

**Governance Problems in State Owned Enterprises: A Case Study of
Pakistan Television Corporation**



MPhil Thesis

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CERTIFICATE

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Abstract

Pakistan has a lengthy list of State-Owned Enterprises (SOEs). Some of them have been running losses of billions of rupees each year. There are various reasons behind the losses suffered by SOEs, with nepotism, corruption, and governance challenges amongst the top. This research investigates one of Pakistan's most strategically important SOE – Pakistan Television Corporation (PTV). The purpose of the dissertation is to study the governance challenges facing PTV, with Human Resource Management (HRM) being the focus. PTV is the national broadcaster and was the only TV channel in Pakistan before the rise of private media channels. However, PTV is now churning losses. Using semi-structured interviews and review of several documents, the research has found several HRM issues in PTV. A few of them include nepotism, illegal appointments, lack of training, and outdated promotion criteria. Fortunately, these issues can be resolved by carefully following the recommendations outlined in this study.

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Chapter 1: Introduction

This chapter introduces the research topic, which is “Governance Problems in State Owned Enterprises in Pakistan: A Case Study of Pakistan Television Corporation (PTV). This chapter will briefly discuss about state-owned enterprises in Pakistan and shed light on PTV. It also discusses the problem statement, research questions and the aims and objectives of the research. At the end of this chapter, key terms used in the study are explained.

The structure of the study is as follows:

Chapter 1: Introduction

It briefly talks about the research topic, and includes the problem statement, research question, aims & objectives of the research and also an explanation of key terms used in the study.

Chapter 2: Review of Literature

It talks about the previous studies which are related to the research topic. The previous literature is critical in answering the research question and explaining the findings of the research where applicable.

Chapter 3: Research Methodology

This chapter will define the methodology under which the present study has been conducted.

Chapter 4: Conceptual Framework

This chapter presents the conceptual framework of this study.

Chapter 5: Findings & Discussion

This chapter will present the findings of this research. The findings will then be explained in the light of the literature review wherever applicable. Also, the findings will be related to the aims & objectives of the study.

Chapter 6: Conclusion

This chapter will summarize the important findings of this research. It also discusses the contribution of the research, along with its limitations. It also includes the directions for future research and a reflection of the research.

References:

The previous studies and other relevant sources of information are mentioned here in APA style.

Appendix:

Information which could not be made a part of this study for being too long or detailed are included here.

1.1 State Owned Enterprises in Pakistan

The economic challenges facing Pakistan have once again brought the loss churning State Owned Enterprises (SOEs) to the forefront. Successive governments have injected billions of rupees into them, with the promise to turn these organizations into profitable entities. However, the condition of the SOEs has not improved. The reason SOEs are given considerable importance and budget is that they employ 424,014 people (Ministry of Finance, 2016). The total assets of SOEs are Rs 9,633 billion and contribute 20.7% to the country's GDP (Ministry of Finance, 2014).

Pakistan Television Corporation (PTV) is one of these SOEs. It was established in 1964, with the first transmission broadcasted from Lahore. Over the years, regional centres were established at Karachi, Quetta and Peshawar. Presently, PTV employs around 5000 people. It is run by a Board of Directors (BoD) which is appointed by the Government of Pakistan. The Managing Director (MD) is appointed by the government and approved by the BoD. The MD is the administrative and executive head of the corporation. Currently, the organization is running in huge losses. In 2016, the losses of PTV amounted to Rs 1,737 million. The organization also owns a subsidiary called Shalimar Recording and Broadcasting Company. Just like the parent organization, the subsidiary is also running in losses. Rumours of a bailout package for PTV, similar to those given to PIA and Steel Mills are making the rounds.

The recent verdict of the Supreme Court of Pakistan pertaining to the appointment of the Chairperson shows the plight of the state-owned broadcaster (Pakistan Today, 2018). The Supreme Court in its verdict has said that the chairperson was appointed illegally and the huge salary drawn by the Chairperson is not merited. The Supreme Court ordered for the recovery of the salary and privileges drawn by the Chairperson. It highlights, that the rules pertaining to Human Resource Management (HRM) are flouted in the organization. Being a state-owned broadcaster and having

a rich history, the issues related to PTV must be analysed and resolved. This research is an attempt to understand the various governance challenges being faced by PTV.

1.2 Statement of the Problem

State owned enterprises (SOEs) in Pakistan have for too long been a drain on the national exchequer. They have been running enormous losses for the past many years for several reasons. In any SOE, a major determinant of success or failure is HRM. Efficient HRM leads to enhanced productivity and performance delivery in the organization. However, in Pakistan the SOEs have been marred by poor productivity and inefficient management of human resource. For example, the Pakistan International Airline Corporation Limited (PIACL) and Pakistan Steel Mills (PSM) have been running losses for many years (Kundi, 2019; Shahid, 2020). Similarly, the Pakistan Television Corporation (PTV) has also been marred by crises. Yet, despite being the only state-owned national broadcaster, little research is available to ascertain the organizational failures of PTV, particularly in the context of HRM. Being the national broadcaster, it is imperative to identify the factors and causes that have imperilled PTV's existence and rendered it incapable of competing with the private media. One of the factors that seem to have resulted in poor performance by the national broadcaster is maladministration or poor human resource management. Thus, it is important to study the factors inhibiting PTV's performance from the perspective of human resource management and identify the problems and challenges in this realm.

1.3 Research Question

The present study aims to explore answers to the following question:

- 1. What are the problems being faced by PTV in terms of Human Resource Management?**

The research aims to study PTV's HRM policy as well as the rules and regulations governing HRM in PTV and will highlight major hurdles, if any, in implementation of PTV's HRM policy and subsequent rules and regulations.

1.4 Objectives of the Research

The objective of the present study is to identify and highlight the key challenges and problems with respect to human resource management in Pakistan's state-owned enterprises. It

also aims to present practical recommendations for attaining effective and efficient human resource management in SOEs.

1.5 Explanation of the Key Terms/Concepts

State Owned Enterprise (SOE): According to the World Trade Organization, “State owned enterprise means an economic organization in which the State owns the entire charter capital or holds the controlling shareholding or controlling capital contribution, and which is organized in the form of a State company, shareholding company or limited liability company”.

Human Resource Management (HRM): It is a term used to define the management of people within an organization (Boxall & Purcell, 2011).

CORPORATE GOVERNANCE: “Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the directors include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The Board's actions are subject to laws, regulations and the shareholders in general meeting” (Cadbury, 1992).

Chapter 2: Review of Literature

2.1 Corporate Governance

Corporate governance is not a recent concept. It has existed in various forms over the last few centuries. The modern form of corporate governance can be traced to the establishment of the first public listed company, Dutch East India Company. An issue arose between the investors and directors of the company, leading to rules on corporate governance (Funnell & Robertson, 2013). Over the years, as countries have evolved, so did the concept of corporate governance. Before discussing the history of corporate governance within Pakistan, there is a need to discuss some important developments in corporate governance in United Kingdom (UK). Pakistan and India, both, have adopted laws similar to that of UK. Therefore, a need arises to discuss important developments regarding corporate governance in the UK.

2.1.1 Corporate Governance in the UK

In the wake of numerous corporate scandals, a Corporate Governance Committee was set up in the UK in 1991 under the chairmanship of Sir Adrian Cadbury. The committee's report, named as Cadbury Report, was published in 1992 (Cadbury, 1992). The report covers important aspects including the role and powers of:

- Board of Directors
- Non-Executive Directors
- Auditors

The Cadbury report recommended that the office of the Chairman and the Chief Executive Officer must be separate. It would allow for an independent voice on the board. Secondly, the Board of Directors must include a majority of non-executive directors. Thirdly, the remuneration committee which determines the remuneration for the directors must compose of majority of non-executive directors. Fourthly, the Committee recommended setting up Audit Committees with a majority of non-executive directors.

Although the recommendations were not entirely unique, but the Report, nevertheless, was ground-breaking. Modern Corporate Governance codes within the UK still retain the recommendations laid out in the Cadbury Report. The Corporate Governance Code in the UK has

been revised numerous times over the years to adapt to the changing corporate world. The recent changes to the Code were made in 2019. It shows that unlike other laws, the Corporate Governance Code is not a static document and it keeps evolving.

2.1.2 Corporate Governance in Pakistan

Despite adopting many laws from the UK, Pakistan's history of Corporate Governance is quite new. After the Securities and Exchange Commission of Pakistan (SECP) took over from the Corporate Law Authority, it took three years to come up with a Corporate Governance Code. The Corporate Governance Code 2002 applies to all public listed companies in Pakistan (Javid & Iqbal 2010). The Code has adopted provisions of different codes of other countries including the UK. However, the Code remains silent on a number of issues. Although the Code introduced reforms regarding the board of directors, internal and external audits of all publicly listed companies, yet it is silent on independence of directors, risk management and remuneration (Javid & Iqbal 2010).

The Code was revised in 2012 owing to changes in the corporate world (SECP 2012). The new Code made it compulsory for all public listed companies to have at least one independent director in the Board of Directors. *"Independent Director" means a director who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the listed company, its associated companies, subsidiaries, holding company or directors.* Secondly, executive directors must not be more than one third of the total directors including the CEO. The Code also strengthened internal controls and introduced risk management initiatives for the very first time.

Also, for the very first time, the Code introduced that a system for appraisal of the Board's own performance be set up as well. The Code adopted a provision from the Cadbury Report and stated that the Chairman of the Board and the Chief Executive Officer must not be the same person unless stated otherwise. This provision was introduced to allow for independence. The Code also introduced qualification requirements for certain positions including the Chief Financial Officer, who is also the Head of the Internal Audit Committee (SECP, 2012). The Code stipulates that CFO must have three years of experience of 'being engaged in or employed in a public practice (audit/accounting) firm, or in managing financial or corporate affairs functions of a company'. The CFO must either be a member of a renowned accounting firm or have a postgraduate degree in finance from a recognized university (SECP, 2012).

This Code was replaced in 2017, when new guidelines were published by the SECP. The number of minimum independent directors have increased to at least two under the new Code. The maximum number of executive directors is one third of its board of directors. At least one director must be a female (SECP, 2017). Business risks need to be evaluated annually. It has been made mandatory for all the directors to attend the general meetings. For the very first time, the Code introduced a stipulation where the policy regarding the remuneration of the directors is to be established. The presence of two independent directors is must for quorum. Another highlight of the Code is that the chairmanship of the Audit Committee must lie with an independent director. It is a positive step which will ensure transparency (SECP, 2017). Apart from this, the Companies Act 2017 also introduced substantial changes to the overall Corporate Governance in Pakistan. At the time of the writing of this thesis, the government planned on introducing a new Code of Corporate Governance for listed companies. At least two or one-third of the Board members will be independent directors (Business Recorder, 2019).

2.2 State Owned Enterprises

Despite the expansion of private sector due to the increase in globalization, the public sector has still retained a sizable contribution to the economy of all countries. Governments in almost all parts of the world still own corporations in the form of State-Owned Enterprises (SOEs). The Organization of Economic Cooperation and Development (OECD) defines SOEs as organizations where the state has full, majority or significant minority ownership. Heo (2018) says that SOEs play a significant part not only in helping the economy flourish but also in the dispensation of important public services in areas such as health and education, etc. The failure of SOEs can result in major economic problems for a country. Therefore, reform of SOEs has always been on the agenda (Heo, 2018).

The governance of SOEs is supervised, controlled and monitored by respective governments who, by virtue of their ownership of these enterprises, have retained a direct stake in the management. This has led to a dichotomy in the management of the SOEs. In Middle East and North Africa (MENA), the SOEs have been blamed for poor performance, yet, many of these low-performing enterprises have been burdened with the duty to cater to certain social objectives. In many cases, these social objectives collide with the business interests of the organization (OECD, 2013).

The demand for corporate governance of SOEs has increased over the years. It is being highlighted as the major remedy to the crises that plague SOEs around the world (Heo, 2018). In any case, the performance of an enterprise is deeply dependent on its HRM. In the case of SOEs their performance is greatly compromised due to government meddling in the HRM affairs of the organization (Sutiyono, 2007). Glover & Sui (2000) also argue that the performance of an enterprise is compromised in case of poor HRM.

Hussain (2016) argues that the heavy presence of bureaucrats on the Board of Directors (BOD) of an SOE militates against its autonomy and in a way puts it under the direct control of the Ministry. The BOD should be filled up with “independent non-executive directors” who can contribute professional competence in different areas in an SOE. Similarly, the regulatory bodies should not be made to run by “loyal government servants”. Rather their heads should be appointed on the basis of merit and competence. The appointment of the Chief Executives of regulatory authorities and SOEs should be made under a transparent mechanism. The concerned parliamentary committees should also be taken on board in this process. This will ensure across-the-board support for the appointment and help prevent any administrative breakdown when the government changes.

Mehdi (2018) shows that research has highlighted two major reasons for the poor performance of SOEs. Firstly, the enterprises are charged with accomplishing several goals and secondly, there is a lack of unity of command due to the multiplicity of controls put in place. Resultantly, the managers in SOEs often have to put up with the daunting task of meeting diverging objectives from various stakeholders.

2.3 An Overview of State-Owned Enterprises in Pakistan

Attempts to privatize SOEs in Pakistan have not had the desired results due to various complications. Often there were procedural lapses, while at times social and economic pressures forced the government into abandoning the privatization drive (Bokhari, 1998). Moreover, some SOEs were operating in such sectors that were critical to the country’s economy. Hence, these SOEs could not be privatized. Hussain (2014) concludes in his research that even privatization has not had a positive impact on the former SOEs. He studied 44 SOEs which were privatized. There was no significant improvement in their finances or operations.

<i>Variables</i>	Median Before	Median After	Change (Median)	Median Differences (Z-Statistics)
Operating Efficiency				
Net Income Efficiency (NIEF)= Net income /Total employment	0.074	-0.030	-0.101	-0.007
Sales Efficiency (SALEF) = Sales/Total Employment	1.187	0.395	-0.796	-0.014
Profitability				
Return on Equity (ROE)= Net income/Total Equity	1.3	-4.65	-5.714	-0.007
Return on Assets (ROA) = Net income/ Total assets	0.033	0.028	0.051	-0.007
Return on Sales (ROS) = Net income/Sales	0.68	-0.064	-0.133	0.052
Output				
Real Sales (SAL) = Nominal sales/ CPI	9.28	3.1	-6.44	-0.412
Capital Investment				
Capital Expenditure to Total Assets (CETA)= Capital Expenditure/Total Assets	0.081	-0.12	-0.179	-0.271
Capital Expenditure to Sales (CESA)= Capital Expenditure/Sales	0.012	-0.022	-0.011	-0.123
Leverage				
Debt to Assets (TDTA) = Total Debt/Total Assets	.271	0.311	0.041	-0.102

Figure 1. Financial and Operating Improvements in Privatized SOEs

Source: Hussain (2014)

In Pakistan, SOE's have been granted some "operational and strategic autonomy" in the legal context so that they can perform their functions in an independent environment. However, ultimately it is the government's duty to ensure that an SOE continues to perform well, therefore, absolute independence from state intervention is impossible to achieve (Naveed et al., 2018). The Line Ministries oversee the functioning and performance of SOEs in Pakistan. They also monitor the information sharing mechanisms.

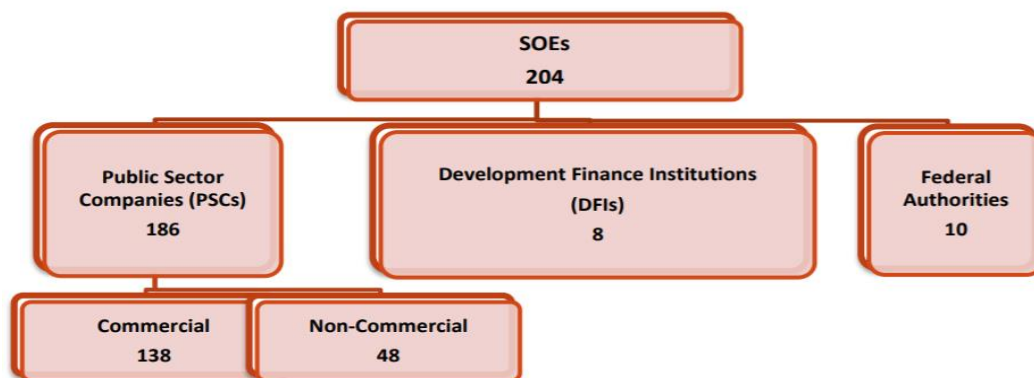


Figure 2. A snapshot of SOEs in Pakistan (FY 2017)

Source: (Ministry of Finance, 2017)

According to the information available, there are a total of 204 SOEs operating in Pakistan. The SOEs are sub-divided into three categories: 1) Public Sector Companies, 2) Development Finance Institutions and 3) Federal Authorities. In Pakistan, the SOEs are governed by a number of laws and rules and regulations. Some of them include the Companies Act 2017, Rules of Business 1973, Fiscal Responsibility and Debt Limitation (FRDL) Act, 2005 and Public Sector - Corporate Governance Rules 2017. “Ensuring timely information disclosure” by the SOEs in accordance with global standards also lies within the ambit of SECP (OECD, 2016).

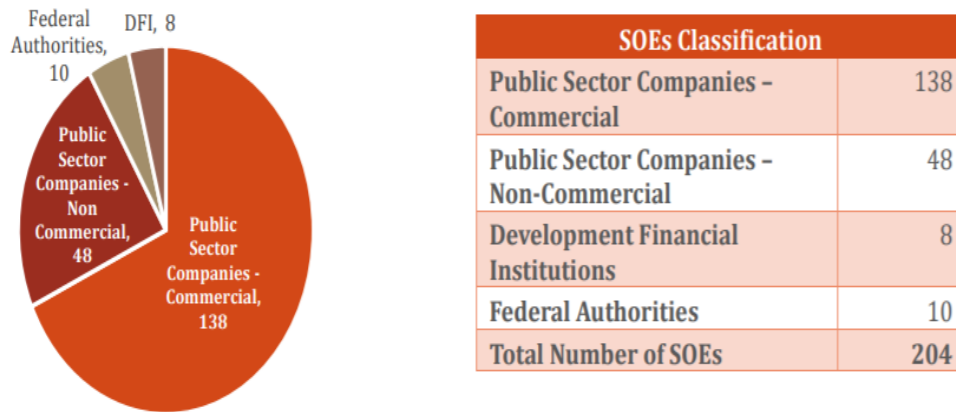


Figure 3. Classification of SOEs in Pakistan (FY 2017)

Source: (Ministry of Finance, 2017)

The above figure represents a classification of SOEs in Pakistan. The majority of the SOEs are commercial public sector companies.

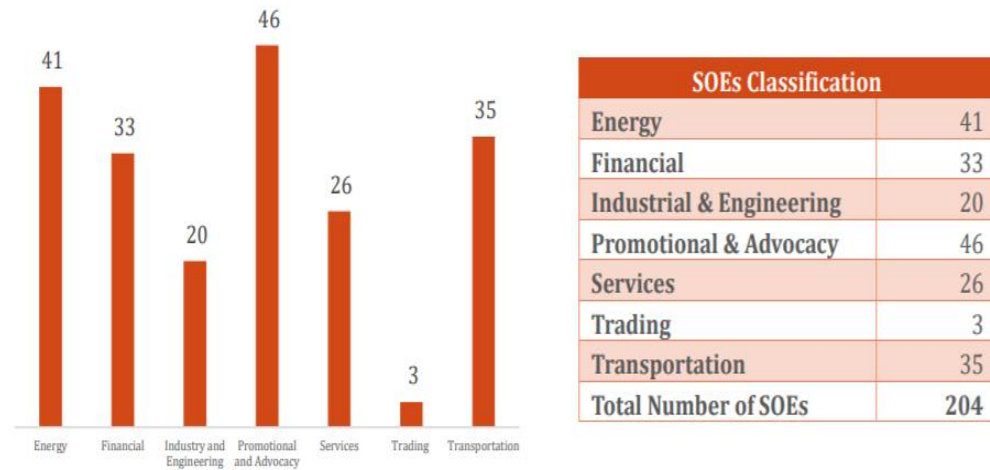


Figure 4. SOEs Sectoral Classification – FY2017

Source: (Ministry of Finance, 2017)

Out of the 204 SOEs, the promotional and advocacy sector has the most SOEs. It is followed by the energy sector.

	FY2014/15	FY2015/16	FY2017
Human Resource	402,543	424,014	422,962

Figure 5. Human Resource Position

Source: (Ministry of Finance, 2017)

The total number of people employed in SOEs in Pakistan is 422,962.

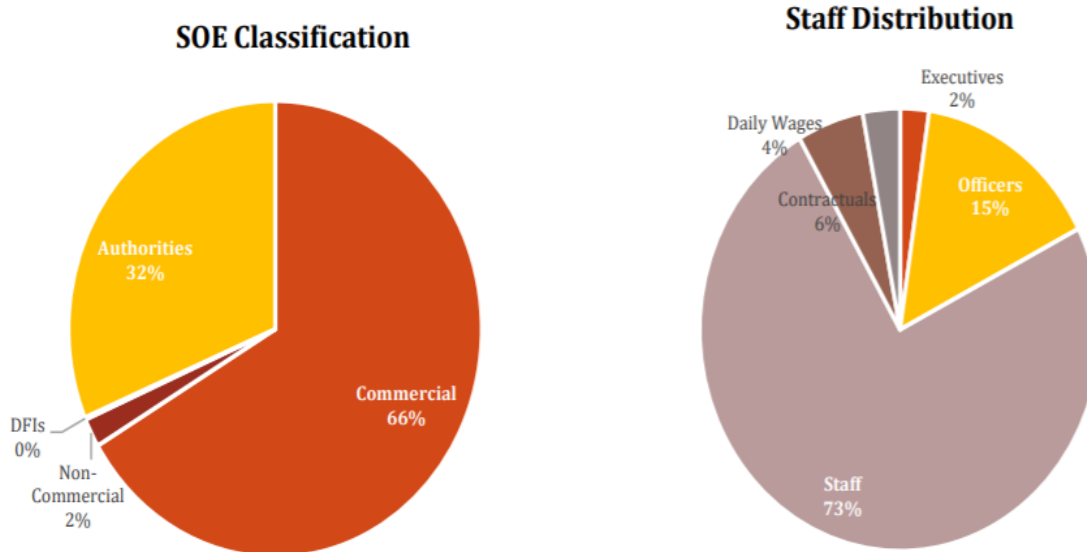


Figure 6. Human Resource Classification – FY2017

Source: (Ministry of Finance, 2017)

Out of the 422, 962 people working in SOEs, 73% of them are staff workers i.e. non-officer grade. 15% people are categorized as officers, while 2% are executives.

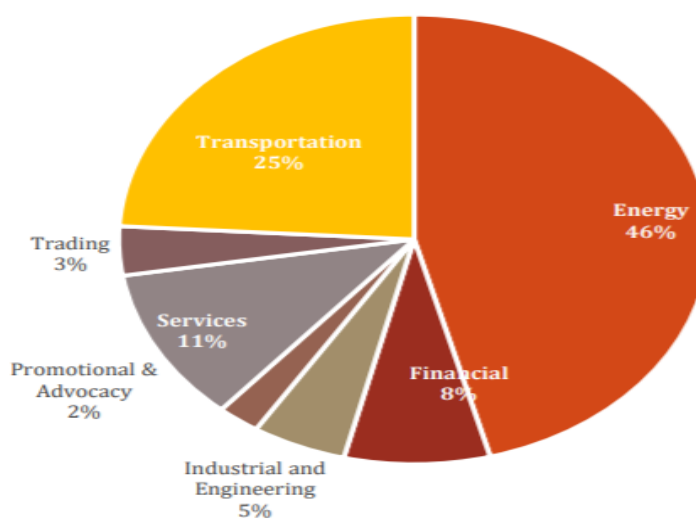


Figure 7. Human Resource Sectoral and Sub-Sectoral Classification – FY2017

Source: (Ministry of Finance, 2017)

The majority of employees (46%) working in SOEs are associated with the energy sector as the above figure states.

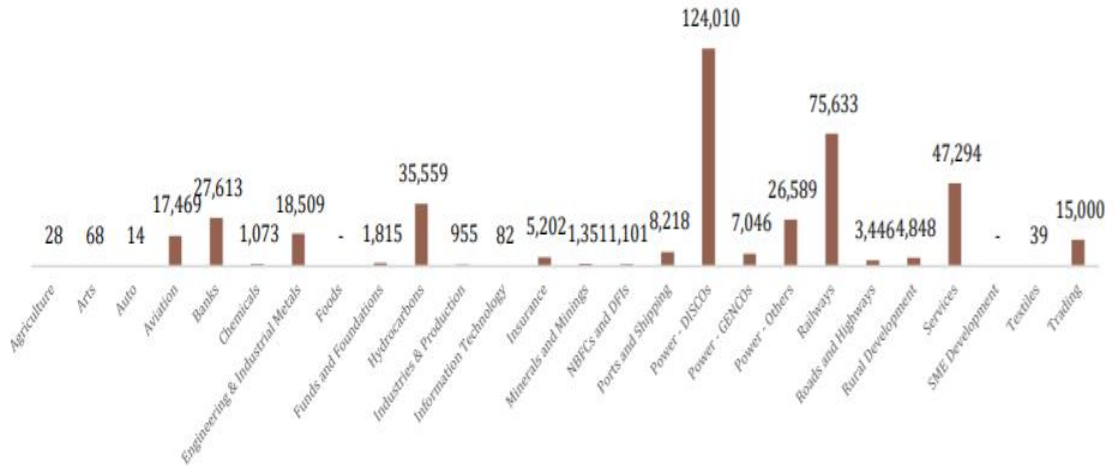


Figure 8. Human Resources – Sub-Sectoral Classification – FY2017

Source: (Ministry of Finance, 2017)

	FY2014/15	FY2015/16	FY2016/17
Board of Directors	970	1,377	1,387

Figure 9. Board of Directors

Source: (Ministry of Finance, 2017)

The above figure shows the total number of people serving on the Board of Directors across the 204 SOEs.

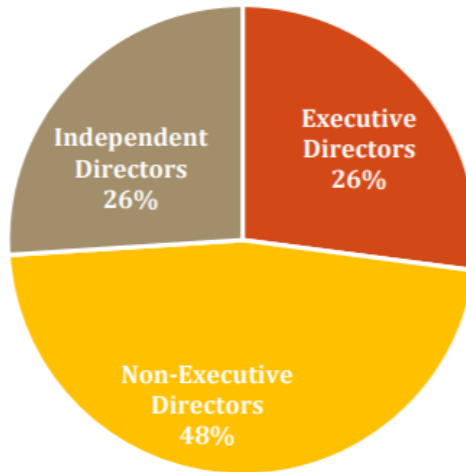


Figure 10. Board of Directors Classification in SOEs – FY2016/17

Source: (Ministry of Finance, 2017)

48% out of the 1,387 are non-executive directors, while 26% are executive directors.

Rs. Million	FY2014	FY2015	FY2016	FY2017
Total PSCs	6,905,782	8,229,843	8,945,856	10,267,007
PSCs Commercial	7,075,000	7,547,000	8,835,689	10,136,677
PSCs Non-Commercial	72,273	71,304	110,167	130,330
DFIs	154,262	168,809	194,547	212,420
Authorities	2,332,112	3,036,048	2,412,380	6,634,614
Total SOEs	9,633,647	10,823,161	11,552,783	17,114,042

Figure 11. Total Assets – SOEs (Rs. Million)

Source: (Ministry of Finance, 2017)

The above figure details the value of the total assets owned by SOEs.

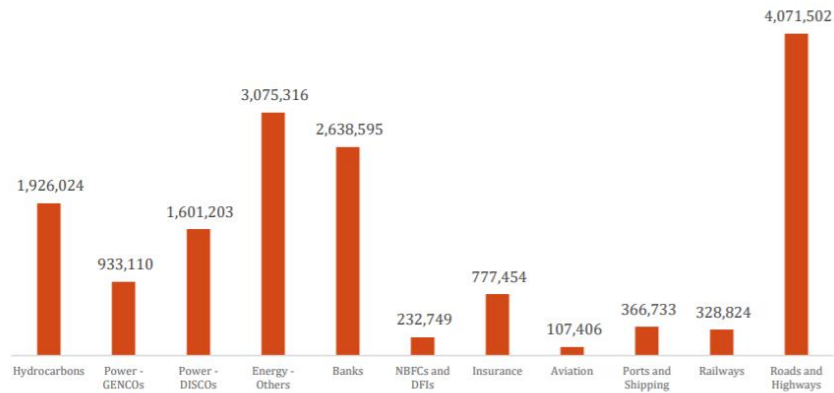


Figure 12. Total Assets Top Sub-Sectoral Classification – FY2016/17

Source: (Ministry of Finance, 2017)

Net Profit/Loss (Rs. Million)	FY2014	FY2015	FY2016	FY2017
Public Sector Companies	219,320	69,172	(42,711)	(11,161)
Commercial	217,600	67,380	(43,935)	(12,311)
Non-Commercial	1,720	297	1,225	1,150
DFIs	6,179	5,615	7,371	4,582
Authorities	(31,999)	(20,358)	(9,433)	(184,947)
Total	193,500	52,934	(44,772)	(191,527)

Figure 13. Total Net Profit / Loss – SOEs

Source: (Ministry of Finance, 2017)

The above figure shows the total losses incurred by SOEs. Most of the SOEs are running huge losses as the above figure clearly indicates.

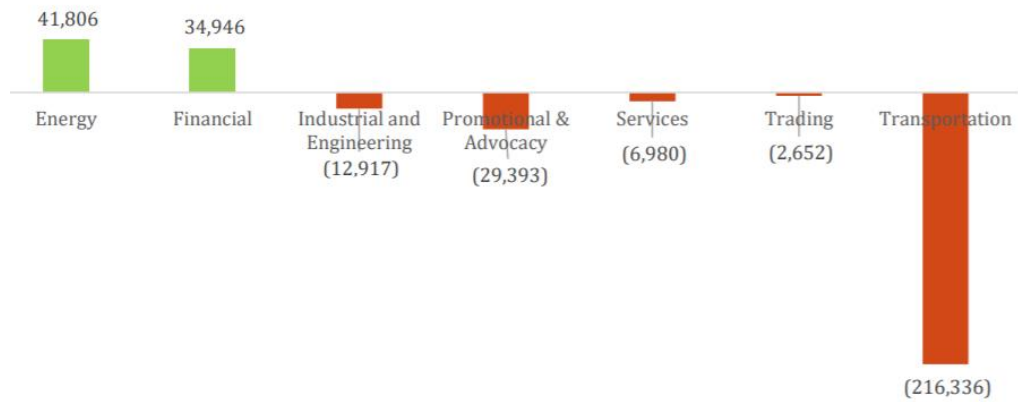


Figure 14. Sectoral Profit and Loss (FY2016/17)

Source: (Ministry of Finance, 2017)

Out of the total losses, the transportation sector is running the biggest losses. NHA, PIA are two organizations in the transportation sector which are running some of the biggest losses among the SOEs.

	Loss	Profit
Number of SOEs	77	99
Value (Rs. Million)	(453,155)	261,628

Few SOEs are pending audit and few are inactive or are not operational.

Figure 15. Profit and Loss Snapshot

Source: (Ministry of Finance, 2017)

Although 99 SOEs are running profits, the value of losses incurred by 77 SOEs is much greater than their profit.

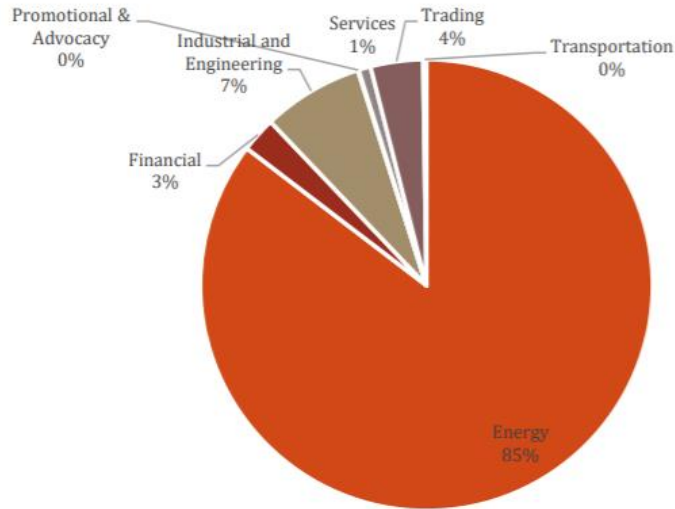


Figure 16. Sectoral Dividend Receipts to GOP – FY2017

Source: (Ministry of Finance, 2017)

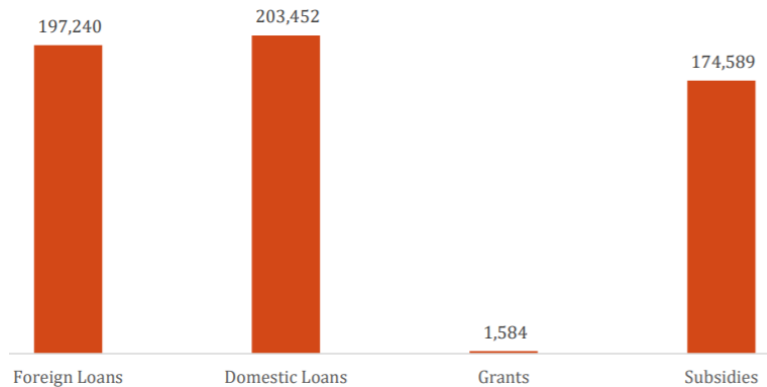


Figure 17. Total Government of Pakistan Support to SOEs – FY2017

Source: (Ministry of Finance, 2017)

2.4 Problems with SOEs in Pakistan

SOEs are an important source of employment in Pakistan. Numerous people are employed, directly or indirectly, by SOEs. Being a developing country, Pakistan lacks adequate resources for provision of multiple public services. This void is filled by the existence of SOEs, which are also an important source of socio-economic development within Pakistan. However, a clear vision seems to be lacking for SOEs in Pakistan. Overlapping management coupled with

political interference and inefficient HRM have plagued SOEs for long. As a result, many are churning losses to the tune of billions of rupees (Ministry of Finance, 2016). Mehdi (2018) recommends “an efficient autonomous structure and an incentive-linked performance evaluation system” in order to improve the performance of SOEs in Pakistan.

2.4.1 Multiple Layers of Accountability

One of the most common arguments given for the failure of the SOEs is that there is lack of accountability. However, it is far from the truth. SOEs have multiple layers of accountability. It creates a problem of jurisdiction. Hence, many oversight bodies are negligent in carrying out their duties. Moreover, where the oversight bodies are tasked with laying down the framework for accountability, the end result is often a system with overlapping functions. It creates confusion and lack of clarity on the organization’s future actions (Iftikhar, 2015).



Figure 18. Multiple Layers of Accountability

The above figure shows the multiple layers of accountability. As mentioned before, their jurisdiction is overlapping. Often the management of SOEs have to respond to contradictory guidelines coming from the various accountability mechanisms.

2.4.2 Decision Making Process

Another problem faced by SOEs is the slow decision-making process. The whole process is marred by repetition and inefficiency. Consider an example of an SOE wanting to procure raw materials (Iftikhar, 2015).

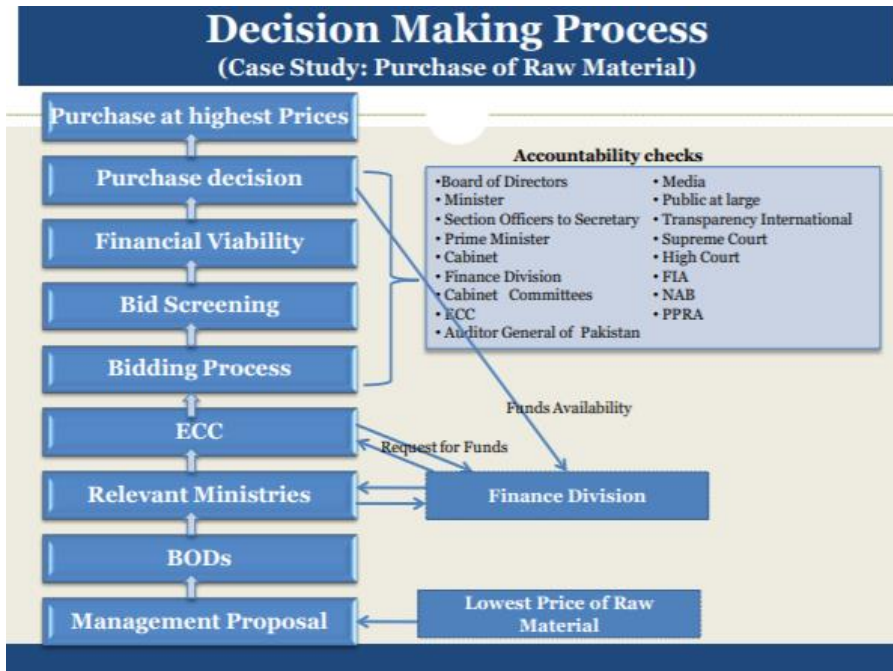


Figure 19. Decision Making Process in SOEs

If an SOE wants to take advantage of lower prices, it cannot do so because of the complex nature of the entire public procurement process. Adherence to the Public Procurement Regulatory Authority means that there is simply no way an SOE can take advantage of favourable market conditions. Moreover, the unwanted scrutiny is also another drawback which inhibits the management from taking quick but favourable decisions (Iftikhar, 2015).

2.4.3 Weak Corporate Governance

Despite the introduction of new corporate governance rules, many SOEs in Pakistan operate outside these rules. A glaring example is the Pakistan International Airlines (PIA), Pakistan Railways, and the Pakistan National Shipping Corporation. These organizations operate under their own acts, many of them with very weak corporate governance mechanisms (Iftikhar, 2015).

2.4.4 No Budget Constraints

Despite the precarious state of Pakistan's economy, SOEs have been allocated unlimited budgets in the form of bailout packages. It gives them little incentive to allocate budget efficiently. Whenever the budget runs out, the government ends up giving them a bailout package. Instead of ensuring that the bailout package is utilized efficiently, there is little effort to do so. It is true for the Pakistan Steel Mills, Pakistan Railways (PR), Pakistan International Airlines (PIA) and many others. For example, the Pakistan Steel Mills has been given numerous bailout packages. However, there has been no improvement so far in its performance (Iftikhar, 2015). Watanabe (2020) conducted a study on the impact of subsidies to Chinese SOEs in the steel industry. The author concluded that the subsidies given to the SOEs were large enough to cover their losses. This distorted the market competition as the SOEs engaged in anti-competitive behaviour like cost cutting after receiving the subsidies. Michael (2007) also reports that soft budget constraints have negatively impacted the performance of SOEs in China.

2.4.5 No Market Accountability

Businesses are rewarded through market forces. Consumers reward businesses excelling in quality and innovation with buying more products and services. This is often not the case with SOEs. Even if consumers are not buying their products or services, SOEs are not penalized. They still get allocated their yearly budgets. It is true in case of PIA and PR. This needs to be revisited. The budget needs to be tied with the performance of the SOE (Iftikhar, 2015). Chan, Chen, & Wong (2018) conclude in their research that private firms have lower profitability when compared with SOEs. However, the reasoning for this is that the SOEs are much bigger organizations than private firms. The authors also reason that SOEs operate in sectors which are characterized by low competition, whereas private firms operate in highly competitive markets.

Chapter 3: Research Methodology

The Research Methodology is the most significant part of the research process. Selecting the most appropriate methodology holds the key to the conduct of an efficient research study. It is imperative for a researcher to choose a methodology that best suits the needs and requirements of the research undertaking. In fact, the research objectives and research questions determine the methodology that ought to be employed for carrying out the research and fulfilling its purpose. Generally, researchers are guided by the methodologies used in previous research undertakings on similar topics. It helps them identify the methodologies that may or may not be appropriate for the research studies. In this chapter, the type of research method employed in this study has been described in detail along with a detailed discussion on the justification and need for the research method so employed. In addition to this, the sampling techniques are also discussed. The chapter concludes with a discussion on reliability, validity, and ethical considerations.

The present study analyses employee management practices/ HRM strategies in PTV on the basis of following determinants:

- Recruitment and Selection;
- Training;
- Performance Evaluation;
- Promotion Criteria;
- Compensation and Pay;
- Employee Relations; and
- Accountability

3.1 Research Design

The present study is explanatory in nature, seeking to identify the key challenges and problems in human resource management in PTV.

3.2 Research Strategy

The research strategy is qualitative to ensure that the aims and objectives of the research are fulfilled. A qualitative research strategy helps in generating in-depth data about the research

topic which helps in answering the research questions in detail. The reason that this research has not employed a quantitative research strategy is that quantitative methods will fail to generate in-depth data to effectively answer the research questions. Moreover, many earlier studies which have explored governance challenges in SOEs have also used qualitative research methods. Daiser, Ysa, & Schmitt (2017), Grossi, Papenfuß, & Tremblay (2015), Kakabadse, Yang, & Sanders (2010), McNulty, Zattoni, & Douglas (2013) are examples of earlier studies which have used qualitative research methods.

Nevertheless, qualitative research strategy is associated with various drawbacks as well. Firstly, qualitative methods like interviews produce too much data. It can be challenging to separate the meaningful information from the rest. Moreover, researcher bias is also a problem with qualitative research strategies. Also, proponents of the quantitative research methods argue that qualitative research cannot be validated nor generalized. The researchers belonging to the qualitative school of thought argue that modern tools and software have done away with issues like subjectivity or researcher bias. Furthermore, generalizability exists in qualitative research as well but it is “focused on the researcher's analysis and understanding of circumstances rather than on the collection of representative data” (Carminati, 2018).

3.3 Types of Data

This research uses both types of data: primary and secondary. Primary data is where the researcher collects data from first-hand sources (Tan, 2017). In simple words, this data has not been collected before. The researcher only collects it for their own research. On the other hand, secondary data is the data which has already been collected earlier for another purpose (Tan, 2017). The researcher uses that data in their research to meet the objectives of their own (present) research.

3.4 Methods of Data Collection

The data has been collected through interviews, documents, and reports. The data from the interviews is the primary data, whereas data obtained from documents or reports is termed as secondary. This research has employed semi-structured interviews. The reason is that a structured interview would not yield the data desired by the researcher to answer the research questions

effectively. On the other hand, unstructured interviews would generate too much data which would have proven challenging to analyse (Given, 2008).

3.5 Sampling and Units of Data Collection

The objectives of the research guided the selection of the Units of Data Collection. It was imperative to ensure that only those Units were selected that helped fulfil the purpose of the research. At the same time, care was taken to ensure that no important source of data was left out.

A detailed description of the Units of Data Collection is given below:

Individuals

The individuals included those officials and employees who are or have been connected with the affairs of PTV in any manner. These individuals not only included incumbent as well as retired/former high-ranking officials such as the Chairman and members of the Board of Directors, officers of Ministry of Information and Broadcasting not below the rank of Joint Secretary, Managing Director, Directors, and Controllers of PTV but also the non-officer cadre of PTV that primarily includes employees below Group 6. Stratified Random Sampling was employed to ensure that data was gathered from the diverse sources such as lower staff as well as top management so that a holistic perspective and deep insight could be developed. This was important to ensure that the research does not cover only the viewpoint of a particular set/class of people but rather depicts a overall picture based on data obtained from different sources.

Laws/Regulation/Rules

The relevant laws, regulations and rules formed an important part of the study. These include PTV's Employees Service Rules, SECP's Code of Corporate Governance, relevant decisions of the Court(s) of law etc. Purposive sampling was employed to study and analyse only those laws that were most relevant to the research objective and helped answer the research questions. The study of these laws helped gain an insight into the actual framework that ought to govern decision-making in PTV and also helped in identifying the deviations from these laws.

Documents and Decisions

These include various decisions and directives issued by PTV management and Board of Directors and the Ministry of Information, and other important decisions that constituted significance for the research. Documents and reports that helped fulfil the purpose of the research also constituted Units of Data Collection. Purposive sampling was employed to study only those documents and decisions that had a linkage with the objectives of the research and the research questions. Analysis of this kind of data was important to understand the decision-making culture in PTV Corporation.

3.6 Locale

PTV Headquarters and other centres in Islamabad formed locale of the research.

3.7 Analysis of Data

The data obtained has been analysed using content and thematic analysis. Content analysis is used to identify themes and patterns in the data. It “systematically transforms a large amount of text into a highly organised and concise summary of key results” (Erlingsson & Brysiewicz, 2017). Thematic analysis is applied to the interviews conducted with various people. Braun and Clarke (2006) consider thematic analysis as an important part of qualitative research. It is a method for “identifying, analysing, organizing, describing, and reporting themes found within a data set”.

3.8. Limitations/Issues Encountered During Data Collection

During the data collection stage, various issues were encountered. Employees were reluctant to meet face to face for interviews or divulge on topics related to the research. Some of the employees acknowledged that corruption/lack of accountability and nepotism were rampant in the organization. However, they refused to share any concrete evidence or information. Even documents were difficult to obtain. The relevant departments either refused to hand over key documents citing privacy and confidentiality, or allowed the researcher to use them without publishing their copies in the research. A lot of the information was obtained from public records such as documents submitted to the courts. Where possible, the information from interviews and documents was analysed together to see if the two sources corroborated each other.

Chapter 4: Conceptual Framework

The aim of the present study was to gather valuable information that could help meet the objectives of the research and provide answers for the research questions. The diversity employed in the sources of data collection was meant to collect information from all segments of employees in the corporation as well as from documentary evidence so that quality and objectivity, two essential ingredients of any research undertaking, are not compromised and would not render the present study ineffective and of little value. While certain limitations are generally inherent to any research undertaking, yet an effort has been made to mitigate the effects of such limitations by keeping the conceptual framework logical and rational.

A conceptual framework is designed by the researcher to help explain how a particular problem will be studied. In quantitative research, the conceptual framework consists of the dependent and independent variables and how they relate to one another. The conceptual framework can be graphical or narrative (Adom, Hussein, & Joe, 2018). As this research is purely qualitative in nature, the graphical depiction will be quite different from the conceptual frameworks seen in quantitative researches.

The link between corporate governance and HRM is well-established (Pendleton & Gospel, 2012). Corporate governance impacts the HR policies. Likewise, effective HRM policies help improve corporate governance in an organization. A study of earlier studies and academic sources reveals that there are functions of HRM (Ahammad, 2017; Bratton & Gold, 2017). Based on the literature review, analysis of other available sources and role of HR department in PTV, this research proposes the following conceptual framework (Figure 20).

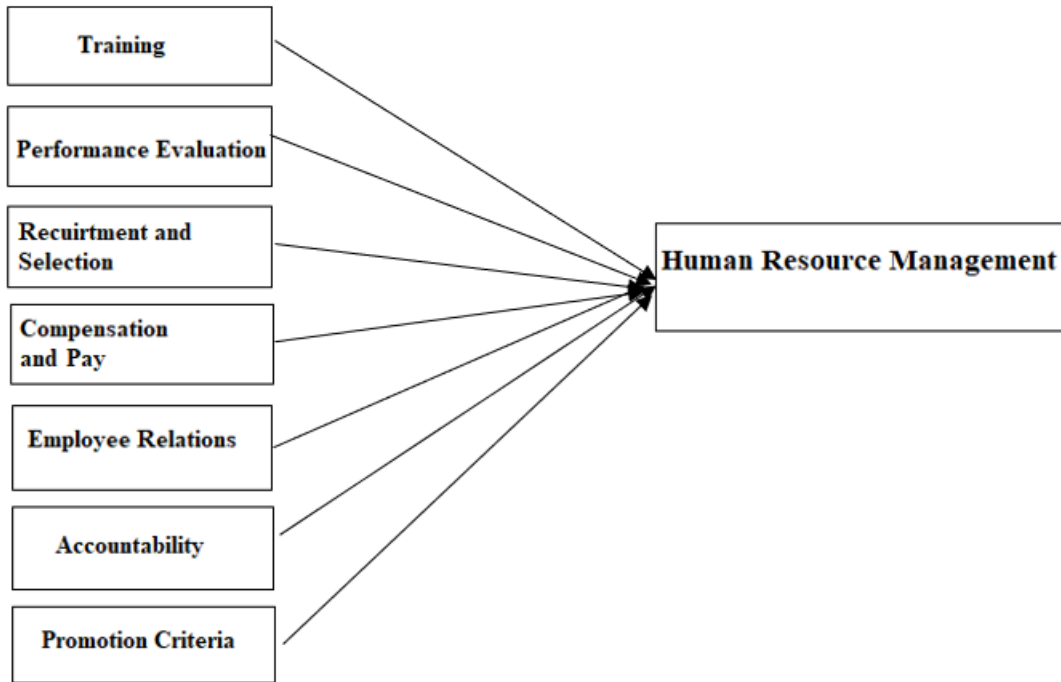


Figure 20. Conceptual Framework

The components include:

- Training
- Performance Evaluation
- Recruitment and Selection
- Compensation and Pay
- Employee Relations
- Accountability
- Promotion Criteria

Collectively, all of the above components/functions are a vital part of HRM. The interview questions will revolve around these components so that the research questions can be answered in-depth.

Chapter 5: Findings & Discussion

5.1 Recruitment and Selection

The overall sanctioned staff strength of PTV as on 28.09.2018 was 6942. The breakup of the total number of employees is as follows:

Breakup of Employees		
S.No	Employee Category	Total Number
1.	Regular	3979
2.	Resource Persons	157
3.	Daily Wages	238
4.	Contract	398
5.	Professional	85
6.	Anchors/ News Casters	49
TOTAL= 4906		
Difference between sanctioned strength and actual strength=2036		

Table 1 shows the breakup of employees

Cadre Wise Strength of PTV			
S.No	Cadre	Sanctioned Strength	Actual Strength
1.	Managing Director	1	1
2.	Deputy Managing Director	1	1
3.	Directors	10	04
4.	Group 9	92	74
5.	Group 8	143	107
6.	Group 7	336	268
7.	Group 6	753	608
8.	Group 5	1211	757
9.	Group 4	1170	544
10.	Group 3	787	371
11.	Group 2	1014	525
12.	Group 1A	244	184

13.	Group 1	1180	537
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Table 2 depicts Cadre Wise Strength of PTV

5.1.1 Nepotism and Illegal Appointments

Rule 5.0 of PTV’s Employees Service Rules says, “Recruitment to various cadres will be effected in accordance with the laid procedure on the basis of suitability and qualifications for various posts to be prescribed from time to time”. In practice the rules are often violated or bent to recruit personal favourites. Recently, the Supreme Court declared null and void the appointment of Mr. Ata-ul-Haq Qasmi as PTV Chairman. The honourable court observed that the appointment had been made in contravention of rules and procedures.

The Supreme Court noted that the following questions needed to be addressed:

- i. “Whether Mr. Qasmi’s appointment to the post of Director and/or Chairman of PTV was legal/valid in light of the relevant law and the **Articles of Association** of PTV (AoA)?
- ii. Irrespective of the answer to question No.i, whether Mr. Qasmi was legally entitled to the salary package that he received in light of the relevant law and the AoA and whether the expenses incurred by Mr. Qasmi or on his behalf were legal/valid?
- iii. If the answers to questions No.i and ii are in the negative, who is to be held responsible for such illegal appointment and/or expenditure?”

On the appointment of Mr Qasmi as Director of PTV, The court declared “In light of the above, we find that while the Federal Government was empowered under Section 183(b) of the Ordinance read with Article 83 of the AoA to appoint a Director to the Board of PTV, it had to do so by following the procedure prescribed in Clause (iii) of SI. No.141 of the Esta Code, keeping in mind the criteria laid down in Rules 3(1) and (7) and the Annexure (‘fit and proper’ person) to the Rules of 2013. Furthermore, the procedure laid down in SI. No.140 of the Esta Code had to be followed.

Such a process additionally ensured transparency, merit, and fairness in the appointment of public functionaries as required by the law laid down by this Court. We consider that disregard of the aforementioned procedure by the Federal Government in the instant case was meant to benefit a predetermined candidate, Mr. Qasmi. His appointment as a Director of PTV was made in violation of the prescribed legal criteria and procedure. It is hereby declared to be illegal”. The Court also declared the appointment of Mr. Qasmi as Chairman PTV to be illegal. It shows that how political intervention can weaken a board’s independence and functioning. Ding, Jia, Wu, & Zhang (2014) also conclude in their research that state ownership weakens the independence of an organization’s board. Simpson (2014) also concludes in his study that SOEs depict major faults in board appointment criteria, performance evaluation criteria, and ensuring independence of the board. The reason for this can be attributed to political interference in the affairs of the SOEs.

The court further determined that Mr. Qasmi’s illegal appointment had caused a loss of Rs.197,867,491/- to PTV. It declared “In light of the foregoing discussion and taking into account the lapses and illegal actions committed by Mr. Qasmi as a Director and the Chairman of PTV and by the officials identified above, we hereby direct that the aforementioned amount be recovered from the named persons in the ratio stated below:-”

Name	Reason for liability	Ratio
Mr. Ata ul Haq Qasmi	Beneficiary of illegal acts	50%
Mr. Pervaiz Rashid, Minister for Information	Ignored the law and disregarded their duty to confer benefit on Mr. Qasmi	20%
Mr. Ishaq Dar, Finance Minister		20%
Mr. Fawad Hasan Fawad, Secretary to the PM	Failure to act with due diligence in processing the summary for appointment of the Director of PTV from a person-specific recommendation as opposed to a panel of three names as required by the Esta Code	10%

“When it comes to recruitment, deviation from the set rules is a norm not the exception.”, says a Director. Nepotism is common during any recruitment exercise. Most of the posts are not even advertised in order to avoid transparency and circumvent competitive process. “The last batch of producers inducted through a transparent process and by advertising all the posts was way back in 1998”, according to another former Director of PTV. Some of the people interviewed were candid enough to disclose the names of those on whose ‘Sifarish’ (recommendation) they were recruited into the corporation, and in all such cases it was mostly high-ups on whose directions rules and regulations were flouted so that their relatives and favourites could be given jobs.

In one case, a person with only a Bachelor in Arts has been appointed as Revenue Manager (Group-8). Similarly, another person was serving under the designation “Officer” (Group-8) with no clear job description. A person with only a Master in Arts and no training/qualifications in Project Management has been appointed as Assistant Project Manager. An employee in the Corporate Strategy and Product Development Department is serving as an “IT Professional” while his qualification is a Bachelor in Arts (BA). Another “IT Professional”, whose qualification is only intermediate i.e. FA, was appointed in PTV-World (English Channel Division) against an initial package of Rs. 100,000. There are several such cases where employees are working against such posts and positions for which they lack the requisite qualifications and trainings but are receiving hefty emoluments.

5.1.2 Mismanagement

As mentioned above, the sanctioned strength of PTV is 6942 while the actual strength is only 4906. The difference between the sanctioned and actual strength is 2036. This gives the impression that the corporation is understaffed. However, a closer examination reveals a lot of mismanagement. It has been observed that some departments of PTV are understaffed while several others are overstaffed. Moreover, qualifications of several employees do not match their job descriptions. These employees are either underemployed, overemployed, or employed in departments not relevant to their qualifications.

5.1.3 Corruption

As mentioned above, recruitment is generally made on the basis of nepotism. However, it was also alleged that seniors have given jobs after taking kickbacks. It is difficult to prove such allegations, however, given the number of people employed without any transparency in the recruitment process does point to serious flaws and possibility of corruption. During the interviews, employees highlighted how senior management in connivance with political leadership take bribes/kickbacks and hand out employment letters to people. An employee remarked that one of the previous Director Administration and Personnel gave jobs to people from his hometown without following the due process.

5.1.4 Discretionary Powers

The Managing Director of the corporation is vested with certain discretionary powers to induct people, especially in case of newscasters, anchor persons and program hosts. These powers also give way to favouritism and nepotism. In one case, the management of PTV has submitted the following data to a court of law:

Summary of Employees Engaged During the Tenure of Ex-Managing Director

Pay Group	From 22.01.1998 to 08.03.2003			From 10.04.2007 to 21.06.2008			From 09.10.2010 to 12.04.2013			Grand
	Non-Regular	Regular	Total	Non-Regular	Regular	Total	Non-Regular	Regular	Total	Total
6	1	18	19	5	1	6	18	16	34	59
5	21	69	90	23	31	54	109	61	170	314
4	48	171	219	14	95	109	153	217	370	698
3	8	71	79	6	18	24	74	71	145	248
2	10	200	210	3	51	54	114	179	293	557
1A	3	27	30		4	4	22	66	88	122
1	3	102	105	1	34	35	28	51	79	219
Anchor	2		2	6		6	34		34	42
Professional	11		11	19		19	46		46	76

Grand Total	107	658	765	77	234	311	598	661	1259	2335
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Table 3 shows Summary of Employees Engaged During the Tenure of an Ex-Managing Director

5.1.5 Fake Degree Holders

Fake-degree holders have also been inducted at various positions into PTV Corporation. This reveals a lot about the extent of corrupt practices and mismanagement prevalent in the organization. The recruitment of fake-degree holders not only discourages genuinely qualified employees but also undermines the overall performance of the organization. The Corporation terminated 53 employees on account of fake degrees/certificates. Five of these were retained in the service of the corporation after being awarded punishments. When senior management was asked about why their services was retained, they either remained silent or pointed their index finger upwards. It can be construed as a sign of pressure from seniors/political leadership.

5.1.6 Role of Employees' Union

The employees' union influences the recruitment process in different ways. According to the Union-Management Agreement, 30% quota is reserved for relatives of the employees against recruitment to any posts in PTV Corporation. In addition, senior officers also complained of "bullying" by the union for getting their relatives inducted into the corporation.

5.1.7 Conclusion

The recruitment process in PTV Corporation is marred by a number of problems. First and foremost, meritocracy and transparency have given way to nepotism. Personal favourites and influential people are given jobs in violation of the set rules and procedures. Moreover, there is a strong perception that people are also hired after taking bribes. The genuinely qualified and competent candidates fail to get the jobs they deserve simply because they lack connections and influence. Corruption is undermining the entire process of hiring in the corporation and even fake-degree holders have made it into the corporation. The discretionary powers of the Managing Director not only undermine competitiveness but also open the door for favouritism and nepotism. Finally, haphazard recruitment means that some departments lack the adequate number of staff to perform their functions efficiently while others are burdened with more employees.

Interestingly, Xiongyuan & Shan (2013) found that whenever a SOE is headed by a person with government connections, overstaffing becomes the norm. It has also been witnessed in the case of PTV, where political appointees have appointed officials into the state broadcaster based on political affiliations. Moreover, Thomas (2012) concluded that despite the strong government interference in SOEs, the government has failed in ensuring accountability.

5.2 Performance Evaluation

5.2.1 Criteria

The Performance Appraisal form (also known as Annual Confidential Report) varies depending on the group of the employee. The form for employees in Group 6 of Computer Related/Information Technology related jobs requires certain “personal traits” to be evaluated. This is in addition to evaluating the performance of the employee against his/her professional duties given in the job description.

5.2.2 Problems with the Criteria

Many of the interviewees pointed out that the criteria for evaluating the performance of employees is “vague” and “too subjective”. There are no clear key performance indicators (KPIs), goals and targets against which the performance of an employee can be ascertained. The evaluation of personality characteristic can be too subjective, immeasurable and erroneous. There is also neither any comparative evaluation nor any limit to how many “Very Good” ACRs can be given. This often results in all employees under one particular officer getting good ACRs despite the fact that the overall performance of the department is declining.

5.2.3 Officers lack training in writing ACRs

Another problem is that the reporting officers lack requisite training and know-how in writing ACRs. They are not well versed in the art of evaluating an employee’s performance and also lack the right choice of words when penning down ACRs. On a number of occasions, the evaluation under individual categories does not match with the overall grading of the employee’s performance. Officers writing the Performance Appraisal reports also feel that they do not have the means to evaluate or judge the personality features of an employee in a fair and transparent manner. One of the employees remarked that “we fill our own ACRs because the evaluating

officers, in most cases, do not know how to fill the forms. They just rubber stamp after we have filled it”. A part of the ACR form related to IT employees has been attached in the Appendix. A quick look at it shows that it is indeed complex and cannot effectively measure a person’s performance. The ACR also measures a person’s personality on “tact, mannerisms, sense of humour” etc. Officers tend to find it very difficult to measure these traits and link them to job requirements.

5.2.4 Nepotism

In writing ACRs, nepotism is again a common phenomenon. “Favourites get Very Good ACRs as a matter of right”, says a senior Director. Others have to indulge in flattery and sycophancy to get good ACRs. As a result, the performance of the organization suffers.

5.2.5 Conclusion

The performance evaluation criterion not only lacks clarity, but it also leaves too much room for subjectivity. Moreover, in many categories, particularly in the “personal traits” category, most of the values cannot be easily measured. This makes Performance Appraisal all the more difficult. Moreover, given how elaborate and detailed the Performance Appraisal form is, the appraisers lack requisite training, knowledge and skills to conduct performance evaluation in objective, fair and transparent fashion. There are also no criteria as to how many “Very Good” etc. evaluations can be given by a single officer. Finally, nepotism and favouritism also factor in the process of performance evaluation of employees.

5.3 Promotion Criteria

5.3.1 Criteria

Rule 6.01 of PTV’s Employees Service Rules states, “For filling vacancies in groups 2 to 6 serving employees who according to Channels of Promotion as given in rule 6.05, are promotable to the vacant posts, will first be considered. Selection will be made on the basis of seniority-cum-fitness. Seniority will be ascertained from the seniority lists maintained by the corporation, and fitness will be determined on the basis of Annual Confidential Reports of each eligible employee covering the preceding three years.”

Rule 6.02 states, “If no suitable candidate is available within the channel of promotion relevant to a particular vacancy the vacancy will be advertised among all serving employees of the Corporation” according to the criteria given in the rule.

According to **Rule 6.07**, the appointment to all posts in Group 7 and above have to be made “strictly and exclusively on the basis of merit”. However, for filling such vacancies Rule 6.08 stipulates, “serving employees who are potentially promotable to vacant posts, will first be considered.” It further elaborates, “Selection will be made on seniority-cum-suitability of which the Managing Director will be the sole judge.”

However, if there is no suitable candidate available within the channel of promotion relevant to the vacancy, **Rule 6.10** provides, “the vacancy will be circulated among all serving employees of the Corporation”. Within the organization, this practice is generally known as “Re-designation”. The procedure for Re-designation of employees has also been laid down in the rules. After scrutinizing the applications of candidates, they shall be interviewed by a Selection Board. The Selection Board will “submit its recommendations to the Managing Director for approval.”

If no suitable candidate is found even through this exercise, then the “vacancy may be filled by appointing a candidate from outside.” The vacancy may either be advertised or the appointing authority “may adopt any other procedure” which it deems “to be in the best interest of the Corporation. The family members of a serving employee will be given preference subject to qualifying on merit”.

5.3.2 Problems with Criteria

Merit vs Seniority

As mentioned in Rule 6.08, the selection of employees for Group 7 and above is to be made on seniority-cum-fitness. Most often, senior most employee is promoted without any regard to his/her competence and fitness. Junior employees, even if they are more competent than their senior, have to wait until they become senior most.

Nepotism

The practice of re-designation is often used to promote personal favourites of the Managing Director or employees with high connections. Moreover, as the rules allow the competent authority

to adopt procedures other than advertisement to fill up vacancies in Group 7 and above when a suitable candidate is not available within the organization, this has also left a loophole for violating merit. Finally, personal relatives are also appointed to senior positions without any regard to suitability and fitness.

Quid Pro Quo

It has also been alleged that in several cases the Managing Director promotes employees in return for personal favours. These include “keeping the MD or Chairman’s pocket warm and his house well furnished”. Those who feel no compunctions in blindly following the MD or Chairman’s orders get promoted.

Discretionary Powers

Managing Directors have used their discretionary powers to give group awards and merit increments. As per the data provided to a court of law, the number of group awards and merit increments given during the tenure of an ex-Managing Director are given as under:

SUMMARY OF GROUP AWARDS AND MERIT INCREMENTS				
S.No	Period	Group Award	Merit Increments	Total
1	01.01.1990 to 31.12.1997	50	0	50
2	22.01.1998 to 08.03.2003	28	20	48
3	10.04.2007 to 21.06.2008	26	28	54
4	19.19.2010 to 12.04.2013	39	194	233
TOTAL		143	242	385

5.3.3 Conclusion

Seniority plays the most important factor in promotion process. The significance attached with seniority often comes at the expense of competence, merit and performance. This not only allows incompetent senior officers to get promoted but also discourages junior employees from trying to perform well. Moreover, nepotism and favouritism again play a part in determining who gets promoted while promotions in lieu of personal favours to the Managing Director are also part of the promotion process in PTV Corporation. Moreover, the discretionary powers vested with the Managing Director inhibit transparency and meritocracy. All these factors hamper effective human resource management in the corporation.

5.4 Training

5.4.1 PTV Academy

Rule 5.06. says, "Where necessary, persons selected for appointment may be required to successfully undergo a course of training/instruction either at a training school or at any other place as a condition precedent to their appointment against an establishment vacancy". The corporation has set up a dedicated institute, called PTV Academy, for the purpose of training and capacity building of employees. It is headed by a senior officer of PTV, called Director Training and Academy. The director is responsible for all policy matters while the financial and administrative issues are dealt with by a General Manager. It lists the following as its goals:

1. To improve professional standards of PTV personnel in all areas while helping in career planning.
2. To prepare training materials and promote international exchange of expertise as part of Resource Development.
3. To analyse the performance of PTV for self-improvement.
4. To introduce new concepts and formats in TV operations.

The functions of the academy are as follows:

- Basic training and foundation planning of producers, engineers, cameramen, designers, makeup artists, admin, finance, anchors and technicians.
- Refresher courses and updating of knowledge base at various levels.
- Introduction of new concepts in programme productions, camera techniques, news, current affairs, design etc.
- Introduction to new formats in engineering.
- Prepare training materials. **(source: PTV Website)**

5.4.2 Compulsory Trainings

As of now, there are no compulsory trainings offered by the Academy after initial recruitment of an employee in any cadre. Similarly, there is not a single mandatory training course that serves as a prerequisite for promotion.

5.4.3 Quality of Training

The quality of optional capacity building courses offered by the academy is highly questionable. One ex-Director pointed out that it is a “good for nothing” organization and a complete “drain” on PTV’s resources. The lack of training is a major concern voiced by authors who have investigated SOEs. Han, Youzi, & Liyu (2019) conducted a study on how SOEs can use the new media to promote their brand image. However, the employees lack the motivation and training to adapt the new media tools. Similarly, PTV faces this problem. Despite being a state broadcaster, it has failed to adopt new technologies. Consider PTV’s YouTube channel which has a considerably low number of subscribers and viewers. It shows that the state broadcaster is not producing the right content nor up to date with new technologies.

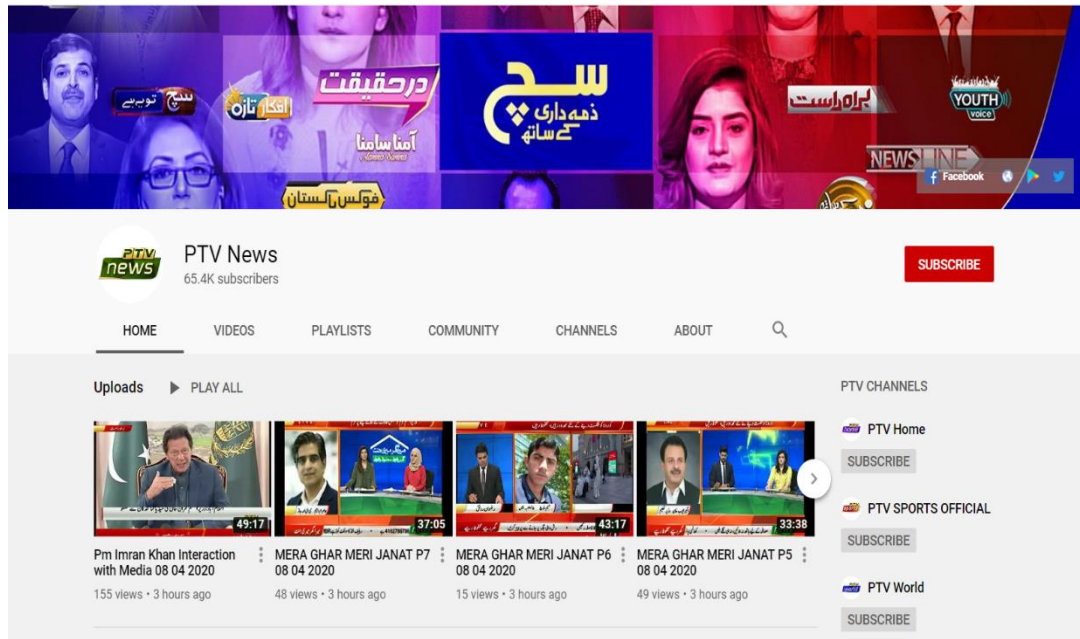


Figure 21. PTV YouTube Channel

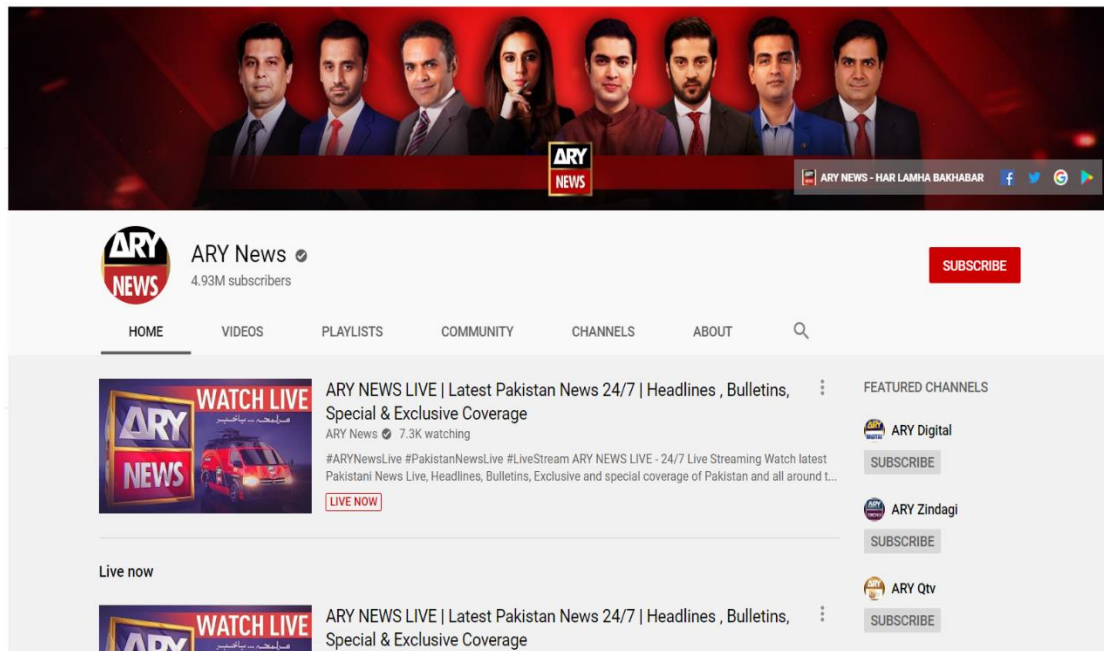


Figure 22. ARY YouTube Channel

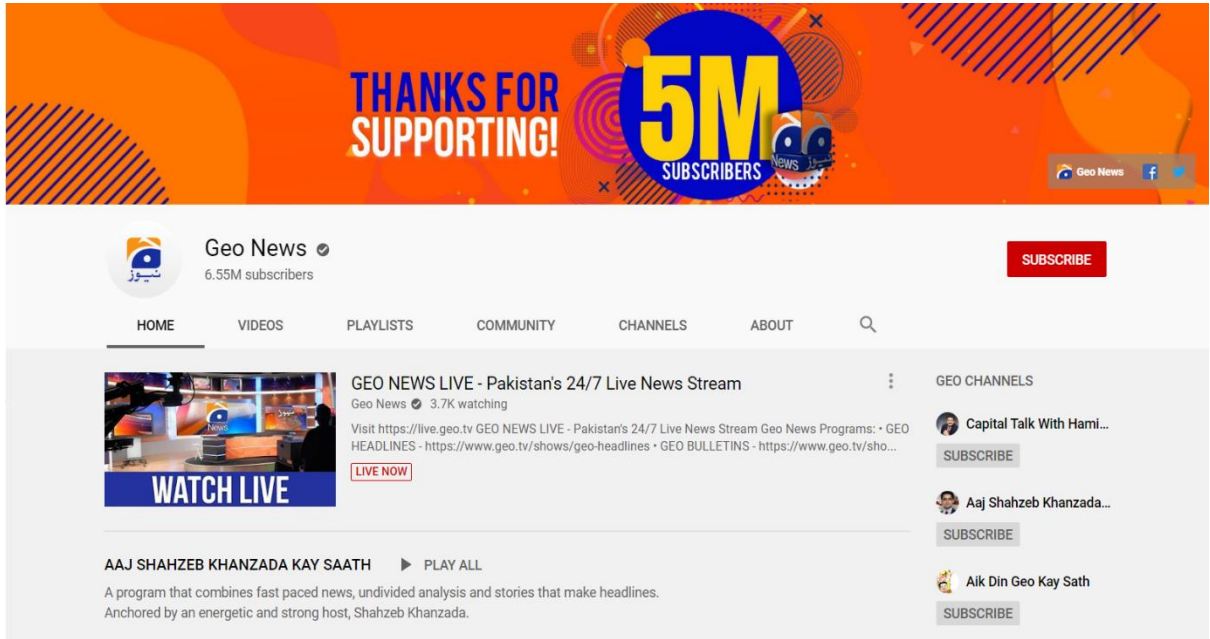


Figure 23. Geo YouTube Channel

5.4.4 Criteria for posting of officers at PTV Academy

Generally, those employees who are disliked by the senior management, particularly the Managing Director, get posted at PTV Academy. This practice not only undermines the quality of training given at the Academy but also discourages competent officers from seeking a posting at the academy.

5.4.5 Conclusion

The PTV Academy was set up with the purpose to impart quality and state-of-the-art training to employees by using cutting edge technologies and innovative methods. However, it has now become an almost dysfunctional organization with not much to offer in terms of quality training. The process of capacity building of employees not only suffers but is completely undermined due to the lack of an efficient platform where they can learn new skills in order to compete with the vibrant private media industry. This dire situation is also due to the posting of incompetent or unsuitable officers at the academy.

5.5 Compensation and Pay

5.5.1 Non uniform Pay Scales

As mentioned above, there are various cadres and pay scales being followed in PTV. For the purpose of pay scales, employees can be broadly categorized into the following categories:

1. Regular
2. Contract
3. Daily Wages
4. Resource Persons
5. Professionals
6. Anchors/News Casters

5.5.2 Disparities

The different pay scales being followed in the corporation cause a lot of discrepancies and non-uniformity in the salary structure.

Intra Cadre

Disparities in salaries of employees within the same cadre can also be observed. For example, two persons were appointed as “IT Professional (Graphic Designer)” in the IT Division on the same date i.e. 28.08.2014. The qualification of one of them is only intermediate i.e. FSC (Pre-Engineering) but his current pay package is Rs. 127,050. The other employee holds a Bachelor in Arts and an Advance Diploma in IT. His pay package is Rs. 78,650.

Discretionary Increments and Pay Increase

The management of PTV often uses its discretionary powers to give special increments or pay increases to “favourites”. Nepotism is again all too common in such cases.

5.5.3 Pressure from Employees Union

The employees’ union use different tactics to extracting pay increases from the senior management irrespective of the overall financial position of the corporation. Whenever the federal

government grants an increase in salaries (or ad hoc relief) to civil servants in the annual budget, the union pressurizes the senior management into giving them similar raise on the premise that PTV is a government-owned entity. After a few months the union will demand another increase; this time on the pretext that PTV is a corporation and therefore, it can take independent decisions in this regard. In this way, the union tries to grab the best of both worlds.

5.5.4 Conclusion

The salary structure of employees in the corporation is not uniform. There are discrepancies even in the salaries of employees within the same cadre. Moreover, the Managing Directors use their discretionary powers to give hefty pay packages to the personal favourites. This non-uniformity and haphazardness results in poor human resource management in the corporation. Cai, Morris, & Chen (2011) report that performance appraisal in Chinese SOEs was also very subjective. The appraisal was based around political loyalty, ideological purity and seniority (Child, 1996; Taormina & Gao 2009). It creates problem for the organization including favouritism and nepotism (Zhu, 2004).

5.6 Employee Relations

5.6.1 Unhealthy Competition

The disparities and discrepancies mentioned above create an environment of jealousy and unhealthy competition. Several serving and retired officers pointed out that employees will go to “any extent” to malign their colleagues or to gain personal favours from the senior management, particularly the Managing Director. Resultantly, intrigues are rife within the organization and the spirit of comradeship and cooperation is found utterly lacking.

5.6.2 Role of Union

The employee union, though constituted to protect the genuine interests of employees, is also accused by senior directors for pressurizing the management into accepting illegal demands or giving exorbitant and unsustainable pay hikes. In one letter, it also requested the management to refrain from verifying their degrees.

5.6.3 Overall frustration

Lack of meritocracy

The motivation to perform better is lacking due to a lack of meritocracy and performance-based reward system. There is a general sentiment among employees of all cadres that it is futile to work hard as even those “doing nothing” will be getting the same benefits, perks and privileges as those doing their job exceptionally well. In fact, in some cases the poor performing employees have fared better than others due to personal connections with the senior management or political backing. He & Makarchev (2019) also highlight a similar problem in Chinese SOEs. Despite the reform process, the authors conclude that the selection processes in SOEs remain entrenched in nepotism.

Regular vs Contractual Employees

The contractual employees often feel overburdened with work. Some of them said that they are given more work on the promise that they will be regularized. This also leads to a state of unhealthy competition, jealousy and conflict between the regular employees and contractual employees.

5.6.4 Conclusion

Healthy work environment endowed with a spirit of cooperation among employees is key to efficient and orderly functioning of an organization. However, in PTV Corporation employees engage in an unhealthy competition and are in a race for getting more and more personal benefits even when these benefits come at the expense of other employees. The employees’ union engages in malpractices to pressure the senior management to give in to their demands even when such demands are not legally justifiable. There is a lot of frustration among employees and a particular dichotomy exists between the regular, permanent employees and those employed on contractual basis. This is primarily due to the lack of merit-based work environment in the corporation and the presence of nepotism and favouritism.

5.7 Accountability

5.7.1 Legal Framework

Rule 11.01 of PTV Employees Service Rules lays down the “acts and omissions” which constitute misconduct. Some of them include “(i) wilful insubordination or disobedience, whether alone or in combination with others, to any lawful and reasonable order of a superior; (ii) Theft, fraud or dishonesty in connection with the Corporation’s funds, business or property; (iii) taking or giving of bribes or of any illegal gratification”. The procedure of charge sheet, enquiry and investigation is also given in the rules. Only the Managing Director is authorized to dismiss an employee from service.

5.7.2 Lack of Transparency

Most of the enquiries that are conducted against employees accused of misconduct lack transparency. In several cases, the accused were given a clean chit despite having committed serious misconduct because they enjoyed good political connections or had the backing of the Managing Director (or Chairman). Wong (2006) identifies the lack of transparency as a major problem plaguing SOEs. Politicians and bureaucrats have no interest in reforming the SOEs. The author argues that instead of reforming the SOE, they use it to serve their own interests. It results in nepotism and financial mismanagement in the SOE. The same is witnessed in the case of PTV where inquiries are shelved due to pressure from influential people. The researcher’s repeated requests for relevant documents in this regard were turned down by the departments.

5.7.3 Lack of Training

In addition to the personal bias of the inquiry officer or the Managing Director, the officers put in charge of investigation and enquiry lack the necessary skills for conducting efficient enquiries. Therefore, the entire process becomes undermined due to incompetence of enquiry officers.

5.7.4 Grievances Committee

The Grievances Committee existed as an appellate body. The existence of the body itself was an anomaly as it was even tasked to review the decisions of Managing Director (MD) in cases

of misconduct despite the fact that the committee comprised officers who were subordinate to the MD and could not be expected to overturn the decision of the MD for fear of repercussions.

5.7.5 Managing Director

In many cases, the decision of one Managing Director has been changed by a subsequent MD. Employees dismissed or terminated or given any other punishment by one MD were cleared of all charges by his successor.

5.7.6 Ministry of Information and Broadcasting

The Secretary of Ministry of Information and Broadcasting, as the Chairman of PTV's Board of Directors, also acted as the appellate authority against the decisions of MD PTV. However, since the Secretary is no more the Chairman, the appellate role of Information Ministry has lapsed.

5.7.7 Courts

The courts now act as the usual channel of appeal against the decisions of PTV Management. Employees with grievances against the management can take legal recourse to the courts in case they feel a decision of the management has violated their rights.

5.7.8 Conclusion

The rules have defined "misconduct". However, the enquiry procedures and investigations are often not carried out in an efficient, transparent and fair manner. Most of the times, employees are laid off the hook even after committing severe misconduct as they are relatives of influential people or simply the favourites of senior management and have acted in violation of rules at their behest. Moreover, the enquiry officers also lack requisite training and skills in the process of conducting enquiries. This lack of sufficient knowledge leads to poorly conducted enquiries. Moreover, the discretionary powers of the MD to grant pardon or commute punishments awarded previously also hampers the accountability process. The delays in courts add to the inefficiencies in the accountability process.

Despite the plethora of accountability mechanisms, PTV does not exhibit compliance with the governance rules and legal frameworks. The same findings are also supported by Simpson's (2014) research. In a study of 25 Ghanaian SOEs, the research concluded that significant weaknesses in the areas of board performance evaluation, criteria for board appointment, the balance of executive directors and non-executive directors, and other board characteristics have been observed. It may indicate that SOEs are generally lax towards following legal frameworks and governance mechanisms in developing economies. Luke (2010) holds a distinct opinion on this matter. Instead of holding SOEs liable for not following the governance rules and regulations, he argues that multiple channels of accountability need to be removed. It will ensure that there exists no duplicity or contradictory rules. It will also help plug in the accountability gaps.

Chapter 6: Conclusion

State-owned enterprises are critical assets for a country. In the case of PTV, it serves an important role. The state-owned broadcaster allows for the dissemination of information, communication of government policies and countering negative propaganda against the State of Pakistan. However, governance challenges have marred its credibility and inhibited the organization from performing its functions. Important steps need to be undertaken to save its credibility and allow it to perform its functions effectively and independently.

6.1 Contribution of the Study

The significance of the present research lies in its contribution to knowledge in the realm of State-Owned Enterprises. It is also unique in the sense that there exists virtually very little research on Human Resource Management in Pakistan Television Corporation. Therefore, the present study is likely to make an addition to research in this area by producing insightful analysis.

6.2 Limitations

The limitations of the study include financial constraints. Despite the best efforts of the researcher to conduct interviews at PTV centres in other cities, financial constraints made it impossible. Efforts were made to conduct interviews online but there was no positive response from the employees. Moreover, access to all the relevant material such as documents, reports etc. was not possible. The employees were reluctant to share many documents as it could cause them embarrassment and open the floodgates for administrative inquiries.

Also, given the large size of the organization, it was difficult to elicit response from every individual. Time constraints made it difficult to interview all key stakeholders. Also, changes in the senior management of the organization made it even more difficult to conduct interviews. The concerned individuals were simply too busy to respond to the researcher's interview requests. Another limitation was that the interviews generated a lot of information. It was difficult to separate the meaningful information from the unnecessary information. However, the researcher made notes of the interviews, which helped in keeping a record of the relevant information.

Another major limitation was the lack of prior research on PTV. It made conducting this research even more difficult. The researcher tried to overcome the limitation through extensive

efforts in setting the most appropriate research design. Also, despite being made aware of the objectives of the research, the participants were reluctant to share information. They were fearful of reprisals from colleagues and seniors.

6.3 Future Research

The future researcher should conduct a more extensive research on the topic. The PTV centres established in other cities need to be made a part of the research as well. It will help in the generation of a more extensive research. Also, a quantitative research method (e.g. questionnaire/survey) can be used to obtain data from a larger number of participants. It will help ensure that the data is purely scientific and can be analysed using statistical methods. The use of a different research methodology may lead to more substantial findings. Another suggestion for future research is that the future studies should focus on more organizations. For example, a cross analysis of PTV and a state-owned broadcaster of another country may be done. It will be a significant contribution to the research field. Examples of state-owned broadcasters include the British Broadcasting Company (UK), Canadian Broadcasting Corporation (Canada), Fundação Padre Anchieta (Brazil) and Prasar Bharati (India).

Chapter 7: Recommendations

In its present state of affairs, PTV Corporation may not be able to survive except on government funds and bailout packages. Considering the myriad problems and challenges plaguing PTV, it is imperative that the organization implement the following recommendations with regards to human resource management.

7.1. Restructure the Recruitment Process

Unfortunately, the present hiring process in PTV is marred by inefficiency and allegations of nepotism. To bring transparency into the system, the hiring process can be outsourced to a third party. This will remove the allegations of nepotism and inefficiency. If outsourcing cannot be done, the hiring process needs to be divided into phases. At each phase, the interview panel will be different than before. Also, one outsider must be made a part of the hiring process. The outsider can be a private member from the Board of the Directors. This will add credibility to the hiring process. Each interview phase must contain a private member. Moreover, vacancies should be properly advertised and criteria for recruitment to various positions should be made impartial, objective as well as relevant to the vacancies, and not designed to benefit a particular person.

7.2. Hiring the Right People

Presently, a simple Arts graduate is working in the Accounts or Finance department. It reflects biased and improper hiring throughout the organization. Therefore, the organization needs to ensure that the right people are hired for the right job. This will improve efficiency and organizational capacity. Also, human resource is an organization's greatest asset. But it must be ensured that the right people are being hired. Moreover, presence of fake degree holders is a major problem in PTV. Therefore, degree verification must be made compulsory during the hiring process.

7.3. Performance Based Promotion and Compensation

Currently, the promotion criteria revolve around seniority. The senior gets promoted first irrespective of their education, training, ability, or performance. This must be replaced with a performance-based promotion and compensation mechanism. The individual who performs better must be promoted irrespective of seniority. There should be a limit to the number of Very Good ACRs that a supervising officer can give. This will ensure that only hardworking and performing

people get to the top positions. Moreover, salary raises should only be awarded to the high-performing employees. In turn, this will have a trickle-down effect. Through their charisma and hardworking nature, high performing employees can inspire their juniors to perform in a similar manner.

7.4. Training

The PTV Training Academy needs to be modernized. It needs to be given the required resources so that it can impart modern-day skills to employees. Training must be made compulsory at all levels where necessary, including for senior management. A person who fails to complete compulsory trainings must be rendered ineligible for further promotion. This will motivate employees to learn the necessary skills. Moreover, competent officers need to be posted the academy. They may be given incentives such as additional allowances in pay.

7.5. Performance-Based Employment

All new employees must be hired on performance-based contracts. Anyone who is underperforming may not have their contracts renewed. Attempts should be made to convert permanent employees to performance-based contractual employees. This will help in ensuring that the under-performers are weeded out from the organization.

7.6. Layoffs

The organization must undertake an analysis of the whole workforce. It needs to identify employees with fake degrees, non-relevant qualification, and inadequate experience, as well as the underperformers and those which are redundant. Once this assessment is carried out with impartiality, the laying off process must begin. This will ensure that all irrelevant employees are laid off. However, such a decision may have gross political implications and will require immense political will. Nonetheless, it is important to rid the organization of redundant and unwanted employees. If laying off large number of people is not possible then some employees can be eased out of the organization through a process of attrition without hiring any new employees against the posts/positions that have become redundant.

7.7. Accountability

The accountability mechanism needs to be made transparent. Moreover, the process has to be simplified and the excessive layers of appeals delaying the accountability process need to be

reduced. Further, inquiry officers must be equipped with the necessary skills to conduct fair and impartial inquiries.

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Appendix
Code of Corporate Governance

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

-.-.-

Islamabad, the 22nd November, 2017

NOTIFICATION

SRO 1216 (I)/2017.- In exercise of the powers conferred under Section 156 read with section 512 of the Companies Act 2017 (XIX of 2017) thereof and having been previously published in the official Gazette vide Notification S.R.O. 254(I)/2017 dated 31st August, 2017, the Securities and Exchange Commission is pleased to notify the following Regulations, namely:-

CHAPTER 1

Preliminary

1. Short Title and Commencement.- (1) These regulations shall be called Listed Companies (Code of Corporate Governance) Regulations, 2017.

(2) These Regulations shall apply to listed companies and to all other entities, to the extent applicable, where the statutes and underlying licensing requirements requires such entities to comply with these Regulations. The term company used hereunder shall imply listed company and all entities to whom these Regulations apply.

(3) They shall come into force for the period starting after December 31, 2017.

2. Definitions. – Unless otherwise specified, words and expressions used but not defined in these regulations shall have the same meaning as assigned to them in the Companies Act 2017 (“the Act”) and the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

CHAPTER II

Number of Directorship and Composition of Board

3. Number of Directorship.- No person shall be elected or nominated or hold office as a director of a listed company including as an alternate director of more than five listed companies simultaneously:

Provided that while calculating this limit, the directorship in the listed subsidiaries of a listed holding company shall be excluded.

Provided further that the said limit on directorship shall be effective when the board shall be reconstituted not later than expiry of its current term or one year of the effective date of these Regulations, whichever is earlier.

4. Diversity in Board.- The board of directors shall comprises of members having the core competencies, diversity, requisite skills, knowledge, experience and fulfils any other criteria relevant in the context of the company’s operations.

5. Representation of Minority shareholders.- The minority members as a class shall be facilitated to contest election of directors by proxy solicitation, for which purpose, the listed companies shall:

a. annex to the notice issued under section 159 (4) of the Act, a statement by a candidate from among the minority shareholders who seeks to contest election to the board of directors, such statement shall include a profile of the candidate(s);

b. provide information regarding members and shareholding structure to the candidate(s);
and

c. on a request by the candidate(s) and at the cost of the company, annex to the notice issued under section 159 (4) of the Act an additional copy of proxy form duly filled in by such candidate(s);

6. Independent Director.- (1) The independent directors of each listed company shall not be less than two members or one third of the total members of the board, whichever is higher:

Provided that for the purpose of electing independent directors, the board shall be reconstituted not later than expiry of its current term pursuant to effective date of these Regulations.

(2) Every independent director shall submit alongwith his consent to act as director, a declaration to the company that he qualifies the criteria of independence notified under the Act. Every independent director shall give such declaration to chairman of board at first meeting in every financial year as well as on an event of any change affecting his independence.

7. Female Director.- The board of directors shall have at least one female director when it is next reconstituted not later than expiry of its current term or within the next one years from the effective date of these Regulations, whichever is later.

8. Executive Director.- The executive directors, including the chief executive officer, shall not be more than one third of its board of directors.

Explanation: Executive director means a director who devotes the whole or substantially the whole of his time (whether paid or not) to the operations of the company.

9. Chairman of Board.- The Chairman and the chief executive officer of a company, by whatever name called, shall not be the same person. The chairman shall be elected subject to such terms and conditions and responsibilities as provided under Section 192 of the Act and these Regulations.

CHAPTER III

Responsibilities of Board of Directors and its members

10. (1) In exercise of powers under Section 183 of the Act and in terms of Section 204 of the Act, the board of directors of a company shall carry out its fiduciary duties with a sense of objective judgment and in good faith in the best interests of the company and its stakeholders.

(2) The board of directors is responsible for the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies. The board shall

undertake at least annually, an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders.

(3) The board of directors of a company shall ensure that:

(i) a vision and/or mission statement and overall corporate strategy for the company is prepared, adopted and reviewed as and when deemed appropriate by the board.

(ii) a formal code of conduct is in place that promotes ethical culture in the company and prevents conflict of interest in their capacity as member of the board, senior management and other employees. The board shall take appropriate steps to disseminate code of conduct throughout the company along with supporting policies and procedures and these shall be put on the company's website;

(iii) adequate systems and controls are in place for identification and redressal of grievances arising from unethical practices;

(iv) a system of sound internal control is established, which is effectively implemented and maintained at all levels within the company;

(v) a formal and effective mechanism is put in place for an annual evaluation of the board's own performance, members of board and of its committees;

(vi) the decisions on the following material transactions or significant matters are documented by a resolution passed at a meeting of the board:

a. investment and disinvestment of funds where the maturity period of such investments is six months or more, except in the case of banking companies, non-banking finance companies and insurance companies

b. determination of the nature of loans and advances made by the company and fixing a monetary limit thereof, except for banking companies.

(vii) the board of directors shall define the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive sub-committee of the board that may be set up for the purpose;

(4) The board of directors shall maintain a complete record of particulars of the significant policies along with their date of approval or updating. The significant policies may include but are not limited to the following:

- a) governance of risks and internal control measures;
- b) human resource management including preparation of a succession plan;
- c) permissible fee for non-executive directors including independent directors
- d) procurement of goods and services
- e) communication policy and investors'/shareholders' relations
- f) marketing
- g) determination of terms of credit and discount to customers
- h) write-off of bad/doubtful debts, advances and receivables
- i) sale and lease of assets, undertaking, capital expenditure, planning and control
- j) investments and disinvestment of funds
- k) debt coverage
- l) determination and delegation of financial powers
- m) transactions or contracts with associated companies and related parties
- n) environmental, social and governance (ESG) including health and safety aspects in business strategies that promote sustainability. This includes but is not limited to corporate social responsibility (CSR) initiatives and other philanthropic activities, donations / contributions to charities and other social causes; and
- o) whistle blowing policy, by establishing a mechanism to receive, handle complaints in a fair and transparent manner while providing protection to the complainant against victimization.

(5) The Chairman of the Board shall, at the beginning of term of each directors, issue letter to directors setting out their role, obligations, powers and responsibilities in accordance with the Act and company's Articles of Association, their remuneration and entitlement.

(6) All directors of a company shall attend its general meeting(s), (ordinary and extraordinary) unless precluded from doing so due to any reasonable cause.

CHAPTER IV

Meeting of Board

11. Agenda and discussion in meetings.- The chairman shall set the agenda of the meeting of the board and ensure that reasonable time is available for discussion of the same. All written notices and relevant material, including the agenda, of meetings shall be circulated at least seven days prior to the meetings, except in the case of emergency meetings, where the notice period may be reduced or waived.

12. Minutes of meeting;- The chairman shall ensure that the minutes of meetings of the board of directors are kept in accordance with the requirements of Section 178 and 179 of the Act. The company secretary shall be secretary to the board.

Provided that where a director of a company is of the view that his dissenting note has not been satisfactorily recorded in the minutes of a meeting, the matter may be referred to the company secretary for appending such note to the minutes. If the company secretary fails to do so, the director may file an objection with the Commission in the form of a statement to that effect within 30 days of the date of confirmation of the minutes of the meeting.

13. Attendance at meeting.- The chief financial officer and company secretary of a company or in their absence, the nominee, appointed by the board, shall attend all meetings of the board of directors.

Provided that the chief financial officer and company secretary shall not attend such part of board meeting wherein agenda item relates to consideration of their performance or terms and conditions of their service or when, in the opinion of the board, their presence in the meeting on

any agenda item is likely or may tend to impair the organizational discipline and harmony of the company.

CHAPTER V

Issues to be placed for decision of Board of Directors

14. Significant issues.- The chief executive officer of the company shall place significant issues for the information, consideration and decision, as the case may be, of the board of directors or its committees that include but are not limited to the following:

(i) As soon as chief executive officer foresees risk of default concerning obligations on any loans (including penalties and other dues to a creditor, bank or financial institution or default in payment of public deposit), TFCs, Sukuk or any other debt instrument, the same shall be brought to the attention of board;

(ii) annual business plan, cash flow projections, forecasts and strategic plan;

(iii) budgets including capital, manpower and overhead budgets, along with variance analysis;

(iv) matters recommended and/or reported by the audit committee and other committees of the board;

(v) quarterly operating results of the company as a whole and in terms of its operating divisions or business segments;

(vi) internal audit reports, including cases of fraud, bribery, corruption, or irregularities of material nature;

(vii) management letter issued by the external auditors;

(viii) details of joint venture or collaboration agreements or agreements with distributors, agents etc.;

(ix) promulgation of or amendment to a law, rule or regulation, applicability of financial reporting standard and such other matters as may affect the company and the status of compliance therewith;

(x) status and implications of any law suit or proceedings (show cause notice, demand or prosecution notice) of material nature, filed by or against the company;

(xi) failure to recover material amounts of loans, advances, and deposits made by the company, including trade debts and inter corporate finance;

(xii) any significant accidents, fatalities, dangerous occurrences and instances of pollution and environmental problems involving the company;

(xiii) significant public or product liability claims made or likely to be made against the company, including any adverse judgment or order made on the conduct of the company or of another company that may bear negatively on the company;

(xiv) report on governance, risk management and compliance issues. Risks to be considered shall include reputational risk and shall address risk analysis, risk management and risk communication;

(xv) disputes with labor and their proposed solutions, any agreement with the labor union or collective bargaining agent and any charter of demands on the company;

(xvi) reports on /synopsis of issues and information pursued under the whistle blowing policy, clearly disclosing how such matters were dealt with and finally resolved or concluded;

(xvii) implementation of environmental, social and governmental and health and safety business practices including report on corporate social responsibility activities and status of adoption/compliance of corporate social responsibility (Voluntary) Guidelines 2013 or any other regulatory framework as applicable;

(xviii) payment for goodwill, brand equity or intellectual property;

(xix) sale of assets, investments and interest in subsidiaries and undertakings, of material amount or significant nature, which is not in the ordinary course of business; and

(xx) quarterly details of foreign exchange exposures and the safeguards taken by management against adverse exchange rate movement, if material.

15. Related party transactions.- (1) The details of all related party transactions shall be placed periodically before the Audit Committee of the company and upon recommendations of the audit committee the same shall be placed before the board for review and approval.

Provided where majority of the directors are interested in such transactions, the matter shall be placed before the general meeting for approval.

(2) The related party transactions, not executed at arm's length price, shall also be placed separately at each board meeting along with necessary justification on recommendation of the Audit Committee of the company. The requirements of Section 208 of the Act shall be complied by the board for approval of such transactions.

16. Conflict of Interest.- For the purpose of consideration and decision by the board of directors on any agenda item, or in respect of any other matter, if any director has a conflict of interest therein in terms of the Act, then in addition to the provisions of section 207 of the Act and notwithstanding anything contained in the articles of association of a company, the directors shall ensure that the quorum of the meeting of the board shall not

be deemed to be present unless at least two independent directors are also present at such meeting in person or through video link when such matter comes up for the first time for consideration of the board.

CHAPTER VI

Remuneration of Directors

17. Formal Policy.- The board of directors shall have in place a formal policy and transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the board and its committees.

18. Determination of remuneration.- (1) No director shall determine his own remuneration. Levels of remuneration shall be appropriate and commensurate with the level of responsibility and expertise, to attract and retain directors needed to govern the company

successfully and to encourage value addition. However, it shall not be at a level that could be perceived to compromise their independence.

(2) The process adopted for determination of director's remuneration shall comply with the provisions of the Act and the Company's articles of association:

Provided that if the company's articles of association authorizes the board to determine director's remuneration, an independent consultant may be engaged to recommend an appropriate level of remuneration for consideration and approval of the board.

CHAPTER VII

Directors' Training Program

19. Directors' Orientation Program.- All companies shall make appropriate arrangements to carry out orientation courses for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.

20. Directors' Training.- (1) It shall be mandatory for all companies to ensure that:

- a) by June 30, 2019, at least half of the directors on their boards;
- b) by June 30, 2020 at least 75% of the directors on their boards; and
- c) by June 30, 2021 all the directors on their boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.

(2) A newly appointed director on the board shall acquire, unless exempted or already in possession of the required certification, the directors training program certification within a period of one year from the date of appointment as a director on the board:

Provided that director having a minimum of 14 years of education and 15 years of experience on the board of a listed company, local and/or foreign, shall be exempt from the directors training program. The Commission shall grant exemption to such directors keeping in view the relevancy of qualification and experience of directors.

(3) It shall be mandatory for every company to arrange training for:

a) atleast one female executive every year under the Directors' Training program from the year starting June 30, 2019

b) atleast one head of department every year under the Directors' Training program from the year starting June 30, 2021.

CHAPTER VIII

Chief Financial Officer, Company Secretary and Head of Internal Audit

21. Approval.- The board of directors shall determine appointment, remuneration, terms and conditions of employment of chief financial officer, company secretary and head of internal audit of companies.

22. Removal.- The removal of the chief financial officer, company secretary and head of internal audit of a company shall be made with the approval of the board of directors:

Provided that the head of internal audit may be removed upon recommendation of the audit committee.

Explanation: For this purpose, the term "removal" shall include non-renewal of contract.

23. Qualification of chief financial officer.- No person shall be appointed as the chief financial officer of a company unless:

a) he/ she has at least three years of managerial experience in fields of audit or accounting or in managing financial or corporate affairs functions of a company and is a member of the Institute of Chartered Accountants of Pakistan or Institute of Cost and Management Accountants of Pakistan; or

b) he/ she has at least five years of managerial experience in fields of audit or accounting or in managing financial or corporate affairs functions of a company and is either a member of professional body of accountants whose qualification is recognized as equivalent to post graduate degree by HEC or has a postgraduate degree in finance from a university in Pakistan or equivalent recognized and approved by the Higher Education Commission of Pakistan (HEC).

c) he/ she has atleast seven years of managerial experience in fields of audit or accounting or in managing financial or corporate affairs functions of a company and has a suitable degree from a university in Pakistan or abroad equivalent to graduate degree, recognized and approved by the Higher Education Commission of Pakistan (HEC). The Commission, on application from the company, shall determine the suitability of such candidate.

24. Qualification of Internal Auditor.- No person shall be appointed as the head of internal audit unless:

a) he/she has three years of relevant experience in audit or finance or compliance function and is a member of the Institute of Chartered Accountants of Pakistan or Institute of Cost and Management Accountants of Pakistan; or

b) he/she has five years of relevant experience in audit or finance or compliance function and:

i. is a Certified Internal Auditor; or

ii. is a Certified Fraud Examiner; or

iii. is a Certified Internal Control Auditor; or

iv. has a post graduate degree in business, finance from a university or equivalent recognized and approved by the Higher Education Commission of Pakistan (HEC) and is a member of a professional body relevant to such qualification, if applicable.

c) he/ she has atleast seven years of managerial experience in fields of audit or accounting or in managing financial or corporate affairs functions of a company and has a suitable degree from a university in Pakistan or abroad equivalent to graduate degree, recognized and approved by the Higher Education Commission of Pakistan (HEC). The Commission, on application from the company, shall determine the suitability of such candidate.

Explanation: the expression, “body of professional accountants” means

a) established in Pakistan, governed under a special enactment of the Federal Government as a self-regulatory organization managed by a representative National Council, and has a prescribed minimum criterion of examination and entitlement of membership of such body

b) established outside Pakistan and established under a special enactment in the country of its origin and which is a member of the International Federation of Accountants (IFAC).

25. Qualification of Company Secretary.- No person shall be appointed as the Company Secretary unless he holds the qualification as specified under the relevant Regulations by the Commission.

CHAPTER IX

Responsibility for Financial Reporting and Corporate Compliance

26. Financial statement endorsed by chief financial officer and chief executive officer .- The chief executive officer and the chief financial officer shall duly endorse the

quarterly, half-yearly and annual financial statements under their respective signatures prior to placing and circulating the same for consideration and approval of the board of directors.

27. External Auditor.- Chief executive officer and chief financial officer shall have the annual and interim financial statement (both separate and consolidated where applicable) initialed by the external auditors before presenting it to the audit committee and the board of directors for approval.

Chapter X

Committees of Board

28. Audit Committee.- (1) Composition: The audit committee shall be constituted by board of directors keeping in view the following requirements:

a) The board of directors of every company shall establish an audit committee of at least of three members comprising of non-executive directors and at least one independent director.

b) Chairman of the committee shall be an independent director, who shall not be the chairman of the board.

c) The board shall satisfy itself such that at least one member of the audit committee qualifies as “financially literate”.

Explanation: Expression “financial literate” shall mean a person who is a member of a recognized body of professional accountants or has a post graduate degree in finance from a university or equivalent institution, either in Pakistan or abroad recognized by the Higher Education Commission of Pakistan.

d) The Audit Committee of a company shall appoint a secretary of the committee who shall either be the company secretary or head of internal audit.

(2) **Meeting:** The meeting of the audit committee shall be held as per the following requirements:

a) The audit committee of a company shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the company by its board of directors and after completion of external audit.

b) A meeting of the audit committee shall also be held, if requested by the external auditors or the head of internal audit.

c) The head of internal audit and external auditors represented by engagement partner or in his absence any other partner designated by the audit firm shall attend meetings of the audit committee at which issues, if any, relating to accounts and audit are discussed.

Provided that chief executive officer and the chief financial officer shall not attend any meeting of the audit committee except by invitation only.

Provided further that at least once a year, the audit committee shall meet the external auditors without the chief financial officer and the head of internal audit being present.

Provided further that at least once a year, the audit committee shall meet the head of internal audit and other members of the internal audit function without the chief financial officer and the external auditors being present.

(3) **Terms of Reference:** The board of directors of every company shall determine the terms of reference of the audit committee. The board of directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall be explicitly documented and shall also include the following:

- a) determination of appropriate measures to safeguard the company's assets;
- b) review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - (i) major judgmental areas;
 - (ii) significant adjustments resulting from the audit;
 - (iii) going concern assumption;
 - (iv) any changes in accounting policies and practices;
 - (v) compliance with applicable accounting standards;
 - (vi) compliance with these regulations and other statutory and regulatory requirements; and
 - (vii) all related party transactions.
- c) review of preliminary announcements of results prior to external communication and publication;
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) review of management letter issued by external auditors and management's response thereto;

f) ensuring coordination between the internal and external auditors of the company;

g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;

h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

j) review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;

k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;

l) determination of compliance with relevant statutory requirements;

m) monitoring compliance with the these regulations and identification of significant violations thereof;

n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.

p) consideration of any other issue or matter as may be assigned by the board of directors.

(4) **Reporting Procedure:** The secretary of audit committee shall circulate minutes of meetings of the audit committee to all members, directors, head of internal audit and where required to chief financial officer prior to the next meeting of the board. Where this is not practicable, the chairman of the Audit Committee shall communicate a synopsis of the proceedings to the board and the minutes shall be circulated immediately after the meeting of the board.

29. Human Resource and Remuneration Committee: (1) **Composition:** There shall be a human resource and remuneration committee of at least of three members comprising a majority of non-executive directors of whom atleast one member shall be an independent director. The chairman of the committee shall be an independent director. The chief executive officer may be included as a member of the committee.

(2) **Meeting:** The committee shall meet at least once in a financial year and may meet more often if requested by a member of the board, or committee itself or the chief executive officer. The head of human resource or any other person appointed by the board of directors may act as the secretary of the committee.

The chief executive officer (if not a member of the committee), head of human resource (if not the secretary to committee) or any other advisor or person may attend the meeting only by invitation. A member of committee shall not participate in the proceedings of the committee when an agenda item relating to his performance or review or renewal of the terms and conditions of his service comes up for consideration.

(3) **Terms of Reference:** The Terms of reference of committee shall be determined by the board of directors which may include the following:

i. recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;

ii. undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so

appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;

iii. recommending human resource management policies to the board;

iv. recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

v. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and

vi. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

30. Nomination Committee: The board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. The nomination committee shall be responsible for considering and making recommendations to the Board in respect of the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary. The terms of reference of nomination committee shall be determined by the board of directors ensuring there is no duplication or conflict with matters stipulated under terms of reference of HR&R committee.

31. Risk Management Committee: The board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. The terms of reference of the committee may include the following:

a) Monitoring and review of all material controls (financial, operational, compliance);

b) Risk mitigation measures are robust and integrity of financial information is ensured;

and

c) Appropriate extent of disclosure of company's risk framework and internal control system in Directors report.

CHAPTER XI

Internal Audit

32. (1) Composition:

(a) There shall be an internal audit function in every company. The head of internal audit shall functionally report to the audit committee and administratively to the chief executive officer and his performance appraisal shall be done jointly by the Chairman of the audit committee and the chief executive officer.

(b) A director cannot be appointed, in any capacity, in the internal audit function to ensure independence of the internal audit function.

(c) The board shall ensure that the internal audit team comprises of experts of relevant disciplines in order to cover all major heads of accounts maintained by the company.

(2) Functional profile:

(a) The company shall ensure that head of internal audit is suitably qualified, experienced and conversant with the company's policies and procedures.

(b) The internal audit function, wholly or partially, may be outsourced by the company to a professional services firm or be performed by the internal audit staff of holding company. In lieu of outsourcing, the company shall appoint or designate a fulltime employee other than chief financial officer, as head of internal audit holding equivalent qualification prescribed under these Regulations, to act as coordinator between firm providing internal audit services and the board.

Provided that while outsourcing the function, the company shall not appoint its existing external auditors as internal auditors.

(c) All companies shall ensure that internal audit reports are provided for the review of external auditors. The auditors shall discuss any major findings in relation to the reports with the audit committee, which shall report matters of significance to the board of directors.

CHAPTER XII

External Audit

33. Terms of Appointment.- (1) No company shall appoint as external auditors, a firm of auditors, which has not been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan.

(2) No company shall appoint as external auditors, a firm of auditors which or a partner of which is non-compliant with the International Federation of Accountants' Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan.

(3) The Board of Directors of a company shall recommend appointment of external auditors for a year and his remuneration, as suggested by the audit committee. The recommendations of the audit committee for appointment of an auditor or otherwise shall be included in the Directors' Report. In case of a recommendation for appointment of an auditor other than the retiring auditor, the reasons for the same shall be included in the Directors' Report.

(4) No company shall appoint its auditors to provide services in addition to audit except in accordance with these regulations and shall require the auditors to observe applicable International Federation of Accountants guidelines in this regard. The company shall ensure that the auditors do not perform management functions or make management decisions, responsibility for which remains with the board of directors and management of the company.

(5) No company shall appoint a person as an external auditor or a person involved in the audit of a company who is a close relative (spouse, parents, dependents and non-dependent children) of the chief executive officer, the chief financial officer, the head of internal audit, the company secretary or a director of the company.

(6) Every company shall require external auditors to furnish a management letter to its board of directors within 45 days of the date of audit report.

Provided that any matter deemed significant by the external auditor shall be communicated in writing to the board of directors prior to the approval of the audited accounts by the board of directors.

34. Rotation of auditors.- (1) All listed companies in the financial sector shall change their external auditors every five years.

Provided further that all inter related companies/ institutions, engaged in business of providing financial services shall appoint the same firm of auditors to conduct the audit of their accounts.

Explanation: Financial sector, for this purpose, means banks, non-banking financial companies (NBFC's), modarabas and insurance/ takaful companies.

(2) All listed companies other than those in the financial sector shall, at the minimum, rotate the engagement partner after every five years.

CHAPTER XIII

Reporting & Disclosure

35. Directors' report.- The quarterly unaudited financial statements of companies shall be published and circulated along with directors' review on the affairs of the company.

36. Composition of Board.- The board shall state in the Directors' Report the following:

Total number of Directors:

(a) Male:

(b) Female:

Composition:

(i) Independent Directors

(ii) Other Nonexecutive Directors

(iii) Executive Directors

37. Committees of the Board.- The names of Members of board committees shall be disclosed in each Directors' Report of the company.

38. Director's remuneration.- (1) The Directors in their report to members shall state the remuneration policy of non-executive directors including independent directors, as approved by the board of directors. This includes disclosing the significant features and elements thereof. Companies are also encouraged to post on the company's web site the key elements of the directors' remuneration policy.

(2) The company's Annual Report shall contain details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc.

39. Disclosure of significant policies on website.- Company may post the key elements of its significant policies on its website.

40. Compliance Statement and Auditor Review.- (1) All companies shall publish and circulate a statement, as given under annexure A, along with their annual reports to set out the status of their compliance with the requirements of Regulations. The statement shall be specific and deemed to be supported by the necessary evidence held by the company making the said statement.

(2) All companies shall ensure that the statement of compliance is reviewed and certified by statutory auditors as per relevant Regulations specified by Commission. Statutory auditors of company shall ensure that any non-compliance with these Regulations is highlighted in their review report.

CHAPTER XIV

Compliance with Regulations

41. Penalty for contravention of Regulations: Whoever fails or refused to comply with, or contravenes any requirements of the Regulations, knowingly or willfully authorizes or permits such failure, refusal or contravention, in addition to any other liability under the Act, be punishable with penalty and in case of continuing failure, to a further penalty as provided under sub-section (2) of section 512 of the Act.

42. Relaxation from requirements of Regulations.-Where the Commission is satisfied that it is not practicable to comply with any of the requirements of the Regulations, it may, for

reasons to be recorded, on the application of the company along with prescribed fee, relax the same subject to such conditions as it may deem fit.

-.-.-

Annexure A

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of company

Year ending.....

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are ____ as per the following:

a. Male:

b. Female:

2. The composition of board is as follows:

a) Independent Directors

b) Other Non-executive Director

c) Executive Directors

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has arranged Directors' Training program for the following:

(Name of Director)

(Name of Executive & Designation (if applicable))

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

- a) Audit Committee (Name of members and Chairman)
- b) HR and Remuneration Committee (Name of members and Chairman)
- c) Nomination Committee (if applicable) (Name of members and Chairman)
- d) Risk Management Committee (if applicable) (Name of members and Chairman)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee
- b) HR and Remuneration Committee
- c) Nomination Committee (if applicable)
- d) Risk Management Committee (if applicable)

15. The board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory

requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Signature (s)

(Name in block letters)

Chairman

No. SY/SECP/8/13

Employee Evaluation Form

2

SECTION - B To be filled by appraiser

1. JOB DUTIES - The Appraiser's main job duties are:

2. ABILITY TO DO PRESENT JOB
(a) PERSONAL TRAITS

NOTE: Please you initials in the box at a point which most closely indicates your appraisal on each factor.
 An average rating is the minimum standard for each factor. This means satisfactory performance for the job held.

FACTORS	RATINGS				
	Very Good 10	Above Average 9 8 7	Average 6 5 4	Below Average 3 2 1	Unacceptable 0
INTELLIGENCE (Ability to learn and grasp new ideas, Mental alertness.)	Extremely intelligent and quick on the uptake. Imaginative.	Mentally alert Grasp new ideas quickly.	Generally quick to understand ideas and situations.	Slow in learning and grasping new ideals.	Dullard. Painfully slow in comprehension.
INITIATIVE: (Ability to make suggestions, to contribute new ideas, to innovate to act independently.)	Highly ingenious. His initiatives frequently result in time and money savings. Very Innovative	Makes suggestions. Contributes ideas Resourceful.	Shows initiative occasionally.	Very rarely makes any suggestions.	Devoid of initiative Needs detailed instructions.
JUDGEMENT (Ability to draw correct conclusions and take proper actions on the basis of available facts and sound reasoning.)	Outstandingly logical thinker. Superior ability to arrive at sound judgements.	Decisions generally based on sound judgement.	Uses fair amount of logic and reasoning in making judgements.	Makes immature and impulsive decisions.	Neglects and misinterprets facts. Seriously lacking in judgement.
COOPERATION (Ability to get along harmoniously with superiors, equals and subordinates. Willingness to work for and with others for achieving established objectives.	Extremely cooperative and very well liked.	Very cooperative Sometimes goes out of the way to cooperate.	Cooperative. Gets along well with associates.	Difficult to handle. Could be more helpful to others.	Obstructive Very reluctant to cooperate.

(c) **GENERAL OVERALL EVALUATION**

Based upon the appraisal of the factors listed under (a) & (b), what is your overall evaluation of the appraisee's performance. Please initial one of the following.

- VERY GOOD
- ABOVE AVERAGE
- AVERAGE
- BELOW AVERAGE
- UNACCEPTABLE

Please give in narrative form your comments on the following:

— Strong points, best assets, most satisfactory jobs done:

— Appraisee would help himself most by improving on the following:

— What does the Appraisee say about how he is getting along with his work, his associates and with you:

— How, according to the Appraisee, he might in the future serve himself and PTV best, and why:

3. **PROMOTIONAL POTENTIAL** - Please initial one of the following:

- Performance below average or unacceptable. His case should be reviewed by a Board to determine whether he should retain his present job/service.
- An average performer. Does not demonstrate capability for promotion at this time.
- An above average performer. Demonstrates capabilities for increased responsibility. Should be considered for promotion along with contemporaries.
- Very good performer, should be considered for promotion well ahead of contemporaries.

If the Appraisee is not promotable at this time, what steps he should take to prepare himself for a higher position:

ADDITIONAL COMMENTS, IF ANY:

PERFORMANCE AS COMPUTER / PROGRAMMER (IT)/NETWORK ADMINISTRATOR(IT)						
(i) Evaluating, Planning & Scheduling of assigned work.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Preparation of logic flow diagram & documentation of Computer Programme.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Quality of Computer Programme Design, Coding and testing.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Quality & output of work done in terms of throughness & speed.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(v) Analysing Computer system design matters and suggesting ways & means of correctness.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Honesty & Co-Operation in performance of his duties.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(vii) Quality of decision, and performance under stress.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(viii) Quality of supervision of work of subordinates and ability to provide proper guidance and counselling.	Exceptionally meticulous and very competent.	Through and competent.	Adequately competent is most aspects.	Inadequate in most aspects.	Incompetent in most aspects.	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(v) Extent of knowledge to designing and creation of Relational Data Base Management System.	Exceptional knowledge of all these things.	Thorough knowledge of all these things.	Adequate working knowledge of all these things.	Insufficient knowledge of many of these things.	Altogether inadequate knowledge of these things.	Knowledge of these things is not essential for performance of his duties.
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Extent of knowledge of Software of Personal Computers.	Exceptional knowledge of all these things.	Thorough knowledge of all these things.	Adequate working knowledge of all these things.	Insufficient knowledge of many of these things.	Altogether inadequate knowledge of these things.	Knowledge of these things is not essential for performance of his duties.
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(vii) Extent of knowledge of Operating Systems of PC's, Mini, and Mainframe computer, and serves.	Exceptional knowledge of all these things.	Thorough knowledge of all these things.	Adequate working knowledge of all these things.	Insufficient knowledge of many of these things.	Altogether inadequate knowledge of these things.	Knowledge of these things is not essential for performance of his duties.
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PERFORMANCE AS NET WORK ADMINISTRATOR						
(i) Extent of knowledge of trouble shooting/rectification of errors bugs.	Exceptional knowledge of all these things.	Thorough knowledge of all these things.	Adequate working knowledge of all these things.	Insufficient knowledge of many of these things.	Altogether inadequate knowledge of these things.	Knowledge of these things is not essential for performance of his duties.
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Extent of knowledge of Networking (LAN & WAN)	Exceptional knowledge of all these things.	Thorough knowledge of all these things.	Adequate working knowledge of all these things.	Insufficient knowledge of many of these things.	Altogether inadequate knowledge of these things.	Knowledge of these things is not essential for performance of his duties.
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Extent of knowledge of different hardware/software tools for Networking.	Exceptional knowledge of all these things.	Thorough knowledge of all these things.	Adequate working knowledge of all these things.	Insufficient knowledge of many of these things.	Altogether inadequate knowledge of these things.	Knowledge of these things is not essential for performance of his duties.
	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) JOB RELATED BEHAVIOUR - QUALITIES

NOTE: Please you initials in the box at a point which most closely indicates your appraisal on each factor.
An average rating is the minimum standard for each factor. This means satisfactory performance for the job held.

FACTORS	RATINGS					
	Very Good 10	Above Average 9 8 7	Average 6 5 4	Below Average 3 2 1	Unaccept able 0	Not Applicable 0
JOB KNOWLEDGE (i) Extent of knowledge of the concept of Computer Fundamentals and basics of Computer Operations.	Exceptional knowledge of all these aspects. <input type="text"/>	Thorough knowledge of all these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Adequate working knowledge of all these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Insufficient knowledge of many of these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Altogether inadequate knowledge of these aspects. <input type="text"/>	Knowledge of these aspects is not essential for performance of his duties. <input type="text"/>
(ii) Extent of knowledge of Computer Hardware, peripherals and their operations.	Exceptional knowledge of all these things. <input type="text"/>	Thorough knowledge of all these things. <input type="text"/> <input type="text"/> <input type="text"/>	Adequate working knowledge of all these things. <input type="text"/> <input type="text"/> <input type="text"/>	Insufficient knowledge of many of these things. <input type="text"/> <input type="text"/> <input type="text"/>	Altogether inadequate knowledge of these things. <input type="text"/>	Knowledge of these things is not essential for performance of his duties. <input type="text"/>
(iii) Extent of knowledge of periodic Backup/ Recovery of files and maintenance of backup record.	Exceptional knowledge of all these aspects. <input type="text"/>	Thorough knowledge of all these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Adequate working knowledge of all these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Insufficient knowledge of many of these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Altogether inadequate knowledge of these aspects. <input type="text"/>	Knowledge of these aspects is not essential for performance of his duties. <input type="text"/>
(iv) Extent of knowledge of installation of new Computer equipment, including Computer Hardware and Software.	Exceptional knowledge of all these aspects. <input type="text"/>	Thorough knowledge of all these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Adequate working knowledge of all these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Insufficient knowledge of many of these aspects. <input type="text"/> <input type="text"/> <input type="text"/>	Altogether inadequate knowledge of these aspects. <input type="text"/>	Knowledge of these aspects is not essential for performance of his duties. <input type="text"/>

<p>HEALTH & VITALITY (Soundness of mind and body. Physical endurance. Ability to remain cool and calm under pressures.)</p>	<p>Robust, energetic. Able to withstand pressures of job.</p>	<p>Quite healthy and energetic to handle the job.</p>	<p>Sufficiently healthy to handle the job.</p>	<p>Frail. Affected by pressures.</p>	<p>Sickly. His bad health usually affects his work.</p>
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
<p>PERSEVERANCE (Ability to finish what he starts. Faith and poise in the face of difficulties.)</p>	<p>Always finishes what he starts. Is not deterred by difficulties.</p>	<p>Works enthusiastically.</p>	<p>Generally meets requirements.</p>	<p>Occasionally meets requirements.</p>	<p>Lazy. Finds excuses for not meeting requirements.</p>
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
<p>WRITING ABILITY AND ORAL EXPRESSION. (Ability to express thoughts and feelings in writing and orally in a clear, logical and effective manner.)</p>	<p>Unusually articulate in expressing thoughts and feeling. Master of good writing and speech techniques.</p>	<p>Writes and speaks well. Able to communicate ideas to others.</p>	<p>Writes and expresses thoughts satisfactorily.</p>	<p>Unable to express himself clearly except on routine matters.</p>	<p>Inarticulate. Dis-organised in his thoughts.</p>
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
<p>PERSONALITY (Countenance, carriage, breeding, behaviour, understanding, tact, sense of humour, mannerisms.)</p>	<p>Radiant, very well groomed. Confident pleasant, but forceful. Blessed with a sense of humour.</p>	<p>Well dressed and neat, pleasant but forceful. Well behaved.</p>	<p>Likeable, neat, but not particularly striking. Reasonably confident.</p>	<p>Non descript. At least. At times careless in dress and bearing.</p>	<p>Sloven and untidy. Colourless person. Distractive mannerisms.</p>
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
<p>CHARACTER AND INTEGRITY (Moral and ethical values and behaviour. Truthfulness and trustfulness. Courage of convictions. Sense of fairness and impartial Reputation.)</p>	<p>Morally and ethically sound, truthful and honest. Has the courage of his convictions. Enjoys excellent reputation.</p>	<p>Morally sound and honest. Tolerance, fair and impartial. Good reputation.</p>	<p>An average human being. No evidence to cast doubt on his character and integrity.</p>	<p>Known for occasional moral lapses. Not always very fair and impartial.</p>	<p>A person with doubtful character and integrity. Unfair and untrustworthy.</p>
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
<p>FINANCIAL AND INTELLECTUAL INTEGRITY (Honesty, straight forwardness, and reliability in accounting and financial matters, Intelligence and Mentally alertness.)</p>	<p>Honest and reliable. Extremely intelligent.</p>	<p>Honest and reliable, fair and impartial, Good reputation.</p>	<p>An Average human being. No evidence to cast doubt on his character and integrity.</p>	<p>Not always very reliable & learning new ideas.</p>	<p>A Person with doubtful financial and intellectual integrity, unreliable and dishonest.</p>
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

I have discussed this Appraisal with the Appraisee and have told him how he has done during the period covered by this Appraisal. I have also pointed out to him his strengths and weakness.

APPRaiser: { Signature _____
Name _____
Designation _____
Date _____

4. SECTION-C - To be filled by Reviewers

FIRST REVIEW

Comments: _____

Signature _____
Name _____
Designation _____
Date _____

SECOND REVIEW

Comments: _____

Signature _____
Name _____
Designation _____
Date _____

FINAL REVIEW

Comments: _____

Signature _____
Name _____
Designation _____
Date _____