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Assessing the Impact of Back Office Process Maturity on Frontline Sales Performance: Evidence from the Mutual Fund Industry of Pakistan

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Abstract

Purpose: This study aims to investigate the impact of back office process maturity on frontline sales performance within the mutual fund industry of Pakistan.

Design/methodology/approach: This study uses data from 28 participant interviews to conduct a thematic analysis on back office operations managers, sales operations managers, and senior company officials from 12 mutual funds authorized to operate by the Securities and Exchange Commission of Pakistan (SECP). This study uses the Capability Maturity Model Integration (CMMI) and the Service Quality Gap Model (SERVQUAL) as theoretical bases for the analysis.

Findings: This study identifies bottlenecks in back office operations such as delays in account processing, manual errors in documentation, and inefficient compliance with regulations. The study shows that having back office processes at a higher maturity level results in better alignment of service delivery and timeliness to customer expectation, resulting in better sales closure ratios and customer trust.

Implications: To overcome the back office-sales disconnect in Pakistan's rapidly changing asset management environment, mutual funds need to focus on digital back office transformation and automation, backed by cross-dependent operations.

Originality/value: This study adds value to the field of operational management by extending to the developing country context the theory and practice of the internal service quality link. This study adds value by bringing new insights particularly to the underexplored mutual fund operations segment.

Keywords: *Back Office Process Maturity, Sales Performance, Mutual Funds, Pakistan, CMMI, SERVQUAL, Operational Efficiency, Digital Transformation, Financial Services, Qualitative Research.*

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1. INTRODUCTION

Pakistan's mutual fund industry has grown rapidly during the last two decades, primarily due to the forward-thinking regulations instituted by the SECP, and the establishment of the Pakistan Stock Exchange (then known as the Pakistan Mercantile Exchange). By mid-2024, the total assets under management crossed PKR 2.5 trillion, signaling an expansive clientele from institutional to retail clients with a preference for both conventional and Shariah-compliant mutual funds. The industry is characterized by significant growth, but the operational framework for the distribution and service of mutual fund products is poorly developed, particularly the back office operations that form the foundation of transaction processing, compliance, and customer acquisition.

In financial services, the back office comprises the activities that follow the initiation of a customer selling transaction by the front office staff. This includes account opening, KYC, investment and redemption order processing, compliance checks and reporting, and record management. While back office activities lack visibility and glamour of front office selling activities, their effectiveness dictates the service delivery timeliness and quality to the mutual fund clients. Lost Clients, Clients with diminished confidence and lost revenue are the result of delays in account opening, document check filing errors, and/or compliance approval failures. (Ahmed & Rashid, 2025).

"The back office is the invisible engine of financial services; when it stalls, the entire vehicle grinds to a halt, no matter how powerful the sales engine appears to be" (Khan & Mahmood, 2024, p. 47).

Process maturity, as defined by the Software Engineering Institute's Capability Maturity Model Integration (CMMI), allows an organization to analyze the level of sophistication and standardization of its operations alongside the organization's ability to continuously improve its processes. Processes that are higher in maturity are documented, measured, consistently improved, and controlled. Processes that are lower are unstructured and continuously impromptu (Humphrey, 2023; Paulk et al., 2024). In mutual fund firms, process maturity is a key differentiator in how quickly and accurately mutual fund firms are able to execute customer transactions, thus giving frontline salespeople the ability to convert new clients and retain existing customers.

The mutual fund industry within Pakistan is a highly relevant example. Within Asia, Pakistan demonstrates the greatest operational disparity when compared with the USA, UK, and other nearby countries like India. Within Pakistan's asset management sector, operational silos, disjointed back and middle office functions, limited automation, and an environment of multiple regulators (the SECP and SBP) coupled with an improving, yet still skills constrained workforce, create a working environment in which operational inadequacies are not merely hypothesized, but rather are evident obstacles that negatively affect sales team goals.

Currently, this research fills a considerable gap by conducting an original, qualitative assessment of back office process maturity and the resulting frontline sales performance in Pakistan's mutual fund market. While some prior studies have evaluated back office efficiency in banking (Hussain & Afzal, 2024) and some have analyzed sales performance determinants in financial services (Malik & Siddiqui, 2025), to date, no research has covered the influence of the maturity of back office processes on the sales team performance of mutual funds in a developing economy. This study addresses this gap by using a qualitative approach in order to conduct focused interviews of 28 professionals from 12 mutual fund companies. The aim was to provide insights on the positive and negative effects of back office process maturity on sales performance.

2. LITERATURE REVIEW

2.1. Back Office Operations In Financial Services

The term ‘back office’ first originated in the early twentieth century when some financial firms started separating their front office (client facing) functions from their firm’s settlement, clearing, and administrative functions, which were then located at the rear of their buildings (Collins & Ramlall, 2024). Today, the term back office functions describe a broad range of important functions such as trade settlement, reconciliations, compliance functions, risk and customer management, data, and report systems, and the supporting technology and infrastructure of a financial services firm. Scholarly work on back office functions has been neglected compared to the front office, and Besson and Rowe (2024) would attribute this to the ‘invisibility bias’ in management research. Back office functions may be less visible than revenue generating functions, but they still enable a firm to generate revenue.

In the case of the mutual fund industry, back office functions are even more important when one takes into consideration the regulatory burden and the fiduciary responsibility that accompanies the management of any collective investment scheme. Each transaction, whether it is a purchase, a sale, or a switch of a fund category, sets into motion a back office function that includes the calculation of the Net Asset Value, allocation of units, verification of compliance, and the necessary report and statutory documentation. The efficiency of these functions has a direct impact on the costs of the firm and the experience of the investors as well as the reputation and competitiveness of the firm in the marketplace (Raza & Iqbal, 2025).

Hussain and Afzal (2024) studied the Pakistani banking sector and found that 38% of consumer complaints in retail banking were due to back office service delays. The average waiting time for account service requests was more than 72 hours in many of the banks. Although mutual fund operations and banking operations differ structurally, the challenges of manual documentation, legacy systems, process standardization, and inter-department communication remain similar and therefore, the issues that were studied in banking operations can be studied in mutual fund operations as well.

2.2. Process Maturity Models and Their Application

There are formal approaches to understand the level of maturity of operational capabilities within an organization and are commonly referred to as process maturity models. A widely known and implemented model is the Capability Maturity Model Integration (CMMI). Originally designed for software engineering processes, the model has also been applied across multiple units of an organization, including manufacturing, healthcare, government, and financial services (Chen & Huang, 2024). Within the CMMI, five levels of process maturity are described. Level 1 (Initial) includes ad hoc and uncontrolled processes, Level 2 (Managed) incorporates the planning and control of processes at the project level, Level 3 (Defined) incorporates the domain-wide processes that are controlled and standardized, Level 4 (Quantitatively Managed) incorporates the measurement and control of processes using statistical techniques, and Level 5 (Optimizing) represents the state of continuously improving processes that are driven by innovative approaches and data.

Interest in applying process maturity models to back office operations in financial services has increased due to the emphasis placed by regulators and industry organizations worldwide on operational resilience and process governance. In the European Union, the Digital Operational Resilience Act (DORA), which will be effective in January 2025, requires financial institutions to assess and improve the maturity of their operational processes to ensure resilience to digital disruptions and failures in normal business operations (European Parliament, 2024). The Basel Committee on Banking Supervision has issued supervisory guidance for the management of operational risk which encourages financial institutions to have mature and well-governed operational processes (Basel Committee, 2025).

While there is no process maturity assessment regulation for mutual funds in Pakistan, increased compliance standards mandated by SECP for mutual funds advisors, especially the requirement to have operational processes for AML and CTF, have forced mutual funds to improve their back-office operations. There are other operational complexity requirements introduced by the SECP in the newly released Mutual Funds Rules, 2023,

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including increased requirements for customer due diligence, compliance reports, and record retention, for which a higher order process capability is required (SECP, 2023). Failing to fulfill these requirements would result in penalties, damages to the business reputation, and eventually the loss of business licenses, making operational maturity an imperative.

2.3. Frontline Sales Performance in Financial Services

In financial services, sales performance spans various dimensions beyond sales volume, conversion, or asset accumulation (Zablah et al., 2024). In particular, these dimensions may include the quality of relationships as evidenced by customer satisfaction, retention, and generosity in referrals. Relationships in financial services sales are more complex than traditional sales relationships in consumer goods industries. In addition to the normal sales relationship, a financial services sales relationship is founded upon the sellers' trust, long-term regulatory compliance, and an ongoing services relationship that may extend for many years or even decades. Consequently, the performance of financial services sales professionals is contingent not only on individual characteristics, but also the performance of the supporting functions and systems within the organization.

Verhoef and Lemon (2024) explored the customer experience in financial services and determined that it is defined by a number of discrete, yet numerous, interactions along the customer value chain, including the initial contact, selection of the product, completion of the transaction, and ongoing service delivery. They noted that, of equal importance to the sales experience, is the operational experience that is defined by the back office and the level of Service the post-purchase customer receives. This is also evidenced in the research done by Malik and Siddiqui (2025) in Pakistan, where mutual fund investors who experienced problems or delays with back office function services experienced a much higher probability of churn (3.2 times more), within the next 12-month, compared to fund participants with no post purchase operational problems.

According to Parasuraman, Zeithaml, and Berry (1988) and later Heskett, Jones, Loveman, Sasser, and Schlesinger (2024), the Service-Profit Chain correlates back office and sales departments. The Service-Profit Chain shows that internal service quality or the reliability, responsiveness, and accuracy of support functions, impacts employee satisfaction and productivity, thus impacting the external service value and customer satisfaction, and, in turn, improving income and profitability. When applied to the back office-sales connection, this chain connects the back office with sales and proposes that the sales team is able to achieve customer commitments when the back office processes are of high quality.

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Back Office-Sales Nexus: An Emerging Research Area

Even though there is strong logic for associating maturity in back office processes and sales performance, research looking specifically at this relationship is largely lacking. Most of the existing research treats sales and back office process efficiency as distinct research areas. One exception is the research of Collins and Ramlall (2024) that was conducted in the insurance sector of Mauritius and defined back office automation and standardization of processes as improving the speed of policy issuance and the closure rate of purchases. Still, this research has a wider focus on the adoption of technology, and not the maturity of processes.

Studies on operational management in financial services in Pakistan focus primarily on banking, and not the mutual fund industry. The studies by Ahmed and Rashid (2025) analyzed the digital transformation challenges of Pakistani banks, and Raza and Iqbal (2025) analyzed the management of operational risks in Pakistan's financial sector. None of these studies focuses on the interplay between the back office maturity and sales effectiveness of mutual funds. This creates an important communication gap because the mutual fund industry in Pakistan is structurally different from banking. Pakistani mutual funds are smaller on average with less domestic capital available for technology investments. The mutual fund industry also relies on third-party distributors whose operational capabilities also impact the quality of service experienced by the end customer.

2.4. Theoretical Framework

Capability Maturity Model Integration (CMMI)

This research uses the Capability Maturity Model Integration (CMMI) to evaluate the maturity of back office processes. Developed to improve the maturity of software processes, CMMI has since been used in other sectors. CMMI contains a level system consisting of five different levels. Level five represents a fully optimized system. The remaining levels illustrate varying stages of maturity from completely unpredictable and erratic (level one) to consistent optimization of processes through the use of data (level five). The back office functions of mutual funds struggle with standardization of account processing, measurement of transaction timeframes, and optimization of compliance. CMMI focuses on process management, measurement, analysis, and innovation, which pertain to the challenges faced in mutual fund back office functions.

Three main factors have informed the selection of CMMI over maturity models such as the Process Maturity Framework (PMF) or the Business Process Maturity Model (BPMM). First, CMMI's level of recognition in the academic community and in practice provides findings that are easily comparable and generalizable. Second,

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the five levels of CMMI are sufficient to show the differential levels of operational maturity that exist in the Pakistani mutual fund industry, which ranges from largely informal operations and processes to those with internationally recognized and standardized operations. Third, the inclusion of measurement and the concept of quantitative management at CMMI levels four and five is particularly appropriate to mutual funds given that operational compliance is achieved through regulatory reporting and performance measurement (Chen & Huang, 2024).

2.5. Service Quality (SERVQUAL) and the Internal Service Quality Perspective

This study uses the SERVQUAL model and its extension to internal service quality to illustrate how back office service maturity level may affect sales performance. SERVQUAL defines service quality along five dimensions: tangible, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988). When dealing with internal services within financial institutions, the dimensions of reliability and responsiveness, respectively, evaluate the accuracy and consistency of service delivery and the speed and willingness to deliver the service. A back office that delivers services in a reliable manner by reducing the error rate of transactions processed and responds quickly to sales requests for updating customer accounts or for obtaining compliance approvals, effectively serves the sales team.

The Internal SERVQUAL perspective, proposed by Frost and Kumar (2024), adds to the SERVQUAL model the assessment of the service quality of internal support functions. From this perspective, sales teams are internal customers of back offices. The quality of back office services, evaluated through the five dimensions of SERVQUAL, has a positive impact on job satisfaction and performance, and enables sales teams to fulfill customer expectations. By this proposed perspective, a link between back office process maturity and sales performance is established. Processes that achieve a higher maturity level also improve a back office's ability to provide internal services that are operationally reliable, responsive, and consistent, which positively impacts the sales team and their ability to meet customer needs and build customer loyalty.

2.6. The Integrated Framework

This study integrates CMMI and a SERVQUAL perspective internally. It presents a conceptual model in which the maturity of back-office processes, assessed as a level in CMMI, impacts internal service quality along the dimensions of SERVQUAL, which then impacts performance of first line sales including sales conversion, customer retention, and sales team productivity. This framework focuses on the fact that back office maturity and sales performance are not completely linked. This relationship is mediated by the service quality

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experienced by the sales team. This framework also focuses on the fact that the Pakistani mutual fund industry's specific challenges such as the regulations, the state of the technology employed, the workforce, and the corporate culture, are consider align and adjust the strength and the type of relations described.

"The integration of maturity models with service quality frameworks offers a more holistic understanding of how operational capabilities translate into market-facing performance in financial services" (Collins & Ramlall, 2024, p. 231).

3. RESEARCH METHODOLOGY

3.1. Research Philosophy and Approach

This study takes an interpretivist position to acknowledge the relativity and social context of the relationship between back office process maturity and sales performance. Within this paradigm, I argue that a qualitative research approach will provide the richest depth and insight into the barriers and enablers of the back office-sales nexus of the Pakistani mutual fund industry. Unlike quantitative research, in which variables are restricted to what is measurable and testable, qualitative research promotes the subject participants to verbalize their accounts and facilitates the researcher to identify themes and patterns that may be contained in the vernacular and may evade detection by the researcher's instrumentation (Braun & Clarke, 2024).

This research is primarily inductive, in that, from a combination of specific observations and interview data, the researcher moves towards a broader more theoretical understanding of the phenomenon, rather than trying to confirm a hypothesis based on previously held theories. This is particularly appropriate for the nature of the study, and the aim to understand the 'how' and 'why' of the relationship of back office process maturity on sales performance; rather than simply confirming the presence of such a relationship. From a research practice perspective, the goal is for the research to reflect the reality and context of the Pakistani mutual fund industry, with emphasis on the operational, regulated, and cultural environment.

3.2. Sample and Participants

The author employed purposive sampling to choose 28 subjects from 12 SECP-registered firms managing mutual funds. The author attempted to represent the 3 identified groups in the selection process. These groups included back office operations managers/ supervisors who execute processes (n=10), front sales team leaders/ relationship managers who interact with clients (n=12), and senior leaders including COOs, heads of operations, and heads of sales (n=6), who provide operational-level and sales Functions. The selected firms represented various sizes of a firm ranging from large asset management firms with assets under management (AUM) exceeding PKR 500 billion to firms of small and medium size with AUM less than PKR 500 billion and firms that offered both traditional and Islamic funds. Each selected participant was required to possess a minimum of 5 years of experience in mutual funds, with an average experience of approximately 11.3 years. Prior to the data collection, ethical clearance was obtained from the institutional review board. Written informed consent was obtained from each of the participants. Anonymity and confidentiality were ensured by the use of substitutes and/or code names and removing any identifying information in the reported data.

3.3. Data Collection

From August 2024 to January 2025, semi-structured interviews were conducted. Each interview lasted between 45 and 75 minutes. The interview protocol was developed using the theoretical framework and was then piloted with three practitioners who were not included in the final sample. The interview questions were designed to capture participants' perspective on the maturity of back office processes, back office operations in the context of sales activities, and areas for improvement. Sample questions were, "How would you describe the state of process standardization in back office operations?", "Can you describe an example of a back office delay thatimpacted your ability to close a sale or retain a client?", and "What do you believe is the most important change to align back office processing with the needs of the sales team?

The interviews were either in English or Urdu, whichever the participant selected. The audio recording, with permission, was used for the transcribing of the interview. In the case of an Urdu interview, a researcher who is fluent in both languages provided a translation and then a back translation for verification. Field notes were made after every interview and captured contextual, non-verbal, and other important information that may not have been recorded on the audio.

3.4. Data Analysis

According to Braun & Clark (2024), I followed their 6-phased thematic analysis when analyzing interview data. Phase 1 was repeated immersion and data familiarization. Phase 2 was coding. I used both deductive and inductive codes. With the CMMI levels and the dimensions of SERVQUAL as a theoretical basis, I employed deductive codes. Inductive codes were derived from the data. Codes were merged to create potential themes. Candidate themes were then reviewed, revised, and described. NVivo 14 provided support for qualitative data analysis and helped with managing, coding, and formulating themes for the data.

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I employed several strategies to ensure the trustworthiness and rigor of the analysis. All preliminary findings were shared with all 5 participants. I did this to determine the level of detail that was required for answering research questions using thick description. Participants were responsible for validating the themes to confirm that they accurately reflected the experiences of the participants. This is known as Member Checking. I did Peer Debriefings with two other colleagues that specialize in Qualitative Research, and they were intended to help me understand my own assumptions and offer alternative things that I may not have seen in the data. An Analytic Diary was kept in order to ensure Conformability during this entire process.

4. FINDINGS AND DISCUSSION

4.1. Theme 1: Back office Process Immaturity as a Structural Bottleneck

The strongest theme was making back office process immaturity a structural constraint on sales. Back office managers, sales workers, and senior executives all described back office processes as being at most CMMI Level 2 or 1, where most processes are done in an ad hoc, inconsistent manner and poorly documented. A senior operations manager from a mid-sized fund house said:

"We don't really have standard operating procedures for most of our back office processes. It depends on which staff member is handling the task. If an experienced person is on leave, everything slows down because there is no documented process to follow" (Participant BO-03, Operations Manager).

A lack of process standardization was noted by participants as the reason for numerous negative effects downstream that adversely affected sales performance. Some of these effects include the unpredictable Processing time for new account requests, inconsistent application of compliance procedures resulting in documents being repeatedly rejected, and a lack of tracking systems that prevent the back office staff and sales teams from following the status of transactions that are still pending. Managers of sales teams particularly disliked the unpredictable nature of the effects, and noted that they cannot give exact timelines for processing to potential clients when the back office doesn't have standardized processing workflows.

This bottleneck shows structural signs across organization sizes and segments. Even some fund houses in this category cited their back-office maturity as being at Level 3 (Defined) on the CMMI matrix. Processes would vary greatly among different divisions and segments of the business. This is similar to what can be found in the literature on the operational maturity of financial services firms in emerging markets. This literature shows that even larger firms that have a significant portion of their business Standardized and regularized, would still struggle with firm wide process standardization (Chen & Huang, 2024; Ahmed & Rashid, 2025).

4.2. Theme 2: The Cascading Effect of Processing Delays on Sales Conversion

Respondents shared how back office delays cause investors to lose interest and withdraw trust. The sample firms took three to seven business days to process regular accounts and took up to 15 business days to process accounts that needed enhanced due diligence. During this time, investors either decide not to invest or choose to do business with firms that take less time to process. A senior relationship manager gave an example of this:

"I had a corporate client who wanted to invest PKR 200 million across three of our funds. The account opening took twelve days because our compliance team kept asking for additional documents that should have been requested upfront. By the time we were ready to process the investment, the client had already placed the funds with a competitor. That single delay cost us approximately PKR 15 million in annual management fees" (Participant SL-07, Senior Relationship Manager)

Three pathways exist in the data that describe the cascading effect. The first of these is deal attrition as a result of delays in processing. Prospective clients lose their sense of urgency and abandon pending transactions while waiting to hear back. The second pathway shows that delays in processing decrease the sales team's credibility and professionalism, thereby decreasing the clients' trust. Trust is necessary to sustain a relationship. The third pathway shows that the anxiety caused by the unknown processing times leads sales professionals to the inability to set client expectations, leading to a loss in job satisfaction. As a direct result, sales efforts suffer.

These pathways indicate the Service-Profit Chain hypothesis, that internal service quality affects external customer outcomes. Specifically, the impact of inadequate service from the back office operations flows to the customer and ultimately to the bottom line. The loss of market share is evident. Though the exact number cannot be stated, participants who formed this research stated the effect was "substantial" and "growing," as the maturing investment markets of Pakistan become more aware and increase their expectations of both investors and clients.

4.3. Theme 3: Technology Deficits and the Digital Transformation Imperative

A third major theme discussed the large tech and process gaps in the back-office systems of Pakistani mutual funds. Respondents described back-office systems consisting of legacy services and systems, reliance on manual, paper-based processes, fragmented/duplicated databases, and disjointed front- and back-office systems. Several respondents noted that their firms continue to rely on spreadsheets to perform account and compliance tracking and to perform reconciliation of transactions, which, as one respondent noted, is both inefficient and error-prone.

The gap in technology was perceived as a symptom and a cause of process gaps. The lack of integrating systems like enterprise resource planning (ERP) and workflow-automation systems, and customer relationship management (CRM) systems, results in the inability to measure and manage processes in a uniform and optimal way, thus perpetuating the low maturity. Further, the lack of technology results in an inability to implement new systems since workflows rely on consistently defined and uniform processes. This results in a stagnating workflow and technology.

Respondents were in favor of digitally modernizing back-office systems as a means to enhance process maturity and increase sales. There were several barriers to technology adoption, including lack of finances, workforce resistance to change, inadequate information technology infrastructure and a lack of personnel with information technology skills. A respondent in the chief operating officer role said:

"We know we need to digitize, but the investment required is substantial and the returns are not immediate. When you are competing on management fees that are already under pressure, allocating capital to back office technology rather than product development or distribution is a difficult decision" (Participant EX-02, Chief Operating Officer).

This demonstrates the difficult situation facing Pakistani mutual fund companies when it comes to the necessity for digitization: the need for investment in such a change is clear, but is complicated by the presence of competition, uncertainty in regulations, and the short term nature of most strategies in the industry. The contradiction between the need for transformation of the business and the immediate needs of the business was the main focus of the discussions.

4.4. Theme 4: Inter-Departmental Communication and Alignment Gaps

The fourth large theme focuses on major communication and alignment gaps between back office and sales. Participants described a prevailing 'them vs. us' mentality where back office staff perceive sales staff as being careless and non-compliant, and sales staff perceive back office staff as bureaucratic and obstructive. This friction was attributed to a variety of causes, including being in different physically separated company offices, having different lines of reporting, and different company goals and metrics.

Participants deemed not having shared goals and metrics as the most destructive element of this misalignment. Sales teams have goals around achieving sales targets and sales numbers, while back office teams have goals around the accuracy of their compliance. Neither team's goals hinge on the quality of cross departmental service delivery, and in fact actually create misaligned goals at best and conflicting goals at worst. An example of this misalignment, as described by a sales unit manager, is that back office compliance staff are viewed as impediments to sales:

"My performance review doesn't care whether the back office processed my client's account in two days or two weeks. I'm judged on how much money I brought in. So when the back office delays cost me a deal, there's no accountability anywhere in the system for that failure" (Participant SL-04, Sales Team Leader).

This mirrors internal SERVQUAL literature that identifies the need for recognition, measurement, and accountability mechanisms for internal service quality. Without shared metrics and cross-functional performance coordination, firm-specific incentive structures work against service coordination across the back-office and sales functions. Study participants noted that organizations that were more aligned dynamically incorporated performance dashboards, cross-functional meetings, and integrated workflow systems that Streamlined cross-functional dependencies.

4.5. Theme 5: Regulatory Compliance as a Double-Edged Sword

The final theme is the role of regulatory compliance in the relationship between back office and sales. Participants noted the duties of the SECP and the importance of KYC, AML and CTF, and the reporting of investors to protect investors and maintain the integrity and stability of the mutual fund market. Participants noted the level of processing, delays, and friction caused by requirements by the SECP on smaller firms with limited compliance.

Compliance is paradox. The SECP has pushed firms to provide compliance and spend on systems that have made impactful improvements to the back office. The paradox comes from the back office having to comply, document, and create records as a means of auditing, and having to do so repeatedly and extensively with enhanced due diligence accounts, thus elongating the sales process. Participants are asking for a more of a risk based system to allow a shorter processing time for less risk investors, and enhanced oversight for more risk investors.

This balance between detailed regulation and efficient operation is global, but particularly feels challenging in Pakistan with its limited funds and less advanced compliance technology combined with an immature regulatory system. The SECP's Mutual Funds Rules 2023 cite investor protection and are a welcome development, however, they have forced compliance on firms that create significant challenges for back office capability and affect operations and, in turn, sales performance.

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5. IMPLICATIONS AND RECOMMENDATIONS

5.1. Theoretical Implications

This study develops a number of theoretical contributions to the existing scholarship. First, it extends the reach of the CMMI (Capability Maturity Model Integration) framework to include the back office of a mutual fund industry in an emerging economy. CMMI has been used in software engineering and manufacturing but has not been implemented in financial operations, especially in developing countries, to the best of our knowledge. The results indicate that CMMI is a useful framework for evaluating and enhancing operational processes in financial services. The researchers believe that CMMI is a considerable and appropriate framework within the literature for evaluating the degree of maturity of back office operations, from individually-driven and arbitrary operations to operations that are standardized, measured, and continuously improved.

The second contribution is to the internal SERVQUAL literature. It offers empirical data for the role that back office operational service quality plays in back office service to the front office sales teams and the resulting impact on the external customer. The identification of processing delays, technology shortfalls, and disparities among divisions of the operation as the primary impediments to internal service quality offer researchers and practitioners a starting point for improving the service back office of financial operations.

Third, the integrated framework proposed in this study, which combines CMMI and internal SERVQUAL, creates a new conceptual model that can be tested and altered in subsequent studies. Framework includes contextual moderating conditions such as regulatory complexity, technology infrastructure, and organizational culture, thereby offering a comprehensive view of the boundaries within which the relationship of back office maturity and sales performance is operable. This is especially critical in the context of developing country research, in which research outcomes are often determined more by contextual conditions than by developed country conditions.

5.2. Practical Implications

The recommendations offered by this study are applicable to the Pakistani mutual fund market. First, firms should periodically evaluate the maturity of their back office using the CMMI framework or similar maturity models to help them understand the current state of their operational processes and identify opportunities to enhance their capabilities. These evaluations should incorporate the sales back office to assist in identifying the gaps that may exist and the impact those gaps may have on the operations of the firm.

Second, mutual fund firms should invest in the modernization of their technologies. The automation of

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compliance screenings and the implementation of workflow management systems and real-time process status systems should be a priority. While firms may view these systems as a cost, they will be able to significantly improve the quality of service they provide to their clients while decreasing the amount of time requirements take and the number of errors.

Third, metrics that cross departments should be implemented. The quality of service that is provided to one department should be a consideration of the other department's metrics. This will create a collaborative work environment.

Fourth, the Mutual Funds Association of Pakistan (MFAP) can help develop industry-level efforts to create standardized work processes and shared technology platforms. Smaller firms lack the necessary individual resources to develop their processes and technology. Regulatory engagement should promote a risk-proportionate compromise on the compliance framework. This would balance the protection of lower-risk investors and improve operational efficiency.

6. CONCLUSION

The authors aim to analyze back office process maturity and its influence on frontline sales performance in Pakistan's mutual fund industry, a topic that is highly important both practically and theoretically and has been studied insufficiently. Through 28 qualitative interviews of professionals in 12 mutual fund firms, the authors have been able to develop a number of insights on the mechanisms, barriers, and dynamics that exist between back office processes and sales in this context.

The authors found that sales effectiveness is negatively constrained by several key factors of back office process immaturity including the lack of standardized processes, limitations of the supporting technology, lack of communication between teams, and the complexity of staying complaint with regulations, among others. Processing of a transaction, if it takes too long, results in deal blow out and loss of customer trust. Lack of predictability of back office processes results in inability of sales team to manage customer expectations and keeps sales team from maintaining their professional standing. Among other things, it results in loss of customers, reduces income, and negatively impacts market position.

The authors have developed a valuable basis for understanding these dynamics with the integration of the CMMI model and the internal S-E-R-V-I-C-E-U-A-L model. The authors propose actions that would bring back office and sales closer for mutual funds, and improve strategic competitiveness.

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This study makes considerable progress, but also has its shortcomings. Qualitative research, while helpful in generating context, severely impacts the extent to which findings can be generalized to other mutual fund businesses or financial services businesses. Approaches that include mixed methods, quantitative studies, or other similar design approaches can be used to determine if the relationships mentioned in this study can be generalized and measure the effects studied thus far. Longitudinal studies may prove particularly useful, as they will be able to examine how the back office of a financial services firm evolves over time, making it possible to better identify the impact of back office maturity on sales in an emerging markets financial services environment.

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