comparative systems employees are compared to each other whilst in absolute systems employees are compared with pre-defined standards. Although comparative systems are easier to implement due to their candid nature - they are easy to set up and explain to employees- their simplicity can also act as a disservice by not being able to produce a throughout feedback (Hogue et al, 2001). In contrast to this, absolute systems such as essays provide a detailed feedback but they also accommodate potential for interpretation ambiguity.

Measurement systems are based on employee behaviour or results, dependant on the organization’s approach towards performance, as outlined above. Tung et al. (2011) outline that data is gathered via appraisal forms of which characteristics; rating system and period of appraisal are up to the organization’s discretion. Neely et al (2002) describe how they most popularly contain accountabilities, objectives, standards, competencies and indicators, achievements, contributions, stakeholder input and developmental needs, plans and goals.

The evolution of the balanced scorecard (BSC), as reviewed by Srimai et al. (2010), is regularly referred to as a cornerstone from measurement towards management. Developed by Kaplan and Norton (1996), it has been recognized as a rational norm that creates standard solutions to strategic performance management (Soderberg, 2011; Valmohammadi and Servati, 2011). It is considered to be a balanced management system because it promotes equity between short term and long term objectives, financial and non-financial measure, indicators of tendencies and occurrences, internal and external perspectives of performance (Goncalves, 2009, pp.465).

Unlike traditional measurement tools, it is thought to be highly efficient due to its operational design from four different perspectives. These are financial, customer, internal business process and learning and growth (Figure 6.). Its effectiveness and consequent success is considered to also derive from simple aptitudes. Such is the capability to clearly describing strategy via the strategy map and its ability to link strategy to the management system (Dechov, 2012, pp.519).

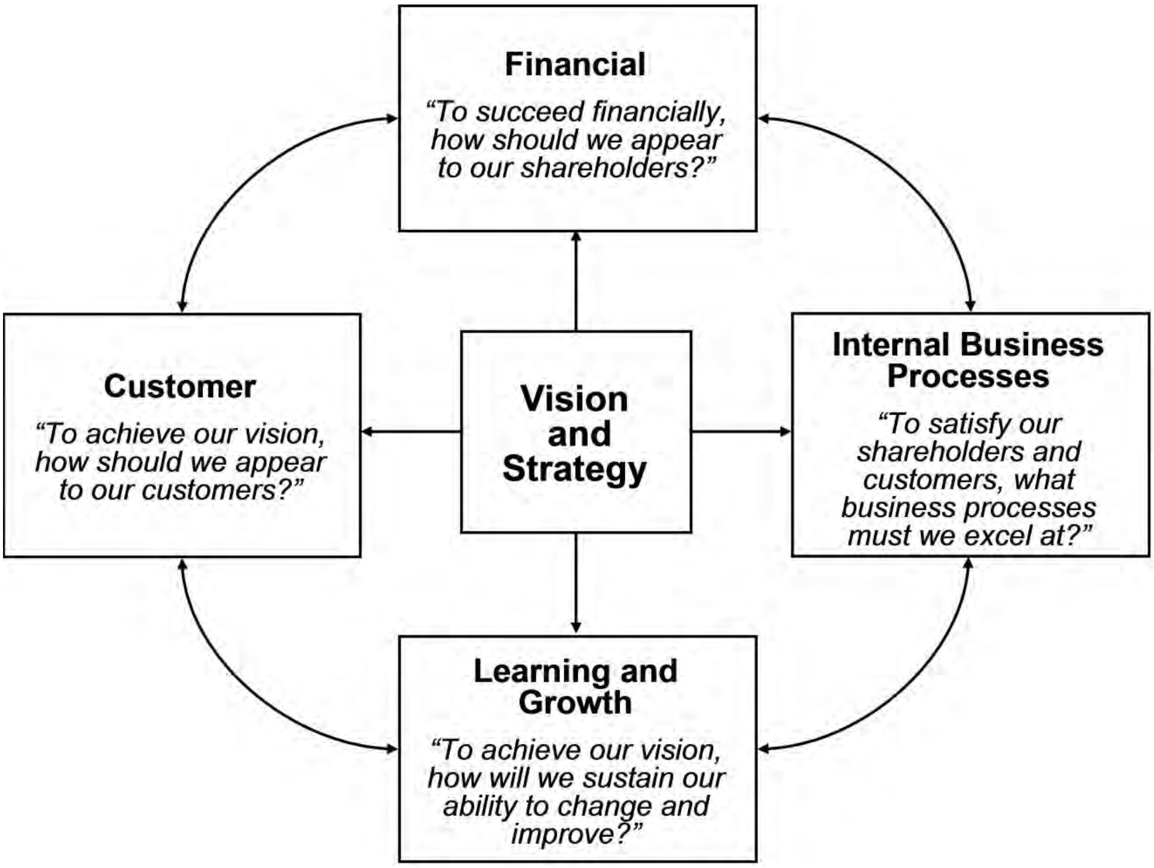


Figure 5. Kaplan and Norton's Balanced Scorecard (BSC), 1993.

2.2.4. Performance Measurement System Design

At the meeting point of strategy, decision making and organizational learning lie PMS. Franceschine et al (2013) among other authors define them as means to optimizing the interaction on all operational aspects of a business, whilst providing managerial feedback on resources, processes and consequences. Design appropriateness is quintessential for effectiveness, as reported by Taticchi et al (2013). In what follows the paper will briefly review the existing literature on the subject.

The limited knowledge that is available on system design challenges outline the issue of the relevance and reliability of what is being measured and how it is being measured. Effective systems should dynamically follow the organizational strategy of the organization of their implementation and consequently be based on the goals and objectives of the organization.

Designing a system that can clearly communicate the purpose of performance measurement is another significant challenge (Tung, Baird, Schoch, 2011, pp. 1293). Unless the system is able to communicate the clear purpose, use and benefit of its use to the employees of the organization (Dechow, 2012, pp.520), there will be little or no involvement on their behalf. A lack of strategically aligned involvement of the employees will result in organizations failing to manage them so as they can become a base for sustainable competitive advantage.

Credibility in performance measurement, as reported by Becker et al (2001) is reflected in the executive's willingness to reward HR managers when non-financial performance measurements perspective results are up whilst the financial ones down. Sustainable success of PMS depends on the balanced interplay between actions, results and consistency. The latter becomes even more of a critical challenge considering the growing need for unexpected emerging strategies within organizations that they have to be aligned to. An effective system should contain readily available and applicable solutions for both the present and the future and that is an aspect that the design should take into account. This would make them useful for short term challenges, whilst they would have the capacity to identify and deal with opportunities and threats in the long run (Srimai, Radford, Wright, 2010, pp. 666).

For the purposes of linking the measurement systems with the intended organizational reward system, the literature considers it a crucial aspect for the measurement systems to monitor both financial and non-financial results (Pinheiro de Lima et al 2009, pp. 44). Authors also stress the importance of taking into account that whilst traditional business performance indicators and activities were focused on optimizing the internal workings of a business for the sole benefit of its shareholders, this insular approach is no longer adequate. The classical value chain has reversed direction, which resulted in customers effectively running the organization's processes (Buytendijk, 2009, pp. 5). This makes it vital for performance measurement systems to have a genuine customer orientation.

While managers need a performance measurement system to operate, not all performance measurement systems can respond to the organizational and employee needs (Srimai, Radford, Wright, 2011, pp.668) To avoid such a challenge it is crucial that the design of the measurement system is based on the input of the organization's line managers, who have the practical knowledge of what the system needs to include.

The literature stresses the importance of employee input because the concept behind an effective performance measurement system is that human resources are the strongest and most unique base of competitive advantage for organizations. Business models and systems can be standardized but "(…) other firms find it hard to copy, at least for a long time, the unique, idiosyncratic way people and technology combine, learn and adapt" (Boxall and Purcell, 2003, pp. 113)

2.2.5. Performance Measurement in Large Organizations in Brazil

Beyond its functionalities Becket et al. (2001) refer to the importance of a measurement system with an overall organizational focus. They ask their readers to "(…) think about the difference between the ability to align every employee's efforts with the company's overall vision and an innovative policy such as the 360-degree appraisals. The first is a strategic capability whose cause is largely invisible to competitors; the second is a policy that although initially innovative is visible to competitors and thus easily copied." (Becker et al. 2001, pp. 2). This is what large organizations aim for, whilst facing the challenges outlined above but at a very ample scale, which makes effectiveness more difficult, but all the more pivotal.

The majority of the specialist literature on strategy and PMS is primarily focused on the Western countries that it originates from. Due to the lack of information on the research subject within the case study context, the paper looked for environmental clues in Brazil, which could be linked to the research topic of this study. Of particular relevance is a study conducted by Sledge et al. (2008) on the subject of cultural influence on employee motivation and job satisfaction. The paper found knowledge on this applicable to the subject of its research because of the linkage between job satisfaction and increased employee productivity (Herzberg, Mausner, Snyderman, 1959; Schneider, 1985; Thomas and Dunkerley, 1995; Thierry, 1998), which is partially what PM and measurement is concerned with.

In an era defined by large organizations that evolved from ‘coping with diversity’ to becoming diverse (Rollinson, 2005), Sledge et al (2008) question in their study whether cultural variables still have an impact on the HRM practices in general and assessing job satisfaction in particular. The authors conducted their research based on the theory of Herzberg et al (1959) known as the Two-Factor Theory of Motivation and their case study subjects were employees of a hotel. In an application of Hofstede’s (1980) model in this context they found that a high power distance score was supported by behavioural indicators. Brazilians value senior-level management opinions more than those of lower level employees. They also have a long-term commitment to extended family and cardinal groups and are unlikely to take unfamiliar risks. They attach a great importance to their quality of life whilst they are used to avoid conflicts and uncertainty in the workplace (Sledge et al, 2008, pp. 1671).

Sledge et al (2008) found that achievement was of high importance to Brazilian employees while recognition less and the case study respondents showed contentment towards their tasks and jobs. Whilst the employees were eager on taking up responsibility within the workplace, they did not show much concern for advancement, having a greater focus on the present and little evidence of professional long-term planning. Tenure variable in the study showed a weak dissatisfaction rate and long term employees were valued by employers. The study confirmed Hofstede and Hofstede’s (2005) theory on the collectivist and feminine-based nature on Brazilians. The study concludes that these factors must be taken into account for the purposes of creating appropriate hygiene factors for employee motivation and job satisfaction. Implicitly, the performance measurement system design will be affected by the above outlined factors as well.

Another study that the paper considered of interest to the subject of this paper was related to the contribution of HRM to the effectiveness of including environmental measures in Brazilian organization (Jabbour et al 2010). The authors of this study also outline how little is known about the HRM dynamics in general and the subject of their research in particular in the Brazilian context. They assumed a complimentary relation between functional and competitive HRM and then concluded that the evolution of environmental management is dependent upon interaction with these two complimentary dimensions. This makes the paper relevant to the subject of this research as it reflects how important strategic alignment of all aspects of the HR department is for the well-functioning of other organizational capacities (Jabbour et al, 2010, pp.1060).

The paper further investigated for knowledge on strategy and PMS design management challenges in other BRIC countries, where limited research has been carried out. Of most relevance is a particular review carried out in China. The findings of the research conducted by Mahlendorf et al (2012) outline various indicators that conclude how PMS effectiveness was influenced by environmental factors and ought to be embedded in the local business environment. The paper will conclude whether this is the case within the context of its case study, Brazil.

3. Research Methodology

3.1. Introduction

The main purpose of this research is to highlight the importance of an effective PMS design in order to achieve value-making organizational activities that lead to competitive advantage. The paper intends to conduct an in-depth analysis into the importance of an effective PMS design for the purposes of efficient performance measurement. The latter can generate value-making activities within an organization and serve as basis for competitive advantage. The research will look into large organizations in Brazil in order to develop currently absent information on the subject, within this particular context.

Whilst the literature to date acknowledges the importance of effective measurement and its dependance on appropiate system design, no in depth research has been conducted on design enhancement deducted from management challenges of the current systems. Consequently, the research will examine what can be learned from the management challenges involved in the design of theses systems in order to improve effective measurement for competitive advantage.

The primary findings will be based on the opinions and attitudes of experienced and vital stakeholders within large organizations in Brazil, the case study context of this paper. The appropiate system design improvements will be reviewed, as per the experiences and advice of these managers currently faced with system design challenges within their organizations.

3.2. Research Methodology

Remenyi et al (2005) define research methodology as the procedural framework within which new theories are generated and tested for the purposes of creating new knowledge. According to Saunders et al (2009) the quality of a research is significantly defined by the methodology selected. Prior to starting this process a researcher must consider practicalities such as ‘what’ to research and ‘how’ to research. The authors linked the different layers of research to those of an onion (Figure 6). These consist of the levels illustrated below with the options outlined for each layer and briefly reviewed in what follows.

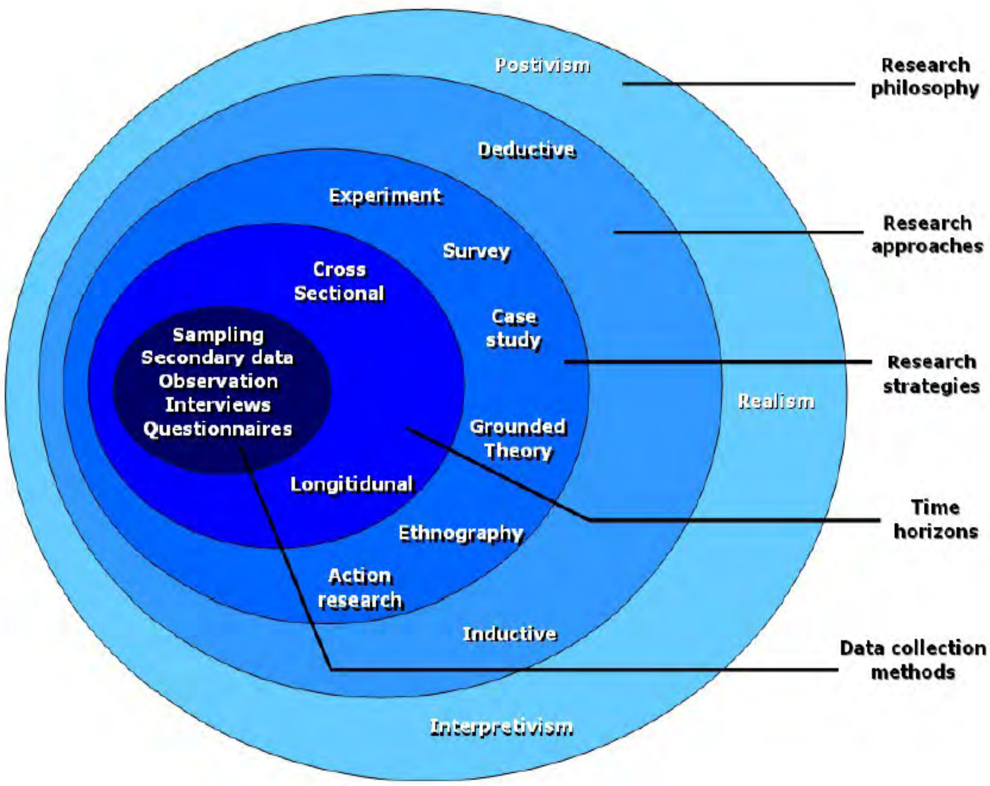


Figure 6. Saunder's Research Onion

3.3. Research Philosophy

Beyond the practical concerns of research methodology, the philosophical literature examines the reasons behind a research. Burrell and Morgan (1979) outline the importance of the development of a perspective on the motivation behind researching. In this process, core assumptions upon the nature of science and society must be taken on by the researcher. Saunders et al (2011) categorized the basic concepts of research philosophy processes into epistemology and ontology. The philosophical reasoning of this paper consists of interpretivist epistemology and subjectivist ontology. As presented by Holden and Lynch (2004), these methods allow for a collaborative construct of a meaningful reality.

As reported by Blaikie (1993) epistemology is concerned with the extract of knowledge - rather than belief- from reality. In positivist epistemology- as recognized by Gill and Johnson (2002) - the researcher assumes no effect on, or by the subject of the research and takes a completely independent stand throughout the process of testing hypothesizes. The epistemology of interpretivism advocates the necessity of the researcher to understand the subjective meaning behind social actions. Whilst positivism assumes sense experience based knowledge from theory affirmation; interpretivism creates new knowledge by placing existing theory into a new context- where social actors shape the subject of the research. Saunders et al (2011) advocate that the latter, inductive approach is more suitable for business and management research, particularly within the field of the focus of this paper, as well as marketing and organizational behavior research.

In contrast, the deductive nature of positivism aims to opt for a highly structured methodology with the purpose of facilitating replication. Although the regulatory societal views of the researcher (Holden, Lynch, 2004, p. 400) would yield a realist philosophical approach, an empathetic stance must be adopted in order to understand the subject from the contextual point of view that it is set in. Further, as reported by Saunders et al (2009), interpretivism advocates the understanding of human behavior as opposed to its mere acceptance like that of inanimate objects. Such approach is essential given the contextual emphasis of this research.

New knowledge is further created through the adoption of subjectivist ontology. This is linked to assumptions upon social enquiry stand. Ontology is concerned with the nature of the reality investigated by the research. The paper will adhere to subjectivist ontology due to the importance of the social actor's role in shaping the processes of its research. Although Saunders et al (2009) argue that management is an objective entity - via the reality that is separate from the managers that inhabit it - the interpretive epistemology adopted will in itself make it "(…) necessary to explore the subjective meanings motivating the actions of the social actors" (Saunders, Lewis, Thornhill, 2009, pp. 120). As we find out from the secondary data reflected in the literature review above, it is vital for the PMS design to be tailored to fit the organizational culture which is shaped by the behaviour and actions of its human capital. Exploring this is essential for the purposes of this research. The paper dismisses the objective view of corporate culture that defines it as something that can be manipulated because it regards it as too simplistic of a stand.

Employees can be manipulated to a certain extent, but not to that of inanimate objects that - as defined by Saunders et al (2009) - respond to certain circumstances in a mechanistic way. This paper aims to achieve this via the qualitative data obtained through interviews (mono-method)

3.4. Research Approach

Although the research emphasis was deducted from the secondary data outlined in the literature review, changes have occurred as the research progressed due to the nature of its subject. The paper took an inductive approach to accommodate this through the process of developing theory from the analysis of the primary data collected (Saunders, Lewis, Tornhill, 2009, p. 124). Conclusions were formed as a result of observations and contrary to a deductive approach; these observations have developed into a broader generalization. Inductive approach allows for general proposition to be derived from specific examples.

In contrast to this, a deductive research theory development necessitates rigorous testing consisting of five sequential process stages, as reported by Robson (2002). These are composed by deduction of hypothesizes from theory, expressing these in operational terms, followed by the testing of these operation terms, examination of the enquiry outcome and modification of theory in the light of the findings. Given the small sample of the subject of this research paper, rigorous testing as outlined above was not possible.

Further, as highlighted by Randal and Mello (2011), inductive approach must be introduced when complex behavioral dimensions are involved with the research subject. This was applicable both at the individual and organizational level of this paper. Theory was followed by data, disparate from a deductive approach. Unlike the latter, the inductive approach allowed for a cause-effect link to be made between the variables of the subject with an understanding of human’s interpretation of their social world (Saunders, Lewis, Tornhill, 2009, p. 124).

The nature of an inductive research method is more tentative and open-ended from the very beginning of the research. Patterns and regularities are detected from which exploratory research queries are formulated that conclude in generalized theories. The narrow nature of testing and confirming generated hypothesis upon a subject did not suit the focus of this paper.

3.5. Research Strategy

Jankowicz (2000) claims that the choice of a particular strategy is the result of the sources of the research data, the nature and scope of the research focus, the purpose of the data gathering and the assumption level of the researcher when analyzing data. Marcschan-Piekari and Welch (2004) further claim that these processes should not only be considered when opting for a research strategy but linked as well. Prior to these two authors Yin (1994) stressed the importance of relevant situations to consider when opting for a particular strategy. In distinguishing between different methods, the emphasis is on the context of the research. This is defined by the form of research question, the required control over behavioral events and the focus on contemporary events. In opting for a case study approach, the form of the research question should be 'how' and 'why', whilst there is no required control over behavioral events but a need of focus on contemporary ones.

In the case of experimental strategy the research queries are the same as with case studies, but there is a strictly required control over behavioral events as well as contemporary ones. Survey type research questions revolve around 'who' 'what' 'where' 'how many' 'how much' and - like case studies - they do not require control over behavioral events whilst focusing on contemporary ones. Archival analysis methods are suitable in the context of the same research questions as when opting for surveys with no lack of control over behavioral events, nor the current ones.

On the opposing spectrum of experimental strategy, where research is undertaken in a highly controlled context (Saunders, Lewis, Tornhill, 2009, p. 146), this paper has opted for a non-experimental case study approach, first and foremost due to its inability and lack of objective to control the context of its subject. It instead aspired to gain an in-depth understanding of the Brazilian framework through exploratory analysis, within the limits of its restraints as outlined below (see 3. Limitation). Further, seeing as the research is focused on a specific system and aims to build up knowledge from a real life context, the paper abdicated the need for a case study procedure. Multiple cases have been studied for an in depth understanding of a certain system from different perspectives. Theoretical framework was used to understand the data gathered from the case studies.

A case study research strategy by definition aims to trace and compile aspectual developments and/or deteriorations. As with all non-experimental methods, critics claim that cause-effect is hard to establish when opting for a case study approach and the researcher has limited control. This approach was still more appropriate than basing primary data conclusion on random survey respondents for instance. The latter would have jeopardized the trustworthiness of the gathered data. Also, as reported by Baker (2001), survey strategy approaches are more suitable for papers concerned with fact finding via querying specific subjects of representatives of the population of interest. The purpose of this is to determine attitudes and opinions in order to predict behavior. This is not the purpose of this paper. Another possible strategy approach option would have been a naturalistic one. Whilst the idea of blending in with the case study context in order to observe practice in its uninterrupted shape by the formalities of planned out interviews are inarguably advantageous, practical limitations such as gaining such access would have made this approach impossible within the context of this study.

3.6. Research Choice

The study is based on a 'qualitative mono-method' research choice, which as outlined by Maxwell (2005) is the appropriate approach when the research focus is complex and cannot be based on hypothesizes that answer to yes or no questions.
A single qualitative data collection method was carried out and relevant analysis procedures utilized. This primary data was collected from the in depth interviews conducted in the case study organizations (Appendix 1). The one to one internet mediated (via Skype) interviews took a semi-structured format. Predetermined questions were conjoined with queries that arose from the interviewee's answers.

The paper argues the view that the researcher needs to have an in-depth knowledge about the "(…) respondent's background, values and expectations" (Ghauri, Gronhaug, 2005, p. 131) in order to conduct an efficient interview. Whilst knowledge of the individual's professional background and the organizational values of the firm that he/she represents are of undeniable relevance, real interaction can be initiated based on in-depth knowledge of the subject, reflected in well formulated questions. It is, on the other hand quintessential for the researcher to be aware of the danger of subjectivity, that is defined by Riley et al (2006) as ”(…) the individual nature of cognitive classification system” (Riley, M., Wood, R.C., Clark, M.A., Wilkie, E., Szivas, E., 2006, pp.129) throughout the interview process and when interpretation of the data collected will occur.

Saunders et al (2009) have outlined two alternative choices that researchers can opt for. These consist of mixed-method and multi-method. The latter is applied if more than one data collection method is applied, qualitative or quantitative one. In the case of multiple collection methods, regardless of qualitative or quantitave methods, mixed methods apply. Whilst Saunders et al (2009) argue that mixed methods enable ‘triangulation’ that ensures that the data from one source is being verified by another one, in addition to the above justifications this paper has also instead adopted a qualitative approach because it provided no dependence on sample sizes. This led to purposeful results from a small sample group, without the ability of it being peer reviewed. Budget and time constraints could also not be overcome in order to opt for a mixes or multi method.

3.7. Time Horizon

Due to the relatively short time frame of twelve weeks outlined for the completion of the paper, the research adopted a cross sectional study approach. Contrary to a longitudinal time horizon, it will not be a “(…) representation of events over a given period”, but rather a “(…) snapshot taken at a particular time” (Saunders, Lewis, Tornhill, 2009, p. 155). The research literature reviews that most academic studies opt for the same choice mainly due to the time constraints they face.

Whilst it would be beneficial for the subjects of this research to be observed over a time-period in order to study change and development within the focus of this paper, a snapshot of the current situation is sufficient to gather meaningful data for analysis. As highlighted by Bryman and Bell (2007), longitudinal research is helpful for gathering data on processes and mechanisms of change within an organization. Whilst performance measurement system ultimately aim to bring change in companies, for the purposes of studying their design a cross sectional time horizon approach will suffice.

3.8. Data Collection

A systematic and conclusively proved process of collecting and measuring focus variables is vital when conducting a research. This enables the paper to find answers for the proposed research question, tests hypothesizes and examine results. Accurate data collection is crucial, regardless of research choice, in order to reduce the potential of error occurrence. Whilst the level of impact from incorrect data collection varies by discipline, Hair et al (2006) outline a number of important consequences from incorrectly collected data. These consist of falsified findings and wasted resources, inability of provision of accurate answers to research questions as well as incompetency of validating the study, to name but a few. The procedural steps of this paper consisted of literature reviews as well as an examination of previous studies, followed by a review of possible courses of further research action and preferred approaches on the subject. Qualitative interviews were then collected, followed by the data content analysis.

Saunders et al (2009) have recognized and outlined the strengths as well as the weaknesses of interview-administered data sources. The latter consists of possible bias responses, interviewee reflexivity and potential inaccuracies caused by poor interviewer recall of information. The positivity of the method consists of insightfulness from a strong rapport between the interviewee and interviewer as well as instant feedback on the research subject focus. Hair et al (2006) differentiate between structured and unstructured interviews. Saunders et al (2009) define the latter as informal, without additionally prepared and detailed list of questions directing the interview- suited to general area of interest exploit. In contrast, structured interviews consist of pre-recorded answers and accurate and refined interview queries. Saunders et al (2009) also recognize the option of semi-structured interviews, where a list of focus areas and questions are prepared in advance by the interviewer, who dependent on the received answers and conversation along the way can choose to omit a part of the prepared queries and elaborate on emerging ones.

The alternative option for qualitative data collection is via questionnaires. Among the strengths of this approach the specialist literature lists the fact that it results in a lack of interviewer bias potential, while increasing the number of potential respondents to the research due to its anonymous nature. It further places less pressure on respondents, while it also contains the added benefits of the ability of a larger administration potential, cost efficiency and no required interview skills on behalf of the researcher. The weaknesses of the approach lie in a possible loss of research control as well as non-responsiveness potential. Even if the latter is overcome, the quality of the responses cannot be positively manipulated. If opting for questionnaire Hair et al (2003) advise researchers to ensure the accuracy of the data output in order to insure the accuracy of the input. Further, they advocate the implementation of this data collection process in the case of a mixed research choice method to enable triangulation of the gathered data. In order to avoid the above outlined vulnerability of the method, preliminary contacts should be made by the researcher, who should also provide response deadlines and follow up reminders to potential respondents.

3.8.1. Secondary Data Collection

Secondary sources of information such as specialist books and journals can provide an appropriate general context for the primary findings of any research. These were used for the literature review of this paper and, as outlined by Sunders et al (2009) proved to be an excellent tool for comparing the results of the primary data with existent research and drawing relevant conclusions.

3.8.2. Primary Data Collection

After careful consideration of both of the qualitative data collection method options outlined above, the paper found that data collected via semi structured interviews would result in necessary industry based practical knowledge that is essential for the process of answering the research question outlined in the paper. Also, considering the lack of information and existing literature within the case study context of this paper, the potential loss of research control via questionnaires data collection method was not an option. Semi-structured types of interviews were further essential due to the lack of research in the context of this paper, as this type of interviews allow for an insight into the views of the interviewees without presuppositions or set expectations on behalf of the interviewer. The interviews were recorded so as to give the researcher the opportunity to re-listen to the conversation and avoid inaccurate data interpretation due to poor recall of the dialogue carried out on the subject.

3.8.3. Techniques for Data Analysis

Regardless of the collection process, all quantitative data can be transformed into numbers, a common ground that qualitative data does not own. The analysis of it is reportedly less structured and the specialist literature advises a creative approach of the researcher to qualitative data assessment, as the analysis requires intuition and insight, Maylor and Blackmon (2005, p. 3435). Although critics of qualitative data analysis argue that due to its interpretative nature it lacks rigor, Cooper and Schindler (2008) claim that a procedure that relies on interpretation should not be viewed as implying less analytical accuracy. Although its open-ended process nature requires continuous refinement of the data analysis as the research problem is being investigated Maylor and Blackmon (2005) reiterate that the procedures for identifying themes in qualitative data research are as rigorous, well developed and credible as the statistical methods.

There is inarguable convenience provided by software provided interpretation of data in contrast to manual analysis, but as reported by Richards (1995) in Piekkari and Welch (2004), analysis is ultimately up to the researcher and software packages are mere tools, assisting the analysis process that the researcher is responsible for. Whilst software analysis ensures efficient document management, traceability of concepts and a high quality demonstrated output, considering the need for creative research input the paper regarded it essential to opt for manual data analysis. This has also ensured a lower risk of loss of contextual data and allowed the use of nonstandard data as opposed to the highly time-consuming need of same format data alteration.

As outlined by Maylor and Blackmon (2005), the core strength of qualitative data analysis lies in its ability to evolve during the study, once it is managed systematically. In order to achieve a systemized management of the voluminous, unstandardized and ambiguous qualitative data, the researcher of this paper made sure that the collected data was traceable, reliable and complete. With prevailing conceptual elements from Kolb's

(1984) learning cycle for qualitative data analysis, as explored in Maylor and Blackmon (2005); Saunders et al. (2009) have classified data analysis into three main processes, namely summarizing, categorization and structuring.
They advise researchers that within the first step of qualitative data analysis it is essential to summarize the principle themes emerged from the interview. They further advocate a review of the observations upon the settings where the data collection took place and the interviewees. The concept identified through this open coding process need to be further categorized and displayed. Data category displays have been recognized by Miles and Huberman (1994) as a “major avenue” to the validity of qualitative data analysis. Categorization may be derived from the theoretical framework as well as the data collected. Both need to be guided by the purpose of the research and bear in themselves internal as well as external aspects. The latter assures meaningfulness in relation of the categories themselves, while the internal aspects must be relevant in relation to the data. These categories must then be unified and structured for the conceptual framework through axial coding, whereby the relationships between the components of the conceptual framework are tested for the identification of the fit between them.

The paper followed these steps within the process of data analysis and configured the summarized categories using narrative structure. This was achieved via answering questions on what the topic was about, what happened to who within what context and why. The consequences of the answers to these questions were then explored in order to analyze the significance of the events and narrate the final outcome.

3.9. Population and Sample

Given the size of the context population and due to impracticality, time and budget constraints the paper was not able to carry out a census and has instead opted for sampling. Bryman and Bell (2007) have recognized the relevance of research sample techniques, but they have also emphasized the importance of the representative nature of the sample in order to allow researchers to generalize their findings. Hair et al (2003 have categorized the process of sampling into definition of the target population, choice of sample frame, selection of sample method, determination of sample size and implementation of the sampling plan.

For the first step of the process the overall scope of the study and the objectives of the paper are quintessential. Only a group of objects and elements that carry relevant knowledge on the subject of the research can be considered as a target population. Given the information required for the subject of this paper, the target population consisted of individuals working at large organizations in Brazil at minimum line management level.

As recognized by Jessen (1978) the source material from which the sampling is retrieved is critical, as it defines what is worthwhile investigating. The sampling frame for this study was a televised discussion upon contemporary human resource challenges in Brazil. The participants of this consultation were considered to bear relevant information upon the focus of this research. These individuals, defined by Hair et al (2003) as the sampling units, were then approached by the researcher online, through a professional networking website which ultimately ended up being part of the sampling frame as well.

According to Bryman and Bell (2007) the selection of the sampling method depends on the scope and objective of the paper and the time frame and budget availability. The literature differentiates two sampling methodologies, namely probability and non-probability sampling. The first category of sampling allows for generalization of the findings whilst the latter does not. The paper conducted a non-probability research sampling, which as defined by Riley et al (2006), meant that the characteristics of the elements were not to be randomly selected and therefore cannot be deemed as randomly distributed. Consequently, statistical estimation was not achievable. It was, however, more useful for the ambition of this study to collect a purposive sub-set of a larger grouping through interviews than to gather and analyze survey-based data. Contrary to the latter, non-probability sampling resulted in less data, which as reported by Saunders et al (2009), means that the information collected and analyzed is more detailed. This was exactly the purpose of the paper, considering the current information gap on the subject within the case-study context.

The research focus was not to make statistical inferences about the population in subject; rather it was seeking to obtain generalized conclusions in order to pave way for new and more in-depth research on the matter. Considering the exploratory research purpose of

this paper, theoretical insights were gained via self-selection sampling techniques within non-probability sampling (Saunders, Lewis, Tornhill, 2009, p. 233).
This meant that both the control over sample contents and the representative nature of these samples were low. The initial contacts were identified and access for research was requested. One respondent provided access to the necessary contacts for the interviews. The confirmed interviewees represent large organizations in the financial and manufacturing industry sector

3.10. Research Ethics

From beginning to completion, ethical issues arise at a variety of stages in research generally and business and management research in particular. From situation ethics to respondent validation, an array of elements ought to be thoroughly considered to ensure sound methodology, which is morally defensible to all involved.

According to Saunders et al (2009) the core of ethical considerations is that the paper cannot "(…) subject the research population to embarrassment or any other material disadvantage" (Saunders, Lewis, Tornhill, 2009, p. 153). The respondents of this paper were fully informed about the subject of the study in which they were asked to participate. The researcher kept in contact with them prior to the interviews via emails. As reported by Saunders et al (2009) all personal data is ought to be processed fairly and lawfully after being obtained for specific purposes. They should further be adequate, relevant, accurate, updated and stored securely. Concerning the processing and storing of the collected data, the Data Protection Act (2003) will be adhered to. The participants had the option to be named in the paper or not. During the interview process they were permitted to refrain from answering questions they do not wish to answer. They also had the opportunity to withdraw from the study at any time. The findings of the study will be presented to the participants upon completion.

3.11. Research Limitations

Practical efforts were made for the completion of this paper. Juggling a full time job and accomplishing the necessary tasks for the research were undoubtedly a challenge considering the time restrictions. Another inherent limitation to all research in general and this one in particular was, as outlined by Bryman and Bell (2007), that the findings of the sample could only be generalized onto the population from which the sample was taken.

Further limitations, as reported by Hinds (2007), included personal bias during the interview process and the data interpretation. Although the latter can be somewhat prevented via appropriate data coding, the interviews themselves were quite a trial given the circumstances. These were conducted online with no prior acquaintance with the respondents, cultural and personality differences and small language barriers. Although all the interviewees speak English, the fact that the majority of the day to day conversations of these managers are in Portuguese cannot be neglected. This may lead to a limited account of the contextual situation of the subject. Provisional interview times have been set well in advance to the completion date, but due to the busy schedule of the respondents this changed and resulted in data collection delay.

4. Data Analysis and Findings

In what follows, the data analysis will be outlined and significant findings will be reported. Both primary and secondary sources were taken into account for the purposes of the data analysis. The latter- secondary data- is depicted in the second chapter of this paper consisting of the literature review. The primary sources have been aligned to these in the research findings.

Primary data was gathered through qualitative research method via semi-structured interviews. Four interviews were carried out with three specialist senior managers and one line manager. Three of these were conducted through web base response and one over the telephone. The researcher recorded these interviews, whilst taking notes when conducting them.

4.1. Qualitative Research Method

The use of qualitative research is warranted since the paper is interested more in words than numbers and aims to explore and understand the context-dependant relationship (Maxwell 2005) of PMS design and efficiency. Although measurement is at the core of this paper, numbers are not, because the emphasis is placed on gaining insight and building up new knowledge on the subject as opposed to testing existing one. As reflected in the specialist literature the need for “data collection and analysis is caused by a modest prior understanding of the problem” (Ghauri, Gronhaug, 2005, p. 204).

Considering the emerging importance of the context country, it is of vital importance that the understanding of value creating strategic management tools such as PMS is gradually clarified. This paper aims to help the process of clarification and understanding so that further in-depth research can be conducted.

The qualitative method employed for this research translated into four in-depth semi structured interviews, with one line manager and three senior managers from two different organizations. In order to avoid biases, as stressed by Hinds (2000)these were all recorded so as to summarize the findings on what the interviewees said as opposed to what the researcher thought they did. The semi-structured interviews accompanied by critically relevant literature supplied sufficient information for the researcher to gain understanding about PMS design challenges within the case study organizations of this paper. However, as pointed out by Saunders et al (2011), the method cannot be used to make generalization about the entire population.

The research has further adopted an open coding of the collected data. This consisted of "(…) breaking down, examining, comparing, conceptualizing and categorizing data" (Ghauri, Gronhaug, 2005, p. 208). Unruly to quantitative research, challenges have occured with the interpretation of the qualitative data gathered; as reported by Ghauri et al (2005), there is no clearly agreed-upon approach to qualitative data analysis, even though interpretation is the core of qualitative research. In an attempt to avoid interpretation ambiguity and with the advantage of a multiple case study at hand the paper has aimed to compare similarities and differences and gain priori assumptions via pattern matching (Ghauri, Gronhaug, 2005, p. 215).

4.2. Interview Topics and Responses

1. How much experience do you have in HR?

Respondent A/ …………………………20 years

Respondent B/ ………………………… 14 years

Respondent C/ ………………………… 10 years

Respondent D/ ………………………… 5 years

2. Brazil's emerging nature makes it a real exciting environment to be operating in, I imagine. Could you briefly elaborate on the relevant macro-economic factors (PESTLE) influencing organizations in Brazil?

Respondent A/

The current protests are a prime example of a general consent over the necessity of societal change. This is mainly due to the corrupt political environment that results in public money being robbed and politicians getting away with this sort of behaviour without consequences. This has major negative economic effect on the country as a whole, organizations in general and individuals in particular. Although the implementation of social welfare programs like La Bolsa Familia are helping reduce poverty and promote the importance of education, the educational system has not changed significantly since the new regime, set up 30 years ago. Basic ethics and values that help develop competencies are not taught. Consequently the available workforce does not own crucial competitive skill sets and is not educated in accordance to the standards that organizations require. Another local environmental factor that organizations are faced with is the reality of an aging population in Brazil.

Respondent B/

With an increasing inflation rate it is difficult to keep the economy stable even with positive news such as a growing employment rate. The current social pressure is a result of political neglect. The lack of government support causes major setback for organizations looking to grow with no incentives supporting them. Also, the poor education system is reflected in the lack of available workforce. To give you an example, currently only 5 % of our population graduates from third level education. Of these graduates only 8% complete technical programmes such as engineering. This is further reduced to a mere 30% of actual engineering field employees. Organizations that require specialist workforce are majorly set back by this. The newly elected government is not living up to their promises and the current social pressure is a good start for changing the negative environmental factors as a whole and the political ones in particular.

Respondent C/

Brazil is emerging because a middle class is arising, which results in increased consumption and consequently major organizational opportunities for manufacturing. The possibilities are undoubtedly present, but the political affairs create a major setback on organizational and economic growth. The government should work towards building an educated, safe society with appropriate health policies and infrastructural growth. Politicians, however, instead of doing so form and take decisions based on their personal well-being as well as a result of the the persuasiveness of highly influential lobby groups, such as the automotive one. This results in poor public transportation, 40% taxation of GDP, high bureaucracy and import policies that make competitiveness and high productivity nearly impossible for organizations. Unless these aspects change we will be caught up by the likes of Latin America, competitors like Chile for example. The bureaucratic legal structure is a further impediment for new investors setting up companies and helping our economic growth and competitiveness.

Respondent D/

The government spends a lot of time doing little. To give you an example, it takes about five years to build one metro station in Brazil. We are a hard working nation, who- as reflected in the current protests- long for a better quality of life. Our consumption level has increased a lot in the past few years as people have started to have the financial capability for purchase. The political sphere does, however, not allow companies to grow together with the society as there are very little incentives in place, a lot of bureaucracy and our employment laws are too old and not flexible at all. Since 1991 profit-sharing payments are exempt from payroll tax. We need more similar policies to boost the economy and sustain growth.

3. Would you be able to elaborate on the influence of the above on your organization and also on the way your company trying to deal with the environmental threats and opportunities?

Respondent A/

Organizations often experience that after they hire their employees they need to teach them basic mathematics and ethics. This is the result of our poor educational system. It is interesting to observe how employees' value system evolves once they start being taught these within the organization. Our unreformed school structure is an environmental weakness that companies can also use to their advantage as they offer a lot of training and educational programs to their employees. The current global economic crisis also serves to Brazil's advantage, in that it gives organizations the opportunity to employ well educated and trained people from abroad that are happy to obtain a job here with us. In terms of trying to overcome the consequential threats of an aging population, organizations use a lot of resources on trying to attract young people. They do so through educational programs which promise to help them on their career paths.

Respondent B/

The lack of infrastructure has a positive influence on our organization as we can help build it. We grow together with the economy, but implicitly are set back if this growth is jeopardized by other environmental factors. The previously mentioned lack of specialized workforce affects us directly. The governmental level of support to solve this is very low or non-existent. Further, when we do find specialist workforce we are faced with the setback that results from the locations of our factories. These are not always placed in the most desirable areas, so we have to convince the workforce to re-locate to where the factories are. These are environmental impediments that we try to defeat by collaborating with the government and local communities, involving them in our area developmental committees. We also partner up with schools to train and develop people in accordance to our workforce needs.

Respondent C/

Due to the political corruption that carries out ‘deals under the table’ societal reforms take longer to implement. This affects us directly, as we depend on the change that result from the lengthy implementation process. We grow together with the infrastructure of the country which is great when this growth is facilitated by the government leadership. Further environmental influences that affect us directly, but unfortunately negatively as well consist of the existing high tax rate and lack of specialized workforce. We import managerial workforce from abroad, but specialist personnel such as engineers come at a very high financial cost, which is why in order to decrease our technical workforce shortages we have formed partnerships with educational bodies. This way we develop local workforce at a lower cost with the added benefit of its positive societal impact.

Respondent D/

Our employment laws are dated and lack the flexibility that our organization requires. We need to develop better financial service standards in order for our products to keep up with the emerging consumer confidence that defines the Brazilian environment. We invest in new technologies, but with the lack of educated work force it is difficult to maximize the potential of these technologies. The organization needs to live up to higher customer service expectations that results from the currently growing economic environment. It aims to achieve this through employee training programs in order to contribute to the closing of the educated workforce gap.

4. What about the local institutional factors and their influence on your company?

» Are trade unions recognized in general and in your organization in particular?

Respondent A/

Yes, in both.

Respondent B/

Yes, in both.

Respondent C/

Yes, in both.

Respondent D/

Yes, in both.

» Do they have a major influence on organizations in general and yours in particular?

Respondent A/

Trade unions have a very strong influence in general and in organizations in particular.

Respondent B/

Trade unions have strong political roots that result in a strong general influence in Brazil and in our organization as well.

Respondent C/

Trade unions were the only ones that could organize themselves throughout the dictatorship era and continue to have a major overall influence in organizations in general and ours in particular. If we look at how strongly they managed to stay throughout the dictatorship, from a purely organizational ability perspective I believe that we can learn from them.

Respondent D/

Trade unions are very strong generally, in some sectors more than others. They do have a strong influence in our organization as well.

» What is the level of involvement of your department in dealing with industrial relations? Would you describe it as administrative, communicative or regulatory?

Respondent A/

Communicative, we try to reason with them. They have a very strong influence that they sometimes use for individual benefits.

Respondent B/

Regulatory, they regulate us.

Respondent C/

I would describe it as a little bit of everything. They have a high level of power so we try to negotiate with them, but more often than we wish it ends up in conflicts.

Respondent D/

Communicative and administrative. We negotiate with them on general matters and also deal with them on day to day administrative constituents.

5. Research suggests difficulties in linking business strategy and HRM. Is this the case within your organization as well? If so, how does your company try to overcome this?

Respondent A/

Organizations consider it crucial to link their corporate strategies to HRM. It is a valued function because companies are aware of the fact that they need to obtain the right employees in order to have a profitable organization to run. The leadership within organizations recognizes the value of the HR function and aims to align it with the business strategy. The functions are aligned so as to complement each other and work simultaneously as opposed to a top to bottom or bottom up division of power. Through partnerships with educational bodies they also try to create a workforce that is already aware of the practical realities when they graduate. Organizations do this in order to facilitate the linking mechanism.

Respondent B/

HRM is involved in the organization's strategic dialogue. We aim to link the business plans with the results of the reports yielded from our human resource activities. The function is part of all the corporate divisions but HRM strategies are far removed from employees' day to day activities and concerns. We try to change this through our mission statement that is based on high performance of which we make our workforce aware of.

Respondent C/

Our organization is trying really hard to link business strategy with HRM. The latter is perceived as a value adding function in theory, but this is yet to be proved in practice. It is almost like when you buy a product because you are told that it is great and you are looking at ways of subtracting the benefits of this product, but you are not exactly sure how to do it. The executive board recognized the value of the function, but they still haven't found the correct way of processing it. Our corporate culture is based on manufacturing because it depends on it, and linking intellectual competitive advantage to our strategy is what we strive for - but it is proving to be difficult.

Respondent D/

Due to a high turnover on our executive board the business strategy is insecure and not linked to the HRM strategy. There is a lack of communication between the leaders of the functions which results in employees being told to do ‘more with less’, but without clear indicatives of how to achieve this.

6. Can you please tell me about the performance management of your organizations? Is it aligned to the firm’s overall strategy and the emerging strategies?

Respondent A/

The leadership within organizations recognizes the value of the HR function and they aim to align it with the business strategy. The functions are aligned so as to complement each other and work simultaneously. For instance, if the CEO says that we need to develop or purchase a new product because we are having difficulties with the current one, the HR director will not contradict the need for this but rather discuss available workforce and/or necessary recruitment and training to achieve this. Most companies have a performance management system in place, but an outdated one. We need to introduce new performance management processes for a new environment with new people. One of the organizations I worked with was on the right track of developing this through employee involvement. It aimed to connect the entire workforce to the firm’s overall strategies via focus groups and these were going great. People had excellent ideas on how to maximize the profits by recognizing our human resource’s skills and competencies outside of their job function. They suggested that the organization should strive to get to know them individually and maximize their potential within the company. Employees also had a number of ideas for knowledge sharing and simple acknowledgement means for their efforts- for example a website where they can give each other virtual medals when they help each other or receive them from their managers. Then the company was sold and the project got lost in the purchase transition.

Respondent B/

We have a relatively new development system in place. It was cultivated nine or ten years ago. We try to link it to our main strategies by including the function into the strategic dialogues we carry out. Also, when we decide on a particular strategy the performance management objectives become aligned to this via specific targets. 30% of these targets are overall organizational ones whilst 70% are individual ones. The way we set up our performance management allows us to not just evaluate the quantity of the work, but the quality of it as well, so that we can align it with our values and mission statement. Our customers are not the end users of our product. Implicitly if the overall organizational strategy is improving customer satisfaction we will not have means, such as customer feedback surveys to base our aligned performance management strategy to. Because we are not a service sector organization we don't change mentalities to change culture, but we change processes to change people. We are currently working on an organizational culture change. We have a simple manufacturing and operations model, but we do not want to be viewed like a simple commodities organizations. We help build Brazil's infrastructure and through this we want to be viewed as the organizations that is changing the country. In order to achieve this percept from outside of the organization we need to first encrypt it in the culture. By changing processes via implementing new technologies into our factories we cause functional changes that leads to people and performance management changes.

Respondent C/

We have an organizational development system that is based on annual performance reviews. The objectives of these standardized reviews are not linked to the organization's financial targets. We instead evaluate our employees through a performance matrix that horizontally appraises the performance on the job function of our workforce. Their functional performance is expected to be in sync with the organizational culture defined by our values and beliefs. The vertical component of the matrix is based on our employee's learning abilities. We review their development in order to recognize their individual potential as well as the competency gaps within our company. Extracting value from HRM processes such as performance management depends a lot on stability, which is restricted by our ever emerging strategies accommodating environmental change. This makes the alignment difficult. In the past three years our organizational strategy changed five different times and particular performance management aspects simply cannot adapt to such level of change. We are focused on trying to find solutions for this flexibility need of our performance management system.

Respondent D/

We practice performance management for three different reasons. The first reason is to help the practice behind our mission statement theory, which is to be efficient and do more with less. Secondly, all of our competitors have performance management, so we implemented it to keep up with them as well. Thirdly, in order for the organization to become eligible for the payroll tax exempt their employee's individual input to the overall profit needs to be monitored, evaluated and demonstrated. Payment is decided on the basis of the performance reviews conducted. Its alignment to the organizations overall and emerging strategies is impeded by the leadership transition that our organization is currently going through. This means that it is not by choice that the performance management strategy - or other departmental strategies for that matter - are not aligned to the general and emerging strategies, but it is the unfortunate reality that our core business plan is not secure enough to be linked with other organizational functions. Stakeholder interest is definitely the prioritized one, as opposed to the shareholder one, which results in a performance management routine that is done without a clear understanding of the overall goal.

7. Can you elaborate on the performance measurement system in place in your company?

Respondent A/

With an outdated performance management system in place the performance measurement is implicitly old-fashioned too. It measures performance on a scale of one to five, where scoring one means not completing your functional responsibilities, two is under-performance, three equals functional duties completed whilst four means that the employee did more than expected and the highest score reflects excellence in the employee's performance. This evaluation is reflected in numbers, and then followed up by management under a basic competency assessment, but it is all oriented towards the result while neglecting the behaviour importance behind it. It results in the individual employees not feeling connected with the organization and its goals and viewing the entire process as an administrative duty, a piece of paper that they need to fill out. Organizations recognize that measurement is important because so many other processes are connected to it but the system itself has to be revised and updated.

Respondent B/

I do not know what kind of measurement system we have in place in our organizations. The line managers collect the data, evaluate it and present it to us. The employees have a yearly appraisal with their managers. We also discuss the performance measurement presentations in the director's committee meeting with the president every three months. We also have an annual committee meeting, where we discuss performance measurement results from the past three years to monitor consistency or the lack of it. Our compensation plans are mainly of financial nature and consist of salary increases. There are also opportunities for promotion.

Respondent C/

The yearly performance appraisals are linked to the individual development plans that we have in place. This includes both financial and non-financial compensations plans. The latter consist of training opportunities, further education and promotions. Compensations are granted in accordance to the matrix performance results. The appraisals are conducted by the compensation committee who review the employees put forward for development and promotion. The fact that our performance management system is not linked to the organization's financial targets has a negative impact on its measurement effectiveness. It further regresses the practical involvements of our HR mission statement that advocates high performance within the company. We need to be able to measure and manage performance in numbers, as well as on a functional and development potential basis that we currently have in place. This is the main challenge with the performance measurement system that we have in place.

Respondent D/

Our organization purchased a software system from one of the leading providers of these types of systems. The methodology is based on that of the balance scorecard. Functional duties represent sixty per cent part of the evaluation, whilst forty per cent of the quota is based on the employee's skills and competency- to put simply: how they do their job. These two aspects are graded on a one to five scale. Once the results are centralized, the managements sits down with employees for feedback conversations. They will talk to the staff not just about their functional performance, but also how they achieved what they did. Compensation consists of financial incentives as well as further educational development plans. If an employee rates on the lower end of the scale their superior will look into ways of improving their performance via organizational training programs. If employees score on the higher end of the scale they are primarily rewarded with financial benefits, but also opportunities of further educating themselves and becoming eligible for promotions.

8. How was this designed for your company? Were societal and organizational clues taken into consideration, as research suggests that these provide clues for system appropriateness?

Respondent A/

Most global organizations opt for best readily available models, following their headquarters in Europe or the US. The processes of these systems are usually very well defined but not adapted to local needs. Local environmental clues should be taken into consideration in order to connect employee development to the organizational goals. Beyond numbers, performance measurement needs to reflect the workforce efforts and their connection to the overall organizational goals. If we include skills and competencies in our appraisals we eliminate the potential of subjectivity that could arise when managements scores employees. In the focus group that I mentioned previously there was a general consent over antipathy for being scored and representing 'just a number' for the organizations. The workforce from the focus group expressed the fact that that they were in the organization looking for development as well as financial compensation, so linking performance measurement to financial incentives is not entirely healthy either.

Respondent B/

I was not part of the performance measurement design team, but I do believe that environmental clues were taken into account because when we appraise people we don't just appraise them in profit input terms or reward with simply just those incentives. Through our performance measurement we aim to build alliances and recognize the values of our employees in order to further better them. This is important for Brazilians.

Respondent C/

External environmental clues were not taken into consideration as much as internal organizational ones. The system is based on the idea that if we appraise well we can compensate better and increase shareholder value optimization, as opposed to just the stakeholder one. The design process is on-going because we want to be able to learn from the system failures and further develop its effectiveness. We aim to achieve this through small changes such as linking financial targets to performance expectations and continuously learn from our trials.

Respondent D/

I was not part of the design team so my response is based on my interpretations of the system processes of the software. It is not a bespoke system, specifically designed for our organizations. It was chosen from a trustworthy source and it is a product that our competitors use as well. I do not see any clues that would point to the fact that it was customized in accordance to the societal and organizational environment. In fact, I believe that partially we decided to go ahead with this particular tool because our competitors implemented a similar one so in a way we wanted to keep up with them. Of course this was not the main reasoning, because the leadership wants us to be efficient through this product. The compensation system was, however, developed in line with societal clues. Brazilians place a lot of emphasis on further educating themselves. I personally took up on a number of internships as well and feel like I learned a lot more in work than in university. The university curriculum is extremely theory based. As a fresh graduate it is really hard to connect it with reality. This is what organizations do for us.

9. What challenges have you encountered during the design and implementation process?

Respondent A/

I do not have experience with the design process as most organizations just purchase a 'one size fits all' system. Managers are then introduced to the system and the concepts behind having a system. They are then taught how to use the system and become responsible for implementing it in their departments. The challenges come most of the time from the sizes of organizations. Some companies are so big that their employees can get lost in their own departments, so involving everyone and monitoring this becomes very difficult. From my experience this only becomes easier to manage when there is genuine interest from the employees towards the system. This only happens when employees are not scored, but appraised, and management shows concern for their development. They value this more than financial incentives and so they want to use the system which makes the implementation process much easier.

Respondent B/

I was not part of the design process and am unfortunately unaware of the implementation challenges of the system itself.

Respondent C/

I was not involved in the initial design of the system, but the process itself encounters systematic challenges such as lack of easy access to individual employee's track records. If I want to check the performance of an employee in the past few years I cannot access the information from one system, but have to log in and out of different ones. This is a practical aspect that was overlooked in the system design process and it is proving to be a major setback. The implementation is done through various trainings given to all the managers that deal with employees. We are getting better at this every year, not just because we teach managers how to use the system but we feel like we are also making them aware of the benefits of this. The main challenge with the implementation process is the high staff turnover that we are experiencing, unfortunately. This results in the setback of having to train in new staff continuously. Leadership change also affects us negatively, as their views on different concepts directly affect the system design and implementation.

Respondent D/

I was not part of the initial design process. The challenge with implementation consists in the fact that it is not controlled and evolved. Once the managers have been trained and told what to do and how to use the software, no one really follows up on whether they do it in accordance to the training or not, so therefore the employees might not get the full benefit of the system.

10. How do you appraise employee involvement with the system?

Respondent A/

Most financial sector organizations base their entire performance measurement and employee involvement on profit input. They consequently also reward good performance financially. This needs to be changed into a genuine organizational concern for their employees' development in order to involve the workforce with the system. Leadership still too firmly believes that performance comes from financial incentives. From my experience and studies on the subject I strongly believe that if employees feel connected to an organization beyond the financial incentives they will become involved in the system and help better the organizations. Employees want to develop and discuss this development with their managers. This is why companies need to train their management into having meaningful conversation with their employees and connect them to the organization. This way they will work harder towards the goals and targets set out with their input and be more involved in the measurement of their performance.

Respondent B/

I do not know. The measurement presentations are brought to us.

Respondent C/

During the training sessions on the system that we offer our employees we discuss about the ideas behind the concepts of performance management and measurement. This gives us an insight into their opinion on the system and their views on the concepts behind it. I believe that true involvement is not reflected in excelling in the system itself, just in the same way as having an excellent system will not necessarily create effective performance measurement and management. Systems break down and they get fixed, but the right percept of the importance of these systems is of true value and also what will keep us ahead of the competition.

Respondent D/

We don’t or if we do I am not aware of how to do so. The organization has a hierarchical structure in place so we are encouraged to communicate with our direct superiors. If our bosses do not let us know about an aspect, like employee involvement in a specific system, we will not know how to appraise it. Some of my peers have the necessary skills to pass through this but it is very difficult.

5. Findings and Recommendations

5.1. Business Strategy in Brazil

As per the literature review section of this paper, it is claimed that the essence of HRM is to identify the means and extent to which firms can influence HR capacity for positive impact on performance (Gunigle et al 2009). Becker et al. (2001) resumed how HR evolved from the personnel perspective into a compensation perspective, which further developed into an alignment perspective, to finally evolve into a high-performance one, where HRM strategies are embedded with the firms overall strategies. Three out of four case study respondents of this research confirmed how their organizations view HRM from the latter perspective. Based on both respondents from one of the case study organizations the leadership of these companies recognize the value adding function of HRM and are striving to align their overall organizational strategies with the HR strategy. They aim to do this for a shared division of strategic power instead of a top to bottom approach, as per Purcell's (1989) theory. However, as concluded by the respondents of this organization it is more based on a theoretic principle that their organizations is aiming to achieve this, as opposed to proven functional purpose.

Contradictory views, such as Beardwell and Clayton (2010), however claim, that the more reliant firms become on intellect, the more difficult it is for them to manage the performance of their intellectual human resources. The contradictory views are legitimized through one respondent from the second case study organization, who reports on lack of communication within the company. This could point to the fact that the leadership find it overwhelming to manage their human resources and fail to link the HRM strategy to the firm's overall strategy.

Prowse and Prowse (2009) also stress that whilst in theory HR strategies focus on long-term approaches, in reality they are primarily cost-driven and subjected to short-term workforce flexibility response. The respondents of the case study also confirm the difficulty that HR managers face when their long-term focus strategies have to keep up with the emerging strategies in their organizations. Armstrong (2009) among other authors also reported that linking HRM strategy with overall organizational strategy becomes difficult when the long term strategies are continuously being replaced by emerging ones. The potential antidote for this could be a more dynamic conceptualization of the HRM strategy, as opposed to viewing it as a static phenomenon. The focus from deliberate and intended organizational strategies must be shifted to realized and emerging strategies and the alignment of the HRM ones to these, as reviewed by the research respondents.

In the attempt of linking overall organizational strategies with HRM strategies the case study organizations have adopted best practice models. None of the respondents of the paper considered this an entirely effective approach for their organizations. One of the most obvious potential challenges that the literature recognizes is the crash between the generic nature of these models and the organizational culture.

Edgar and Geare (2009) outline the importance of differences in attitudes towards HRM activities, which could create conflict between what management considers beneficial to the organization and what employees think on the subject. The concept of ‘shared values’ is perceived as an important intermediary between HRM practices and firm performance. The literature often assumes this as a given in the organizations of their study. In challenging this view, Edgar and Gear’s (2009) study reports how multiple levels of respondents produce different responses on the percept of this concept. The groups of their study consist of middle managers, supervisors and ordinary employees. Their views on shared values, job satisfaction and organizational commitment were questioned and measured. Results found that managers- as a group had a stronger mutual percept of the concept than did employees.

The study found that in the Brazilian context this would not represent a major challenge. Respondents claimed that due to the poor educational system in place organizations teach basic values to their newly employed workforce. This means that the organization can align their employee’s value system with the overall organizational value system in a shorter and more efficient time frame. The paper recommends this as a mere engagement opportunity within the given emerging market context. It most definitely is not referring to what was defined by Gunigle et al (1997) as an “inculcation” process. The author used this as a description of the hard HRM approaches of a number of multinational organizations expending on the Irish market in the eighties exploiting a certain workforce segment.

The above is however far from sufficient for the success of best practice models, considering that they are also based on the additional criteria of selective hiring which is limited given the context of insufficient educated workforce availability in Brazil. Further prescriptions of the model advise on incentives that promote employment security, which considering the shortage of educated workforce supply is not currently relevant. High compensation of performance, training, and the encouragement of self-managed teams on the other hand are incentives that, as we find out from our respondents, would be valued by employees. The compensation forms, as outlined by Augunis and Pierce (2008), would have to be aligned also to the non-financial expectations that, as concluded by the respondents of this paper are not emphasized enough. The model further requires reduced status differentials which would yield a more flat management structure. This is not reflected in either of the organizations represented by the respondents of the case studies. Hierarchical structures are in place, which makes it difficult for the organizations to promote information sharing- another best practice model criteria.

According to the respondents of the study, best fit models would be more adequate within their organizations as best practice models were not designed in emerging markets for emerging markets. Auditing the environment is important not just for the microenvironment factors that can be somewhat influenced, but also the macro environment ones, over which organizations have no control and cannot directly affect their profitability. By simply being aware of them, companies can attempt to maximize opportunities and minimize threats. To note the relevance of environmental factors and HRM, Edwards and Wright (2001, p. 572) drew attention to 1980's Britain, where the high productivity performance was a result of a 'fear factor of job losses' as opposed to performance practices/models.

It is crucial for organizations to be aware of both the positive and negative impacts of the PESTLE (Porter, 1980; Fahey and Narayanan, 1986) sphere so that they can focus their resources on maximizing their competitive advantage in accordance to it. The research has briefly analysed the current environmental threats and opportunities on the platform of its case study via an environmental audit outlined in the interview section of this paper (See section 4.1 Interview Topics and Responses Q. 2, 3, 4).

Based on the findings outlined in the interviewee respondents the research agrees that a bespoke model would be more suitable within the Brazilian context, but the challenge of poor workforce availability, as outlined by Armstrong (2006), would still have to be addressed. The author further outlines how best fit models also predicate accurate managerial foresight for realized strategy whilst neglecting the most critical intervening variable, which is change. This is confirmed by the interview respondents and it's a vital challenge within the context of an emerging market, such as Brazil. Organizations could try to overcome this via internal trainings and continued associations with educational bodies, so as to prepare students for work place realities. However, these are both costly and time consuming practices and an undeniable obstacle in the adoption of best fit models.

5.2. Performance Management in Brazil

Based on a brief review of the specialist literature (Boxall, 1994; Legge 1995) the prescriptive, administrative and reactive function of HRM has to be converted into an executive and proactive one for an effective alignment of its strategy with the overall organizational strategy. The linking mechanism is a HPWS, as reported by Edgar and Geare (2009). In order to facilitate this, PM policies are designed so as to attract, retain and motivate high performance employees (Biron et al, 2010; Blasini et al 2011). Beckeret al (2001) stress the importance of a PM function that is based on management thinking with a percept of work and workers as strategic assets within organizations. Within a HPWS the cyclical process of PM, as outlined by Beardwell and Clayton (2010), supports improved overall organizational performance through individual performance enhancement within the framework of a team. This is yielded from role definitions based on competency frameworks, communications of expectations within achievable benchmarks and the overall promotion of superior performance.

Adapting a prescribed HPWS and aligning the organizational PM processes to it without analysing an external and internal fit can do more damage than advocated good. Whilst Boxall and Purcell (2003) stress on the importance of recognizing that HPWS were introduce to improve efficiency and profitability, not for social or ethical reasons, institutional factors of such high scale influence will undoubtedly regress the effective functioning of these convergent systems. In the research context of this paper we cannot disregard the local institutional factors that have a great influence on organizations in general and the case study organizations in particular. As per the answers of each of the respondents, trade unions have a very strong domination and political involvement in Brazil. When the respondents of the case study were requested to describe organization's relationship with trade unions they were given the option to choose between administrative, regulatory or communicative so as to define the division of power in the relationship. Even when the relationship was described as communicative- which would reflect an equally aligned power division- the answer was that the communication is based on negotiations and "reasoning".

Boxall and Purcell (2003) further address the importance of industry and sector distinction for the design of appropriate PM policies and applications. They looked at industries and sectors with a clear division of labour emphasizing transactional relations and internal development and advised these to build commitment based PM policies and applications. They found that knowledge intensive firms who require a growing number of professional employees with little time for internal training and development ought to base their PM policies on flexible working conditions and moving pay rates. One of the case study respondents also confirmed the relevance of industry and sector differentiation and the necessity of aligning their policies in accordance to it (see Q6, respondent B). The respondent outlined how - given the nature of their business- change for their organization comes from process alternation as opposed to employee awareness of strategic plans.

Further, there was consent on behalf of the respondents from the financial institution that as far as their sector is concerned, organizations have more of a compensative perspective on workforce systems and implicitly PM. The latter policies will be linked to financial incentives above performance ones and stakeholder interests prioritized. This further influences the organizational culture and results in PM routines without a clear shareholder understanding of organizational goals. The paper observes that what one of the respondents (see Q6/ Respondent A) defines as an 'outdated PM' is one without an adequate perspective. Recommending a simple change of perspective, however, is not as simple as the literature might outline, due to the environmental factors that must be taken into account.

5.3. Performance Measurement in Brazil

The literature (Taticchi, Tonelli, Cagnazzo, 2010; Srimai et al. 2011; Teerantansirikool, 2012) indicates how measurement developed into a key function of facilitating strategic management via its evolution to a non-financial focus from a financial one. Scepticism towards it results from a downstream categorization (Kaplan and Norton 1996) of the function as well as an overall difficulty to measure its effect on the overall organization (Becker et al, 2001).

The paper finds out that the case study organizations of this research are almost at opposite extremes in theirs views towards the function. The financial organization has an overwhelming financial focus, without being able to communicate the strategic reasoning behind measurement. The manufacturing firm on the other hand is so focused on implementing performance perspective measurement that it does not link the function to any financial targets and focus. Based on specialist theory (Becker et al, 2001, Teerantansirikool, 2012), the paper does not advise on either extreme. It instead advises a measurement based on performance enablers and drivers as well as strategic focus as per Porter’s (1994) theory.

5.4. Performance Measurement Systems in Brazil

Specialist theory (Fisher, 1992; Kaplan and Norton, 1996; Waggoner et al., 1999; Neely et al. 2002; Masterson, 2013) claims that an organization’s approach towards performance will shape their measurement system in place. The latter can be a comparative or absolute defined by three different approaches towards performance, namely trait, behaviour and result approach. All approaches should however take into account that performance is defined by what employees do, not by what they produce. Their accountabilities, objectives, standards, should be based on competency indicators and achievements to evaluate individual contributions, stakeholder input and developmental needs, plans and goals (Neely et al 2001).Criticism (Dechov, 2012; Modell, 2012) towards PMS is derives from simple basis, such as claims that their impact is too ambiguous to be measured and go as far as to accuse them as means of mitigating, and being used as management tools for excusing potentially irrelevant management expectations and legitimizing particular management styles.

The BSC (Kaplan and Norton, 1996) is by far the most popular system in use with a number of other systems adapted to it. Its operational design is based on four central concerns. The financial one revolves around the question of appearance in front of shareholders for financial success. Satisfying shareholder and customer needs is another concern within the second perspective of the system, also focused on organizational growth and strife for change and improvement. Finally, appearance in front of customers is the fourth concern of the system. Its popularity lies in its acclaimed ability to focus on both short and long term objectives, financial and non-financial measures whilst representing a rational norm to standard strategic management solutions (Goncalves, 2009; Dechov 2012)

The findings of this study confirm that organizational approach shapes the measurement systems in place in the case study organizations in Brazil. Because the manufacturing company is striving for high performance (Q7/Respondent C) their measurement system is not aligned with the firm's financial targets. Management monitors consistency based on a performance matrix and reward it not just through financial plans but via non-financial educational programmes for further development. The financial organization has a sixty per cent quota evaluating and rewarding functional duties through financial incentives. Skills and competency evaluation are secondary to this. The system is based on evaluation through a number and whilst financial incentives outweigh non-financial ones the latter is still built in the system. Both systems come across to respondents, with the exception of one (Q7/Respondent B) as ambiguous. In the case of the manufacturing firm the respondent claims that this is because it is not linked to the financial targets of the organizations, whilst in the financial institution it is because the entire individual performance is summoned into a number neglecting the importance of employee behaviour. The paper finds that the BSC adaptation used by this organization while in theory serves as a rational norm for strategic conduct it is too ambiguous of a management tool in practice. The recommendation for the financial institution is to revise their approach towards performance in order to change their PMS. As for the manufacturing company the paper recognizes the relevance of the respondent's stand on financial target linkage as the literature advises on a balance between financial and non-financial focus within the PMS.

5.5. Performance Measurement System Design in Brazil

The literature highlights a number of challenges involved with PMS design that can compromise the efficiency and effectiveness of it. The most critical ones stress the relevance and reliability of what is being measured and how (Modell 2012), coping with the need for a dynamic alliance between the system and overall organizational strategy Chia et al. (2009) and means of clear stakeholder communication upon the purpose of the system (Tung, Baird, Schoch, 2011; Dechow, 2012). In order to overcome these, the theory advises on adaptation of non-financial performance measures and incentives in the design. These are important not only from a system credibility perspective (Becker et al., 2001) but also for optimizing internal working beyond an insular, shareholder value creation perspective. In order for organizations to be able to do this the system design needs to take into account employee needs (Srimai et al., 2011).

The paper found out from the case study respondents that the financial institution implemented a PMS based on a BSC framework. Whilst the system has well-defined processes it is not aligned to local needs. The system neglects to reflect workforce efforts and connect employees to the organization. It is also overwhelmingly oriented towards financial measures and incentives. The latter is also mixed with further development and education incentives. Employee involvement is measured in financial input and there is a lack of communications on strategic direction within the company. Due to the hierarchical structure in the firm even employees that are interested in finding out about such organizational aspects are not encouraged to pursue their curiosity. The research concludes that the PMS system in place is based on a top to bottom management approach.

The paper acknowledges the landmark ability of the BSC to adapt to a high number of organizational contexts but as per the literature review section it disregards it as an effective measurement system due to its ambiguity. It recommends communication with employees on organizational and PMS goals and objectives for strategic alignment. Employees needs also have to be taken into account which is why the research recommends face to face discussions with department representatives who can express their opinion on what needs to be measured and how. It would be helpful if the information from employees, who carry relevant system advice, would be generated via an independent party, so as to avoid not receiving genuine information in fear of reporting potential negative observation to their superiors. Once the feedback from these employees would be processed the results could become customized characteristics of the measurement system. This would assure that the right input would be taken into consideration in the system design and avoid the challenges of irrelevant information being measured. The paper considers this to be the most important aspect in need of revising for the organization.

Contrary to the findings from the financial institution, the manufacturing company of the case study supports a bottom to top approach in the design of their PMS. The paper concludes this from the lack of involvement and knowledge upon the functionalities of the PMS by the senior manager interviewed (see Q. 8,9,10 Respondent B). The other respondent, whilst not involved in the initial design process of the system was still able to outline that it is based on non-financial perspectives and consideration of environmental factors. This is an indicator of efficient task division and healthy communication within the organization. Senior management involvement should be visible in a willingness and ability to align the PMS with organizational strategies and monitoring of consistency (see Q7/Respondent B) not necessarily via knowledge in the actual system functionality. Employee involvement is measured through valued line manager input during training processes, when they are asked about their thoughts and ideas on having a PMS. The systematic challenges identified relating to a lack of easy access to employee's track records are a design failure. The paper recommends revision of these.

6. Conclusions of the Research

Although Brazil is part of the top ten largest economies in the world - with one of the most significant emerging markets and largest population in Latin America- it still does not seem to qualify as the focus of enough HRM based research. Studies on the country primarily focus on industry trends and economic issues, with infrequent attention directed to it from management scholars. The majority of the specialist literature on strategy and PMS is primarily focused on the Western countries that it originates from. There is very little theory, let alone empirical and practical knowledge on the subject from emerging economies in general and Brazil in particular.

The paper recognizes a theoretic tendency not to analyse specific market contexts while they are emerging or booming. It is almost as if they have to crash first, for scholarly attention to be directed towards the evaluation of malfunctions. The study considers that the literature is neglecting large scale opportunities for knowledge creation on success factors of leading organizations within emerging contexts like that of Brazil. In what follows it will conclude knowledge of this nature, namely awareness of the strategic challenges involved in performance measurement system design, within the case study context of Brazil.

For the above examination, the paper firstly recognized the importance of linking HRM strategies with overall organizational strategies. It then analysed the literature on recommended models for strategy alignment. The theory reflects and debates most on the relevance and suitability of customized 'best fit' models and standardized 'best practice' models. The primary data collected found that opting the latter is more common in Brazil. The main strategic challenge involved with this consist of environmental incompatibility, that requires aligning emerging strategies to prescribed long term view ones. The paper recommended 'best fit' practices that allow for bespoke, more dynamic HRM strategy creation.

The research however, did recognize the lack of appropriate workforce availability that would represent a major challenge in the implementation of this. The research agrees with the organizational practices trying to overcome this challenge. These consist of alliances with educational bodies and internal training programmes in order to gained educated and skilled employees. The research further advises on more focus on importing workforce. Only one respondent out of four mentioned this as an option whilst another one disregarded it due to the high costs involved. Whilst the latter is undoubtedly true strategies attracting international workforce should not only focus on financial incentives. The currently recovering global economic climate can serve as an opportunity for attracting recent graduates from all over the world. Given their lack of experience they will be struggling with employment opportunities within their specialization. Brazilian organizations should target them and stress the practical experience and growth opportunities to these entry level professionals.

In what followed the research analysed the role of PM in linking HRM strategy to overall organizational strategy. It recognized that for effective alignment an appropiate workforce system has to be in place. This has to be built on relevant performance enablers and drivers and aligned to organizational routines. Organizational perspective, as well as industry and sector distinctions are of vital importance in the adaptation of appropiate workforce systems. Senior management involvement is also stressed by the literature for effective alignment. The primary data shows that the organizational perspective of the financial insitution is compensative. Without a performance workforce perspective organizations will struggle to recognize their key performance enablers and drivers. Implicitly the PM strategy will fail to link the HRM one with the overall organizational strategy. The paper concludes from this that there is a lack of senior management involvement in the linking process which could be the result of the leadership transition period that the organization is currently going through. The paper recommended the implementation of a non-financial perspective and a stronger leadership focus on improving the vital linking system in the organization.

The primary data collected from the manufacturing company shows a much more efficient alignment of the performance perspective and its enablers and drivers. It also found how industry and sector distinction is indeed of relevance in PM focus. Further, whilst focus on non-financial targets is important in the efficient implementation of the HPWS that the organization has opted for, the paper advises the management to revise the complete lack of PM linkage with financial targets. The literature recommends an effective balance between the two.

To paper further outlined the importance of performance measurement. It concluded from the primary data collected that Brazilian organizations recognize the importance of measurement and they strive to align it with the overall strategic goals. In the case of the financial institution this becomes wehere difficult seeing as the other particles of the mechanism outlined above serve as an obstacle in this. A further disadvantage is the lack of communication resulting from the hierarchical work structure in place. The paper cannot stress enough on the reciprocity between PM and PMS particles within a HPWS context that facilitates effective measurement. The leadesrhip has to start connecting the strategic linkages that allow for profitable performance measurement.

An interesting aspect recognized by the paper from the primary data collected from the manufacturing company representatives, was that leadership involvement does not necessarily mean into the functional design of the PMS. One of the senior managers intervieewed was not able to relate about the measurement system type or process of gathering and evaluating data. The person was however able to respond on how the presentations from the measurement processes are used by senior management to monitor performance, consistency and alignment with the overall organizational strategies. This reflects an on an efficient modern division of labour and trust in the functionalities of different departements. The paper will however again outline the need for a balanced inclusion of financial targets within the PMS for sustainability.

The paper reviewed a number of theories advocating environmental and organizational factors considerations in PMS design. The primary data respondent deducted that both were taken into account in the the system design process. The same respondent has however reported systematic issues with measurement tool. It is crucial for the ability to understand, control and improve performance to have easy access to employees track-records. The research advises that the design process takes this aspect into account.

The literature outlines the distinction between intended practices, envisioned designed policies and actual processes dependant on employees. For the least gap between these it advises organizations to view performance as behaviour -what employees do- as opposed to a mere consideration of what they produce. From the primary data findings this is the first step that the financial institution of this case study should take to overcome the challenges it currently faces.

The paper is confident about achieving the research objectives set out and offering an insight into the strategic challenges of performance measurement system design in the Brazilian context. This is subject to the limitations outlined below.

6.1. Limitation of the Research

While the interviews conducted with the case study respondents were in depth (see Appendix), the research is admittedly based on a small sample. Further in-depth research could be carried out on the same subject with a larger number of case studies or a different approach to the available data from the interviews. Several themes have also emerged from the paper from the environmental knowledge gained on the subject.

7. Reflection on Learning

Zuber-Skerrit (1992) defined learning as not just a mere process but an outcome in itself. Fielding (1994) further denoted it as necessary ground work of an emancipatory pedagogy, whilst Raelin (2008) interpreted the process as an acknowledgement of the individual experience and foundation for future action. Based on these definitions only, it is no surprise that individuals undertaking academic and/or professional development are faced with an increasing demand of analytic self-reflecting.

In what follows, the author will identify the learning experiences that occurred throughout the dissertation process. Theoretical concepts on learning styles will briefly be reviewed for the purposes of a throughout assessment of the occurrences. The individual development resulting from the learning undertaken during the course of the dissertation process will be reflected on. Behavioral changes will be taken into consideration when identifying transformations in thinking and/or acting. Further, the experiences that had the largest impact on the author as a learner will be identified. Finally, assessment of how these lessons have been applied and will continually be applied within the practical realities of the working sphere will be outlined.

7.1. Learning Styles

Theoretical concepts define learning styles as a person’s natural archetype of gaining and processing information in learning situations. McDaniel et al. (2008) outline how immensely has formal education been influenced by the acknowledgement of individual’s different methods of learning. Educational promoters of the theory recommend adapting classroom styles to fit each student’s learning style. Critics, however, argue that identifying a person’s learning style does not guarantee better outcome on individual learning. Two of the most influential models in the literature are briefly outline below.

Kolb’s experimental learning theory (1984) outlines a pair of affiliated approaches each, towards the processes of grasping experience and transforming experience (Figure 7). The grasping approaches consist of concrete experience and abstract conceptualization, whilst the approach towards transforming experience consists of active experimentation and reflective observation. An ideal learning process engages and incorporates all of these approaches into situational demands. Individuals will however develop sole strengths in each approach. Learning styles are the result of the combination of a person's preferred approaches. Kolb (1984) differentiates between diverging, assimilating, converging and accommodating styles. A diverging learning style is defined by an innovative and imaginative way of doing things. Diverging individuals will learn through logical instructions. Their ability to perceive situations from a multitude of perspectives leads them to discoveries. Assimilating individuals gather various observations and thoughts that they convert into an integrated whole from which they reason inductively and develop theories. A converging learning style revolves around problem solving. Converging individuals place major emphasis on the practical application of ideas. Trial and error is placed above thought and reflection for individuals with an accommodating learning style. Adapting to change is second nature to accommodating individuals.

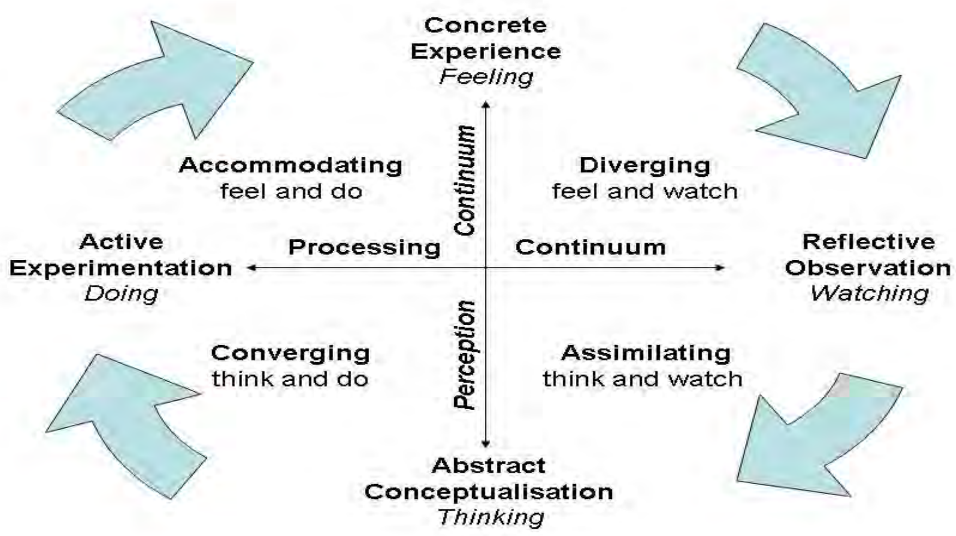


Figure 7. Kolb's Experiential Learning Model

Honey & Mumford (1984) adapted Kolb's model with two variations. Firstly, the cycle stages were renamed and aligned with managerial experiences consisting of decision making and problem solving. Consequently, the cycle is made up of experiencing, reviewing the experience, concluding from it and, finally, planning based on the experience. The second adaptation consisted of aligning the learning styles to the stages of the cycle (See Figure 11). Individual learning styles are viewed as adaptable preferences, as opposed to personality characteristics. Based on self-assessment via the Learning Style Questionnaire (LSQ) developed by the authors, managers are invited to reflect on their work-related behaviours and focus on strengthening underutilized styles to be able to face fast paced changes. There are four learning styles identified by the authors. Open minded and often impulsive activists learn by doing and involving themselves fully into new experiences. Cautious and tolerant reflectors will in contrast learn by observing and evaluating experiences. Rational and perfectionist theorists have to understand the theory behind any action. Experimental pragmatists have the tendency to reject anything without an obvious application, while being more task than people oriented.

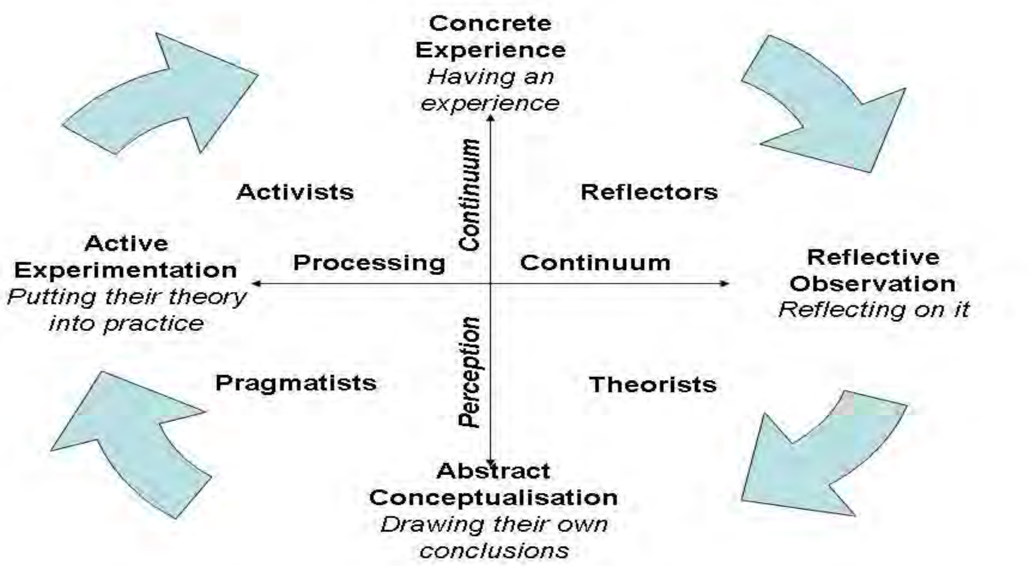


Figure 8. Honey and Mumford's learning styles

7.2. Initial Self-Assessment

Based on the theoretical concepts above, my adaptable learning preferences contrast the learning style yielded from personality characteristics. As per Kolb's (1984) experimental theory I am a diverging individual. For as long as I can remember I would always grasp from concrete experiences that I would transform through reflective observations. I analyse experiences and learn from logical instructions that I relate to a multitude of possibilities, building up the big picture from small details. The best example to support this is how my personality trait disadvantaged my results in formal education. All throughout my school years I was never able to sit down and learn a lesson by heart, off a piece of paper. I always felt the need to question what some of my peers took as given and I somewhat envied them for it, as I felt that- unlike them, I was never able to 'just study'. When grades were based on reciting lessons I could never achieve the maximum results without really pushing myself to memorize them word by word.

Empathizing with people and carrying conversations that led to discoveries came easier to me than drawing conclusions from quantitative or technical aspects. Specializing on a human resource related topic was just as a natural of a deduction from this as was conducting paper based on qualitative research. My tendency of diverging sole experiences and concluding a multitude of meaning to them, developed my ability to be attentive to detail. I knew that in order to become passionate about the topic of my research it would have to relate to a mechanism whose functionality depended on small particles.

Prior to completing Honey& Mumford's (1984) LSQ I was convinced that I will fit into the category of the theorists, but contrary to my initial assessment, I am pragmatist. Whilst I can identify with my potential lack of interest on things without an obvious application due to patterns of theories that I developed throughout my adult life and apply to certain situations, being more tasks orientated than people orientated is not a possibility that I have previously reflected on.

7.3. Learning Development in Human Resource Specialist Module

When reflecting on the course experiences I had throughout the programme, I do recall looking for the practicalities in most of the theories outlined to us during lectures. I did this especially during the performance measurement course, when I would always question the lecturer about practical solutions that can overcome managerial subjectivity during performance management processes. I was also the person during team work assignments that would look at tasks and suggest a logical structure for the work division as opposed to asking about who would feel comfortable with which subject of the assignment.

In hindsight this might have come across to my peers as lack of people orientation/ skills, but it was a subconscious behaviour that I believe I developed as a result of all the multi-tasking I've submitted myself to since the start of this programme. I completed the course while working on a full time basis, volunteering for a cause that I am passionate about, as well as training for a triathlon due shortly this year. Ticking tasks off daily/weekly/monthly lists is what I've been doing for the past two years, so it became a norm, previously not aligned with my personality characteristics and very beneficial for my time management.

I started thinking about my dissertation subject during the first semester of the second year of the programme. We were taught about the management of resource strategy. Whilst I enjoyed the course, it was very much centred towards recruitment, which is not an area of human resource management that I want to build my career on so I made a strategic decision not to choose my research topic on the subject. The fact that this was a good decision was confirmed by my dissertation supervisor. He told me that my paper will need to become a 'product' for targeted employers in the career domain of my choice. Conducting the research based on the topic of the management specialization I aspire for was quintessential. Long prior to this reassurance, whilst I was conscious that the subject of my choice would have to be of special interest to me, I based the decision of the topic choice on the strategic decision of linking it with future employment opportunities. I wanted to make it relevant not just for me, but for my future employers. This is why I decided that the case study context of my research will be in one of the BRIC countries. The more I read up on Brazil, the more intrigued I was by its emerging nature so I decided to conduct my research within this context.

While I had the context of my research and the type of topic I wanted decided at the beginning of the second year of the programme, it wasn't until the second semester when I found a topic of interest that I could align with my strategic goal. Measuring performance was that core detail in the performance management branch of human resource administration that caught my attention straight away. It was the sort of small detail in a large mechanism that I would notice and want to analyse and understand in order to discover its functionality in the large spectrum of things. Looking into the design of a system in general and performance measurement systems in particular, intrigued me as it gave me the opportunity to look into the small details that build up the big picture.

Whilst I was happy that I finally decided on my research topic, I did not initially consider the challenges I was going to be faced with during the completion of the paper. Firstly, I did not have any contacts in Brazil. I did, however, have a newly acquired curiosity in networking opportunities. I attended a class in DBS on personal development paper (PDP) guidance. The lecturer read out a sample paper of a graduate who just like me, was always sceptical about networking events and websites but decided to embrace it and was proven wrong on the matter. I watched Brazilian HR challenges related interviews online and found the participating respondents on a professional networking site. They were senior HR managers in large organizations, which was the type of respondents I needed for my research. I approached them by linking my request to the interviews they gave on the HR subjects. One of the managers responded and connected me with the right interviewee candidates for the subject of my research.

Once respondents were confirmed, setting up online interview dates and times were further challenges that have delayed progress in my paper, but I was happy to have the opportunity to conduct the research of my choice within the context of my selection. Focusing on this kept me positive throughout the process even when at times it seemed like the paper might not materialize due to time constraints. The dissertation process taught me valuable lessons on being more open minded, flexible and confident in my abilities of achieving what I set out to do.

7.4. Future Applications of Learning and Skills Development

The past two years in general and the dissertation process specifically have truly developed my ability to successfully carry out tasks with the minimum outlay of time at disposal. Accomplishing this in an unfamiliar and multi-cultural environment further challenged me into gaining a skill set that helps me thrive individually as well as within a team. I developed truly analytic, critical and creative thinking and through the modules was guided towards the career path I want to take up on. I already started to use my newly discovered networking skills for employment opportunities in the area of my specializations.

8. Appendix

Interview Questions

1. Can you please tell me about your background in the HRM- specifically about your studies and experience in the area?

2. How long have you been working for this company?

3. Can you please tell me about the general structure of the company?

4. How is the company organized internationally and locally?

5. Can you please elaborate on how is the HR department structured in this company?

6. How is the HR department linked to other business units?

7. Could you please elaborate on the mission statement of your organization?

8. Brazil's emerging nature makes it a really exciting environment to be operating in, I imagine. Could you elaborate on the local macro-economic factors, namely the political, economic, sociological, technological and legal ones?

9. Would you be able to tell us the influence of the above on your organization?

10. What about the local institutional factors and their effect on your company?

» Are trade unions recognized in general and in your organization in particular?

» Do they have a major influence on organizations in general and yours in particular?

» What is the level of involvement of your department in dealing with industrial relations?
would you describe it as administrative, communicative or regulatory?

11. How does your organization attempt to maximize opportunities and minimize threats from both the macro-economic factors and industrial ones discussed?

12. Research suggests methodological difficulties in linking business strategy and HRM.
» Is this the case within your organization?

» If so, how does your organization overcome this?

13. Is HRM perceived as a value adding function in your company?
» By the stakeholders, shareholders as well as employees

14. Can you please tell me about the performance management of this company?

15. Is it in line with the firm's overall strategy?

16. Is the performance management of your organizations adjusted to emerging strategies?

17. Best practice models attempting to link HR strategies and competitive advantage move away from the traditional patterns of measuring performance via appraisals. They instead set out to create a sense of concern within the employees about the performance of the organization and encourage and on-going involvement and measurement. Does your organization create such a concern and how do they do it?

18. Best practice include contingency pay plans, equity and expectancy ratio views as well as studies advocating that financial aspects aren't the main drivers in performance improvement. What is the view of your organization on these models?

19. Can you please elaborate on the performance measurement system in place in your company?

20. How was this designed for your organization?

21. Research suggests that societal and organizational contexts provide clues for design and use appropriateness of management innovation. Were these factors taken into consideration throughout the design process of your system?

22. Existing studies illustrate how the initial role of performance measurement was more operations and production related (cost, quality and productivity focus). The strategic and customer focused approach (prognosis, innovation, customer/market and intellectual capital) became popular together with the need of sustaining competitive advantage. Did Brazil ever go through this transition?

23. Whilst traditional PMS indicators and activities focused on optimizing shareholder benefits the current ones are much more customer oriented. Is this the case with your organization?

24. The same theory applies to placing customers above stakeholders. Would this also be the case in your organization?

25. What challenges have you encountered throughout the design process?

26. Did the design process place a lot of emphasis on aligning the system with the organizational culture?

27. How was your performance measurement system model introduced to your staff?

28. Was in welcomed by your employees and have they engaged with the system?

29. Have you encountered many challenges throughout the implementation process?

30. How do you appraise the employee involvement with the system?

31. How do you evaluate the impact of measurement on performance?

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