

Report On  
The challenges in fair performance appraisal: A Study on  
Kuehne+Nagel Bangladesh

By  
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18104138

An internship report submitted to the Brac Business School in partial fulfillment of the  
requirements for the degree of  
Bachelor of Business Administration

Brac Business School  
Brac University  
October 2022

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

### **Student's Full Name & Signature:**

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**Nishat Subah**  
18104138

### **Supervisor's Full Name & Signature:**

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**Dr. Mohammad Enamul Hoque**  
Assistant Professor, Brac Business School  
Brac University

## **Letter of Transmittal**

Dr. Mohammad Enamul Hoque

Assistant Professor,

Brac Business School

Mahmudul Haq

Associate Professor,

Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report for course BUS400

Dear Sir,

With the utmost respect, I would like to state that my internship report on "Challenges in conducting fair performance appraisal in Kuehne+Nagel Bangladesh" has been completed. I did my best to put this report together under your direction using my knowledge and research.

I successfully completed a three-month internship; at that time, I learned a lot, honed my skills, and gained experience. I have described every aspect of my internship experience and information in my article in accordance with Brac University guidelines. I respectfully ask that you accept this as my internship report.

Sincerely yours,

Nishat Subah

18104138

BRAC Business School

19<sup>th</sup> October,2022

## **Non-Disclosure Agreement**

I hereby commit not to disclose any information concerning Kuehne+Nagel software data information, policies, or other sensitive data information that I learn about while working as an intern at Kuehne+Nagel Bangladesh.

Name: Nishat Subah

Joining date: 16 May 2022

Department: Sea logistics operational care

Signature

Nishat Subah

## **Executive Summary**

I have discussed my experiences working with Kuehne+Nagel Bangladesh, one of the top logistics companies in Bangladesh. Working with this company has allowed me to expand my experience. Additionally, because I worked in the operations department, I had the opportunity to see the working environment in real life and learn a great deal about logistics and operations.

Furthermore, I have given a thorough review of this global organization. The outline of Kuehne+Nagel Bangladesh was then given. I have also discussed this company's marketing, managerial, and financial strategies in this essay. SWOT analysis and Porter's five forces analysis are also included.

Finally, I chose a subject related to human resources management, which is my major. I chose the topic of difficulties in conducting fair performance reviews at Kuehne+Nagel Bangladesh. I have discussed the distinctions between a performance appraisal and a fair performance appraisal in this essay. I've also explained how this difficulty will affect the employees and how to fix it. After discussing my findings with others, I was able to tie them to earlier study papers. That's how I ultimately finished my research.

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# Chapter 1: Overview of Internship

## 1.1: Student Information:

Name: Nishat Subah

ID:18104138

Program: Brac Business School

Major/Specialization: Finance & Human Resources Management.

## 1.2: Internship Information:

Beginning date: 15<sup>th</sup> May 2022

Ending date: 15<sup>th</sup> November 2022

Company Name: Kuehne+ Nagel Limited

Department/Division: Sea freight Logistics operational care

Address: SKS Tower (Level 7), 7, VIP Road, Mohakhali, Dhaka- 1206, Bangladesh.

Email: [123@kuehne-nagel.com](mailto:123@kuehne-nagel.com)

Supervisor Name: Md. Masud Karim

Position: Sea Logistics operational Care manager

## 1.3: Job Responsibilities:

- Taking orders from Client and confirm the order
- Prepare schedule for the order
- Confirm vessel for the specific order
- Creates BL for the specific order according to invoice, packing list & BIL draft sent by shipper.
- Print & release BIL to shipper.
- Any other works assigned by my supervisor.

### **1.3: Internship outcomes:**

#### **1.3.1: Student contribution to the company:**

During my internship period I have work with everything as per my supervisor assigned. I have work with sea logistics operational care where I prepared schedule from advice sent from shipper. I have work with cost update where I have to put master and house cost and update it. Also, I have created BL and all process regarding making BL using their software CIEL Bangladesh and SALOG Bangladesh. Additionally, I have to work with Finops where I have to make local invoice. Additionally, I have to deal with shipper and solve their problem about BL.

#### **1.3.2: Benefits to the student:**

This internship helped me to gain professional knowledge. As a new comer in logistics, it helped to gain knowledge about shipping company, to know their policies and their work. Supply chain is a chain process and this internship helped me how these things work in real life. By doing internship in Kuehne+Nagel a student will acquire basic knowledge about logistics and can understand the business very well. In another word a student will gain knowledge about how to deal with customers which help them to learn a lot.

#### **1.3.3: Difficulties:**

An internship is needed to work on 360-degree rotation. During my internship period I have to work on only sea freight department in the organization. As there are more departments like finance & accounts, human resources management, air freight so working on every department can help an intern to gain more knowledge. This is one of the difficulties during my internship period. Moreover, there are more software like as ESP, OPS, ACON and I have to only work on CIEL and SALOG. There was no scope to know more about these software. Other difficulties where it took me long time to understand why I am making BL and others. There was no software training session for interns.

#### **1.3.4: Recommendations:**

There should be a 360-degree work rotation in the company for interns. Because it will help them to know more about the company and help them to understand everything quite well. Company must arrange a visit in ware house for interns and help them to see the cargo stuffing and other works in CFS. For interns some information is confidential in websites which was needed to write

academic paper. Company should open it for interns so that they can have enough knowledge for writing.

## **Chapter 2: Organization part**

### **2.1: Introduction:**

#### **2.1.1: Overview of freight forwarding:**



*Figure 1 Freight forwarding*

The international freight forwarding market is growing right now. International trade has the potential to boost a country's economy. Since the process is lengthy, those who work for freight forwarding firms must accomplish a large number of procedural activities. However, a freight forwarder can provide the assistance necessary to complete the task flawlessly and produce other shipping-related documentation. If a company wishes to import and export goods internationally, a freight forwarder is required. Freight forwarding is the act of moving goods using a vehicle, to put it simply. A warehouse and a transport company are two other companies that are connected to the freight forwarding sector. Freight forwarding comprises the strategic planning and implementation of logistics for the transnational transportation of goods for the advantage of shippers. Due to the increasing need for imports and exports across international markets, freight forwarding is a prominent player in world trade. The effective and inexpensive movement of goods

that are preserved in good condition throughout their voyages forms the basis of freight forwarding.

### **2.1.2: Freight forwarders job:**

A freight forwarder plans the logistics and makes sure everything is taken care of when transporting import and export items. Organizing packaging that is appropriate while considering factors such the climate, topography, weight, cost, and type of the commodities as well as delivery and storage of the goods at their final destination. To cut expenses or the negative effects on the environment, offer shipping recommendations. Keep up with relevant political and legal events as well as other matters that may have an effect on freight transportation. Send exporters to experts in industries including maritime insurance, global banking, export laws, global marketing, and trade financing. Environmental sustainability should be taken into consideration while deciding on the optimal packaging method for your items.

## **2.2: Overview of Kuehne+Nagel:**

### **2.2.1: History of Kuehne+Nagel:**



*Figure 2: Kuehne+Nagel*

Kuehne+Nagel was started as a shipping commission firm by Bremen acquaintances August Kuehne and Friedrich Nagel. It was initially used for combining freight and cotton. It began operating in the German port city of Hamburg in 1902. August and Friedrich's replacements as business partners were Alfred and Werner. Son of August Kuehne, Alfred Kuehne began enlarging

KN globally at the beginning of the 1950s. At that point, it began doing business in Canada and constructed satellite offices in Montreal and Toronto, Ontario. Klaus- Michael Kuehne, a third-generation member of the Kuehne family, joined the company in the middle of the 1960s and assisted in its global expansion, just like his father and grandfather had done before him.

### **2.2.2: Brief discussion about Kuehne+ Nagel:**

This business was founded in Bremen, Germany, in 1890 by August Kuehne and Friedrich Nagel. It is currently a growing industry. More than 76,000 people are employed by the Kuehne + Nagel Group, which currently has more than 1,300 operations spread across more than 100 countries. At first, it was largely concerned with combination freight and cotton. As of late, it has also offered tactical choices like hotel logistics and logistical support for humanitarian relief. Kuehne+Nagel Integrated Logistics is made up of the following divisions: 4PL Management, Vendor & Stock Control, Aftermarket Management, and Supply Chain Technology. The sole point of contact is Kuehne+Nagel Integrated Logistics, which has full operational accountability and a focus on supply-chain integration.

Both air freight and sea freight are handled by Kuehne+ Nagel. Kuehne+Nagel enjoys a dominant market position in the road logistics, contract logistics, marine freight, and air freight sectors with a clear focus on providing IT-based integrated logistics solutions. One of the largest logistics companies in the world, the Kuehne+Nagel Group employs more than 78,000 people across 1,400 locations in more than 100 countries. Kuehne+Nagel, with a revenue of CHF 36.699 billion in the fiscal year 2021, is rated 396th overall and 9th in Switzerland. As a result, the Fortune Global 500 list that Fortune magazine prepares each year now includes the Kuehne+Nagel Group for the first time.

### **2.2.3: Brief discussion about Kuehne+Nagel Bangladesh:**

Operating since 1997, Kuehne+Nagel Bangladesh. Both air freight and maritime freight are provided by Kuehne+Nagel Bangladesh in Bangladesh. It is an established freight forwarding business in Bangladesh due to its location there. In terms of air and marine freight, Kuehne+Nagel Bangladesh is the leader. In Bangladesh, it operates four warehouses: Summit Alliance Port, Esack Brothers, Shafi Motors Ltd., and Vertex Off-Dock Logistic Services Limited. Summit Alliance ports receive about 80% of the stuffing (SAPL). Located in Dhaka, Chittagong, and Mongla, respectively, Kuehne+Nagel Bangladesh operates its operations. The four most common types of

containers used by Kuehne+Nagel Bangladesh are 20G, 40G, 40HC, and 40HC (SUB). The majority of Kuehne+Nagel Bangladesh's shipments are FOB (free on board), meaning that Kuehne+Nagel's obligation stopped when the vessel sailed off. In the event of any incidence, Kuehne+Nagel disclaims all responsibility. Customers can receive services from Kuehne+Nagel Bangladesh. No ships are owned by Kuehne+Nagel Bangladesh. They need to work with a carrier for this, and Maersk Bangladesh is one of the main carriers for shipments made by Kuehne+Nagel in Bangladesh. One more carrier for Kuehne+Nagel Bangladesh is CMA. Dhaka, Chittagong, and Mongla are the three places where Kuehne+Nagel Bangladesh conducts business.

#### **2.2.4: Company profile of Kuehne+Nagel Bangladesh:**



*Figure 3: Management team of Kuehne+Nagel with guests*

Year: 1997

Business type: Service oriented freight forwarder

Managing Director: Tarun patwari.

Branches: Dhaka & Chittagong

Ware house: 4. SAPL, SML, Esack Brothers, Vertex.

Number of employees: 120

Provided service: Sea freight & Air freight.

Positioning: Number 1 in sea freight, number 2 in air freight.

Controlling region: Asia Pacific.

Address: 7, VIP road, SKS Tower, Level 7, Mohakhali, Dhaka Bangladesh.

#### **2.2.5: Objective of the company:**

The primary goal of any shipping company is to deliver goods to the worldwide. But there is also some specific objective of Kuehne+Nagel Bangladesh. They are giving below:

- Excellent levels of client service
- Achieve a balanced cargo flow to avoid empty return loss
- Develop a business and make domestic profits
- Delivery schedule
- Paperwork that is error-free, which helps to maintain a lot of order.

#### **2.2.6: Mission of Kuehne+Nagel Bangladesh:**

The strongest asset of the company is its logistics provider and vast network. The business concept of this company is the needs of its clients and offer an exceptional operation service with innovation and dedication.

#### **2.2.7: Vision of Kuehne+Nagel Bangladesh:**

The goal of a workable, sustainable solution is fulfilled by Kuehne + Nagel.

#### **2.2.8: Goal:**

- To develop leadership abilities and professional skills based on aptitude, personal goals, and organizational requirements.
- To protect the sustainability of the environment for future generations;
- To minimize as much as possible workplace risks to employee health and safety.

### **2.3: Management practices:**

The leadership style of the business of Kuehne+Nagel is autocratic in the worldwide where one person can take the decision and other people dependent on that person's decision. In the autocratic

management sometimes, the person takes some little inputs from other employees. But in Bangladesh the management style is decentralized. In this management style the decision-making power is assigned by top management to middle and lower level of manager. The objective of Kuehne+Nagel Bangladesh is to give an excellent level of client service. Most of the time middle to lower-level manager can look after that matter so they have enough idea that what should be changes. So, if it's needed for any decision-making process for employees always Kuehne+Nagel Bangladesh chooses decentralized management style.

### **2.3.1: Human resources planning program:**

As a global company Kuehne+Nagel Bangladesh have to inform the regional office for any decision. Mostly it needs when it is a matter of recruitment. Without the permission of regional office, they cannot conduct any changes in human resources planning. The steps of human resources planning are:

#### **Selection & Recruitment:**

As discussed earlier, Kuehne+Nagel Bangladesh cannot recruit people on their own decision. At first, they need to inform the regional office and after that they can conduct a recruitment process. After receiving confirmation from regional office, they can post their job post only their website and LinkedIn. After that shortlisted candidates have to seat for a written test and after that viva. In between they have to give presentation on certain topic. By following these steps, the recruitment process is conduct.

#### **Staffing management:**

The staffing management process of Kuehne+Nagel Bangladesh is maximum time they hire people interneers. Basically, the main work of this company is operational work and they trained each and every employee. For this reason, they prefer to retain interneers because they are already trained. Very less amount of people recruited outside of the organization and they retain people from the inside organization.

#### **Training and development:**

Kuehne+Nagel Bangladesh conduct lot of training session for their development of employees. As this an operational based company and employees use software to do their work, so there are so many training session regarding the uses of software. Company conducts training for the permanent employees are leadership training, team management training, ethical behavior training,



use of Kuehne+Nagel's own software training etc. They also conduct training for interns. For interns the first training they conduct is overview of logistics company, operational work for logistics company and then they conduct the uses of their own software CIEL, SALOG. Kuehne+Nagel Bangladesh focuses much on the development of employees so they had a lot of training session. On the top of that, if any employee feel training on some topic Kuehne+Nagel Bangladesh help the employee to get his/her training.

For training session Kuehne+Nagel Bangladesh has its own trainers whom are always dedicated to any problem of employees. If any employee gets stuck between shipment the training team member always there for the help of the employee.

### **Compensation:**

Kuehne+Nagel Bangladesh does not disclose the pay scale of any employee and also, they are very strict about this matter. But with monthly pay scale they have 3 bonuses in the year, increment, sometimes special surprise increment etc. All the pay scale, increments and bonuses decision cannot take by the local management team. The regional management team have to agree on this matter and after that local management can take decision.

### **Performance appraisal:**

Kuehne+Nagel Bangladesh mostly use peer appraisal process for the evaluation of employees. Here the peers have to rate their peers and then management will take decision regarding this matter. On the other hand, PPR (performance planning and review) method is also popular at Kuehne+Nagel Bangladesh. In that process at first the manager has to set a goal for the teams and individual employees. The process continues throughout the year and quarterly it needs to have a meeting and that will have focus not only managing organizational performance but also giving feedback review to the employees. These are the method for performance appraisal of Kuehne+Nagel Bangladesh.

## **2.4: Marketing practices:**

Kuehne+Nagel is global company where home country operates its operation in some country. The marketing practice of Kuehne+Nagel Bangladesh is given below:

#### **2.4.1: Marketing strategy:**

Kuehne+Nagel Bangladesh is not very engaged with marketing side. They have a marketing team consist with some people whose work is to research market and note everything what is happening in the logistics market. If there is need to change any policies, they took a decision from market research. Kuehne+Nagel Bangladesh gives service to customer and marketing of the brand is not available. In the recruitment session they don't promote their company in every social media. Kuehne+Nagel have their own website and they are active on only LinkedIn. They are not so active in LinkedIn as well. Other social media like as Facebook, Instagram they are not active. So, their promotional work is not active in the market.

#### **2.4.2: Target customer:**

Kuehne+Nagel Bangladesh most do shipment internationally. They do not put effort on local shipment. Only 5% of all shipment can place locally. The target audience of Kuehne+Nagel Bangladesh is buying house. Because they took order from buying house and then do the whole process. In one word the whole business of Kuehne+Nagel Bangladesh lies on a relationship of buying house. That is why buying house is the main target customer of Kuehne+Nagel Bangladesh. Additionally, as Kuehne+Nagel Bangladesh does not own any vessel so carrier is another target customer of them.

#### **2.4.3: Advertising & promotion:**

Kuehne+Nagel Bangladesh does not do any promotional activities. They are not active in any social media. They have connection with buying house and through them they conduct most shipment. Only website consist information about Kuehne+Nagel. Most of the advertising of Kuehne+Nagel Bangladesh is done by locally mouth to mouth. They personally communicate with buying house and take orders. To this is the only way they advertise their company.

#### **2.4.4: Product development:**

Kuehne+Nagel Bangladesh has their own system and with this they operate their service. The software of Kuehne+Nagel Bangladesh is CIEL Bangladesh, SALOG Bangladesh, OPS, ESP, NEXT, MYKN. These software are Kuehne+Nagel Bangladesh own product and it is not available in any logistics company in Bangladesh. These software is not easily replicable.

### **2.4.5: Marketing gap:**

Kuehne+Nagel Bangladesh does not do any marketing in the market. The main market gap of Kuehne+Nagel Bangladesh is it is not active in any social media. Branding is so much important in this time. But Kuehne+Nagel Bangladesh totally prohibitive from marketing which creates a gap from other logistics company. For example: Maersk, DHL do a lot of marketing about their company for which people know a lot of about them. But for the marketing gap of Kuehne+Nagel Bangladesh people does not know much about them.

## **2.5: Financial performance and accounting practices:**

### **2.5.1: Transaction procedure:**

The finance and account team of Kuehne+Nagel Bangladesh mostly do the accounts receivable and payable.

#### **2.5.1.1: Account receivable:**

Account receivable section mostly determines that the customer is done the payment or not. Kuehne+Nagel Bangladesh follow the procedure for account receivable:

**Enlistment:** The company must enlist on Kuehne+Nagel global system. If the company is not enlisted no transaction can happen. Because of this enlistment Kuehne+Nagel Bangladesh give a code name to the company which is unique and the Kuehne+Nagel Bangladesh open a file for this company.

**Bill of lading (BIL):** The transaction procedure done with house BIL which is a document between shipper and company. BIL contains each and every details about shipment including addresses, feeder vessel name, voyage number, mother vessel name, voyage number, marks and nos, description of goods, cartoon quantity, net weight, gross weight, cbm and BIL number.

**Invoice:** With house BIL invoice come and it proves that stuffing is done and custom clearance done. The cargo is ready to move and the vessel is sailed off.

**Money receipt:** When payment is done against invoice the money receipt is printed. When payment is done by cash or bank deposit it is necessary to issued money receipt.

### **2.5.1.2: Account payable:**

Account payable section is very important for any organization. Kuehne+Nagel Bangladesh account payable mostly do work on the organization incurred payment system.

The direct expense of Kuehne+Nagel Bangladesh is the organizational expenses, gratuity fund, provident fund, service expenses of employees, management expenses, compensation. Indirect expenses are carrier bill, third party agencies bill etc.

### **2.5.2: Accounting software:**

Kuehne+Nagel Bangladesh use their own software for any accounting and financial purposes. It is one of biggest asset for Kuehne+Nagel Bangladesh because it is not replicable. It can calculate so many financial report as well. Acon can also determine profit and expenses which help management to take the decision about investment. Acon records financial data of Kuehne+Nagel Bangladesh.

## **2.6: Operation management and information system practices:**

The main work practice of Kuehne+Nagel Bangladesh is operational care. It provides logistic support to the clients. Kuehne+Nagel Bangladesh two operational team which is sea logistics operational care and air logistics operational care. For the operational purposes company use their own software which is CIEL Bangladesh, SALOG Bangladesh. In SALOG there is two terms: (1) SeaLOG and other one (2) AirLOG. There is also some operational software which is ESP, OPS.

### **2.6.1: CIEL Bangladesh:**

In Kuehne+Nagel Bangladesh, CIEL Bangladesh has a significant influence. CIEL Bangladesh performs the majority of the operational duties. The customer service team collects the buyer's order and uses CIEL Bangladesh to plan the shipping. Following that, the operational team creates BIL for the shipping. They use the data provided by the shipper and warehouse when calculating BIL. They then update a schedule for the vessel. After that, they entered the cost, checked the gross mass, and then updated everyone. They conducted the entire process using CIEL. It is the primary asset of Kuehne+Nagel Bangladesh and is unique. Below is a description of how CIEL Bangladesh operates:

1. SI Update from shippers' invoice or BL draft
2. Take schedule from shipper's advice.
3. Link all the houses with master number.
4. Put master & house cost
5. Put VGM
6. Send dummy BIL to shipper.
7. Print original BIL (Bill of lading)
8. Trigger 1300 after print all house BIL.
9. Trigger 1350 after release BIL.

### **2.6.2: SALOG Bangladesh:**

SALOG Bangladesh is CIEL Bangladesh's upgraded version. The work completed with CIEL is now completed with SALOG. Currently, SALOG Bangladesh is utilizing both systems. Most customers use SALOG, which is the most recent version. There are very few users of CIEL nowadays. Similar to CIEL, SALOG uses the same process.

### **2.6.3: OPS:**

The company confirms that the warehouse received the cargo when it arrives at the facility via ops. They then utilize OPS to match the quantity on the invoice with the quantity received at the warehouse. If there is a discrepancy, they can identify it and fix it.

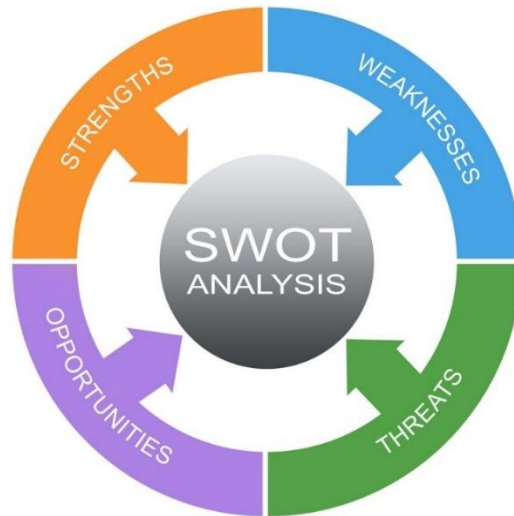
### **2.6.4: ESP:**

The business accepts orders through ESP and uses ESP to confirm them. Following the sending of the invoice by the buying house, the company gives the operational team access to the document, which they then use for their specific needs.

## **2.7: Industry and Competitive analysis:**

### **2.7.1: SWOT analysis:**

SWOT analysis help to know the company's strength, weakness, opportunities and threats. The SWOT analysis of Kuehne+Nagel Bangladesh is given below:



*Figure 4: SWOT analysis*

**Strength:** The primary asset of Kuehne+Nagel Bangladesh is the in-house software that enables it to run its business so proficiently. Since all data must be secure, these programs are a very secure way to store data. In both air and sea freight, Kuehne+Nagel Bangladesh ranks first and second, respectively. The largest strength of Kuehne+Nagel is its 63000 people that work all over the world. Kuehne+Nagel Bangladesh has been a market leader in the freight forwarding sector since its inception. The quickest customs clearance is provided by Kuehne+Nagel Bangladesh, enabling on-time delivery of cargo. Strong sales increase is experienced by Kuehne+Nagel Bangladesh.

**Weakness:** The shipping vessel used by Kuehne+Nagel Bangladesh is not its own. They require carrier support in order to conduct shipments. One of Kuehne+Nagel Bangladesh's flaws is this. However, due to a lack of effective promotion, the majority of people are unaware of the existence of the company. So, there are a lot of talented people absent from this company's workforce. Another issue for staff trying to maintain a decent KPI is that Kuehne+Nagel Bangladesh's software tracks time for KPI on a regional time basis. Another flaw for the company is that Kuehne+Nagel Bangladesh does not offer local shipping.

**Opportunities:** There are allegedly 120 registered shipyards, according to the Bangladesh Investment Development Authority (BIDA). Given that Bangladesh is already a prominent shipbuilding country, Kuehne+Nagel Bangladesh can easily seize the chance to construct their own ships. The corporation may have the chance to provide their services more effectively on top

of that Mongla port. The company's vulnerability would decrease if it began to operate its own ships.

**Threat:** As the shipping sector in Bangladesh is expanding so rapidly, there is a chance for new logistic business entrants, who could pose the biggest threat to Kuehne+Nagel Bangladesh. Additionally, since Kuehne+Nagel Bangladesh does not own the vessel, it will be difficult for the company to maintain its dominant position in the logistics sector if the relationship with the carrier deteriorates. Furthermore, Kuehne+Nagel Bangladesh does not advertise itself, so if the company's relationship with its current clients deteriorates, it will face additional difficulties.

### 2.7.2: Porter's five forces model:



*Figure 5: Porter's Five forces model*

**Threat of new entrants:** As was already noted, Bangladesh's shipping sector is expanding quickly, therefore new players entering the market are a typical occurrence. For Kuehne+Nagel Bangladesh, maintaining its existing position will be under strain. With such a low entry barrier, new players can easily enter the market under this situation. It will be a danger to Kuehne+Nagel Bangladesh if the new competitors offer a different smooth service. However, given that Kuehne+Nagel Bangladesh has held the top spot for the past 25 years, replacing this business with a fresh competitor won't be an easy task.

**Threat of substitute:** For Kuehne+Nagel Bangladesh, it might be appropriate. Due to a few deficiencies at Kuehne+Nagel Bangladesh. The company's inability to ship locally is its first

obvious shortcoming. Only 5% of Kuehne+Nagel Bangladesh's total shipments (a very small percentage) are local shipments. Whereas DHL has a lot of local shipments as a replacement. The local shipment market cannot be selected by Kuehne+Nagel Bangladesh for DHL. Due to the fact that they do not possess a vessel, Kuehne+Nagel Bangladesh must also wait for a carrier. Maersk, which has its own vessel, is one of the alternatives to Kuehne+Nagel Bangladesh. Therefore, Kuehne+Nagel Bangladesh is covered by this agreement.



*Figure 6: Top logistics company of Bangladesh*

**Bargaining power of buyers:** Because there are so many options, buyers' negotiating power is considerable in the market. There are a ton of options in this booming transportation business. However, Kuehne+Nagel Bangladesh's chances of success on the global market are not very good. Kuehne+Nagel Bangladesh is preferred by the majority of customers for all international shipping. Additionally, Kuehne+Nagel Bangladesh holds the top spot in the market, preventing customers from choosing a competitor instead of Kuehne+Nagel Bangladesh.

**Bargaining power of supplier:** This can also be applicable for Kuehne+Nagel Bangladesh. Because Kuehne+Nagel Bangladesh does not own any vessel and for vessel the company has to depend on carrier company. If carrier companies disagree to keep relationship with Kuehne+Nagel Bangladesh it will be a hassle for them. In other words, there Kuehne+Nagel Bangladesh has so many shipments so carrier company won't take such a decision because by doing this they also can suffer.

**Rivalry among existing company:** The logistics market is characterized by competitiveness. Kuehne+Nagel Bangladesh's main competitors are Maersk, DHL, DSV, and DB Schenker. The



DHL Team has shown excellent flexibility in identifying the needs of the warehouse, notably the needs for handling and storing product lines side by side. DB Schenker provides absolutely exceptional door-to-door shipping services. DSV is a reputable clearing house and forwarder. These companies compete with Kuehne+Nagel Bangladesh.

## **2.8: Summery and Conclusion:**

The top-ranking logistics provider in Bangladesh is Kuehne+Nagel Bangladesh. It has been Bangladesh's top freight forwarder since it was founded. The corporate culture, management, and employees' diligence make it feasible. The company is experiencing some issues. One of the major issues is the marketing gap. Additionally, Kuehne+Nagel Bangladesh's competitors are also working hard to stay as current as feasible. Since Kuehne+Nagel Bangladesh's management procedures are so exact, the company's culture is strong enough to function. There are threats in the market for Kuehne+Nagel Bangladesh, as shown by the SWOT analysis and Porter's five forces model. In recent years, it has been asserted that no danger can hurt a corporation, but if no action is taken, it is still conceivable for the company to suffer harm in the future. As a result, the organization needs to be aware of the risks. The outstanding customs clearance and excellent customer service are Kuehne+Nagel Bangladesh's greatest assets and are assisting the business in maintaining its position. Despite the company's roots in both sea and air freight, the majority of shipments are made by sea freight. The strength of Kuehne+Nagel Bangladesh, which is assisting it in maintaining the position, can be proved to be sea freight.

## **2.9: Recommendation:**

The recommendation made to Kuehne+Nagel Bangladesh is to deal with the threats that were covered in earlier topics. The corporation is first advised to purchase its own vessel rather than relying on other carriers. They will be in a safer position as a result, similar to Maersk. Increased local shipment is another suggestion. It is determined from the conversation that just 5% of total shipments are made for local businesses. Kuehne+Nagel Bangladesh was unable to capture the local market as a result. DHL, on the other hand, is succeeding in this sector. The majority of local shipments are handled by DHL. So that they might try to capture the local market, Kuehne+Nagel Bangladesh. In order for freshers to learn more about the company and for Kuehne+Nagel Bangladesh to be able to see new, talented faces working for them, the company can advertise its circular on social media or job sites.

## **Chapter 3: Project part**

### **The challenges in fair performance appraisal: A Study on Kuehne+Nagel Bangladesh.**

#### **3.1: Introduction:**

Most of the company now a days review their employees on a general basis most of the time annually. They conduct the evaluation for the purpose of determining requirements of training, adjusting their pay scale and to give promotion to certain employees. (Shields, 2022). To conduct a good workplace culture, it is much needed to keep employees motivated. And motivation only comes from a standard appraisal system. According to Shields (2022), management should build that performance appraisal system that demonstrates fairness through every aspect of operation. The purpose of this paper is to explore the challenges of performance appraisal in the Kuehne+Nagel Bangladesh and how employees are getting affected for this challenge and how to solve these challenges.

#### **3.2: Literature review:**

##### **3.2.1: Employee performance appraisal:**

The term performance appraisal shows that the review of employee's performance and by their job performance how they are putting effort for the betterment of the company. Evaluation includes to check employee's performance, contribution, attendance, volunteering works, skills, growth and lacking (Adam Hayes,2021). According to Perez (2021), Performance Appraisal is an ongoing process where management evaluate an employee throughout the year and engage with create the standard, evaluate the employee with the standard, measure the progress and finally provide feedback about their evaluation. Performance appraisal helps organization in so many ways, Gabris & Ihrke (2001) abbreviated that in the organization performance appraisal at least has three main purposes: (1) control performers with the feedback, (2) motivates performers with feedback and (3) discover individual's excellence. In the management, performance appraisal is one of the broad topics to discuss but both practitioners and academics have an uneasy relationship with the appraisal process. Some academics emphasis to discontinue the practice where as some academics clarifies that it provides meaningful information for the employees (Hoffman et al,

2012). Giffin and Ebert (2004) describes that performance evaluation is in order to find out the employee who is doing his/her work effectively and efficiently. Performance is act of doing work, determining the worth of employees, regulated salary, bonus and other benefits for the satisfaction of employees (Keith Devis,2021). Performance appraisal means evaluate employees present performance and past performance on the basis of performance standards (Gary Desseler, 2020). Performance appraisal plays a vital role in human resources practice because it actually helps to take some critical decision such as needs of training and development, benefits and salary, stuffing and downsizing (Taylor et. al. 1995). Employee performance appraisal helps a person to find out his performance and gives a chance to an employee to develop his/her performance. Performance appraisal helps a strong performer to hold his strong position and helps poor performers to know about his lacking and do better performance in future (Scott, 2001).

### **3.2.2: Fairness of employee performance appraisal:**

Fair performance appraisal is extremely important for any organization because it helps to create a good organizational culture also has a relationship with job satisfaction, commitment and employee turnover. A structured performance appraisal helps to evaluate the employee's performance standard and according to their performance reward them. The Fairness of performance appraisal system includes standard job description and well-defined tasks that organization is expected that employee should perform, also clear explanation in what criteria will be used to asses (Shields,2022). The word fairness describes "Legislative Honesty" in the world of management. The management designs the evaluation procedure fairly when design consist the standard time for evaluation, the consistent way of evaluation, evaluate the results carefully, publish the result and give recognition to them (Jacob Williams, 2018). Fair performance evaluation helps organization and employees in a very strong way. It helps employees to put trust on the organization, gives satisfaction with job, helpful and formal behavior on the organization and reduce conflict among employees (Cropanzano, Gillian & Brown, 2007).

Employee behavior depends on fairness appraisal in the organization. When an employee feels he/she has been properly evaluated by the organization he/she correspond trough satisfaction towards job (Greenberg,2001). Some researchers argues that satisfaction of employees, commitments and afflation towards organization can be observe within procedural and distributive

justice (Greenberg,2001; Cremer,2005). Fairness contains three types: distributive, procedural, interactional (Bies & Moag. 1986; Leventhal, 1980; Adams, 1965).

### **3.2.3: Challenges in fair performance appraisal in world perspective:**

In world perspective, for global corporation and MNC's it is hard to conduct a fair performance appraisal. Performance appraisal itself a complex procedure for an organization, but when it comes about global companies it becomes more complex because of culture differences (Brewster,1988). In addition, geographical distance is one of the major causes for this challenge because it will not easy for any global and MNC's to look after employees from another country (Shen,2004). Shen (2004) discussed on the matter that Chinese companies need to improve their performance appraisal method and they should follow the western method which is more precise. Whereas, Hempel (2004) argued on this matter that for Chinese culture the western method is not appropriate. On the other hand, Brewster (2004) claims that for global level it is quite complex to conduct a standard performance appraisal. Additionally, different norms, politics style, different culture value and different economic crisis makes more complex to conduct a standard appraisal system. According to these claims, it is clearly understandable that for international perspective, it is quite challengeable to conduct an appraisal system perfectly.

### **3.2.4: Challenges in fair performance appraisal in Bangladesh perspective:**

In Bangladesh context, the main challenge found in performance appraisal is focused on past performance rather than the present performance of the employee. It is constantly demotivating employees from giving their best in the organization (Rubina & Saifuddin, 1998). On the other hand, maximum organization only target appraisal as a linkage with compensation (Bhuiyan & Taher, 1998). As mentioned earlier that, most of the company review their employees on a general basis, Azim and Haque (2006) proves that claim by conducting a survey. According to survey result, 57.1% of the organization review their employees annually and on the other hand rest of 42.9% review employees quarterly, semiannually and sometimes monthly (Azim & Haque, 2006). Most of the organization of Bangladesh especially public sector of Bangladesh the appraisal system is not well designed. Maximum time supervisor hesitant to establish appropriate performance standards. Additionally, biasness of supervisor in appraisal give promotion to less deserving people which leads deserving people demotivated towards their work (Mehedi hassan,2022)

### **3.2.5: Performance appraisal methods:**

There are several method for research. Each method has its own strength and weakness but, in this study, the most used method to review the employees will be used for necessary purpose.

#### **3.2.5.1: Performance appraisal by 360-degree method:**

360-degree method is quite comprehensive method for both practice and research purpose (Dalessio, 1998). 360-degree feedback approach is a “progressive” way of conducting evaluation of performance. The 360-degree feedback become the multi-rater system for an organization which helps to peer and manager to review an employee (Church & Bracken, 1997). 360 degree becoming popular day by day because it diminishes the problem of assessment method (Antonioni, 1996). The strength of 360-degree method reduces the problem of halo effects and central tendency. It is a great technique to grow employee’s leadership skill. It is also taken review from manager and peers so employee opinion is considered in this technique (Barnes, 1997). Researchers found that 360 degree provide accurate result because this feedback is not come from only manager so it helps to reduce the biased problem also it is anonymous so employees can write their actual suggestion. On the other hand, the weakness of this method is it is very time-consuming method and as it is anonymous maximum employees does not want to participate which lead to not get the valid result (indeed editorial team, 2021). According to McLean, VA, US (1997) 360-degree performance appraisal method is good rather than any other method as it includes not only managers but also peers and others which can present the actual scenario of an employee. Researchers found that Indian management are quite famous for adapting 360-degree method. So, based on the research it can be claim that, 360-degree method is quite convenient method for an organization.

#### **3.2.5.2: Management by Objectives (MBO):**

A lot of researchers appraise that Managing objective is a modern technique to evaluate an employee. At first Drucker (1954) in his book named “The practice of Management” used the technique MBO. MBO method is structural, controlling and organizing method which helps to growth of productivity from aspect of a manager (Busch,1998; McConkie,1979; Rodgers & Hunter, 1991). Alberts (1982) claims that, MBO technique result includes performance standard, value assessment as well as feedback and its improvement. MBO is a parameter of planning where manager expects from the employee to reach the objective of the organization. The strength of

MBO is it is a performance-oriented system where employee is aware about his/her roles and it is convenient for manager to implement and evaluate (Aggarwal & Thakur,2013). MBO technique has a great advantage because it improves the communication between managers and employees regarding goal setting and plans which can help employees to satisfy with their job. Additionally, MBO fulfill other management function which is planning, organizing & controlling. Also MBO helps to achieve organizational goal and keep them motivated to work (Bieniok et al., 2004). On the contrary, the weakness of MBO is it changes continuously which is quite disturbing and it causes too many paper work which takes so many time and effort (Kinga & Flak, 2016). Additionally, MBO technique is quite stressful because of its lengthy process about writing objectives, evaluation of detailed objective which increases paperwork. As well as, it kills the valuable time of employees and managers as it takes long time to set the progress (Certo & Trevis,2006). Based on this research it can be claim that MBO can be the ideal process for appraisal if the process can be reduced to save the time issue.

#### **3.2.5.3: Graphical Rating scale Method:**

A graphic rating scale is a technique that rating on a numbered scale for evaluating performance that specifies the behaviors and attributes that are ideal for each function. Shani jay (2022) states that Regularity, work quality, competency, collaboration, ownership, responsibility, etc. are a few examples of the characteristics that could be listed. There are five component in Rating scales which is Excellent, Satisfactory, Neutral, Unsatisfactory, Poor. To determine the final results, population values are generated (Punam Singh. 2015). The strength of graphic rating scales is it is an effective method for giving precise, non-threatening evaluation. On the contrary the weakness of this method is the points on the rating scale are not clearly defined which also creates a halo effect. According to some researchers, making the graphic rating scale method inaccurate as well. As was already said, a variety of rating errors can result from unclear performance requirements, and bias can easily emerge as a result (Boston, 2006; Lawrence S. Kleiman,2002; Addison-Wesley, 1994).

#### **3.2.5.4: Behaviorally Anchored Rating Scales Method (BARS):**

On a job structure there are 5 to 10 vertical scale in BARS. Each scale indicates a vital characteristic of the work's performance (Snell & Bohlander, 2012). The BARS method gives the more flexible rate than other methods (Mathias & Jackson, 2004). The strength of BARS method

is it creates a mutual understanding between supervisor and employees which creates opportunities for improvement of the organization (Asavari Sharma,2022). On the contrary, regardless of the amount of their performance, managers who use trait approaches are much more inclined to consider qualities to workers based solely on the amount of time they spend on the job. Since they are unrelated to employee accomplishments and do not aid employees in understanding where they might improve, trait-based evaluations, in the opinion of these academics, are flawed and should not be employed. (Elsbach & Cable, 2012). The weakness of the method is it depends on the supervisor's writing ability and some supervisor failed to write precisely for employees which gives a poor description for the employee (Mathias & Jackson, 2004).

#### **3.2.5.5: Critical Incident Method:**

Critical incident method keeps record of an employee's work-related behavior and after that review the result with predetermined times (Dessler et. al, 2011). The critical incident method starts with identifying job requirements for successful performance. In this method the supervisor can identifying training needs, praise performance and correct work (Fred C. Lunenburg, 2012). Additionally, this methodology or strategy documents instances in which employee behavior—both good and bad—affected the result of an event (Danielle,2019). In critical incident method supervisor observe and gather behavioral data of employees and then look extra carefully in critical incidents (Ken Lloyd, 2016). The strength of critical incident method is it is direct observation and, in this method, manager gets more time with employees for guidance and feedback. On the other hand, the weakness of this method is it takes so much time in observation (Ken Lloyd, 2016).

#### **3.2.5.6: Method used in Bangladesh for performance appraisal in service industry:**

From the literature review we can confirm that there are several methods to measure performance. As the purpose of this study is to explore the challenges of performance appraisal in Kuehne+Nagel Bangladesh so it is necessary to know that the methods that are popular in Bangladesh.

The traditional method of performance appraisal in Bangladesh is “Annual Confidential Report” method. A large number of banking sector use this method for performance appraisal and it is one of the popular method (Absar, Hossain & Alam, 2007). Most of MNC's of Bangladesh follow Management by objectives (MBO) and Key performance indicator (KPI) method (Shafiullah, MD & Alam, Mirza & Quader, Farjana, 2011). 58.62% of manufacturing and service company practices MBO method for performance appraisal. Researchers also found that all service company

of Bangladesh practices MBO method for measure employee performance (Azim, Mohammad & Haque, Mohammed, 2007).

### **3.3: Objectives:**

Analyzing the literature review it can be seen that in Bangladeshi context very few studies have been conducted on this topic which is challenges that company faced during fair appraisal. Therefore, this study mainly focused on Kuehne+Nagel Bangladesh. The objective of this research paper is:

- To explore the challenges in conducting fair performance appraisal in Kuehne+Nagel Bangladesh.
- To explore how employee are getting affected for this challenge in Kuehne+Nagel Bangladesh.
- To provide solution for conducting a fair performance appraisal in Kuehne+Nagel Bangladesh.

### **3.4: Significance:**

There is few reason for the significance of this study. According to literature review, the problem is maximum time the manager takes the appraisal very lightly or only conduct appraisal for the sake of promotion of the employees. But after analyzing literature review it is clear that performance appraisal has a significance value in the organization including motivation, trust towards organization, commitment towards work etc. This study will explore what are the main challenges that organization face when conducting performance appraisal. This will help organization to find out the actual challenges. On the other hand, this study will also explore how employees are getting affected and it will help the organization especially find out the reason behind organizational problem. This study will provide solution to get over these challenges and it will help the organization to conduct a fair performance appraisal. This study is significant because the world is getting smaller and for the globalization it is necessary to take step regarding conduct a fair performance appraisal which will help future employees to keep their commitment towards work.



### **3.5: Methodology:**

There are three types of research which is Quantitative, Qualitative and Mixed Method.

Quantitative research involves gathering and analyzing numerical data. The results can be extrapolated to bigger groups, patterns and averages can be established, projections can be produced, causality can be tested, and so on (Pritha Bhandari,2022). For instance, quantitative research collects information from current and potential customers using sampling procedures and tools like online surveys, polls, and questionnaires. This enables the outcomes to be represented numerically. One may foresee a product's or service's future and make required improvements after carefully examining these data. The study conducted to ascertain how long a patient requires medical attention after being admitted to the hospital is an example of quantitative research. A patient satisfaction survey template may be used to ask questions about the length of time it takes for a doctor to see a patient, how frequently people visit a hospital, and other related topics (Quantitative research: Methods, Types and Example, 2022).

Qualitative research methods are used to uncover the actions and viewpoints of a target audience in reference to a particular issue. In-depth interviews, focus groups, ethnographic studies, content analyses, and case study research are just a few of the many qualitative research methods that are regularly used. Results from qualitative methods are more elaborative, and inferences from the gathered information are quite easy to draw. Qualitative research methods originally developed in the social and behavioral sciences. The society we live in today is more complex, making it difficult to understand how other people think and see the world. Due to the enhanced communicativeness and descriptiveness of online qualitative research approaches, it is easier to understand (Qualitative research: Methods, Types and Example, 2022).

A research methodology known as mixed methods involves the use of both quantitative and qualitative data in a single study. Mixed methods research in nursing and healthcare is expanding as healthcare delivery grows more complex on a worldwide scale. Researchers frequently employ mixed methods research, which combines the strengths of qualitative and quantitative techniques, to explore multiple points of view and uncover connections among the intricate layers of our diverse research concerns. As clinicians and policymakers struggle to ensure the quality and safety of patients and families, researchers can make use of mixed methodologies to analyze current healthcare trends and practices in a growing range of practice settings (Allison & Joanna, 2017).

In this Study, Qualitative Research is methodology will be used as it will help to cover the objective of this research. However, after qualitative research, the data collection method will also use for necessary purpose.

### **Interview Method:**

Interviews are different from questionnaires in that they involve social contact. Interviewing calls for specialized knowledge on the part of researchers, unlike questionnaires. Researchers may ask a variety of questions, and as a result, a range of data kinds may be generated. Open questions, as opposed to closed questions, which provide a preset set of answers, allow respondents the flexibility to express their opinions anyway they see suitable (Dr. Saul McLeod, 2014)

Structured interview: A structured interview is a quantitative research approach where an interviewer employs a list of pre-prepared closed-ended questions in the format of an interview guide, which they read out verbatim (the interview research method,2014).

Unstructured interview: In an interview method, there aren't any pre-set questions; alternatively, the interviewer will provide open-ended inquiries based on the subject under consideration and make an effort to have the session flow naturally. The interviewer modifies the questions in response to the candidate's own knowledge (the interview research method,2014).

Focus group interviews: Focus groups are a qualitative method for interviewing multiple respondents at once to gain a thorough understanding of social issues. The strategy looks to gather data from a specifically selected group of people as opposed to employing a sample of a larger population that is statistically representative (the interview research method,2014).

## **3.3: Findings & Analysis:**

### **3.3.1: Challenges in conducting fair performance appraisal in Kuehne+Nagel Bangladesh.**

The finding provides some significant insights regarding challenges in conducting fair performance appraisal in Kuehne+Nagel.

#### **3.3.1.1: Lack of cooperation of every employee:**

Participant 1 express that cooperation has a huge impact to conduct a fair performance appraisal in an organization. The participant express:

*“Sometimes, employees are not enough cooperative to performance appraisal. When it’s time about peer appraisal most of the time they ignore this matter which is quite challenging.”*

Participant 2 also had the similar views which aligned with participant 1. Participant 2 also expressed that having a good cooperation can help to conduct a fair performance appraisal. The participant expressed:

*“I think employees are not cooperative to us. If they cooperate with us, it will be easy for us to conduct a fair performance appraisal. Because it’s needed to have a good cooperation in team work.”*

Participant 4 also had similar opinion aligned with participant 1 and 2. Participant 4 also claims that it is needed to have a good cooperation with management and employees to conduct a fair performance appraisal. The participant expressed:

*“Employees are not so much cooperative in peer appraisal which is so much needed to conduct an appraisal.”*

### **3.3.1.2: Biasness towards employee-employee & management-employee:**

Participant 1 had an opinion about biasness among employees. Personal bias is noticeable challenge to conduct a fair performance appraisal. The participant expressed:

*“I have seen many times employees does not give an honest result about peer performance. As I’ve said that peer appraisal is important for performance appraisal so if they were honest about the opinion, it will easier for us to give the accurate result.”*

Participant 3 had the same view about this point. Participant 3 also bring this topic that biasness is a big challenge to conduct a fair result. The participant expressed:

*“Some employees write good things only for those whom they like. This misleads us sometimes”*

Participant 4 agreed on this matter of biasness. This participant expressed:

*“We take peer appraisal as an important way for appraisal. But because of employee’s biasness it is now challenging us for conduct a fair result which also demotivates capable employees.”*

Participant 6 bring the point about management biasness towards some employees. This participant keeps an opinion that sometimes management have tendency of personal bias over some employee which does not give accurate result. The participant expressed:

*“I have experienced that sometimes management give promotion to their favorite employee which is demotivating for others.”*

Participant 8 also agreed on this matter. This participant expressed:

*“I have seen many unqualified people receives promotion, increment and others recognition than qualified people. If you are favorite employee of the management, you will get every benefits.”*

Participant 7 disagreed on this matter of biasness. The participant expressed:

*“In this organization there is no chance of biasness. If you are capable, you will get appraisal. It is as simple as that.”*

### **3.3.1.3: Less time to prepare appraisal report:**

Participant 3 pointed out this matter about time. According to her, this company prepare appraisal report quarterly. So it becomes challenging to prepare fair appraisal report.

The participant expressed:

*“Sometimes it become challenging for me to prepare report within given time. Also collecting report from peers is another challenging work in this appraisal.”*

Participant 4 agreed on this matter with participant 3. The participant expressed:

*“Maximum time peer takes a lot of time to give review. So we have to work with what we have. The participant of peer appraisal always stays low. So it become challenging for us to conduct a fair review.”*

### **3.3.1.4: Lack of following the standard:**

Participant 1 point out the challenge about not following the given standard. The participant claims that employee does not always follow the standard criteria which is challenging for management to conduct fair performance appraisal.

The participant also expressed:

*“Employees does not follow the goal setting. And that make challenging for us to conduct a fair performance appraisal. Employees are doing work every day but not in time that’s why they are staying behind from others.”*

Participant 2 also agreed on the same matter. The participant expressed:

*“It will be easy for us if employees cooperate with management in this case. They do not follow the standards that is create hassle for us to evaluate them.”*

Participant 3 also agreed on this point. The participant expressed:

*“We have a method where supervisor create a standard and employees are instructed to follow the standard. But most of the employees does not follow this. They should follow this and cooperate with us. Because fair performance appraisal also helps them to get motivation in the work.”*

### **3.3.1.5: Different time zone creates barrier:**

Participant 1 pointed out this matter of different time zone creates barrier to conduct appraisal. The participant further said that:

*“Our employees are very hard working but they maximum time fails in KPI because time zone from our regional office is different from us. That is a huge challenge for us”*

Participant 2 agreed on this point. This participant expressed:

*“Also, different time zone makes mismanagement between our employees. According to employees they are completing work in time but according to KPI it is not done on time. It is a problem.”*

Participant 3 expressed that:

*“I got so many complains about this time zone. Our employees do their excess work at late night but according to our regional time it counts as tomorrow’s work. This problem creates so hassle for us to evaluate them.”*

### **3.3.2: How employees are getting affected for this challenge in Kuehne+Nagel Bangladesh.**

The finding provides some significant insights regarding how employees are getting affected for this challenge in Kuehne+Nagel.

#### **3.3.2.1: Less motivation towards work:**

Participant 6 expressed that challenges of fair performance appraisal lead us less motivation on work. The participant further said that:

*“When we do not get fair appraisal, it is obvious that we will be demotivated toward work.”*

Participant 7 agreed on this matter. This participant expressed:

*“Sometimes feedback can lead us demotivated towards work. Because, some feedbacks are not correct according to me on the same time management thinks it is right. That is kind of depressing to me.”*

Participant 8 agreed on this matter also. This participant expressed:

*“Challenges in fair performance appraisal may be the problem of management. But it also affects us. I don’t feel good to do work when I do not get fair appraisal. I lost my motivation.”*

#### **3.3.2.2: Less productivity at work:**

Participant 5 agreed on this matter that lack of fair appraisal decrees productivity at work. This participant also expressed:

*“When I do not get fair appraisal, I cannot do work perfectly. Unfair result upset me and it resulted less production on my work.”*

Participant 6 also agreed on this matter. This participant expressed:

*“Less motivation always results less work productivity for me. Honestly, I don’t feel good to do work when I lost my motivation.”*

Participant 7 agreed this matter and expressed that:

*“I need motivation to do my work. Obviously when I get upset, I do not have mood to do my work. Which causes less productivity at my work.”*

Participant 8 expressed:

*“I have seen that, when I get fair appraisal my work productivity raise. On the other hand, when I don’t get fair appraisal my work productivity decrease.”*

### **3.3.2.3: Damage relationship with management:**

Participant 5 pointed out this matter that challenges of fair performance appraisal can damage relationship with management. This participant expressed:

*“I actually do not feel good when I do not get fair appraisal. Of course I got upset with management and I do not discuss my other problems with them. That damage relationship between us.”*

Participant 6 also claims that lack of fair performance can damage relationship with management. This participant expressed:

*“Whenever I see the people who do not deserve got recognition than deserving people then I got upset with management.”*

Participant 8 agreed on this topic. This participant expressed:

*“We got our increment, bonuses and special bonuses based on performance appraisal. That is why when this process does not do properly, the relationship between employee-employee or employee-management got damaged”*

### **3.3.2.4: Company’s internal environment got affected:**

Participant 1 claims that point about internal environment of company. According to this participant:

*“I have observed that after revealing feedback employees do not take it as a positive way. Rather than they become upset with us. Also, I observed that, internal culture got affected because of this feedback.”*

Participant 3 also agrees with the point of participant 1. This participant expressed:

*“I do not think employees took feedback in a positive way. On the feedback when management criticize on some specific point, they become demotivated towards work. Also the environment of office got heavy.”*

Participant 8 agrees on this matter. This participant expressed:

*“I think environment got affected and also, I had seen that all employees are gossiping about feedback and others. Well, that should not be the office environment.”*

### **3.3.3: Solution for conducting a fair performance appraisal in Kuehne+Nagel.**

The finding provides some significant insights regarding solution for conducting a fair performance appraisal in Kuehne+Nagel.

#### **3.3.3.1: Strict about performance standard:**

Participant claims that management should strict about the performance standard for conducting fair performance appraisal. This participant also expressed:

*“Management should remind employees about setting standard. As employees are not following it properly so they should take steps about it and do things that employee follows it.”*

The participant further said that:

*“I suggested that they should make a report about our setting standard and mail it every day on every employee’s mail. After that still employee do not follow so we will take action regarding this.”*

Participant 2 agreed on this matter. This participant expressed:

*“Management already taking action about this matter. Hopefully it will help for conducting a fair performance appraisal.”*

#### **3.3.3.2: Remove personal biasness:**

Participant 1 expressed that personal biasness should be removed. It is not a good practice for any company. This participant further expressed that:

*“It is very wrong practice. I have observed it practices more within employees. That should be stopped for fair appraisal.”*

Participant 3 also agreed this matter. This participant expressed:

*“As peer appraisal is applicable for measuring performance. So any biasness between peers have to remove.”*



### **3.3.3.3: Create awareness about regional time and country time:**

Participant 2 pointed out this matter that if management create awareness about regional time and country time differences many problem can be solved. This participant further said that:

*“I have instructed our management team to make a report on time issues and mail it to every employees. So that they can do work on perfect time and the challenges can decrease.”*

Participant 4 agreed on this matter. This participant expressed:

*“We already instructed to make report on it. So that employee gets aware about the time issue. This solution will help us to conduct a fair performance appraisal.”*

## **3.4: Discussion:**

### **3.4.1: Discussion of challenges in conducting fair performance appraisal in Kuehne+Nagel Bangladesh.**

The biggest issue with performing a fair performance review at this organization is that the employee does not cooperate with management during the appraisal period. Peer review is one of the methods utilized in this organization to examine the performance. It will be difficult for management to complete the review fairly in this scenario if employees don't cooperate with management. As mentioned in the literature study, this technique takes into consideration employee opinion as part of the 360-degree appraisal process, which includes reviews from managers and peers (Barnes, 1997). So, it could be claimed that this problem is sensible.

Personal bias is a problem when trying to conduct a fair performance review. It is among the most difficult challenges. Findings indicate that this bias occurs between employees and management as well as between employees and other employees. The results show clearly that the organization values peer review. The literature analysis makes clear that the supervisor's bias in the assessment process results in the promotion of less deserving individuals, which demotivates those individuals who are otherwise qualified for the position (Mehedi hassan,2022). Thus, it is obvious that this problem is having an impact on the company.

On the findings part it is clear that management gets less time to prepare their appraisal report. It is one of the challenges on conducting a fair performance appraisal. From literature review, it is

clear that performance appraisal is time consuming for management. From the literature review, MBO technique is quite stressful because of its lengthy process about writing objectives, evaluation of detailed objective which increases paperwork. As well as, it kills the valuable time of employees and managers as it takes long time to set the progress (Certo & Trevis,2006). As it is one the method that Kuehne+Nagel Bangladesh use so it is quite challenging for management to conduct a fair performance appraisal.

Another problem from findings part is that employee does not always maintain the performance standard. From the literature review, A structured performance appraisal helps to evaluate the employee's performance standard and according to their performance reward them (Shields,2022). So it can be clear that to conduct a fair performance appraisal it is needed to set a standard. So this challenge is appropriate and management should strict about this matter.

Different time zone from regional office is another challenge for Kuehne+Nagel Bangladesh to conduct a fair performance appraisal. From findings it can be confirmed that this company is facing challenge because of different time zone from their regional office. From the literature review it can be confirmed that different norms, politics style, different culture value and different economic crisis makes more complex to conduct a standard appraisal system (Brewstar,2004). So this challenge is also noticeable to conducting a fair performance appraisal.

### **3.4.2: Discussion on how employees are getting affected for this challenge in Kuehne+Nagel Bangladesh.**

From the findings part, it can be confirmed that challenges in fair performance appraisal can lead employees demotivated towards work. Employees need motivation to do his/her perfectly. And this motivation comes from fair appraisal. According to literature review, fair appraisal helps employees to put trust on the organization, gives satisfaction with job, helpful and formal behavior on the organization and reduce conflict among employees (Cropanzano, Gillian & Brown, 2007). So it is needed to conduct a fair performance appraisal to keep motivated employees.

Another findings were the work productivity decreases because of the challenges. Here is a good connection between motivation and work productivity. Employee behavior depends on fairness appraisal in the organization. According to Greenberg (2001) When an employee feels he/she has been properly evaluated by the organization he/she correspond trough satisfaction towards job. Job

satisfaction increases job productivity. That is why when there is no motivation towards work the productivity decreases.

Other finding was company's internal environment got affected because of this challenge. It is also related on job unsatisfaction. Fair evaluations, according to a literature review, encourage employees to have faith in the business, result in job satisfaction, encourage helpful and professional behavior, and lessen employee conflict (Cropanzano, Gillian & Brown, 2007).

### **3.4.5: Discussion on Solution for conducting a fair performance appraisal in Kuehne+Nagel.**

On the findings it was cleared that setting a clear performance standard can reduce the challenge of fair performance appraisal. According to literature review, most of the organization of Bangladesh especially public sector of Bangladesh the appraisal system is not well designed. Maximum time supervisor hesitant to establish appropriate performance standards (Mehedi Hassan, 2022). It is confirmed that is management wants to conduct a fair appraisal system, they should set the performance standard clearly.

Personal biasness is another problem that is creating a hassle in conducting a fair appraisal. According to findings, it is clear that biasness towards peers does not give a correct result. From literature review, Due to the supervisor's partiality, fewer deserving individuals were promoted, which demotivated the deserving individuals (Mehedi hassan,2022). To conduct a fair performance appraisal management should strict about this matter.

### **3.5: Implication:**

This study concentrated on the difficulties that Kuehne+Nagel Bangladesh had when performed fair performance reviews. This study's primary goal is to fill the gap in the body of literature on this topic in Bangladesh. It has also been demonstrated how this obstacle affects employees and what kinds of problems they are having as a result. This research will be helpful for the manager and other administrators to conduct a fair performance appraisal because there is no study concerning the difficulties and solutions related to conducting such an appraisal of performance.

### **3.6: Summary and conclusion:**

The three chapters of this research paper include an overview of the internship, the organizational section, and the project section. The difficulties of performing fair performance evaluations: a study of Kuehne+Nagel Bangladesh, is the subject of the research paper. Shields (2022) claims that a well-organized performance review helps determine the employee's performance standard so that they can be rewarded in line with it. A uniform job description, precisely specified tasks that employees must execute for the company, and a clear explanation of the evaluation criteria are all necessary for the performance rating system to be fair. However, not much research has been done in Bangladesh on this subject. This paper's major goal is to raise awareness of the value of performing fair performance evaluations. What kind of job satisfaction and motivation this appraisal can provide for the individual. The difficulties that exist in both the global and Bangladeshi contexts were also highlighted in this study. The difficulties faced by Kuehne+Nagel Bangladesh are demonstrated in this essay. Giving the greatest services to the clients is Kuehne+Nagel Bangladesh's primary goal. The administration of human resources is also extremely skillfully done at Kuehne+Nagel Bangladesh. They are working to find solutions to the problems with performance reviews because of this. As a conclusion, it can be stated that Kuehne+Nagel Bangladesh is working to find solutions to the problems associated with performance evaluation and client satisfaction.

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### **3.8: Appendix:**

Participant 1: Management participant 1

Participant 2: Management participant 2

Participant 3: Management participant 3

Participant 4: Employee 1

Participant 5: Employee 2

Participant 6: Employee 3

Participant 7: Employee 4

Participant 8: Employee 5