



The performance appraisal process of pharmaceutical product managers in Canada: an empirical study

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Abstract Examines the way in which the performance of the pharmaceutical product manager is evaluated. Attempts to provide a picture of the principal functions on which the Canadian pharmaceutical product manager is evaluated, as well as of performance appraisal systems currently used in the pharmaceutical industry. Two methodologies are used, both in-depth interviews and survey, in order to provide the most comprehensive examination of this area. Additionally, examines whether or not these systems are proving useful in linking job tasks to performance appraisal in order to achieve the goals of the organization.

Introduction

The area of product management has undergone significant changes in the last decade. Previous research (Katsanis and Pitta, 1995) has identified what these changes are and how they have affected the way in which brands are managed.

One area that has been looked at conceptually (Katsanis *et al.*, 1996) is the area of performance appraisal of product managers (PMs). Several recommendations were made with respect to how to improve performance appraisal for PMs, but there was no empirical evidence to support these recommendations. This research will shed some light on this previously unexamined area.

Review of recent literature

Brand management

Lyonski (1985) described traditional product management as what is generally known in management and other fields as "boundary spanning". Boundary spanners are individuals who have informal communication links with other individuals both inside and outside the firm. The majority of research in this area has focused on the activities of the boundary spanners themselves and their internal role within the firm (Lyonski and Andrews, 1990; Lyonski and Durvasula 1990; Lyonski *et al.*, 1988; Wood and Tandon 1994).

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Introduction of category management

Typically, the PM's job is described as "responsibility without authority"; in other words, they must achieve their performance and other objectives through moral suasion, or what some researchers have termed as "politicking" in the organization. In fact, the rationale for this lack of authority is that:

- quantitative measures would be disruptive as managers may become overly aggressive in meeting their numbers;
- quantitative measures can potentially increase the amount of administrative paper work; and
- the number of uncontrollable factors can prevent a PM from attaining financial goals (e.g. company budgets).

This situation has changed, to some extent, with the introduction of category management to the brand management system, with requisite responsibility for market share and profitability. Katsanis and Pitta (1995) identified three new approaches to the management of brands, which include internal team approaches, external team approaches, and individual approaches.

One important issue requiring further examination is that of performance appraisal, since it is reported that the average performance appraisal system in North America dates back approximately 11 years (Bretz *et al.*, 1992). Clearly, these systems have not been updated to reflect the new organizational structure of many marketing departments. As part of a larger study, Bart (1986) briefly mentions that evaluation criteria for PMs are "entirely qualitative" in nature and makes no mention of any quantitative factors. The question of why performance appraisal is so critical deserves attention at this point. The external environment facing organizations has become exceedingly turbulent and uncertain. External boundary-spanning activities have taken a leading role in the function of the PM. Given that much of the previous research focuses on the internal workings of product management, it might be concluded that this is also the area where PMs spend much of their time (Wood and Tandon, 1994). If a performance appraisal system does not encourage external activity by evaluation and reward activity, it may not occur in the way in which a company desires. Consequently, company goals and objectives may not be met. The literature reflects that quantitative factors are not addressed at all.

Frequently reported appraisal sources

Performance appraisal sources and methods

Katsanis *et al.* (1996) examined various types of performance evaluation methods, and identified both appraisal sources and appraisal methods. The most frequently reported appraisal sources in the literature are supervisors, subordinates, peers and self-evaluation. Traditionally, performance evaluations have been conducted by the employee's immediate supervisor as a way of monitoring task completion and relaying information such as salary adjustments. The most common method is that of "management by objectives". Bretz (1992) reported that 80 percent of companies use objective-based approaches for managerial employees.

Subordinate appraisal can be used for evaluating trends in a manager's behavior, and McEvoy (1988) reported that 75 percent of managers would find the feedback useful. McConnell (1992) reports that peer group appraisal may be applicable to managers who work in parallel with one another (such as PMs), particularly if team performance is to be evaluated. Self-appraisal has the potential to increase the effectiveness of the performance appraisal review, as well as to motivate improvement of performance, acceptance of

Performance ratings from managers

results and satisfaction with the appraisal (Bernadin and Beatty, 1984; Cederblom, 1982).

It should be pointed out that while "mixed" formats are not uncommon, the majority of performance ratings come directly from the immediate manager, with input from the second-level manager. The other rating systems are quite uncommon at this time. Quantitative measures such as market share and profit are often mentioned as important for executives and managers.

Bretz (1994) identifies that managers consider fairness the most important appraisal issue organizations face, in addition to the fact that the appraisal system should be an effective tool to manage future performance.

Katsanis *et al.* (1996) provide several recommendations on the basis of their research for the development of performance appraisal methods:

- gain support of both human resources and top management;
- use qualitative versus quantitative criteria;
- allow for input when developing performance standards and criteria;
- make sure the performance appraisal system is not dated;
- ensure managers take ownership of the performance appraisal system;
- attempt to eliminate internal boundary spanning by creating direct reporting relationships where possible;
- utilize performance targeting (Halachmi, 1993) to appraise PMs; and
- be aware and act on environmental forces as they affect the organization.

While these recommendations are of interest, they have not yet been empirically tested for validity.

Evaluating the pharmaceutical PM's performance

Research objectives

The purpose of this research is to examine the way in which the performance of the pharmaceutical PM is evaluated. It will attempt to provide a picture of the principal functions on which the Canadian pharmaceutical PM is evaluated, as well as that of performance appraisal systems currently used in the pharmaceutical industry. Two methodologies will be used, both in-depth interviews and survey, in order to provide the most comprehensive examination of this area. Additionally, it will examine whether or not these systems are proving useful in linking job tasks to performance appraisal in order to achieve the goals of the organization.

Research questions

The following research questions were posed at the start of this research:

- What tasks do PMs perform, and on what tasks are they evaluated for purposes of performance appraisal?
- What type of performance appraisal system is used to evaluate PM performance (this would include approach, type of feedback provided, and rating format)?
- How do PMs and their supervisors evaluate the performance appraisal systems currently in use at their firms?

- Are there significant differences between PMs and supervisors with respect to tasks performed, identification of appraisal systems, and evaluation of appraisal systems?

Twofold study design

Methodology

The study design used in this research was twofold. First, in-depth personal interviews were used to illuminate various issues as previously identified by Katsanis *et al.* (1996). Then, a survey was conducted which provides empirical data comparing the two groups (PMs and supervisors).

Sample selection

The sample for this study consists of the population of pharmaceutical PMs and their immediate supervisors working in Canadian subsidiaries of multinational pharmaceutical companies. The organizations for which these individuals work were identified using the Pharmaceutical Manufacturers' Association of Canada member list (PMAC is the primary industry association in Canada). The PM population was estimated at approximately 200, with the number of supervisors estimated to be approximately 70. This was based on anecdotal evidence which suggests that the major organizations (54 PMAC members) employ about four PMs each, with the ratio of managers to supervisors at three or four to one.

Convenience sample

For the personal in-depth interviews, a convenience sample was used from the PMAC list in which PMs and supervisors participated. An interview guide was developed for the purpose of these interviews based on previous research. The questions in the guide consisted of asking PMs and supervisors what they considered the most important tasks performed by PMs, on what tasks they were evaluated, whether they had the authority to carry out the tasks, the type of product management system in place, a description of the performance evaluation process, the PM's level of participation in the evaluation process, and the perception of the process from both the PM and supervisor's perspective. In total, 14 interviews were carried out – seven with PMs and seven with supervisors.

Complete list

For the survey, a complete list of directors of marketing and vice-presidents of marketing from the PMAC member organizations was compiled. Two questionnaires consisting of 68 items were developed and pre-tested; one for the PMs and the same questionnaire, with adaptations, for the supervisors. The questionnaire contained items from Smith's list (1991) of principal job functions, from which subjects were asked to identify those tasks performed, and those tasks on which they were evaluated. In addition, subjects were asked to identify the type of product management system in their organization, different aspects of the performance appraisal system used, type of feedback received or given in a performance appraisal, use of internal and external boundary-spanning tasks, areas over which PMs have direct/indirect authority and are evaluated, a rating of their evaluation process, and demographic information.

Then, subjects were mailed the questionnaire and asked to distribute the appropriate versions of the questionnaire to PMs and their immediate supervisors. The respondents were guaranteed anonymity and confidentiality by the inclusion of a pre-addressed, postage paid envelope so that the questionnaires could be mailed back directly to the researchers.

The actual number of respondents was 74 PMs, which represented 36 percent of the estimated PM population, and 28 supervisors, which represented 44 percent of the estimated population.

Notable constraint

Statistical procedures required by the data

Sections of the questionnaire vary in terms of the data collected. The questions that assessed the tasks that PMs performed and evaluated as well as those that assessed the PM's decision-making authority involved yes-no responses. The data are nominal and the appropriate analytic technique to determine whether there is a significant difference between the groups is the chi-square technique.

In contrast, the ordinal data elicited by the questions which examine the individual information gathering and disseminating activities required the Mann-Whitney test for two independent samples (Churchill, 1987).

Limitations of the study

In most survey research, there is always a concern for the non-response error. In this case, there was a remarkably high level of response with 36 percent of PMs and 44 percent of supervisors responding. A notable constraint was the problem of confidentiality with respect to the in-depth interview; individuals were reluctant to be interviewed. The sample consisted of Canadian pharmaceutical industry PMs and supervisors. With industry support, the response percentage was unusually high and non-response error was minimized.

The respondents, all of whom work in the pharmaceutical industry in Canada, may impose a limitation on the results. Although the industry shares many operational and managerial characteristics with the international pharmaceutical industry, no non-Canadians were included in the study. Although the authors judge the generalizability of the results to be unduly affected by the choice of sample, the specific results reported herein may thereby be particular to the Canadian pharmaceutical PM.

Interviews and survey data

Results

The results will be presented in two sections: the presentation of the findings from the in-depth interviews followed by the statistical analysis of the survey data.

In-depth interviews

Most important tasks

Both PMs and supervisors agreed that strategic planning for the brand is the most important task of the PM. Comments were short but to the point: "The single most important task is the development of the annual plan. This plan is the communication resource center for the rest of the organization," stated one supervisor.

Another said: "The marketing plan is what really gives direction to the salesforce."

Both groups ranked marketing mix design and budget management as second and third most important tasks. The groups did not agree on level of importance of other tasks; for example, PMs did not consider "putting out fires" to be of high importance while their supervisors did. Another noteworthy difference arose in the area of profit management; it was considered fourth most important by PMs but was not even mentioned by supervisors. Furthermore, motivating the salesforce ranked as the eighth most important task for the PMs while the category was not addressed in the supervisors' list. On the other hand, the low ranking of the category may reveal an aberration at this level of the PM's responsibilities which may be representative of an ambiguity in what they perceive are their most important

Emerging divergence

tasks in addition to a lack of assuredness (or even resolution) in the wielding of authority in some areas over others.

Another divergence emerged in the category of "relationship building with supervisor", which was ranked as seventh on the list of most important tasks of PMs while, again, remaining exempt from the supervisors' list. This exclusion is in contradiction to one of the aforementioned statistics which reported that 75 percent of managers (supervisors) would find feedback useful in the area of subordinate appraisal for evaluating trends in a manager's behavior (McEvoy, 1988). The implication of this statistic is that there is a petition for relationship building on both the PM's and the supervisor's behalf. Conversely, this present study's findings reveal a rather one-sided aspiration. So, while the listing by PMs of what they believe are their most important tasks seems to encompass a great deal of wide-ranging responsibilities, supervisors seem to conceive of their roles as being delineated to a limited amount of tasks that are not always pertinent to PM's task-ranking precedence.

Evaluation of tasks

Both groups agreed that PMs are only evaluated on some of the previously mentioned tasks. Product managers claimed that the fulfillment of the tasks for which they are evaluated included sales performance, profit, spending, timeliness, creativity, utility, product launching, individual projects and phasing out products. Meanwhile, supervisors claimed that the tasks they are evaluated for included the planning process, timeliness, analytical skills, understanding of market and product, adjustment to environmental changes, creativity, personal development, individual projects and phasing out products. One supervisor stated that:

The external environment is changing. Because of the health-care system, it is more and more difficult for new products . . . it is more and more difficult to get approval and access for the product for the broad range of patients – this is becoming, for many of the PMs, a very important task in terms of developing a plan and doing a follow-up – in terms of private and public formulas.

Evaluation of tasks

Clearly, there is a discrepancy in the way the two groups view the evaluation of their tasks – timeliness, creativity, individual projects and phasing out being the only ones the two groups assert both to be evaluated for. The more individual-oriented functions, such as the input of understanding of the business on different fronts, personal development as well as creativity in the execution of their tasks, seem to be attributed to the supervisor more than the PM. Objectively, although supervisors seem to have a shorter list of tasks, they have a longer list of issues that they must address – which make up aspects of their responsibilities – in their evaluation.

Authority to carry out tasks

According to supervisors, PMs have no or little direct authority. However, they can exercise their authority under limited conditions; PMs must consult supervisors to approve and monitor the strategic plan. Generally, supervisors saw the limited control that a PM has as a test of leadership. Within the PM group, respondents described the product management system in their organizations as being bureaucratic, characterized by formal processes, as becoming teamwork oriented, and even touched upon the system's dependence on the PM's ability to attract funding for the project. When the issue of a PM's authority arose, answers among the PM groups varied a great deal. One supervisor said:

Complete authority

You do and you don't. Some of the tasks you do – like the long-term, short-term planning you do have some direct authority because it is actually you with a team that generates a lot of the plans and the goals and the critical success factors. But it is really you (PM) that runs it – it is not a formal thing but the onus is on you to develop the five-year plans and the business plans and the corporate budgets for your own product. But you cannot do that alone; you need input from market research, you need input from clinical – before you can develop a long-term plan you need to find out what the whole analysis is.

Some PMs claimed that they had complete authority to carry out tasks; other PMs felt that this authority depended on the newness of the organization and its entrepreneurial ingenuity. Still others felt that they could only wield their authority once a marketing plan was approved. One PM recounted that:

Once the marketing plan is approved . . . then I have authority on the product and on the market but I always have to have everything signed off – that is more for auditing purposes than anything else.

The implications of teamwork varied among the different PMs interviewed: some PMs discussed internal teams that held monthly strategic meetings, other PMs described informal teams, remaining PMs described a system where teams did not play a role at all. Some PMs felt that they are responsible for getting the team together; the PM is a facilitator, goal setter, and measurer. Where the organization of teams was concerned, some PMs discussed systems where teams depended on the size of brands, and others where teams were formed around therapeutic areas and were interdivisional.

Diverse response

Responses from supervisors were also quite diverse. Supervisors did not contradict any of the PM group's claims, but gave less informative answers and only discussed the product management system in so far as teamwork was concerned. Like the PM group, supervisors touched on internal, formal, informal, multifunctional and varied types of teams. Also like the PM group, supervisors discussed the relationship between team and brand size. Another supervisor outlined formal training teams for promotion of managers, analysts and sales staff. Although answers varied within and between groups, most respondents conceded that the PMs' authority to carry out important tasks is limited.

Team performance and evaluation

Within the PM group, many PMs claimed there were no real teams and therefore no common goals and no formal team evaluations. One PM stated:

There is no ongoing brand-team; we put teams together for issues. Informally I have a group of four or five people which I regularly circulate information to that I call up for discussion. If we are going to launch a new product or if we have got a major threat from a competitor, we would then put a taskforce together of key people to share the responsibility and work in dealing with that issue.

These PMs also described informal evaluations by members of these loosely structured teams to the supervisor. Others described informal networks, cross-functional teams, and team performance as the basis of a common objective.

Work in teams

Unlike the PM group, most respondents from the supervisors' group claimed that the PMs in their companies did work in teams. One PM stated:

It is becoming more and more team based, now we are dividing ourselves into therapeutic and management. We always have marketing strategy meetings once a month, so we all discuss one of our problems for about an hour or so, we then propose our solution and the other PMs can give us their point of view.

Ability to function in a team is critical

These teams were described as being centered on customers, informal and characterized by company values of collaboration and reciprocity. Furthermore, supervisors saw the teams as being very organized and task oriented. Adding to the already extended list of the PMs' responsibilities, one supervisor claimed that the evaluation of the PMs depended on how well they lead teams. One PM conceded that:

You are evaluated based on how functional you are as a leader of that team and your dynamics in keeping the team together and getting things done . . . You really need to know what is going on with everybody in order to get the job done.

Product managers and supervisors all agreed that the PM's ability to function in a team is critical. Some PMs felt that the receiving of input (from team members) was critical but not recognized as such by the company, citing the importance of sharing information and working together towards the common goal. Rather, PMs claimed that their establishment designated the attainment of the goal as being central of recognition but not the work that consummated it. In explaining why team skills are so important, a couple of PMs commented that if sales personnel view a PM as being non-supportive, then they will not [be motivated to] sell the product. One PM claimed that "hearing everyone is the hardest thing".

Supervisors cited that the time involved in doing teamwork amounted to 50-60 percent of the PM's time. Supervisors commented that in consideration of this, personality conflicts must be put aside since teamwork provides PMs with valuable learning experiences in areas such as communication, leadership and commitment. These types of qualities are essential assets in climbing to higher and more challenging (as well as more powerful) administrative plateaux.

Varied answers

The product management system and product performance

The PMs interviewed provided varied answers. Many claimed that the use of teams is beneficial to performance due to factors such as time-conservation, sharing of knowledge and the development of a uniformity of direction. Some PMs claimed that their system generates steady profit but low growth. Some repeated their concerns for the expectations and reliance on their ability to attract funds. Other PMs mentioned the lack of performance incentives in their current systems. The issue of bureaucracy as an obstacle to performance also arose.

The supervisors tended to view the relationship between their system and performance in a more positive light than did the PM group. One supervisor claimed that "the system currently in place allows the company to take advantage of opportunity in the marketplace and to leverage existing problems". One supervisor discussed the shift from internal competition to teamwork and listed its effects with respect to performance citing more coordination, more targeted marketing efforts, more efficiency and, last, more customer orientation. Supervisors also agreed that bureaucracy poses an obstacle to performance.

Aspect of teamwork

Product managers and supervisors also described a rather loose and multi-dimensional aspect of teamwork where informal teams were assembled when they were needed (e.g. for market research, finance, etc.). On the other hand, the formal teamwork, such as the internal teams assembled for monthly strategy meetings and the interdivisional teams, functioned under a more organized structure. Supervisors also described formal multifunctional teams (some containing customers). These teams may include clinical experts,

managers, government affairs representatives, marketing and market sales reps.

Purpose of appraisal

Again, answers within the PM group varied significantly in both content and perspective. Several PMs felt that their jobs were difficult; one added that he should be able to accomplish more, despite the difficulties. A couple of PMs mentioned that it was easier to work in teams. One PM felt his evaluation depended on the supervisor's personality. Another PM insisted that agreement with one's supervisor was a prerequisite to achieving objectives.

Several supervisors agreed that the current system makes it difficult for PMs to do their job well, with one adding her frustration of having to yield to ten to 12 different departments. However, another supervisor noted the instructional potential of this compounding of considerations. Other supervisors claimed that the current system is ideal, citing there is high empowerment and low turnover, and that customers' needs are being better met.

Criteria categories

The PM job performance evaluation process

Both groups described formal yearly evaluation and informal monthly or quarterly evaluation. Respondents in both groups also brought up a self-evaluation process conducted by PMs themselves. Product managers claimed that they are evaluated according to the following criteria categories: non-supervisory capacity, core competencies, personal development, internal relationships, meeting assigned goals, and work habits. Some PMs mentioned that it was difficult to obtain a salary increase; one even felt that "salary is not tied to performance".

Supervisors provided more information than did PMs in responding to this question. The content and structure of evaluations described by supervisors varied a great deal. For some, the criteria consisted of customary, functional skills demonstrated through mostly circumscribed means and resources such as sales and market share, preparation of materials, ability to plan and develop strategy, efficiency, progress and customer relationship building. Others based their assessments on more individualistic and rather distinctive, character-based skills with an assessment of the PM's teamwork abilities, leadership, analytical skills, level of energy, image and innovation.

In some cases, collaboration is an important element in the process evaluation of the PM; some supervisors and PMs conduct a monthly performance review based on a human resources template. The PM and the supervisor individually list first, the PM's developmental opportunities and, second, his/her strengths on a monthly basis. The two review their lists at the end of the year and agree on a final draft before submitting this evaluation to the HR department or the director's superior.

Other evaluation processes mentioned included evaluations of self-directed objectives, including the PM's personal development, bi-yearly as well as ongoing reviews, formal and informal.

The PM's level of participation in the evaluation process

Performance reviews are executed on a yearly basis on the anniversary of the date that the PM was hired; during this evaluation, the PM's salary is not presumed to be tied to the results of the review. On the other hand, some characterized certain performance evaluations as being political with the subjectivity of the supervisor a predominantly deciding factor directly

affecting salary and advancement. In the PM group, some respondents stated that, although their input was considered in the monthly project reports, they were not allowed to participate in their yearly reviews; others ascertained that, with regard to the formal quarterly reports, their initiative was high during the setting up of evaluation objectives. In addition to these evaluation practices, at the beginning of each year, PMs set personal objectives which were taken rather seriously since they were monitored and evaluated every three months by the supervisor. The supervisor also performed an evaluation at the end of the year as a final account of the results of these goals. This evaluation included an hour-long discussion, feedback and bonus.

In the supervisors' group, most supervisors asserted that PMs were allowed a high level of participation in the company and in their evaluation. Some supervisors described the PM's performance as being evaluated against their marketing plan and how well they get their job done. It was also conceded by some that the results of PMs' self-appraisals are often very close to directors' evaluations.

Documents required for evaluation

Documentation required of PM for evaluation

The PMs interviewed listed the following among the documents required for the evaluation process: copy of marketing plan, copy of budgets, standard grid self-evaluation form, and copy of objectives with rating scheme.

The respondents in the supervisors' group were not as informative; the only document mentioned was the self-evaluation form. Some supervisors felt that human resources forms do not capture performance appraisal since they only involve the task of checking off boxes and there may not be any valuable learning that can develop from it. It was stated that goals must be mutually agreed upon by both directors and subordinates; some cited feedback as a key element in the attaining of career goals by subordinates.

Level of communication during evaluation process

Answers from the PMs' group varied. Some felt the process was dependent on politics, some felt it was very open with mindfulness of their input, including their agreement or disagreement with the feedback that they receive. One PM stated that:

The (PM) job is so unpredictable, and a year is such a long time that lots of stuff can happen. Priorities change; like at the beginning of the year the focus might be to launch a product, and then ... find out that the product is dead and you have moved on to something completely different.

Some mentioned having to initiate the evaluation process while others attested it as being concurrent with salary reviews on their anniversary of hire. Some supervisors felt the process was very hands on, and also noted the PM's right to disagree.

Wide range of answers

Opportunity for feedback

Product managers offered a wide range of answers. Some claimed that unsolicited feedback, formal and informal was welcome. Another said that only solicited feedback was encouraged. Some said that agreement was reached between PM and supervisor before feedback was formally issued. One PM said:

It is intermittent verbal feedback ... Formal feedback happens yearly. Being appreciated or positive reinforcement is actually getting no feedback at all because some people will only tell you when it is bad. So you figure they haven't said anything, so they are OK with it, they think I did a good job.

Feedback exchanged

Another PM discussed the use of a customer sheet, an attempt to become more customer driven. Immediate supervisors seemed usually to give better feedback than the "higher ups". Some claimed that feedback was always offered verbally while others reported that it was given in written form with data, comments and the citing of areas needing improvement.

In the supervisors' group, most felt that feedback is being exchanged. However, some supervisors feel that feedback is given in every direction while others feel that they are not receiving much of it themselves. None alluded to the issue of the appropriateness or permissibility of the PM to give feedback, claiming rather that there was indeed room for feedback but that it was not being directed to them enough. Not all supervisors nor PMs seemed certain of the appropriate level of reciprocity.

Emphasis on qualitative or quantitative measures?

In the PMs' group there was no consensus: answers ranged evenly from 20 percent qualitative to 95 percent qualitative. Evaluation of the objectives and how measurable, achievable, timely, and realistic they were could, for some, make up the qualitative aspect of an evaluation. However, qualitative measuring did not always necessarily reflect the PMs' performance and such a review is rather subjective since it may depend on the complicity between the employer and the subordinate or simply on the employer's disposition. One supervisor conceded that:

For PMs, it's at least 50% if not more qualitative; when you go into sales positions, it's much more quantitative. Because we expect the PM to change as issues are changing. There are assumptions made in the past that sometimes did not materialize. It is not always within the control of the PM, so we will not penalize automatically because we did not achieve the objectives.

Emphasis on qualitative measures

The supervisors' group's thoughts converged towards an emphasis on qualitative measures (70 percent to 95 percent qualitative measures) which included evaluating how well the PM developed and implemented their objectives as well as the PM's successful abilities to communicate with and motivate the salesforces. The PM's efficiency in convincing others about budgetary matters was also examined.

Feelings towards the way the PM's job performance is appraised

(1) *Fairness? Accuracy?* Across both groups, answers varied from unfair to fair, accurate to inaccurate. The following quotes capture the feelings of the PMs in this regard:

They are being a bit flexible, so I guess in some ways it is fair and it comes back to the personality style of the manager. There is a formal policy but there is room for flexibility.

Now there is more qualitative, and you end up growing not only professionally but personally as well. Sometimes it is hard to accept what they write.

Some PMs felt the timing of the appraisal was poor and that they do not form a substantial basis for improvement. Moreover, some criticized the organization of the evaluation as being too loose and as having poor timing; more frequent, structured evaluations and input into ongoing projects were believed to possibly lead to greater progress.

Some supervisors saw the way the PM was appraised as totally fair and a source of developmental feedback. Others commented on the importance for the director to be forthright in giving the PM optimal feedback, further citing the need for the director to identify sensitively with the PM. Both PMs and

Path to higher-level management

supervisors felt that it is unfair to make PMs responsible over sales without authority over the salesforce.

(2) *Reflective of company expectations?* There is a consensus across both groups that the appraisal is relatively reflective of company expectations. Although it was described by some PMs as being designed for career development, others claimed that both performance and appraisal processes are political; some even felt that an appraisal can be dependent on subjective elements such as the way a supervisor thinks. Others added that too much is left up to the individual manager.

From a wider perspective, supervisors viewed the appraisal of the PM's performance – through the evaluating of their marketing plan and meeting of objectives – as a means of paving a path towards higher-level management. Performing beyond expectations and ascending the corporate ladder are part of company expectations and are intrinsically linked. According to some supervisors, the PM must learn to take ownership of their performance, rather than rely on a proxy or another source of delegation in their management. The PMs are also described as bearing strict responsibility at staff meetings where they must make the agenda and its content and expectations clear.

(3) *Reinforce behavior?* Product managers mentioned that the evaluation points out to the individual when to modify their behavior and in what areas, it also serves as a follow-up to past changes and encourages a maintaining of behavior that will ensure the supervisor's satisfaction. Some PMs and supervisors felt that the evaluation does not reinforce behavior since PMs must be and are self-motivated.

(4) *Indicative of company performance?* Respondents' answers varied across both groups. Some PMs felt it was indicative only if the bonus is structured; others felt that bonuses do not necessarily constitute great incentives since there must be a basis of trust that has been developed between PM and supervisor.

Overall, the PM and the supervisors interviewed conceded that the way the PM's job performance is appraised is fair in some respects and accurately reflects company expectations. However, the appraisal does not necessarily reinforce behavior simply due to the PM's self-motivation and is not necessarily indicative of company performance. Differences between PMs and supervisors are further examined in the following section.

Survey results

Descriptive data

(1) *Demographics of sample.* Table I illustrates the distribution in the demographic sample, citing the ages, years of experience and levels of education among the PM and supervisor groups.

The demographics of the supervisor and the PM groups surveyed are essentially analogous in all categories except for the age bracket. A majority of pharmaceutical PMs are in their early 30s (55 percent), hold Bachelor's degrees (66 percent) and have accumulated fewer than three years of work experience in their position (65 percent). On the other hand, the majority of supervisors' ages are almost evenly divided between early 40s (37 percent) and early 30s (33 percent); and 64 percent of all the supervisors surveyed hold Bachelor's degrees. Among the supervisors group, the majority have between three to six years of experience as supervisors.

(2) *Job functions of PMs.* Table II illustrates the concurrence by supervisors and PMs of the incorporation of the listed functions in the evaluation and performance of the PM's responsibilities.

	Percent
<i>Age distribution of product managers</i>	
Less than 30 years	15
30 to 35 years	55
36 to 40 years	20
41 to 45 years	5
46 to 50 years	3
Greater than 50 years	1
Total	100
<i>Years of experience as a pharmaceutical product manager</i>	
Less than 3 years	65
3 to 6 years	27
7 to 9 years	4
10 to 12 years	3
13 to 15 years	1
Greater than 16 years	0
Total	100
<i>Educational level of product managers</i>	
Grade 11/Secondary V	1
Grade 13/CEGEP	1
Bachelor's Degree	66
Master's Degree	32
Doctoral Degree	0
Total	100
<i>Age distribution of supervisors and marketing manager</i>	
Less than 30 years	0
30 to 35 years	33
36 to 40 years	19
41 to 45 years	37
46 to 50 years	11
Greater than 50 years	0
Total	100
<i>Years experience as a supervisor or marketing manager</i>	
Less than 3 years	19
3 to 6 years	56
7 to 9 years	15
10 to 12 years	11
13 to 15 years	0
Greater than 16 years	0
Total	100
<i>Educational level of supervisors and marketing managers</i>	
Grade 11/Secondary V	0
Grade 13/CEGEP	0
Bachelor's Degree	64
Master's Degree	29
Doctoral Degree	7
Total	100

Table 1. Demographic of sample profits

Emblematic feature

Of the functions listed in Table II, the top five that were conscripted by the supervisors and the PMs as the most prevalent in the area of performance were Nos 1, 3, 7, 18 and 25. An emblematic feature of these five functions is their goal-driven orientation and an acute consideration of the future. The lower percentages as well as lower ranking of the regard given to the PM's functions during evaluation, both by supervisors and PMs, were moderately uniform

Functions performed by product manager	Performed		Evaluated	
	Supervisor (%)	PM (%)	Supervisor (%)	PM (%)
1. Develop annual, intermediate, and long-range marketing and business strategies and plans for the business	93	96	93	77
2. Manage and recommend to marketing board strategies, plans relative to pricing, distribution, labeling, trademarking, packaging associated with assigned products	93	86	75	42
3. Establish and achieve all quantifiable product, project and personnel objectives	96	95	89	82
4. Develop unit and dollar sales projections to ensure appropriate planning to meet the anticipated needs of the marketplace and achievement of profit plans	93	99	82	77
5. Recommend and develop appropriate new dosage forms strategy and plans for assigned products to maximize opportunities	86	66	61	43
6. Conduct team meetings, foster communications among team members and department, and issue appropriate and timely minutes	89	95	61	53
7. Work with sales management to achieve national and regional sales strategies and plans	96	95	71	50
8. Direct selected projects that will impact across product lines and influence future business policies of the firm	50	72	32	34
9. Ensure, through leadership and direction, that the planning, and developing, implementation, and monitoring of marketing programs conform with and fully support the product plan	89	99	75	77
10. Initiate and maintain appropriate linkages between product and project teams, and function resources (i.e. product development and production, manufacturing, distribution, regulatory affairs, public relations and business development)	96	92	79	41
(continued)				

Table II. Functions performed by product managers and evaluated by supervisors

Functions performed by product manager	Performed		Evaluated	
	Supervisor (%)	PM (%)	Supervisor (%)	PM (%)
11. Communicate and actively participate with research and project management to ensure that product research and development plans are implemented that fulfill agreed strategies for assigned products and therapeutic areas	75	81	36	30
12. Exercise final team approval on promotional copy and field communications related to assigned products	86	89	64	38
13. Assume responsibility in concert with appropriate department heads to assist team members in informal training process relative to team interactions and activities	57	58	14	15
14. Coordinate discussions with provincial formularies to attain product listings	29	39	11	16
15. Input into project management to maximize potential marketing opportunities prior to issuance of the transfer document	46	30	21	8
16. Review and comment on selling emphasis programs	64	68	18	18
17. Recommend appropriate allocation of sales efforts for the pharmaceutical line to the sales department and marketing board for the current planning period	64	65	25	14
18. Launch new products	93	88	93	82
19. Resolve or help to resolve any actual or potential conflicts identified between assigned product marketing strategies or programs and existing local, state, or federal laws and regulations	79	69	36	20
20. Monitor social, political, economic, regulatory, and legal trends affecting the pharmaceutical industry and assigned markets, and react with recommendations	79	76	43	19
21. Consult with and engage outside supports, consultants, and agencies to ensure the continuous generation of new, innovative and creative ideas for product and project objectives	82	88	61	32

(continued)

Table II.

Functions performed by product manager	Performed		Evaluated	
	Supervisor (%)	PM (%)	Supervisor (%)	PM (%)
22. Consult with and engage outside supports, consultants, and agencies (i.e. IMS) to acquire audit marketing data	54	61	11	14
23. Research competitors and the industry in general for new ideas, trends or phenomena that may be benchmarked	75	85	43	18
24. Establish budgets, budget mix, and monitor expenditures by specific media and target audiences for products or projects	86	97	82	72
25. Anticipate and apprise management of changes in marketplace. Initiate modifications to the marketing plan based on evolving market dynamics	96	92	51	28

Source: Adapted from Smith (1991)

Table II.

However, certain functions in the top five of the "Performance" category were prominent in the "Evaluation" category as well, such as Nos 3 and 18.

(3) *The PM's areas of authority.* Table III serves as a record of the results of the inferences made by supervisors and PMs into what features they qualified and quantified as being under the PM's direct and indirect authority.

It would appear that there is some deviation in the perceptions and understanding of PMs and supervisors of the direct and indirect authority conferred to the PM (or conferred by the PM, to himself). Overall, the data listed in Table III indicate that the PMs generally seem to feel that they are conferred a great deal more authority or influence than the supervisors would concede. This is reflected in the interview findings as well.

(4) *Performance appraisal and feedback.* Tables IV and V summarize the different types of objectives used in the evaluation of the PM as well as list the different types of feedback received during the performance evaluation. (Respondents were allowed to choose more than one type of appraisal feedback and objective. Therefore, due to multiple responses, totals do not add to 100 percent.)

There were few discrepancies between PMs' responses and those of the supervisors. Only slight differences were observed, with two exceptions: "supportive and pay and advancement feedback"; and "supportive and improvement feedback".

Statistical data analysis

Product manager job tasks. A series of chi-square analyses were run on the questions involving yes-no responses. The study used a 0.05 level of significance. The majority of the questions did not uncover statistically significant differences between the PM and the supervisor. However, the notable differences were compiled and are described in Table VI.

Few discrepancies

Product managers' direct/indirect authority of functional elements of	Product manager			Supervisor		
	Direct authority	Indirect authority	Area evaluated	Direct authority	Indirect authority	Area evaluated
<i>Product/service</i>						
Packaging design	19	50	24	9	19	13
Product quality	1	38	11	0	16	2
<i>Product/service modifications</i>	12	52	18	8	18	9
Inventory levels	27	36	24	8	14	15
Product labeling	11	53	16	14	20	7
<i>New product development</i>						
Concept testing	38	34	23	16	8	13
Business analysis	44	28	42	19	7	21
Use testing	31	33	19	10	6	6
Marketing strategy formulation	44	28	53	14	14	22
Brand name testing	18	33	14	10	12	10
Product development	9	41	23	4	15	10
Test marketing	31	31	21	16	8	15
<i>Advertising</i>						
Establish advertising objectives	50	21	40	21	7	22
Advertising copy/theme selection	50	21	31	17	11	16
Measure advertising effectiveness	40	26	26	16	8	14
Develop advertising budgets	43	31	39	13	13	14
Media selection	45	24	27	17	9	12
<i>Sales promotion</i>						
Establish promotion objectives	42	30	41	18	8	18
Number and type of promotions	41	27	29	16	8	13
Trade allowance levels	11	28	8	2	15	4
Trade shows	28	25	12	11	11	4
Sales promotion budget	25	35	33	9	13	13
Sales promotion copy	44	19	32	14	9	10
Tie-in promotions	24	22	17	8	9	6
Field demonstrations	19	23	14	7	8	5
<i>Personal selling</i>						
Establish sales objectives	12	36	25	8	13	10
Salesforce budgets and quotas	7	25	12	1	13	1
Salesforce hiring and compensation	1	15	5	0	5	1
Sales training	5	39	8	3	14	2
Technical support	4	32	12	5	10	6
<i>Distribution</i>						
Customer service levels	0	31	8	1	1	11
Type of channel of distribution	3	23	7	1	3	11
Physical distribution	1	20	6	3	0	7

(continued)

Table III. Product managers' direct/indirect authority of functional elements of certain tasks

Product managers' direct/indirect authority of functional elements of	Product manager			Supervisor		
	Direct authority	Indirect authority	Area evaluated	Direct authority	Indirect authority	Area evaluated
<i>Pricing</i>						
Set base price	14	43	22	9	17	13
Set quantity discounts	6	28	9	6	13	8
Set trade discounts	7	25	10	5	12	6
Determine special offers	11	30	10	4	13	6
<i>Marketing support</i>						
Product's strategic direction	48	26	52	17	10	23
Market research	27	45	28	13	14	14
Creation of marketing plan	55	19	54	19	9	24
Sales forecasts	39	31	47	16	13	19
Marketing budget	38	35	50	15	13	19

Table III.

	Supervisor (%)	Product manager (%)
Behavior and quantitative-based	25	10
Behavior, quantitative and qualitative-based	21	8
Trait, behavior, quantitative and qualitative-based	25	10
Quantitative and qualitative-based	14	24
Trait and quantitative-based	4	5
Trait and behavior-based	0	5
Trait, behavior and quantitative-based	0	11
Trait, behavior and qualitative-based	0	1
Trait, quantitative and qualitative-based	4	1

Table IV. Types of objectives used on product managers' performance appraisal

	Supervisor (%)	Product manager (%)
Supportive and improvement feedback	25	10
Supportive and pay and advancement feedback	21	8
Improvement and pay and advancement feedback	25	10
Supportive, improvement, pay and advancement feedback	14	24
Missing data	4	5

Table V. Types of appraisal and feedback received from performance appraisal

The first relationship that showed significant evaluative differences was with regard to the statement excerpted from Table II:

Work with sales management to achieve national and regional sales strategies and plans.

No great variations

There were no great variations in the PMs' and supervisors' perceptions of the performance of this activity. However, when we look at their answers with regard to the perception of the involvement of the aforementioned activity in evaluation, there was a significant difference (Pearson Chi-Square = 3.783, Sig = 0.05). Examining the direction of the relationship, 50 percent

Function performed	Pearson chi-square	Significance level
"Work with sales management ..."	3.783	0.05
"Direct selected projects ..."	4.213	0.04
"Ensure, through leadership and directions ..."	4.726	0.030
"Initiate and maintain appropriate linkages ..."	11.757	0.001
"Exercise final team approval on promotional ..."	5.739	0.017
"Monitor social, political, economic trends ..."	6.129	0.013
"Exercise final team approval ..."	7.022	0.008
"Establish budgets, budget mix ..."	4.923	0.027
"Anticipate and apprise management of changes ..."	6.214	0.013

Table VI. Functions performed by product managers

of the PMs answered yes, while 71 percent of the supervisors answered yes. In this example, it would appear that supervisors are more likely to include this function in their evaluation of the PMs than they themselves would.

The second significant difference pertains to the following description of this activity:

Direct selected projects that will impact across product lines and influence future business policies of the firm.

Task performance

With regard to the task performance addressed in this statement, a significant difference (Pearson Chi-Square = 4.213, Sig = 0.04) can be observed. More PMs accounted for the direction of these "selected projects" (71 percent) than their supervisors (50 percent). As previously stated, these results seem to indicate that supervisors may not be aware of some aspects of the PM's job activities.

A third significant difference pertains to the following activity:

Ensure, through leadership and directions, that the planning, developing, implementation and monitoring of marketing programs conform with and fully support the product plan.

In terms of activity performance, there was an obvious difference between the perceptions of supervisors and the PMs (Pearson Chi-Square = 4.726, Sig = 0.030). A significantly higher proportion of PMs (98.6 percent) reported performing this activity than supervisors (89.3 percent). As in the previous example, while the absolute percentage difference is small, it is indicative of a deficiency in the supervisor's familiarity with what the PM's responsibilities actually consist of.

External activity

A fourth significant difference was found with the external activity described as:

Initiate and maintain appropriate linkages between the product and project teams and other functional resources (i.e., product development and production, manufacturing, distribution, drug regulatory affairs, public relations and business development).

While there was no significant difference between the two groups in the performance category, there was a significant difference (Pearson Chi-Square = 11.757, Sig = 0.001) with regard to the evaluation section. In this case, fewer PMs (40.5 percent) felt that they were evaluated on this activity than supervisors (78.5 percent).

A fifth significant difference relates to this internal activity:

Exercise final team approval on promotional copy and field communications related to assigned products.

The performance dimension showed no significant difference between the groups; however, they differed significantly on the evaluation front (Pearson Chi-Square = 5.739, Sig = 0.017). An examination of the percentages of responses reveals that it is clear that fewer PMs thought that they were evaluated on this activity (37.8 percent) than did supervisors (64.2 percent).

Another external activity showed a significant difference. The activity is described as:

Monitor social, political, economic, regulatory, and legal trends affecting the pharmaceutical industry and assigned markets, and react with recommendations.

In this case, there was no significant difference between the groups on the performance dimension. In the evaluation, a significant difference could be calculated (Pearson Chi-Square = 6.129, Sig = 0.013). Examination of the percentages of responses showed that a higher percentage of supervisors (42.8 percent) reported including this aspect in their evaluation than PMs (18.8 percent). This may be indicative of a discrepancy in the PM's knowledge of the criteria of his or her performance evaluation.

Notable difference

Another notable difference was found in regard to the following activity:

Research competitors and the industry in general for new ideas, trends, or phenomena that may be benchmarked.

There was no significant relationship on the performance dimension between percentage result of supervisors and PMs. However, on the evaluation dimension, there was a significant difference (Pearson Chi-Square = 7.022, Sig = 0.008). In this case, only 17.6 percent of the PMs reported being evaluated on this activity while 42.9 percent of the supervisors did.

The next significant difference focuses on the following activity:

Establish budgets, budget mix and monitor expenditures by specific media and target audiences for products or projects.

On the performance dimension, there was a significant difference (Pearson Chi-Square = 4.923, Sig = 0.027). In this case, 97.3 percent of the PMs reported performing this activity while 85.7 percent of the supervisors did. There was no significant difference that could be observed in the evaluation category.

Difference focused on activity

The subsequent difference focuses on the activity:

Anticipate and apprise management of changes in the marketplace and initiate modifications to the marketing plan based on evolving market dynamics.

There was no significant difference on the performance dimension. However, there was a significant difference (Pearson Chi-Square = 6.214, Sig = 0.013) on the evaluation dimension. In this case, 51.4 percent of the PMs thought that they were evaluated on this activity while 78.6 percent of the supervisors did.

Information gathering and disseminating activities. The next section that was analyzed for significant differences assessed the PM's information gathering and disseminating activities. No significant differences between the PMs' and supervisors' responses were found. There was also an assessment of the *locus* of the PM's authority over numerous marketing areas (refer to Table III). The questions solicited information about a PM's direct and indirect authority over an activity as well as their perceptions of being

Testing new product development

evaluated on the activity. Most of the areas showed no significant differences. The areas that showed notable differences are described in Table VII.

One of the product/service assessment areas that showed a significant difference was the evaluation on inventory levels (see Table VIII). There was a significant difference with regard to being evaluated for monitoring inventory levels (Pearson Chi-Square = 3.844, Sig = 0.050). In this case, 32.4 percent of the PMs reported that they were evaluated in this area while 53.6 percent of the supervisors did.

With regard to testing in new product development, there was a significant difference (Pearson Chi-Square = 4.616, Sig = 0.032) between the groups on the indirect authority measure (see Table VIII). In this case, 44.6 percent of the PMs reported indirect authority in this area while 21.4 percent of the supervisors did. Thus, significantly more managers than supervisors thought that managers had authority in this area.

The test marketing aspect of new product development showed another notable difference (see Table VIII). The variations (Pearson Chi-Square = 5.646, Sig = 0.017) between the groups on the evaluated measure was significant. In this case, 28.4 percent of the PMs reported indirect authority in this area while 53.6 percent of the supervisors did.

In the area of advertising, there was a significant difference with regard to being evaluated for establishing advertising objectives, (Pearson Chi-Square = 5.1236, Sig = 0.024) (see Table VIII). In this case, 54.1 percent of the PMs reported that they were evaluated in this area while 78.6 percent of the supervisors did.

Personal selling

In the area of personal selling, one aspect, direct authority over technical support, showed a significant difference (see Table VIII). The difference (Pearson Chi-Square = 3.915 Sig = 0.048) between the groups on the direct authority measure was significant. In this case, 5.4 percent of the PMs reported indirect authority in this area while 17.9 percent of the supervisors did.

Performance appraisal techniques	Mann-Whitney U statistics	Significance level
"... accurate indicator of PM's performance ..."	921.500	0.007
"... reinforces what PMs need to do to appropriately fulfill their job requirements ..."	822.500	0.004
"... provide PMs appropriate guidance, advice and instruction for the performance of their tasks ..."	753.00	0.021

Table VII. Evaluation of performance appraisal techniques

PM's area of direct/indirect authority	Pearson chi-square	Significance level
Product/services - inventory levels	3.844	0.050
New product development - use testing	4.616	0.032
New product development - test marketing	5.646	0.017
Advertising - establishing advertising objectives	5.1236	0.024
Personal selling - technical support	3.915	0.048
Pricing - set quantity discounts	3.398	0.047

Table VIII. PM's area of direct/indirect authority

Faith in performance appraisal

The last significant difference found in this area of assessment involved being evaluated on setting quantity discounts in pricing (see Table VIII). The difference (Pearson Chi-Square = 3.938, Sig = 0.047) between the groups on the evaluation measure was significant. In this case, 12.2 percent of the PMs reported being evaluated in this area while 28.6 percent of the supervisors did.

Performance appraisal techniques. The last series of questions involved Likert scale responses to performance appraisal techniques used for PMs. "Strongly Agree" and "Strongly Disagree" anchored the scale. It also included moderate responses and a neutral mid-point. There were three significant relationships. As described above, the ordinal nature of the data and the involvement of two groups dictated that the Mann-Whitney U statistic be used to assess significance at the 0.050 level.

In terms given to the supervisor, the first measure to show a significant difference was expressed as: "I feel that the performance appraisal I use is an accurate indicator of the PM's actual performance." The Mann-Whitney U statistic = 921.500 with a significance level of 0.007. Examining the distribution of responses, more supervisors answered either strongly agree or moderately agree (totally 89.3 percent) with the statement than PMs (totally 65.7 percent). This would tend to indicate that supervisors have more faith in their performance appraisal instrument than do their subordinates.

The next measure was expressed as: "I feel that the performance appraisal I use reinforces what PMs need to do to appropriately fulfill their job requirements." The Mann-Whitney U statistic = 822.500 with a significance level of 0.004. Examining the distribution of responses, more supervisors answered either strongly agree or moderately agree (totally 89.3 percent) with the statement than PMs (totally 63.0 percent). This would tend to indicate that supervisors have more faith in their performance appraisal instrument as a guide to and reinforcement of job performance behavior than do their subordinates.

The last measure was expressed as: "I feel that I provide PMs with appropriate guidance, advice and instruction for the performance of their tasks." The Mann Whitney U statistic = 737.00 with a significance level of 0.021.

Examining the distribution of responses, more supervisors answered either strongly agree or moderately agree (totally 89.3 percent) with the statement than PMs (totally 65.7 percent). This would tend to indicate that supervisors value their supervisory performance more than do their subordinates.

Difference in perception between manager and supervisor

The three findings regarding the performance appraisal techniques point to a difference in perception between the manager and supervisor. Clearly, where there are differences, supervisors tend to evaluate their side more positively than their subordinates.

Comparison of significant findings from interview and survey results

Overall, there was great consistency when interview findings were compared to the significant findings of the survey, with few exceptions. These will be discussed in the following passage.

In the survey, the importance of working with sales management was a significant difference between PMs and their supervisors, with supervisors stating that this was a key area for performance evaluation. Yet, in the interviews, this area was not even mentioned by supervisors. One possible explanation for this finding is that supervisors mentioned "internal

Number one importance

communication" as an area for evaluation, and that they include the interface with sales management as part of this internal communication process.

Additionally, the planning, developing, implementation and monitoring of the marketing plan was ranked the number one area of importance in terms of both job function and area of evaluation in the interviews, but the survey results indicate that more PMs consider this an area of performance evaluation than do their supervisors. It is quite possible that supervisors consider the planning task of such importance that the evaluation of the skill sets is divided into a series of steps (e.g. preparation of plan, successful completion of plan, etc.) and that this forms the basis for their evaluation.

Internal team linkages is another topic on which there was a difference between survey results and interviews. In the survey, supervisors indicated that they evaluated PMs on this dimension more than was perceived by PMs. In the interviews, the supervisors indicated that they evaluated PMs on how well the team was led, and the PMs themselves did not perceive that they were evaluated on this at all. One possible explanation for this difference is that the team structure in a given organization may be perceived as either more formal or more informal. Also, since the PM has no direct authority over the team, they may believe that this is an area for which they are not accountable.

Promotional copy approval and field communications showed significant differences between groups interviewed and survey results. This item was not even mentioned during the interviews and, in the survey, more supervisors than PMs indicated that this was a task which was evaluated. It can be posited that this activity is considered part of the marketing plan and, therefore, it was not seen as distinctly different when discussed during the interview process.

Consistency between interview results and survey

Monitoring the external environment showed consistency between the interview results and survey. In the interview process, both groups indicated that it is an important job task, but only supervisors mentioned that they evaluate performance in this area. The survey result mirrored the interview findings, with supervisors stating that this is an important area of performance evaluation. One possible explanation is that PMs believe that this task is part of the overall strategic planning mandate for their job; another is that they do not realize how important this aspect of their job is to the success of the company. Katsanis *et al.* (1996) indicated that attention to the external environment was one of the weakest areas of performance for PMs. These findings appear to support this contention.

Researching the competition and changes in the marketplace were not specifically mentioned in interviews. However, in the survey, more supervisors thought this was an evaluated activity than did PMs. Again, it is possible that this area is covered under the general business environment as well as putting together the marketing plan. However, as this is an external activity, the same concern would be expressed as mentioned above – that attention to the external environment is one of the weakest areas of product management performance.

In the survey, PMs indicated that they believe they have more authority than do their supervisors – supervisors claim they have "limited" authority. In the interviews, this dimension differed by organization. The smaller the organization, the more authority there appeared to be. The key areas of difference in the survey were evaluation on inventory, new product development use and testing, advertising, personal selling, and pricing. These specific areas were not mentioned in the interviews.

The interview results indicated that there was not much consensus on the fairness of the appraisal process by PMs. However, both the interviews and survey show that supervisors feel the process is quite fair. This is not an unexpected finding; in fact, it is supported by previous literature and would not be atypical in a large organization.

Overall findings

Overall, the findings indicate that each group knows its job responsibilities better than it knows the other's. Arguably, this may be a case of "What you don't know won't hurt you". With each of the significant differences, the PM had a better perception of his job responsibilities than the supervisor. In contrast, in the significant relationships, the PM consistently underestimated the degree to which he or she was evaluated.

In general, supervisors do not know each activity that a PM performs. Also, PMs do not know exactly on what criteria they are evaluated. The lack of common understanding has the potential to cause some communication problems and some performance misdirection. However, overall, the areas for misunderstanding are few and the common understanding of job performance and evaluative criteria is remarkably clear.

In a similar vein, the performance appraisal techniques assessed in the study point to differences between the two groups. Supervisors tend to value the techniques to a higher extent than do managers. The differences in perception may have significant implications for future job performance, satisfaction and organizational success.

Managerial implications

It would be instructive to comment on how the findings of this study mirror some of the recommendations made by Katsanis *et al.* (1996) in their study on performance appraisal. One key recommendation was attention to the external environment. It is clear from the results of the study that PMs may not see this area as one of critical importance, given that they do not believe they are evaluated on it. One possible way of reinforcing an external focus is to provide feedback and clarity to PMs on what their supervisors' expectations are with respect to this important job task. In the current business environment, lack of PM attention to this detail can be costly to the firm.

Additionally, the results indicate that team structures are not as formalized as indicated in previous literature, and that internal boundary spanning still appears to be the primary way for PMs to get their jobs done. One implication of this is that managers are spending so much time on "politics" that, in fact, they are ignoring other aspects of their jobs. It is again suggested that team structure be formalized and that the PM be appointed as team leader to ensure some authority over important product tasks.

The use of qualitative versus quantitative data in the evaluation process is a difficult issue to address. It appears, based on the findings, that both types of data are used to appraise performance, with emphasis on budget control and market share as the quantitative measures, but the weight of the evaluation process is clearly on the side of qualitative data. Given the lack of formal authority, and the reported "limited" authority of the PM, it appears that the continued use of qualitative data to evaluate PMs remains appropriate. However, in order for the use of qualitative data to be perceived as "fair" (a problem identified in the research), it is necessary for clear guidelines and performance objectives to be stated at the beginning, long in advance of the actual appraisal.

Performance appraisal
techniques

Team structures are not
formalized