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EXPLORING THE PROSPECTS OF ESTABLISHING KPI IN BANGLADESH: A CASE STUDY

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ABSTRACT

For today, the management system based on key performance indicators (KPI) is one of the most effective systems from the perspective of complex-structure enterprises management. It helps to channel the company's activity in general and its units to achieve strategic goals, increase process performance and estimate their efficiency. In the framework of a big corporation the system of key performance indicators make it possible to evaluate the contribution of each unit in achieving corporate-wide goals, to provide communication between units and establish strategic management scheme. Based on such significance as well as to undermine the KPI Framework process at LIGION Herbal Limited, the study has been conducted. The aim of this study is to get a clear understanding of the organization's KPI Process as well as its possible prospects & problems. The company for the study was chosen followed by a convenient technique and the sample was chosen followed by the purposive sampling technique. The study has tried to make the sample data as heterogeneous as possible for perfect analysis. The report has brought the current practices of KPI at the organization at its best. The findings of the study progressed toward many prospects such as uniqueness of attributes in accordance to various departments as well has having common attributes and therefore proving the unbiased evaluation they are looking forward to. Whilst that in place, there has been some crucial problems identified such as a concentration of top-down method only as well as lack of top management's support.

Keywords: Key Performance Indicator, Balance scorecard, Performance management, Human Resource Department.

1. INTRODUCTION

Many companies have implemented tools for measuring their performance in order to stay in business and encountered tough competition. Organizations must face not only to more demanding conditions but also in the current period to the world financial crisis as well. Due to these reasons, the organizations are forced to measure performance of the organization and contribute to the stability of the organization in today's competitive environment. Organizations try to measure performance according to the financial drivers but in the recent period top leaders attempted to find new performance indicators that would take the "wind from sail" to their rivals in the market. One of these competitive advantages is human capital. As the Tootell et al. (2009) stated, "Since 1980s there has been an increasing emphasis on the importance of HR measurement." Many scholars declared that HR measures should be impact rather than activity

orientated, forward looking than backward looking, and should focus on the entire HR system not just on individual practices. Toulson and Dawe (2004) identified three obstacles in measuring HR: lack of HR experience and precision and difficulties in measurement. There were defined tools by various authors for measuring the HR capital.

Based upon the model of balanced scorecard introduced by Kaplan and Norton (2007) and consequently its application in the area of human resources, a new tool HR Scorecard for the management and measurement of the human capital was established. Key Performance Indicators (KPIs) in a business environment are mostly quantitative information; it illustrates structures and processes of a company. Now KPIs are very important for planning and controlling through supporting information, creating transparency and supporting decision makers of the management. Many companies are working with the wrong measures, many of which are incorrectly named key performance indicators (KPIs). Very few organizations really monitor their true KPIs. That is because only few organizations, business leaders, writers, accountants, and consultants have explored and knew what a KPI actually is.

In present days, KPI has become an essential tool for most organizations to estimate the effectiveness of their work force. LIGION, being a Beauty Care Manufacturing organization relies significantly on its field force that is accountable to its revenue generation from the sales they secure. LIGION Herbal Limited has long been expediting in the Herbal Beauty Care industry with continuous focus toward product and market development. Later on 2019, nearly 24 years at its journey, the organization had introduced its Human Resource Department (HRD) with the aim to better groom their field force. With such orientation in mind, the HRD inducted functions such as more structured training & development programs, Human Resource Information System (HRIS) and also in fact; Key Performance Indicator (KPI).

This paper is aimed to explore the KPI framework at LIGION Herbal Limited and the possible advantages as well as disadvantages in establishing them at the organization. Through the means of qualitative data collection and analysis, the study seeks to build a greater understanding of what KPI is both in a definitional and practical sense to management stakeholders within the organization. Making the proper scorecard management is now becoming a key driver to identify business direction. Although if done poorly, this can cause a widespread amount of wastage of financial resources as well as employee dissatisfaction.

2. OBJECTIVES

Broad Objective: The broad objective of the study is to explore the prospects of establishing a KPI framework at LIGION Herbal Limited.

Specific Objectives: Specific objectives of the study are as follows:

1. To identify the KPI Framework process at LIGION Herbal Limited,
2. To analyze the benefits LIGION Herbal Limited is going to get out of its KPI Framework

3. LITERATURE REVIEW

3.1 Definitions of KPI

Indicators or key performance indicators (KPIs) in a business environment are mostly quantitative information; it illustrates structures and processes of a company. Now KPIs are very important for planning and controlling through supporting information, creating transparency and supporting decision makers of the management, said by Badawy et al, 2016.In a study by Theo and Voordt (2004) identified that for employees to be productive within a firm the main factors that the management should ensure the employees are not distracted in their workplaces, the ergonomics of the firm should be enhanced as well as access to technology. As such management needs to set up the firms indicators through guidance by the factors that will ensure employee productivity as a measure of ensuring meeting up with the expectations of management. In a study by Hanover Research (2010) on the usage of key performance indicators in the U.S the firm highlights that performance indicators are a logical measure which is easy to implement straightforward and a necessary tool in measuring the quality and quantity of organizational goals efficiently within an organization. They further identify that a good performance indicator should be able to be measured adequately using the least amount of resources. In this regard they identify the main performance indicators for divisional staff should be the level of customer service and relationships improvement, the level of employee engagement and retention, the safety of the work environment and the improvement in the efficiency of the organization. Thus, from the findings the researcher concluded that to engage the employees into better performance, organizations can make use of financial and customer service delivery indicators (Waruinge, 2012).

Essential to setting up key performance indicators is the ability of the management frameworks to align the needs of the organization with the objectives of the key performance indicators (Parmenter, 2015). In order to determining the applicable KPIs for measuring achievement of an organization, it is necessary to do an analysis of the vision statement, mission statement, and objectives of the organization. Performance measurement also helps the organization to be consistent in making a decision with the intention to ensure the operational activities are linked with the organization's vision and mission. The measurement of market share, customer demand, and customer satisfaction can be essential elements of an organization to understand its current position and make necessary improvements to achieve its target. However, the process of discovering the right measurement is very complex. Huang, Lai, and Lin (2011) have mentioned that metrics is good if the actions and decisions, which improve the metrics, improve the firm's desired long-term outcomes. A good key performance measurement needs to be quantifiable in a sense that is agreed between the management and employee to ensure accordance to it and its alignment to the organizational goals. Secondly, a good KPI should be based in accordance with the organizational goals to ensure that its attainability is based upon the resources and capabilities of the firm. Further, a good KPI should be deeply rooted on the organizational culture, to avoid numerous changes, which may not be adaptable by the personnel within a considerable time, however, as the organization edges closer to its goals the indicator may be changed as a way of engaging the employees to work more as noted in the research by many scholrs.

3.2 KPI's Influence on Business Performance

Ulrich and Brockbank (2005) appended that strategic contribution accounts for almost half of HR´s total influence on business performance. Kalpan & Norton (2009) made a key point about what differentiates the scorecard from other business performance measurement frameworks in the marketplace: "Many people will build a list of measurements that are non-financial and think that they have a balanced scorecard, but in our view the scorecard has to tell the story of the company's strategy. The biggest mistake organizations make is that they think that scorecard is just about measurement." Huselid, Becker and Beatty (2005) also confirmed that the HR Scorecard is designed to guide management of the HR function. The essential part of the HR scorecard is the strategy map. Kaplan and Norton (1996) called the strategy map to represent the firm's value chain. Huselid, Becker and Beatty (2005) declared that the elements in the HR Scorecard are key leading indicators for workforce success. Key performance indicators are assigned to each perspective in strategy map and lately KPIs on HR level became significant benchmark in the entrepreneurial sector. Bean and Gerathy (2003) presented that according to their experience; KPIs are valid and effective when applied in a consistent and comprehensive manner. Further, they declare that financial performance must be respected as the critical measure of success for every business but financial KPIs are closely related set of operational metrics i. e. on HR level, too. Bauer (2005) stated that once KPIs have been identified, defined and formalized, business leaders may feel that KPI battle is won. Where possible, KPI targets must be based on concrete data and non-manipulative formulas.

3.3 Impact of Key Performance Indicators

Continual measuring is a base for continual improvements of organization performances that is one of the most important management principles (Besic & Djordjevic, 2008). One proverb may be found in literature: "If you want to improve something, you have to measure it"(Radovic & Karapandzic, 2005). Measuring performances of the organization means qualitative and quantitative expression of some results by chosen indicators. Performance measurement enable to effective organizations to express their success by numbers. Selection of appropriate indicators that will be used for measurement and appraisal of the performances is a very important activity. Among all information that can be get it is necessary to choose some critical quantity that on the best way represent the whole business. Beside control, function indicators of performances also have two functions:

- Developing and guiding function because they present a base for formulating and implementation of the strategy of the organization,
- Motivation function – induce management to fulfill goals and motivate all stakeholders to realize those goals and on an even higher level (Stamatović & Zakić, 2010).

3.4 Measuring Performance with KPI

The phenomenon of performance measurement is used by the organizations in order to ensure that they are going in the right direction, achieving targets in terms of organizational goals and objectives. The performance measures are used to evaluate and control the overall business operations. They are also used to measure and compare the performance of different organizations in the industry, plants, departments, teams and individuals (Ghalayini and Noble 1996; Mapes and Szwejczewski 1997; Parmenter 2009). In order to achieve the goal, all the organizations must have to use the performance management systems. Simply the performance management is done by the organizations in order to confirm that either they are going in the

right direction or not. For measuring, managing and comparing the performance organizations are required to know about the performance indicators

The performance indicators can be defined as the physical values, which are used to measure, compare and manage the overall organizational performance (Gosselin 2005). The performance indicators may include the quality (De Toni and Tonchia 2001; Gosselin 2005; Heckl and Moormann 2010; Badri et al. 1994; Neely and Platts 2005), cost (De Toni and Tonchia 2001; Neely and Platts 2005; White 1996), financial (Parmenter 2009; White 1996), flexibility (De Toni and Tonchia 2001; and White 1996), delivery reliability (Heckl and Moormann 2010; White 1996), employees' satisfaction (Mapes and Szwejczewski 1997; Parmenter 2009), customer satisfaction (Neely and Platts 2005; Parmenter 2009), safety (Flin and O'connor 2000; Mearns et al. 2003; Parmenter2009), environment/community (Neely and Platts 2005; Parmenter 2009; White 1996), andlearning and growth (Parmenter 2009; and Sadler-Smith and Chaston 2001). These are the performance indicators, which are given in the literature, and most of the organizations use these performance indicators for measuring and managing their performance. There could be tradeoffs between the performance indicators, which means that if one indicator's value increases the other's value decreases (i.e) the major trade off could be between the quality, cost, time, delivery reliability and flexibility (Mapes and Szwejczewski 1997).

Thus, the beginning of the performance measurement starts from the identification of performance indicators that allow for a detailed specification of process performance. Many authors have suggested many categories of indicators for different approaches of performance measurement. There are two main groups of indicators, which are used to determine the organizational performance. One is called the financial or cost based measures of performance and the other is called non-financial or non-cost based measures of performance. The costs / financial, quality, time, delivery reliability, flexibility are largely accepted indicators of organizational performance (White 1996). But several authors have defined other indicators as well on the basis of their case study research. Sinclair and Zairi (1995) have found the customer satisfaction, quality, delivery reliability, employee factors, productivity, financial performance, safety and environment / social performance as the indicators of business performance used by many organizations. Parmenter (2009) has identified the customer's satisfaction, employees' satisfaction, environment/community, financial, internal process performance, learning, and growth as performance measurement perspectives. Many scholars has identified that the different organization uses different measures for their performance, as if generally they measure performance of the organization by breaking up the overall business into processes. In addition, the most organizations measure their performance by allocating the indicators to individual processes. Rolstadås (1998) has identified that the performance measurement of an organization is a complex interrelation criteria between the effectiveness, efficiency, quality, and productivity, quality of work life, innovation, and profitability. In order to be successful, each organization has to determine performance indicators, subsequently, performance measures, and performance figures that are strategically relevant to its respective situation (Mapes and Szwejczewski 1997).

4. RESEARCH METHODOLOGY

The nature of this article is case study based. Here, the case study method helped the researchers to gather in depth knowledge regarding the KPI frameworks undertaken by LIGION. Sources of data have been both primary and secondary. While the primary data have been collected based

on face-to-face interviews and direct observations, the secondary data have been sourced from HR manual of LIGION Herbal Limited, KPI Manual of LIGION Herbal Limited, relevant official records and external journal articles and research papers in relevance.

The sample size of the study is 04. While 01 has been the manager of HRD; the rest 03 were executives of the Sales Admin Department of LIGION Herbal Limited. Interviews from them were taken using an unstructured questionnaire. Respondents were holding key positions in the HR departments and the Sales Admin staff of LIGION Herbal Limited that make the case study more representative and informative. The sampling was purposive with an aim to get insightful response. In order to carry out study, the KPIs of the departmental heads were selected:

1. Head of Finance & Accounts;
2. Head of Marketing;
3. Head of Human Resource Department &
4. Head of Sales Admin.

As these four departments are the key drivers of the rest of the departments & sections throughout the department, we concentrated our focus on these.

5. RESULTS AND DISCUSSION

5.1 Inauguration of HRD at LIGION

LIGION Herbal Limited, a business that has been booming afloat for almost 25 years has brought revolutions in the Herbal Beauty Care industry of the country all alone by itself. Throughout its years of operations in the industry, it has adopted timely changes over its organizational, technological as well as production orientations in order to formulate pace. In its recent days, LIGION has stepped into Human Resource Management practices. In October 2019, the Human Resources Department was inaugurated with its already existed Sales Admin Department in order to retrieve effectiveness out of its manpower.

The Human Resources Department of LIGION Herbal Limited is focused toward its diverse field force. Strategic innovation to to ensure procedural justice, intensify transparency along with equality and facilitate such an organizational environment where individual's potentials & competencies are flourished and innovation, organizational change as well as quality are promoted. The HRD is working persistently to achieve total quality by ensuring a trustworthy, dynamic and esteemed working environment.

Since introduced, the HRD of LIGION has thrived to bring tools (e.g.: Online Attendance System & Online Stock Report System via gSuite, HRIS and KPI Framework) to implement within the organization to both boost and justify effectiveness, efficiency and sustainability. As we understand from the time previously mentioned of the inauguration of HRD at LIGION, most of its tools are going through the development phases as we speak. Hence, it would be the greatest opportunity to justify the possible prospects & problems of implementing such tools & with this study more precisely, Key Performance Indicator.

4.2 KPI at LIGION Herbal Limited

According to HRD of LHL, KPI is a set of indicators that help accurately measure a specific subject in question. The tool is aimed to make accurate measurements of the performance of a

specific organization/department/section/employee/staff. At LHL, below are the segments of KPI they are aimed to practice:

4.2.1 Organizational KPI: Every single organization is deemed with some long-term goals. Organizational KPI helps one evaluate the rate of succession is acquiring the goals. Such can be as below:

- Whether or not production growth has been met
- Whether or not sales growth has been met
- Whether or not profit growth has been met
- Whether or not the organization should strike a business expansion.

4.2.2 Departmental KPI: Yearly goals of organizations are met only if the daily/weekly/monthly targets of the departments are achieved. This is why there are no shortcuts but to achieve departmental targets in a timely manner. This is measured by departmental KPI.

4.2.3 Sectional KPI: In order to achieve departmental goals, sectional goals of each department are to be met. The tasks of each section are prepared from sectional KPI & the timely trace of these tasks make it successful.

4.2.4 Employee KPI: The rate of efficiency of an employee is measured by Employee KPI. Like other KPIs, employee KPI helps measure the performance of an employee after a certain period of time; most likely in a monthly basis. As employee KPI is at the core of the succession rate of each other KPIs, importance needs to be invested both in establishing & in monitoring its attributes and succession.

4.2.5 Cross Functional KPI: There are tasks that require a collaborated effort of multiple departments/sections. KPIs for such tasks are called Cross Functional KPIs. Caution to be sent to the departments in question that in order for these KPIs to receive good scores, collaborated efforts of the departments in question are required at a considerable rate.

4.3 KPI Scorecard at LHL

The KPI scorecard at LIGION has been distributed based on following headers as shown below:

Serial	**Header**	**Weight/Score**
1	Monthly Attendance	2 marks
2	Monthly Late Attendance	2 marks
3	Monthly Half Leave	1 marks
4	Performance	88 marks
5	Appraisal by the Departmental Head	5 marks
6	Social Duties	2 marks
Total		100 marks

4.4 Negative Marking: KPI virtually is considered to have no negative markings but, following the suggestion of the top management, a weight of 5 marks has been kept for each & every staff & employee consulting with the departmental heads. Remarks to be made that the negative markings will only be applicable to consider while preparing Employee KPI.

From the scorecard pattern given below, if any of the staff/employee is to be subjected to negative marking then, the deduction will be needed to be conducted on the % or achievement s/he has of the allocated 100 marks of KPI scorecard. That is only a percentage received the achievement will be the subject of deduction on the percentage of the five marks that is allocated for negative marking. If in case achievement is zero, only & only then the deduction will be five marks straight. Otherwise, a percentage of the five marks will be deducted.

4.4.1 Purpose of Negative Marking:

- To ensure proper implementation of KPI,
- To ensure proper identification of the good performing & below average/poor performing staff & employees,
- To encourage good performance & link motivation to it.

4.5 Evaluation Process of KPI at LHL

In this case, the minimum passing score has been set to 66. Below that will give a 0% increment on performance

SL	Category	Marks	Performance %
1	Excellent	Above 96	30%
2	Very good	91 to 95	25%
3	Good	86 to 90	20%
4	Satisfactory	81 to 85	15%
5	Average	76 to 80	10%
6	Below Average	66 to 75	5%
7	Poor	Below 66	0%

4.6 KPI Parameters at LHL

Only questions that can be justified by below given elements can be considered as KPI Indicators:

1. Numbers (#): Indicators that can express target or achievement to evaluate if justified against a numerical query,

2. Amount (৳): Indicators that can express target or achievement to evaluate if justified against a financial metric query,
3. Percentage (%): Indicators that can express target or achievement to evaluate if justified against a certain percentage.

4.7 KPI Data Sources for HRIS at LHL

While most of the data are to be sourced from LIGION's HRIS, some are too sourced manually from mark sheets provided to supervisors & departmental heads. However, the scores received from manual sources are to be input to the HRIS against their respective receivables to prepare the final scorecard.

Serial	Header	Data Source
1	Monthly Attendance	HRIS
2	Monthly Late Attendance	HRIS
3	Monthly Half Leave	HRIS
4	Performance	Manual Data Form
5	Appraisal by the Departmental Head	Departmental Head
6	Social Duties	HRIS
7	Negative Marking	Departmental Head

4.8 KPIs for Head of Finances & Accounts

Law	Key Result Area	Appraisal KPI attribute	Objectives of Kpi	Weight	Frequency	Measurement Criteria	Source Of Data	Calculation Method
KPI Maximize	Development	Task Plan (Quantity)	Complete Daily Activities	30	Monthly	Number (#)	KPI Software	Ach/Tar
KPI Maximize	Development	Task Plan (Delay Time)	Complete Daily Activities timely	24	Monthly	Time (Numeric Number #)	KPI Software	Ach/Tar
KPI Maximize	Report	Submission Final Monthly Management Report	Management Know about Business Condition	10	Monthly	Time (Numeric Number #)	Register	Date Ach/Tar

KPI Maximize	Report	Audit Findings Resolve by Deadline	Resolve Error Data Posting	2	Monthly	Time (Numeric Number #)	Audit Report	Ach/Tar
KPI Maximize	Business	Showroom Overdues report submitted to Manageme nt	Reduce Business Loss	10	Monthly	Amount ($)	Accounts Software	Ach/Tar
KPI Maximize	Business	Reduce Employee Loan and Advance	Reinvestment	3	Monthly	Amount ($)	Accounts Software	Ach/Tar

Attributes' Description

4.8.1 Task plan (Quantity): This attribute will represent numerical value having a score/weight of 30 marks. Its objective is to identify whether or not there has been a timely handoff of the tasks mentioned in the task plan. Its data is to be sourced from the HRIS.

- **Target**: The number of tasks mentioned in the task plan
- **Achievement**: The number of tasks completed throughout the month

4.8.2Task Plan (Delay Time): This attribute will represent time value having a score/weight of 24 marks. Its objective is to identify whether or not there has been a timely handoff of the tasks mentioned in the task plan. Any task that has been delayed to achieve by even a day would receive an achievement of 0%. Its data is to be sourced from the HRIS.

- **Target**: The time of completion of tasks mentioned in the task plan
- **Achievement**: The time of the tasks completed throughout the month

4.8.3 Submission Final Monthly Management Report: This attribute will represent time (date) value having a score/weight of 10 marks. Its objective is to identify whether or not the handoff of monthly management report has been done within mentioned date. Its data is to be sourced from the Management approved sheet.

- **Target**: The date management has set specific as deadline to submit the report
- **Achievement**: The date report has been submitted. If in case the due date is exceeded, subject will receive a mark of 0.

4.8.4 Showroom Overdue report submitted to Management: This attribute will represent time (date) value having a score/weight of 10 marks. Its objective is to identify whether or not the handoff of showroom overdue report has been made and submitted to the management within mentioned date. Its data is to be sourced from the Management approved sheet.

- **Target**: The date management has set specific as deadline to prepare & submit the showroom overdue report

- **Achievement**: The date showroom overdue report has been submitted. If in case the due date is exceeded, subject will receive a mark of 0.

4.8.5 Reduce Employee Loan and Advance: This attribute will represent amount (৳) having a score/weight of 3 marks. Its objective is to lower the amount of loans/advance payments the staff & employees make. Its data is to be sourced from the accounts software.

- **Target**: The amount of money the staff/employees have taken as forms of loans & advance payments,
- **Achievement**: The amount of loan repaid by the staff/employees.

4.9 KPIs for Head of HRD

Law	Key Result Area	Appraisal KPI attribute	Objectives of Kpi	Weight	Frequency	Measurement Criteria	Source Of Data	Calculation Method
KPI Maximize	Development	Task Plan (Quantity)	Complete Daily Activities	15	Monthly	Number (#)	KPI Software	Ach/Tar
KPI Maximize	Development	Task Plan (Delay Time)	Complete Daily Activities timely	10	Monthly	Time (Numeric Number #)	KPI Software	Ach/Tar
KPI Maximize	Development	Training Calendar Complete	Increase Employee Knowledge	5	Monthly	Number (#)	HR Software	Ach/Tar
KPI Maximize	Development	Meeting Calendar Complete	Problem Solve by Discussion	5	Monthly	Number (#)	HR Software	Ach/Tar
KPI Maximize	Development	Counseling Calendar Target vs Achievement	Employee Counseling and Motivation	5	Monthly	Number (#)	HR Software	Ach/Tar

Attributes' Description

4.9.1 Task plan (Quantity): This attribute will represent numerical value having a score/weight of 15 marks. Its objective is to identify whether or not there has been a timely handoff of the tasks mentioned in the task plan. Its data is to be sourced from the HRIS.

- **Target**: The number of tasks mentioned in the task plan
- **Achievement**: The number of tasks completed throughout the month

4.9.2 Task Plan (Delay Time): This attribute will represent time value having a score/weight of 10 marks. Its objective is to identify whether or not there has been a timely handoff of the tasks

mentioned in the task plan. Any task that has been delayed to achieve by even a day would receive an achievement of 0%. Its data is to be sourced from the HRIS.

- **Target**: The time of completion of tasks mentioned in the task plan
- **Achievement**: The time of the tasks completed throughout the month

4.9.3Mistake in Salary Generation: This attribute will represent numerical value having a score/weight of 10 marks. Its objective is to identify the number of mistakes made in the salary sheet. Its data is to be sourced from the Audit report.

- **Target**: The target would be 0
- **Achievement**: Amount of mistakes made in the salary sheet

4.9.4 Training Calendar Complete: This attribute will represent numerical value having a score/weight of 5 marks. Its objective is to identify the number of trainings given against the monthly training calendar. The data is to be sourced from the HRIS.

- **Target**: Amount of training required for all the departments & sections
- **Achievement**: Amount of trainings given

4.9.5 Meeting Calendar Complete: This attribute will represent numerical value having a score/weight of 5 marks. Its objective is to identify the number of meetings accumulated against the monthly meeting calendar. The data is to be sourced from the HRIS.

- **Target**: Amount of meetings required for all the departments & sections
- **Achievement**: Amount of meetings accumulated

4.10 KPIs for Head of Marketing

Law	Key Result Area	Appraisal KPI attribute	Objectives of Kpi	Weight	Frequency	Measurement Criteria	Source Of Data	Calculation Method
KPI Maximize	Sales	Sales Tar vs Ach	Increase Sales	5	Monthly	Amount ($)	Marketing Software	Ach/Tar
KPI Maximize	Sales	Collection Tar vs Ach (Own Showroom)	Increase Collection	20	Monthly	Amount ($)	Marketing Software	Ach/Tar
KPI Maximize	Sales	Collection Tar vs Ach (Dealer Showroom)	Increase Collection	26	Monthly	Amount ($)	Marketing Software	Ach/Tar
KPI Maximize	Sales	Maintain Showroom Visit Calendar	Increase Showroom Sales	2	Monthly	Number (#)	Marketing Software	Ach/Tar
KPI Maximize	Sales	Collection Tar vs Ach (TSO-SO)	Increase Collection	10	Monthly	Amount ($)	Marketing Software	Ach/Tar

Attributes' Description

4.10.1 Collection Tar vs Ach (Dealer Showroom): This attribute will represent numerical (৳) value having a score/weight of 26 marks. Its objective is to represent the amount of collection made from the dealers' showrooms. The data is to be sourced from the Accounts Software.

- **Target**: Monthly collection target from the dealers' showrooms.
- **Achievement**: Amount of collection acquired from the dealers' showrooms.

4.10.2Collection Tar vs. Ach (Own Showroom): This attribute will represent numerical (৳) value having a score/weight of 20 marks. Its objective is to represent the amount of collection made from the own showroom(s). The data is to be sourced from the Accounts Software.

- **Target**: Monthly collection target from own showroom(s).
- **Achievement**: Amount of collection acquired from own showroom(s).

4.10.3 Collection Tar vs. Ach (TSO/SO): This attribute will represent numerical (৳) value having a score/weight of 10 marks. Its objective is to represent the amount of monthly collection made from the Territory Sales Officers & Sales Officers. The data is to be sourced from the Accounts Software.

- **Target**: Monthly collection target from TSO/SOs.
- **Achievement**: Amount of collection acquired from TSO/SOs.

4.10.4 Overdue Collection: This attribute will represent numerical (৳) value having a score/weight of 8 marks. Its objective is to represent the amount of overdues collection from previous month made from the showrooms. The data is to be sourced from the Accounts Software.

- **Target**: Overdue from previous month of the showrooms.
- **Achievement**: Overdue collected from previous month of the showrooms.

4.10.5 Sales Target vs. Achievement: This attribute will represent numerical (৳) value having a score/weight of 5 marks. Its objective is to represent the amount of monthly sales target achievements. The data is to be sourced from management approval sheet.

- **Target**: Amount of monthly sales target set by the management.
- **Achievement**: Amount of monthly sales target set by the management.

4.11 KPI for Head of Sales Admin

Law	Key Result Area	Appraisal KPI attribute	Objectives of Kpi	Weight	Frequency	Measurement Criteria	Source Of Data	Calculation Method
KPI Maximize	Service (Mkt Team)	Petty Cash Summary	Petty Cash Maintain	6	Monthly	Date (#)	Management approval	Ach/Tar
KPI Maximize	Service (Mkt Team)	Incentive Approval	Increase Dealar Happiness	6	Monthly	Date (#)	Management approval	Ach/Tar
KPI Maximize	Service (Mkt Team)	Global Discount Sheet	Increase Dealer Satisfaction	6	Monthly	Date (#)	Management approval	Ach/Tar
KPI Maximize	Development	Task Plan (Quantity)	Complete Daily	25	Monthly	Number (#)	KPI Software	Ach/Tar

			Activities timely					
KPI Maximize	Development	Task Plan (Delay Time)	Complete Daily Activities timely	25	Monthly	Number (#)	KPI Software	Ach/Tar

Attributes' Description

4.11.1 Task plan (Quantity): This attribute will represent numerical value having a score/weight of 6 marks. Its objective is to identify whether or not there has been a timely handoff of the tasks mentioned in the task plan. Its data is to be sourced from the HRIS.

- **Target**: The number of tasks mentioned in the task plan.
- **Achievement**: The number of tasks completed throughout the month.

4.11.2Plan (Delay Time): This attribute will represent time value having a score/weight of 20 marks. Its objective is to identify whether or not there has been a timely handoff of the tasks mentioned in the task plan. Any task that has been delayed to achieve by even a day would receive an achievement of 0%. Its data is to be sourced from the HRIS.

- **Target**: The time of completion of tasks mentioned in the task plan.
- **Achievement**: The time of the tasks completed throughout the month.

4.11.3 Petty Cash Summary: This attribute will represent date value having a score/weight of 6 marks. Its objective is to confirm timely submission of the petty cash summary report. A failure to meet the due date would result the markings fall down at 0. Its data is to be sourced from the accounts.

- **Target**: The submission date of the petty cash summary report.
- **Achievement**: The date the report has been submitted.

4.11.4Incentive Approval: This attribute will represent date value having a score/weight of 6 marks. Its objective is to confirm timely submission of the incentive report. A failure to meet the due date would result the markings fall down at 0. Its data is to be sourced from the management approval.

- **Target**: The submission date of the incentive report.
- **Achievement**: The date the report has been submitted.

4.11.5 Global Discount Sheet: This attribute will represent date value having a score/weight of 6 marks. Its objective is to confirm timely submission of the global discount sheet report. A failure to meet the due date would result the markings fall down at 0. Its data is to be sourced from the management approval.

- **Target**: The submission date of the global discount sheet report.
- **Achievement**: The date the report has been submitted.

4.12 Common KPIs for All Department

Law	Appraisal KPI attribute	Weight	Source Of Data
KPI Maximize	Daily Attendance	2	HRIS
KPI Maximize	Daily Late Report	2	HRIS
KPI Maximize	Half Leave Report	1	HRIS
KPI Maximize	Department Head Evaluation	5	Departmental Head
KPI Maximize	Special Work	2	Departmental Head & HRIS
KPI Maximize	Negative Marking	- 5	Departmental Head

Attributes' Description

4.12.1 Daily Attendance: This attribute will represent numerical value having a score/weight of 2 marks. Its objective is to identify whether or not an employee has been on duty persistently. Its data is to be sourced from the HRIS.

- **Target**: Monthly working days.
- **Achievement**: Number of days an employee has served.

4.12.2 Daily Late Report: This attribute will represent numerical value having a score/weight of 1 mark. Its objective is to identify whether or not an employee has been present on duty on time. Its data is to be sourced from the HRIS.

- **Target**: Being present on duty on time,
- **Achievement**: Number of days an employee has been late on duty.

4.12.3 Half Leave Report: This attribute will represent numerical value having a score/weight of 1 mark. Its objective is to identify whether or not an employee has taken more than 1 half day leave. Its data is to be sourced from the HRIS.

- **Target**: One half leave per month,
- **Achievement**: Number of half day leaves an employee has been taken.

4.12.4 Departmental Head Evaluation: This attribute will represent numerical value having a score/weight of 5marks that will be provided by the departmental head/reporting boss. Its objective is to identify whether or not an employee has been uniform at attributes such as attentiveness, timeliness, quality of work, enthusiasm to learn, teamwork, ability to work under pressure, maintaining dress code, obedience, empathy toward colleagues, communication skills.

- **Target**: On the 11 criteria, each employee will receive 1mark each if performed very well. A moderate performance will provide 0.5 marks & poor performance will provide no marks at all.

4.12.5 Special Work: This attribute will represent numerical value having a score/weight of 2 marks. Its objective is to identify whether or not an employee been successful with special tasks bestowed by the departmental head/reporting supervisor. Its data is to be sourced from the Departmental Head's evaluation & HRIS.

- **Target**: Special task(s) bestowed by the departmental head,
- **Achievement**: Rate of success with the task.

4.13 Challenges of KPIs Implemented at LIGION Herbal Limited

Usually a business strategy includes many challenges that make fail to achieve their objectives. From the KPIs we have witnessed in place for the departmental heads of LIGION Herbal Limited, possible challenges have come across are as follows *(Mohammed Badawy, A.A. Abd El-Aziz, Amira M. Idress, Hesham Hefny, Shrouk Hossam, 2016)*:

1. If it includes too many KPIs, this can weaken the focus on aims.
2. A large list of KPIs that does not have clear connections to business objectives may be a sign of a bigger problem.
3. A shortage of strategic focus on selecting KPIs is a difficult process.
4. Lack of understanding of the performance measures lead to a failure in monitoring and reporting of measures.

4.14 FINDINGS OF THE STUDY

KPIs with respective attributes in accordance to respective departments & departmental staff/employees have been set out. This will enable the respective personnel in question to have clear ideas on the targets they are to achieve. Further contributing to achieve departmental targets as well as help achieve LIGION its organizational goals. Policy makers of the organization will have hands on prospect on the real-time scenario regarding the performance of their manforce in duty. Aiding them take decisions in short-term & long-term policy making. Each personnel having their set of objectives to accomplish in a time-bound manner will be aware of their duties and shall grow responsibility due to the sense of accountability. Since all the personnel are informed of their individual tasks and given the timeframe by which they are to complete their duties, there will be lessened need for constant accountability to everyone but the reporting officer only. Management from the scorecard will easily be able to identify good performing employees & staff and reward them. This will further increase their morale to perform better in the future. At the same time, poor/below average performing employee & staff will be identified and decision to aid their development or to lay them down will be with less hassle or conflict. Is case of KPIs for Head of Human Resource Department, we have seen there are 18 attributes in place. Such may cause weakening focus on aims. Attributes for KPI at LIGION are determined at a top-down method. While this ensures simplicity & speedy measurements take place; low participation of personnel in question are more likely to occur. While the downside of this approach can only be that this requires a lot of knowledge on the top management, lower echelons of the organization can always contribute to the gap & sometimes make even better outcomes as specialized knowledge are more persistent among them. Neither the HRIS nor the KPI frameworks are yet approved by the top management yet. The whole practice till now has been in their pilot test phase. Since the framework is to source of most its attributes' as we've seen rely on HRIS, a failure to linkage between both may occur & such may lead to a failure to establish any of both. Hence leading to a lot of wastage of physical & non physical

resources. Shredding lights on the previous case scenario, a lack of top management's approval would generally cause the absence of good performance and reward. Hence the mass of the organization in question would feel reluctant on the whole system.

4.15 RECOMMENDATIONS

LIGION at its growth relies on its Sales Officers & Assistant Sales Managers, it is important to get their enthusiastic contribution to the program. They may consider a mixed approach of top-down & bottom-up approach in order to get the most out of the program. Considering the same class of personnel as mentioned in the previous point, most of them are not well groomed with technology. After their engagement to the program is concealed, LIGION may train them in a uniform manner so they understand hands on how the program works as well as the benefit they are to get by the program itself. Approval of the top management of LIGION is by any means is necessary at any HRD initiatives to callout benefit. A lack of which will definitely result the absence in linkage of KPI to reward which of course will result in lack of employee commitment. Therefore, it is vital to align all three back to back. Steps may need to be taken to ensure that attributes are in clear connection of business objectives of LIGION Herbal Limited. A large list of KPIs that does not have clear connections to business objectives may be a sign of a bigger problem.

4.16 SCOPE OF FUTURE RESEARCH

Industry wide, there is a thrive of Human Resource Management's practice throughout the nation. Owners & stakeholders of any organization now understand the importance to focus at their manpower and have introduced ways that help them get the most out of it. Whilst there are ongoing efforts centering the evaluation of ROI, knowledge regarding other non-financial indicators is becoming more widespread. KPI or Key Performance Indicator is the tool to get these indicators to evaluate hands-on. A good set of KPIs aligned properly with an organization's mission, vision, goals and objectives are bound to boost the effectiveness of its human resources in question. This study will assist to bring out the KPI framework and offer a showcase of the attributes for various departmental heads and help to understand if there lies relations proximity to business expansion. It can be concluded that Key Performance Indicator is an essential tool for evaluating employee performances as well as planning and controlling through supporting information, creating transparency & supporting decision makers of the management. While this will help sail the organization in its righteous ways, it will also be able to manage a fleet of manpower that are committed, responsible as well as satisfied. Human Resources Development has been introduced to find ways that can help retain effective employees whilst constantly developing them in their career path. Further research can be conducted by the academicians in this area covering additional data on the knowledge base and practical implications of green HRM practices for environmental sustainability.

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