Internship Report

On

Evaluation of The Performance Appraisal System at Daraz Bangladesh

Submitted To
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Submitted By
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Letter of Transmittal

17th December, 2017

Kamal Hossain Senior Lecturer BRAC Business School BRAC University

Subject: Submission of internship report on "The Evaluation of the Performance Appraisal System at Daraz Bangladesh"

Dear Sir,

It is my incredible joy as I remain at the overflow of my graduation with the report of my internship which I unassumingly put before you for assessment and approval. The report is titled "The Evaluation of the Performance Appraisal System at Daraz Bangladesh" have driven me through numerous useful experience which I have examined to best fit the goal of my report. I am presenting my report which, hopefully you will find to be very much investigated, enlightening and an image of my endeavors and persistence.

While setting up this report, I deliberately took after your and my associations guidelines. I endeavored to cover every one of the substance with important figures and shows to clarify the appraisal process. Additionally, the report involves my experience and information that is increased through everyday exercises which improved proficient aptitudes to proceed in my career in the best routes with dedication, promptness and genuineness.

I, therefore, express my heartiest thanks of you for your kind supervision, guidance and cooperation for building up this report.

Yours Sincerely,

.................................

Rubaiya Sultana ID: 14104182
BRAC Business School
Acknowledgement

I, Rubaiya Sultana, would like to express my heartiest gratefulness to every one of those people who encouraged me to complete my internship report and provided support regarding the topic, “The Evaluation of the Performance Appraisal System at Daraz Bangladesh”.

To begin with, I am appreciative to almighty for making this internship report possible. Secondly, I want to offer my thanks to my academic supervisor, Kamal Hossain, Senior Lecturer, BRAC Business School, for helping me with direction and advice to finish my report.

Furthermore, I want to thank my authoritative supervisor Aflatun Kaisar, Head of HR, Daraz Bangladesh, for giving me all the essential data. Besides, I am additionally grateful to every one of the colleagues who supported and encouraged me all through the span of my job period consistently.

Lastly, I feel fortunate for getting the support, supervision and guidance of my teachers, co-workers and friends who have helped me through my internship period.
Executive Summary

The report has been set up with a reason for evaluating the Appraisal System of Daraz Bangladesh. Performance Appraisal is very important for every organization. In Daraz Bangladesh, performance appraisal takes place every six months through a software named zoho. A survey is conducted at the corporate office of Daraz Bangladesh to evaluate the appraisal system. The whole report is divided into nine parts. First part comprises of introduction part which includes an overview of the e commerce industry. The second part is a literature review where all the theories are discussed which are implemented in this study. The third part is the company overview which gives an overlook of the company in details. The fourth part comprises of my job description and my observations during my internship period. The fifth part describes in details how the whole appraisal system of Daraz Bangladesh works. The sixth part describes about the responsibilities that I have to take for completing this appraisal process. The seventh part tells in details how the research has been conducted. The eighth part tell about the findings and analysis of the survey that has been conducted. At last the ninth part gives some recommendations and some implementations plan based on the recommendations for the appraisal process. After reviewing this study, very important factors about the Appraisal system of Daraz Bangladesh can be found which need to be improved in order to make this system more effective and successful.
1. Introduction
E-commerce stands for any commercial or business transactions directed over the internet. It is the combination of a large range of different processes, for example, World Wide Web, applications, electronic-mail, data interchange etc. which together constructs e-commerce. By using e-commerce is helping develop efficiency and other aspects of many businesses. Moreover, the process of e-commerce can save both time and money for its users by bringing all the services closer to peoples” doors. An online marketplace provides a buying and selling opportunity to people without the hassle of visiting any physical marketplace. With expansion of the number of online stores, people are confronted with more selections of items and retailers. In the meantime, it makes information more available to the customers and decision making gets a lot easier. They can assemble and analyze a lot of data in a short measure of time without being disturbed by sales people in comparison with any physical shops.

As a developing country, Bangladesh has a lot of potentials to grow in different fields and e-commerce is one of those sectors. Although the e-commerce sector is fairly new as it is believed to have emerged in the last 90s, the trend is quickly catching on (Hassan, 2014). Gradually the ICT ministry of Bangladesh has been taking many initiatives for making e-commerce sector more popular, for example, bringing in payment gateway options. Moreover, as the cost of internet and computers has decreased over the years, the e-commerce industry is seeing an increase in business. Thus, a lot of e-commerce brands have now emerged both international and national.

Distinguishing the web encounter segments and understanding their part as contributions to the online client's basic leadership process are the initial phase in creating and conveying an appealing web relationship prone to have the most extreme effect on internet clients. Brick and-mortar firms conveying predominant Web encounter impact their physical customers' recognitions and demeanors, driving extra activity to conventional deals outlets. There is an argument around the variables impacting the online buyer's conduct and layouts, where some discernible similitudes and contrasts between the virtual shoppers. Notwithstanding the way that there is no accord on the meaning of customer experience in writing, there is a typical understanding that, it is an intricate idea and ought not to be leveled with to ease of use or user interface essentially.
In this current e-commerce market, Daraz.com.bd has become one of the most popular and leading marketplace of Bangladesh. Daraz Bangladesh started its operation on 2015 and since then the company has grown a lot (The Daily Star, 2015). It is a venture of rocket internet which has a lot of other popular businesses as well, such as, Foodpanda, Everjobs, Jovago etc. Daraz basically creates an online platform for different businesses to sell through the website and gives the customers a one stop market to explore and buy from all their favorite brands online. Daraz.com.bd sells various kinds of products from electronic goods to fashion items in its website through different suppliers. The platform focuses on both B2C and B2B selling over the internet all over Bangladesh.

Daraz Bangladesh is now very much concerned about the wellness of their employees. For the development of the employees, Appraisal is one the very important issues for an organization. This paper will explore the current Appraisal Process of Daraz Bangladesh and evaluate the process to find out what can be done to improve the overall process. This research is done based on the company information and the survey.
2. Literature Review

**What is performance appraisal?**

Performance appraisals are one of the most important requirements for successful business and human resource policy (Kressler, 2003). Rewarding and promoting effective performance in organizations, as well as identifying ineffective performers for developmental programs or other personnel actions, are essential to effective to human resource management (Pulakos, 2003). The ability to conduct performance appraisals relies on the ability to assess an employee’s performance in a fair and accurate manner. Evaluating employee performance is a difficult task.

Once the supervisor understands the nature of the job and the sources of information, the information needs to be collected in a systematic way, provided as feedback, and integrated into the organization’s performance management process for use in making compensation, job placement, and training decisions and assignments (London, 2003).

Noe et al (2006) define performance management as “the process through which managers ensure that employees’ activities and outputs are congruent with the organization’s goals”. The concept of performance management has contributed a lot in the development Human Resource Management in recent years. The concept was first coined by Beer and Ruh in 1976. However, it is barely in the mid 1980's that it had been accepted as a distinctive approach.

Performance Management is widely being used in organizations so as to obtain the best results by trying to improve performance of the workforce. Goals and standards are being planned well beforehand in order to get satisfied outcomes.
Performance appraisal also known as performance review, formally documents the achievements of an individual with regards to set targets. It is a component of PMS. The system has become an essential management tool in today's organizations. Managing employees' performance can be said to be as important as any other work that all managers execute during the year.


According to Karol (1996) performance appraisal includes a communication event planned between a manager and an employee specifically for the purpose of assessing that employee's past job performance and discussing areas for future improvement.

Today's performance appraisal process has evolved into a more planned and formal process. It is used as a means which helps identify and compare employees' performances. The appraisals data are frequently being used to review several Human Resources decision. It can determine any need for career developments and trainings. For issues such as raise in salaries, rewards and promotions, employers are more and more making use of the appraisals' results.

Appraisals have now developed into a regular and intervallic system in organizations, normally carried out at least once a year. When talking about the modern approach to appraisal, the term feedback cannot be ignored. The one-to-one discussion between supervisors and subordinates gives rise to feedback and is referred to as the feedback process. This process can improve communication all through the organization but also it can reinforce employees' relationships with their superiors. This is so as the workers have the feeling that they do matter to the organization and that their needs are being taken into consideration.

The performance appraisal system has most likely become a future-oriented approach as it aims to improve future performances by considering present problems.
SMART Goals

SMART is an acronym that can be used to guide the goal setting. Its criteria are commonly attributed to Peter Drucker's Management by Objectives concept. The first known use of the term occurs in the November 1981 issue of Management Review by George T. Doran. Since then, Professor Robert S. Rubin (Saint Louis University) wrote about SMART in an article for The Society for Industrial and Organizational Psychology. He stated that SMART has come to mean different things to different people, as shown below.

To make sure the goals are clear and reachable, each one should be:

- Specific (simple, sensible, significant).
- Measurable (meaningful, motivating).
- Achievable (agreed, attainable).
- Relevant (reasonable, realistic and resourced, results-based).
- Time bound (time-based, time limited, time/cost limited, timely, time-sensitive).

Professor Rubin also notes that the definition of the SMART acronym may need updating to reflect the importance of efficacy and feedback. However, some authors have expanded it to include extra focus areas; SMARTER, for example, includes Evaluated and Reviewed.
180 Degree Appraisal Process

180 ° Degrees

180 Degree is one of the method by which feedback of an employee can be judged and measured. Here two people are involved in the feedback process; one is the employee himself and his immediate boss.

The theories described in this literature review has been studied and implemented in this study for the findings, objectives and analysis of the report.
3. Company Overview

3.1 Company Profile
Daraz Bangladesh is a piece of Rocket Internet, a worldwide and driving incubator of new startups working specifically in web based business. Daraz Bangladesh began operations in 2015 in Bangladesh. It has been quickly developing and griping the number one position in this business sectors. Daraz Bangladesh has a youthful, energetic and entrepreneurial group of employees. They are eager to convey creative web ideas to the fast-changing Bangladeshi market. Presently Daraz is focused in growing its business exercises in Bangladesh.

Bangladesh is a growing nation with huge prospects of development. It is an excellent place to invest assets into. Regardless, the world is propelling but Bangladesh seems to be tolerating its conditions for what it has. However, a change seems to be coming our way as businesses are planning to go the online world and this is increasing productivity. Most of the business divisions are being benefitted by this. Moreover, in perspective of the changes and development which the websites offer, another portion has created, "online business". Online business or electronic exchange isn't just another thought as it has been with us for the last few decades. It was quite recently the beginning of e-trade and now it has become available everywhere in the world. With the help of globalization and increasing development is our country, e-commerce is getting a whole new market to operate on.

Daraz Bangladesh is an online business which operates as a marketplace. It is a shopping center which provides people with various options, for example: fashion items for man-ladies and children, sports and gaming items, home and lining products etc. Daraz allows its customer to welcome amazing shopping experiences with their demand sent directly to their doorstep. They are persistently stretching out their extent to consolidate the latest gadgets, styles and products.

Bangladesh has enormous number of people who pull in a considerable measure of vendors to offer their things. However, still a large part of our population is unaware of the online shopping options and need to be trained on using it. A gigantic section of people has no idea with respect to the utilization of web and this has become a challenge for the online businesses. Although the government is trying to ensure internet access all though out Bangladesh, there is still a long way to go. However, the best part is with this access the online community is also growing bit by bit.
Daraz is a medium for sellers and buyers where the vendors get to display their products and buyers get the opportunity to get everything at once. It is an online B2C kind of offering and this business model seems to have taken a positive view from the customers’ side. By adding more sellers to the website, Daraz is focused to increase its customer range even more. It is a place where the buyers can find vendors easily and choose from a large selection of products. There are eleven broad categories of products available at Daraz now and these are:

1. Fashion products
2. Phones & Tablets
3. Sports & Travel
4. TV, Audio & Camera
5. Computing and Gaming
6. Home & Living
7. Baby, Kids and Toys
8. Beauty & Health
9. Appliances
10. Grocer’s shop
11. Tours & Travel

These categories are constantly being modified to meet the customer demand. Moreover, the grocery items have been added very recently in the mid of 2017 and has seen a big success in the Bangladeshi market. Daraz always tries to make the buyers feel as comfortable as possible and tries to make the system as convenient as they can. For example, there are many payment options from which buyers can choose their preferred method such as, Bkash payment, card payment etc. Daraz also have a 7 days product return policy from which customers can even get cash back offers.
3.2 Parent organization – Rocket Internet

Started in 2007, Rocket Internet is a company based on Germany which has expanded its businesses all around the world. This organization is known for investing in business ideas and most of these plans come from developed countries and the company then explores those designs by implementing them in developing countries. Rocket Internet takes after the technique of building organizations on the premise of demonstrated internet based plans of action. As indicated by Rocket Internet’s budgetary articulations the organization particularly focuses on some known categories such as, groceries, fashion, food, travel and general merchandising. Notwithstanding the organizations in the five business divisions, Rocket Internet claims stakes in firms at different development stages, running from as of late propelled models to organizations that are building up authority positions or as yet extending their own reach. Some of the famous companies of Rocket Internet are:

- Delivery Hero
- Easy Taxi
- Jumia
- Lazada
- Hellofresh
- Lamoda

With the slogan “We build companies” this organization has parented over hundreds of companies. In just the 10 years this company has ventures in over 50 nations. Rocket Internet is a venture capital and e-commerce retailing company. As Bangladesh is a developing nation it is also an interest for this company to explore and some businesses has already been established by Rocket Internet here as well. Our country has caught on to the online trend pretty quickly and the market has been growing ever since, so this organization has invested in many ventures here. Some examples of that can be:

- Food Panda – E-commerce Food Store
- Carmudi – E-commerce Car Store
- Daraz – E-commerce Marketplace
- Lamudi – E-commerce Real State
- Jovago – E-commerce Hotel Booking
- Everjobs – E-commerce Job Site

Ventures of Rocket Internet

3.3 Vision
For Daraz Bangladesh the vision is- “To be the number one marketplace by offering top quality services to all of our sellers and customers”
3.4 Mission
The mission of Daraz is: To spread all over Bangladesh and gain highest market share in the e-commerce sector, make all the necessities available to customers and find the best sellers around the country to showcase their products in the Daraz website.

3.5 Objective
There are some objectives which need to be followed in order to achieve the mission and vision. Daraz Bangladesh also focuses on many goals to achieve its full potential and these objectives are:

- Ensure a great experience for the buyers while flourishing our business by working closely with the sellers
- Daraz will focus on gaining the market by creating loyal customers by providing the biggest selection of different items in lowest price
- By fulfilling the orders effectively and efficiently, customer experience will be improved
- Different support services will be designed to help the sellers grow with Daraz
- Effective recruitment, training, retention and coaching will be done to achieve the mission of Daraz and create valuable resources for the company
- Building an effective culture for the company where the employees get the opportunity to grow and contribute to the company
- Along with the company, helping the growth to the e-commerce industry of Bangladesh by setting the trend for the market

3.6 Daraz Bangladesh Hierarchy Organogram
From the beginning of the journey on 2015, Daraz Bangladesh has grown a lot since then. For the last two years, the company has expended a lot. Recently 19 hubs outside of Dhaka city have been established as well as increasing the number of offices inside Dhaka city. Daraz also welcomed a lot of sellers onboard since they came to Bangladesh. As the operations are growing, the organogram is also becoming complex. A simple hierarchy description is shown in the figure below:
Contingent upon the size, each association requires some sort of progressive structure to mitigate the operation appropriately. In absence of the correct authoritative strategies it turns out to be really hard for the association to actualize operational procedures and accomplish the objectives. Being a multinational association and to manage its operation effortlessly Daraz has some dedicated division with the right kind of people. The major departments of Daraz Bangladesh are listed underneath:

- Administration
- Business Development
- Customer Service
- Commercial
• Category Management
• Graphics and Design
• Human Resources
• Information Technology
• Issue & Resolution
• Finance
• Operations
• Onsite and Content Management
• Sales Management
• Marketing
• Public Relation

Daraz Bangladesh Departments

3.8 Outline of HR Department
We have a very small team in HR. There are 5 members in the HR team. We have our head of HR, a senior executive, 2 HR interns and I joined as a management trainee. This is the first time in Daraz they started their Daraz Future Leadership Program, I was lucky enough to join as a Management Trainee out of 5 of them. The HR department deals with all the recruitments, payroll, career fests, managing internal issues of the employees, social media activities, appraisal process, etc.
Schemes

• Gratuity Scheme
• 182 days Maternity Leave
• 15 days Annual Leave
• 10 days sick leave
• 5 days casual leave
• Gender equality employment
• Overtime payments during campaigns
4. Job Description and Observation

4.1 Description of the job
Since I joined as a management trainee, I will be rotating across 3 departments within 18 months, first 6 months I am assigned in the HR department. I have been assigned with a project to complete within these 6 months. My work location is in Banani Kamal Ataturk Avenue, which is the head office of Daraz. My working hour is 9:30am to 6:30pm.

My project is basically (1) Implementation of DFLP Training Plan: by managing internal stakeholders (i.e. Trainers, HoD's, CEO's) through means of weekly checklists. Ensuring that all stakeholders are clear on training/coaching/guidance & execute their assigned part before deadline. (2) Build a quarterly HR Scorecard which tracks main HR metrics (job t/o, average salary, average promotion/dismissal, trainings followed, etc). Along with working for my project I also worked for the day to day activities of the HR department.

4.2 Key Responsibilities
- Creating personal files of employees.
- Input of employee’s data in the HR software named Zoho.
- Arranging interviews for different departments.
- Taking part while taking the interviews.
- Doing interview phone calls for inviting candidates for interviews.
- Helped for all the ongoing recruitments by collecting CVs from Bdjobs, career fests and internal sources like Facebook job vacancy groups and LinkedIn.
- Responsible for updating all social media activities related to HR, Daraz Future Leadership Program, Organizational event, Career Fests, Employee Birthday events, Organizational Outings, etc.
- Was responsible for arranging Career Fest in Bangladesh University of Professional and participated in that event and collected around 150 CVs.
- Responsible for working in the back process of arranging Career Fests by making sure that all posters and X banners are done with correct designs and ready on time.
- Responsible for arranging internal training for the employees.
- Responsible for arranging external and internal trainings for the management trainees.
- Maintaining a leave tracker to keep a track of the leaves employees are taking and keep on updating that from time to time.

- Working as a team leader in the Appraisal Process of December’17 by making sure all the employees does their appraisal on time and the process goes as smoothly as possible.

### 4.3 Challenges and Experience

The challenges that I faced during these 3 months was lack of people in the HR department. When I joined there were only 3 people in the HR department. After 1 month, we took 2 interns. It is very difficult to maintain the HR responsibilities of a huge company of 600 plus employees with a team of 5 people only. Also in our team, there are lack of experienced people in our team. Because I joined only 3 months ago and the two interns joined only two months ago. So, we 3 are still learning about the department and the organization.

My time at Daraz has taught me a lot of things including how to adjust to the office environment and deal with stress. I had to learn and work on a specific project in this time period. This project has taught me to organize the process of work, make decisions about various activities and deal with different set of people. Monitoring the workers as if they were following the guidelines turned out to be more challenging than actually planning for the work. Moreover, my experience has taught me how modifications need to be done after launching any new policies.

### 4.4 Observations

My time in Daraz, that I have spent in the HR department till now, what I have observed is that things here goes in a bit unorganized way which makes tasks more difficult. Moreover, most of the decisions here are taken at last moment which destroys the efficiency of that work. Also, the space for keeping the employee files and other important and confidential HR documents are not enough. As a result, important and confidential documents of HR might get lost.
5. The Appraisal Process of Daraz Bangladesh

Appraisal Process

- Self-Appraisal
- Manager Appraisal
- Department Committee Session
- MD Committee Session
- Feedback Session

1. **Employee Self-appraisal** - Employees appraise their own performance based on values, skillsets and goal performance.

2. **Managers appraisal** - Team managers appraise the performance of their employees based on the self-appraisal (values, skillsets, goal performance).

3. **Department Committee** - Department managers review & discuss the appraisal outcomes based on scores, identify the low, medium and high performers across the department and new employee goals.

4. **MD Committee** - Final review of appraisal outcomes at department level and for department-level managers.

5. **Appraisal meeting** - Team Managers have session with Employees with final outcome.

**Reviewed & Renewed Daraz values:**

1. **Customer Commitment** - We believe in giving the best to our customers, sellers and society.

2. **Teamwork** - We think as a team, work as a team and grow as a team. The power of our team allows ordinary people to achieve extra-ordinary things.

3. **Embrace Change** - We embrace change and anticipate fast. Change is growth, and growth is what drives us every day.
4. **Integrity** - We treat our partners and each other with mutual respect and work for mutual benefit. We expect the highest standards of honesty and deliver our commitments.

5. **Ownership** - We know our priorities, and when we do something, we do it with focus and perseverance.

The process starts with a clear self-appraisal, which requires all employees to score themselves and motivate their performance score.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Sub-dimension</th>
<th>Description</th>
<th>Employee to motivate performance:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daraz Values</td>
<td>Customer Commitment</td>
<td>We believe in giving the best to our customers, sellers and society.</td>
<td>• Self rate on a scale of 1 (very poor) – 5 (outstanding) performance</td>
</tr>
<tr>
<td></td>
<td>Teamwork</td>
<td>We think as a team, work as a team and grow as a team. The power of our team allows ordinary people to achieve extra-ordinary things.</td>
<td>• Score assigned should accurately reflect the performance which needs to be motivated with specific examples/scenario’s</td>
</tr>
</tbody>
</table>
|                 | Embrace Change             | We embrace change and anticipate fast. Change is growth, and growth is what drives us every day. | • In comment box, mention specific:  
  • Scenario’s  
  • Projects  
  • Incidents  
  • Other examples |
|                 | Integrity                  | We treat our partners and each other with mutual respect and work for mutual benefit. We expect the highest standards of honesty and deliver our commitments. |                                    |
|                 | Ownership                  | We know our priorities, and when we do something, we do it with focus and perseverance. |                                    |
| Skillsets       | Engagement                 | “Can do spirit”, initiative, pro-activity & communication”.                 |                                    |
|                 | Execution                  | “Reliability, efficiency, rigorousness”                                     |                                    |
|                 | Problem solving            | “Analysis, creativity, structure”                                           |                                    |
|                 | Leadership                 | “Collaboration, coaching & mentorship, team management”                      |                                    |
| Goals           | Goal 1 & 2                 | Goals formulated according to SMART principle                               | • Self rate on a scale of 1-5  
  • Extend to which goal has been achieved |

Secondly the managers are required to evaluate the self-appraisal, assign new goals and submit overall comments in the appraisal form.

Step 1: Evaluate employee self-appraisal

- Read the self-appraisal comments
- Determine whether you can identify yourself with these comments
- Determine whether you agree with self-appraisal score

Step 2: Fill the appraisal form

- Assign a score of 1: very poor- 5: outstanding performance for each of the three parameters-values, skill set and goals.
• Give specific examples, scenarios, incidents.

• The scores should reflect the examples.

Step 3: Assign new goals

• Assign at least 2 new goals for your employees for the next 6 months.

• The goals should follow the SMART principle – Specific, Measurable, Assignable, Realistic, Time-bound

Step 4: Overall comments

• Give your comments for the overall performance of your employee for the period July to December.
The scores will guide managers for the appraisal outcome. However, the final outcome will not be dependent on absolute scores.
Once all appraisals forms have been finalized, all department heads & department managers will meet to analyze the appraisal data

Overview Department Committee

Attendees

- Department head (e.g. CMO)
- Department level managers (e.g. Head of Marketing Communications)
- HR representative

Checklist

- All managers must have completed the appraisal form and filled in new goals for all their employees prior to this meeting.
- HR to have appraisal reports (scores and comments) for each department.

Agenda

- Analyze the appraisal data provided by HR.
- Identify the outliers (appraisal recommendation does not match the HODs comments) and make adjustments for the outcome.
- Align on the goals set for the employees – goals should be in line with the departmental strategy.

Outcome

- Appraisal outcome decided for each employee (promotions, salary increase, dismissals, goals, payroll impact) – can be overridden in the MD Committee session.

The CEOs and country MDs will review the appraisal outcome per department to ensure there is a balance between them
Overview MD Committee

Attendees

- Country Managing Director
- Department heads (e.g. CCO, COO, CFO)
- HR representative

Checklist

HR to have consolidated appraisal data for all departments.

- Summary of appraisal data
- Summary of payroll impact
- Top, average and low performers.

Agenda

- Review the appraisal outcome (promotions, salary increase, dismissals) and payroll impact of each department side by side.
- MD and CEOs to make adjustments where required to ensure a balance between departments.
- Review and agree on the appraisal outcome for the management team, and their goals.
- Review top performing employees and align on benefits/rewards for them.

Outcome

- Finalized appraisal outcome for each employee and the overall payroll impact for the entire organization
- Decide on rewards/special projects for top performers
The appraisal outcome and the overall payroll impact for each department will be analyzed side by side and adjustments made for any outlier.

<table>
<thead>
<tr>
<th>% OF PROMOTIONS</th>
<th>% OF SALARY INCREASE, NO PROMOTION</th>
<th>% DISMISSALS</th>
<th>% INCREASE IN SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>60%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>19%</td>
<td>48%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>13%</td>
<td>40%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>15%</td>
<td>47%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>9%</td>
<td>35%</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>17%</td>
<td>51%</td>
<td>16%</td>
<td>4%</td>
</tr>
</tbody>
</table>

The overall appraisal outcome for the organization will be reviewed to see the appraisal impact for the organization.
Within departments, manager’s scores will be adjusted and normalized based on comparative team scores to account for external factors (relationship with managers and department size)

![Score Distribution by Department](image)

### # Department members in Top 20%

<table>
<thead>
<tr>
<th>Department</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vops</td>
<td>1</td>
</tr>
<tr>
<td>VM</td>
<td>1</td>
</tr>
<tr>
<td>Mkt</td>
<td>5</td>
</tr>
<tr>
<td>CS</td>
<td>1</td>
</tr>
<tr>
<td>Finance</td>
<td>0</td>
</tr>
<tr>
<td>Ops</td>
<td>0</td>
</tr>
</tbody>
</table>
The problem:

- Differences in manager standards / expectations creates vast differences in average performance between teams
- If unadjusted scores used to grade performance, resources will be unevenly allocated to already-high performing departments
- If managers know resource allocation are done on this basis, this may push all scores upwards

The solution:

- Normalize scores based on comparative averages in department
- Apply weights to Adjusted Score & Managers Score

Based on the scores, HR will categorize all employees as top, average and low performers using the bell curve department wise as well as organization wide.

- Define overall performance
• Any department with either too high or too low top and low performers will be reviewed and adjusted.

The MD committee will also compare the performers for all departments as part of having balance between departments.

<table>
<thead>
<tr>
<th>PERFORMERS</th>
<th>Marketing</th>
<th>Commercial</th>
<th>HR</th>
<th>Finance</th>
<th>Operations</th>
<th>Customer Service</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW PERFORMERS</td>
<td>20%</td>
<td>10%</td>
<td>12%</td>
<td>20%</td>
<td>10%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>AVERAGE PERFORMERS</td>
<td>45%</td>
<td>55%</td>
<td>32%</td>
<td>45%</td>
<td>55%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>HIGH PERFORMERS</td>
<td>65%</td>
<td>65%</td>
<td>70%</td>
<td>70%</td>
<td>68%</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

The top, average and low performers for the entire organization will be reviewed to analyze the quality and competency of our employees.
Once the appraisal outcome is decided, managers will have an appraisal meeting with all employees to discuss the feedback and performance of employees.

**Overview**

**Objectives**

- Provide guidance to employees which in turns leads to more employee confidence & competence.
- Ensure that performance is aligned with company values, skillsets & goals assigned, and discuss ways to improve performance.
- Discuss new goals for the coming 6 months
- Process the correct salary increments which is in line with employee performance

**TIPS:**

1. Let employees know your observations about specific behavior without judging the intent of the person.
2. Let employees know the impact of the behavior – how it is affecting the team and business.
3. Discuss constructive feedback while taking the employee’s suggestions into consideration.
Who gives & receives

- **MD**
- **Department heads** (e.g. COO)
- **Department Managers** (e.g. Head of Logistics)
- **Department Team Leaders** (E.g. Head of Inbound CS)
- **Department employees** (E.g. Vendor Manager – Phones)
It is imperative that any appraisal outcome or feedback is communicated well to employees

1. **Listen!** - Start with asking employees about their experience over the last 6 months in terms of their performance, what they could have done better
   - Focus on what and how rather than why
   - Your employee will be less defensive if they are asked

2. **Two-way appraisal**
   Ask the employee for feedback about yourself and how they feel about their relationship with you.
   - This will help managers to better train and develop the employees
   - Develops a strong culture of communication and prevents negative attitude towards management

3. **Feedback performance**
   Give feedback on their performance pertaining to values, skillset and goals - what they did was right and what they could improve on
   - Focus on what and how rather than why
   - Your employee will be less defensive if they are asked

4. **Convey outcome**
   - Convey the outcome of the appraisal

5. **Set new challenge**
   Discuss the goals for the next 6 months including how these goals tie in with the strategic vision for the department.
   - Take into account their views for the goals – goals which are set without consultation are not readily accepted
6. **My Responsibilities in Appraisal Process**

6.1 **Uploading employee data in zoho**
The first step of the appraisal was to upload information of employees in zoho which is a HR software where we will be doing our appraisal December’17. So, this time in total 362 employees are eligible for appraisal. I uploaded information of 362 employees in the software. For uploading information for an employee in the software, three things are mandatory first name, last name and an official email address. So, at 1st from the database of employees, I separated this 3 information of 362 employees. And then uploaded those information in the software for our appraisal purpose.

6.2 **Making Organograms for each department**
After uploading information of 362 employees in the software, I started making organograms for each department. For making the organograms, I sat with the head of each department and got cleared who report to whom in their teams. After that I made organograms for each department. Below I am showing screenshot of part of the commercial organogram to show after making the organograms it became very crystal clear who report to whom.

<table>
<thead>
<tr>
<th>A</th>
<th>C</th>
<th>E</th>
<th>G</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category Type</td>
<td>Consumer Electronics/Home &amp; Living</td>
<td>Baby&amp;Kids &amp; Toys</td>
<td>Women's Fashion</td>
<td>Men's Fashion</td>
</tr>
<tr>
<td>Category Head</td>
<td>Zeeshan Sultan</td>
<td>Asif Arjum Ayon</td>
<td>Sarjeel Ahmed</td>
<td>Noor Jahan Juvee</td>
</tr>
<tr>
<td>Sub-Category</td>
<td>Consumer Electronics</td>
<td>Home&amp;Living</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>Asif Zakaria</td>
<td>Rakib Hasan</td>
<td>Zayed Karim</td>
<td>Jubair Hossain</td>
</tr>
</tbody>
</table>

6.3 **Correcting the reporting line in zoho**
After the organograms were ready, I started correcting the reporting line in zoho by taking information from the organograms. Because in the organograms it is clearly shown who report to whom. We are doing our appraisal in a HR software named zoho where I have to correct the reporting line for each employee who are eligible for appraisal. Below I am giving screenshots
from the software to show how I have corrected the reporting line for the employees eligible for appraisal and how it shows after the reporting line has been corrected.
6.4 Coordinating with the Head of the Departments for setting the SMART KPIs for their subordinates

According to our Appraisal process, each head of the department has to set at least 2 SMART KPIs for the other team’s members of their team. My responsibility is to coordinate with them and make sure they are uploading the SMART KPIs within the deadline. These SMART KPIs has been set for the employees which they are going to follow for the next 6 months. And whether they are fulfilling their KPI properly or not, it will have effect on their next appraisal.
6.5 Making HR Checklist
Giving screenshot of the part of the checklist below. The checklist has been made to make clear all the deadlines for the sessions.

6.6 Making Appraisal Template
Giving screenshot of the part of the template below. The Appraisal Template is for having all the scores, comments, recommendations, salary increase details, reward allocation, etc. All the calculations will be done in this template.
7. Research Background

7.1 Origin of the Report
The purpose of this report is to fulfill the requirement for completing the internship program. From the three-month period of my internship at Daraz Bangladesh and under the supervision of Kamal Hossain, this report has been prepared.

7.2 Objective of the Study
   - General Objective
     As a requirement to complete the graduation of Bachelor of Business Administration program of BRAC University this report has been created and this is the general intention for it as per policy of the university.
   - Specific Objectives
     - To analyze present performance appraisal system of Daraz Bangladesh
     - To identify any shortcoming in the performance appraisal system of this organization.
     - To recommend ways to improve the performance appraisal system.

7.3 Scope of the Study
The scope of the study is basically limited to the analysis of the present performance appraisal system of Daraz, Bangladesh and to the analysis of the strengths and weaknesses of the system to recommend best practices for Daraz. Moreover, this study was conducted only at corporate office of Daraz so it does not cover our operations in Tejgaon and offices outside Dhaka.

7.4 Significance of the Study
By doing this research I have gained some potential information of the appraisal process and what can be done to make the process better. This report has the potentiality to help the organization to know about the pros and cons about their Performance Appraisal System. Again, based on the results it will be helping the organization by giving some recommendations. Furthermore, the paper has been focused on the Evaluation of the Appraisal Process of Daraz Bangladesh. The company can also have the clear idea about what the employees think about the Appraisal Process of the organization.
7.5 Methodology
7.5.1 Type of research
The project falls in the category of exploratory and descriptive research, i.e., a research designed to evaluate the performance appraisal system of Daraz, Bangladesh. This applies to the research part. Prior to that, the organizational part is helpful for the clear understanding of the existing position of Daraz, Bangladesh, Limited and also serves the purpose of the exploratory research.

7.5.2 Basic Research Method
The basic research method in this is based on the empirical review method. In that the website information were the major sources of secondary data. Alongside, the discussion with the concerned managers/employees (primary data) provided the additional information and helped in clear understanding.

7.5.3 Sources and Method of Data Collection
To carry out the research study, data has been collected both from primary and secondary sources.

Primary Data

Primary data have been collected as follows:

Structured Questionnaire
Keeping the problem statement- “Evaluation of Performance Appraisal System At Daraz, Bangladesh” in view, a number of questions in the form of checklist had been formulated. The checklist had been the main tool for relevant question to the primary data sources to formulate the operational definition of problem statement and precisely find out the area of study. Single questionnaire is formed for managers and officers/executives (questionnaire is shown in Appendix A) and it is designed in such a way so that all important elements of the performance appraisal system can be covered by it. After questionnaire formulation, a comprehensive and deliberate discussion was conducted and necessary adjustments were made. Pretest for screening of the questionnaire (to investigate things as difficulties with question wording, problems with leading questions and bias due to order) has been carried out. After pretest, the final questionnaire has been prepared.
Face to Face Interview
The primary source also includes unstructured interview with Head of HR and Senior Executive of HR. They were asked several open-ended questions on various aspects of the performance appraisal system to know about the system.

Observing the Ongoing Process
Observing the ongoing performance appraisal system as a Management Trainee at Daraz Bangladesh, has been a useful source of information to write this paper.

Secondary Data
Secondary data have been gathered from followings:

Annual Reports and Other Publications
Annual reports and other publications were the main sources of secondary information.

Internet Websites
Websites of Daraz, Bangladesh Limited were explored to obtain relevant information about the organization.

7.5.4 Sampling Plan
Sampling is prepared for the purpose of this research is specified subsequently:

Target Population
The target population included in the research is the personnel who had gone under some performance appraisal process at corporate office of Daraz Bangladesh Limited.

Sample Type
Nonprobability, convenience and judgmental sampling have been used. This has been done in congruence with the objective of the study. Total population has been divided into strata for example- managers and officers/executives. Again, for each stratum respondent has been selected on convenience and judgmental method.

Sample Size
Daraz- 5 Managers 10 Officers/Executives

Samples Selection
Samples were selected from all the strata as spelt before. Besides, HR people respondents were selected from all functional departments of the company.
7.6 Limitations of The Study
Followings are the limitations of the study

1. Due to time constraint, I could not make the report a more detailed one.

2. Lack of previous literature and scarcity of other secondary information.

3. Study on performance appraisal system needs lot of fieldwork which involved huge cost so lack of fund was also one of the major limitations.

4. Respondent’s unwillingness/ hesitation on providing confidential information. They felt they are leaking out some information, which they are not supposed to.

5. Most of the respondents were not conversant with the whole system of the performance appraisal system.
8. Findings and Analysis

8.1 Analysis and Interpretation of Collected Data from Respondents

8.1.1 Determination of Appropriate Respondent (Question no-1 of Appendix- A)
Findings: Daraz Bangladesh use formal appraisal to appraise their employee performance.

Interpretation: Every respondent was either a rater or ratee.

8.1.2 Determination of Objectives of Performance Appraisal System (Question no-2 of Appendix-A)
Findings: Performance Appraisal is directly linked with facilitate promotion, transfer and termination decisions and indirectly linked with identification of training and development needs, reward allocation, to improve employee quality, motivation strategy.

Interpretation: Most of the employees feel that the organization’s main objective of this appraisal process is to facilitate promotion, transfer and termination decisions. Because after the appraisal
process, many employees get terminated because of their poor performance and many get promotions or get transferred to other departments. But no trainings are initiated for the poor performers.

8.1.3 Determination of who are Related with Appraising system (Question no- 3 of Appendix-A)

**Objective:** To find out who are related with appraising system.

**Findings:** The immediate superiors only do the rating and there is no provision of rating by the peers or subordinates. Also, the employees do their self-Appraisal.

**Interpretation:** To maintain good communication between immediate superior and subordinates Daraz confined their appraising system within it. As immediate superior and subordinates both effort for achieving organizational and personal goals are interrelated.

8.1.4 Need for Continuous Performance Review Over the Year (Question no- 4 of Appendix-A)

**Objective:** To determine the frequency of the Performance appraisal in the organization in an evaluation period.

**Findings:** 96% of the respondents said Performance Appraisal take place in Daraz Bangladesh twice in a year.

**Interpretation:** In Daraz Bangladesh, performance appraisal takes place every six months, but there are some special schemes for which the performance appraisal does not take place every six
months like the other employees. For example, for the Management Trainee Scheme, performance will be reviewed after 18 months on completion of the trainee period successfully.

8.1.5 Determination of challenges faced during the time of appraising performance (Question no-5 of Appendix-A)

Objective: To find out the drawbacks of Appraising System

Findings: Percentage of findings are shown in the bar chart below

![Challenges faced during the time of appraising performance](image)

Interpretation: From the results it seems that the employees are facing problems regarding understanding the appraisal process and in other comments the employees specified that they are facing problems regarding the software like they cannot view the appraisal form in the software and also once they completed their appraisal, they could not have found their record again.

8.1.6 How can problems be solved regarding the Appraisal (Question no-6 of Appendix-A)

Objectives: To get employee’s point of view how can problems be solved regarding the confusions arising during doing the performance Appraisal

Findings: The percentage of findings are given in the chart below
Interpretation: Most of the employees feel that right tool is not used for doing the appraisal. That means the software that is been used for doing the appraisal, is not user friendly. Also, most of the employees feel that the appraisal process is very critical and they need proper training for understanding it. The training given to them right now is not enough.

8.1.7 Assessing the effectiveness of Performance Appraisal (Question no-7 of Appendix-A)

Objective: To identify the effectiveness of performance appraisal system for example whether the employees are satisfied or not and whether this is motivating them to work hard.

Findings: The percentage of findings are shown in the chart below
**Interpretation:** 50% of the respondents strongly agreed and 20% agreed that performance appraisal does not motivate them to work harder. This means that they do not believe in the transparency of this system and feel that unfair treatment is done with the employees as a result maximum employee specially the mid-level employees gave this response. Only 30% of the top-level employees agreed that performance appraisal motivates them to work harder this means that may be fair judgement is done with the top-level employees only.

**8.1.8 The Authenticity of the Appraisal System (Question no-8 of Appendix-A)**

**Objective:** To find out how authentic the Appraisal Process is

**Findings:** The percentage of findings are shown in the table below

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>10%</td>
</tr>
<tr>
<td>Disagree</td>
<td>20%</td>
</tr>
<tr>
<td>Undecided</td>
<td>30%</td>
</tr>
<tr>
<td>Agree</td>
<td>20%</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Interpretation:** It has been found that most of the executive level employees feel that their boss can rate them according to their wish and even if there is any injustice in that rating, they cannot do anything about that. On the other hand, only few management level employees feel that their appraisal does not only depend on their boss’s review, and if there is any injustice done with the rating, they can fix it proofs and justifications.

**8.1.9 Necessity of Performance Appraisal (Question no-9 of Appendix-A)**

**Objective:** To find out the employee perception regarding the level of importance of Performance Appraisal at Daraz Bangladesh

**Findings:** The mid-level employees feel that the performance appraisal is not that much important because they feel that the increments are decided previously and fair judgment is not done with
them. On the other hand, the top-level employees feel that performance appraisal is very necessary and can play effective role to improve business condition.

**Interpretation:** The mid-level employees are not that much interested in the performance appraisal because they feel like injustice has done with them previously, which made them lose their faith in this system. On the other hand, the top-level employees feel very positive about the process.

### 8.1.10 Awareness of Performance Appraisal System (Question no-10 of Appendix-A)

**Objective:** To find out whether the employees are well aware about the tools and techniques of the Performance Appraisal System

**Findings:** At managerial level the employees are pretty much clear about the process, but at the executive level, the employees sometimes face confusions while doing their self-appraisal.

**Interpretation:** HR need to communicate more directly with the executive level employees to make the process of self-appraisal completely clear for them so that they do not face any problem while completing their self-appraisal.

### 8.1.11 Main strengths of the performance appraisal system (Question no-11of Appendix-A)

**Objective:** To find out the main strengths of the Appraisal system

**Findings:** The percentage of findings are given in the chart below
Interpretation: Most of the employees feel that from previous appraisal outcomes, appraisal results have helped to identify achievements of the employees who have worked outstanding but it has very less contribution for identifying deficiencies and provide valid ground for determining incentives.

8.1.12 Identify poor performers (Question no-12 of Appendix-A)

Objective: To find out what can be done with the poor performers

Findings: The percentage of findings are shown in the table below
**Interpretation:** From the response of the respondents it can be found that most of the poor performers lose their jobs after the appraisal. Also, it was found that the company is very less interested to give trainings to the poor performers or shifting them in another department.
9. Conclusion & Recommendation - Implementation Plan

9.1 Conclusion
Performance appraisal is a human resource management process by which the organizations determine how effectively the employees are performing the job. It takes place primarily for managerial employees with a view to identifying weakness and strengths as well as opportunities for improvement and skills development. It is very difficult to give a complete remark after conducting a research within such a limited time frame. However, with the survey analysis it can be said that, the appraisal system of Daraz Bangladesh Limited is a modern process but not so well worked in the organization as a result lot of improvements need to be done in the process. There is a mixed feeling existing in the organization, the managerial level employees feel the system is good enough whereas the executive level employees feel that the system need a lot of improvements. The gray areas of the system are identified in the research, if taken care, the system will be a defensible one and people of Daraz will be more satisfied ultimately and will contribute better in achieving the corporate goals. Many of the problems about the performance appraisal system are known to senior management. They are consciously thinking of making some change in the software used for doing the performance appraisal and for making the process easier so that the employees well understand the process. The change will be incorporated by the upcoming few years.

9.2 Recommendations and Implementation Plan
Based on the findings and the conclusions drawn, I may put forward some recommendations that are given below

1) 360-degree Appraisal Process can be used instead of 180-degree Appraisal Process.

Implementation Plan: Right now, the Appraisal Process used by Daraz Bangladesh is a 180-degree Appraisal Process where the employees can do their self-appraisal and their immediate supervisor does their self-appraisal. Along with that, if they start doing the process where the subordinates can appraise their immediate supervisor and colleagues can appraise their colleagues at that time it would have become a perfect 360-degree appraisal process which will reduce any biasedness and will make the process more transparent.
2) **The software used for the Appraisal Process is very inefficient and not user friendly.**

**Implementation Plan:** Daraz Bangladesh should think of a new software for the appraisal process. The current software being used is very inefficient. Sometimes the employees cannot find their form in the software, sometimes the comments made in the appraisal form gets lost because of word limitations in the software and many more challenges the employees had to face while doing the appraisal in the software which made the life of the employees more difficult.

3) **The employees have lack of understanding of the Appraisal Process**

**Implementation Plan:** The process can be made less critical and divide into small parts while communicating with the employees. More training sessions should be conducted by HR for the employees of the organization so that they understand the process in a well manner and do not face any difficulties or challenges while doing the appraisal.

4) **Need for more transparency and equality in the Appraisal Process**

**Implementation Plan:** The top management should ensure the fact that the managers who are doing their team member’s appraisal, should not be biased and should do fair and right judgement. Also, should ensure the fact that any manager should not rate their team member on the basis of any personal grudge. They should only rate their subordinates based on professional activities.

5) **Make the executive level employees believe and trust in the Appraisal Process.**

**Implementation Plan:** The top management should make sure that not only the managerial level employees are happy and satisfied with result of the appraisal but the executive level employees should also be happy and motivated. They should make sure that the employees who are working hard are getting what they deserve so that they get more motivated and become an asset for the organization.
References


Appendix-A
Questionnaire

Evaluation of Performance Appraisal System At "Daraz Bangladesh"

Dear Respondent, I am a student of BRAC Business School with major in HR. I am conducting this survey for the purpose of fulfilling my internship report based on “Evaluation of Performance Appraisal System At "Daraz Bangladesh”

This questionnaire is part of my academic requirement and will be only used for academic purpose. So, my request is to get all kind of assistance from you to prepare my report. I am assuring you that all the information and feedback provided by you will be kept completely confidential, and will be used only for this report purpose. No information will be disclosed/published without your permission.

1) Is your performance appraised through formal performance appraisal tool?
   - Yes
   - No

2) Objectives of performance appraisal system. You can put tick marks for more than one option.
   - Reward allocation
   - Identification of training and development needs
   - Facilitate promotion, transfer and termination
   - To improve employee quality
   - Motivation strategy

3) Who evaluates your performance? You can put tick marks for more than one option.
   - Immediate supervisor
   - Peer
   - Rating Committee
   - Self
   - Subordinates
4) How frequently are you evaluated?
   - Weekly
   - Monthly
   - Quarterly
   - Twice in a year

5) Do you face any challenges during the time of appraising performance? If yes, then which of the following, you can put tick marks for more than one option.
   - Setting SMART goals for subordinates
   - Having vague knowledge about appraisal system
   - Lacking proper training
   - Lacking knowledge about subordinate
   - Others
   - No Challenge

6) How could you overcome these problems?
   - Understanding the potential problems and trying to solve it by discussion with employees
   - Having proper training
   - Using right tool
   - Others

7) "My boss can give me any rating he/she wants and there is hardly anything I can do"
   - Strongly Disagree
   - Disagree
   - Undecided
   - Agree
   - Strongly Agree
8) “The performance appraisal system motivates people to work hard”
   - Strongly Disagree
   - Disagree
   - Undecided
   - Agree
   - Strongly Agree

9) Do you think performance appraisal plays an effective role improving your company’s employee performance?
   - Strongly Disagree
   - Disagree
   - Undecided
   - Agree
   - Strongly Agree

10) Does your superior or anybody from the management explain you in detail about the organization’s performance appraisal system? If yes, then how?

   Ans:

11) In your opinion what are the main strengths of the performance appraisal system of your organization?
   - Help to identify deficiencies
   - Provide valid ground for determining incentives
   - Help to identify achievements

12) What do you do when you identify poor performers? You can put tick marks for more than one option.
   - Provide training for improving performance
   - Degrade from current position
   - Dismiss them from job
   - Reallocate the job

Department:

Designation: