A STUDY ON THE NEED FOR KPI-BASED PERFORMANCE TRACKING IN FINANCE AND OPERATIONS AT REDSERV GLOBAL SOLUTION

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Abstract. How companies measure employee performance affects morale, retention and business results. This paper looks at whether KPI-based performance tracking's a better and fairer way to evaluate employees than the Bell Curve model used at Redserv Global Solution, a BPM company in Chennai. We collected survey data from 102 employees in Finance and Operations. Analysed it using statistical tools like Pearson correlation and ANOVA. The survey results showed that employees are unhappy with the evaluation system and think a KPI-driven system is a good idea. Our analysis found that KPI-related factors explain a lot of the variation in how employees perceive performance.

Keywords: KPI-Based Performance Tracking, Performance Appraisal, Bell Curve Method, BPO Industry, Organisational Performance, Employee Evaluation, Bias Reduction.

1. Performance appraisal is one of those company processes that almost everyone has an opinion about.. Most of those opinions are not very positive. When done well evaluation systems help employees know what is expected of them give managers a basis for decisions and create a link between individual effort and company goals.

When done poorly they create resentment, confusion and a general sense that the process is unfair.

The gap, between these two outcomes often comes down to how performance's actually defined and measured.

The way companies evaluate employees can make a difference.

Employees want to know how they are doing and what they can do to improve.

A good evaluation system helps employees and managers work together to achieve company goals.

Redserv Global Solution, a company based in Chennai that does Business Process Management is part of the Redington Group. They use a Bell Curve model to evaluate employees in the Finance and Operations departments. The idea behind this is simple: they rank employees on a curve. Give them ratings based on that.. In reality this approach causes problems. Employees are grouped into performance bands no matter how well

they actually do their jobs. So a good employee might get a mediocre rating just because the curve needs to be filled. Over time this makes employees lose trust in the appraisal process, especially those who feel their work is not being recognized.

I wanted to find out if using Key Performance Indicators to track performance would work better. Key Performance Indicators are different because they measure employees against targets for their roles rather than comparing them to each other. In a Business Process Management environment, where tasksre process-driven and outputs can be measured this type of evaluation seems to make sense.. We need more than just a good idea to make changes in an organization. We need to look at the data.

To do that we asked 102 employees to answer a questionnaire and then analyzed their responses. The results are presented in the following sections along with some advice on how to switch to a Key Performance Indicator-based evaluation system.

2. Literature Review

There is a lot of research on performance management. Some of it is particularly relevant to our study. Armstrong in 2014 said that performance management works best when it is a process, not just something that happens once a year. He identified some problems with traditional systems: employees do not understand the criteria there is not enough communication between managers and employees and employees have no say, in how the appraisal process is designed. These are not just problems. They are real issues that many employees face when they are subjected to forced-distribution models. Redserv Global Solution and Business Process Management can benefit from looking at these problems and finding solutions. Key Performance Indicators and performance management are important for Redserv Global Solution to consider. Redserv Global Solution, a company based in Chennai that manages business processes is part of the Redington Group. They use a Bell Curve model to evaluate employees in the Finance and Operations departments. This means they rank employees on a curve and give them ratings based on that. The idea behind this is simple: rank employees. Give them ratings.. In reality this system has a big problem. Employees are put into groups based on their performance no matter how work they actually do. So a good employee might get a mediocre rating just because the curve needs to be filled. Over time this makes employees not trust the appraisal process, especially those who feel their work is not being recognized.

I wanted to find out if using Key Performance Indicators or KPIs would be a way to track performance. KPIs are different because they measure employees against targets for their role rather than comparing them to each other. In a business process management environment, where tasks are driven by processes and outputs can be measured this type of evaluation makes sense.. Just thinking it might work is not enough. We need to look at the data to see what it says.

To find out we asked 102 employees to fill out a questionnaire. Then analyzed their responses. The results are shown in the following sections along with suggestions on how to switch to a KPI-based evaluation system.

2. Literature Review

Kaplan and Nortons Balanced Scorecard framework changed how companies think about measuring performance. They said that just looking at outcomes is not enough. Their model includes customer satisfaction, internal processes and learning capacity as dimensions. This way of thinking is similar to how designed KPI frameworks work: they try to get a complete picture of performance rather than just using one number or ranking.

Murphy and Cleveland found that when supervisors lead the appraisal process there can be biases. Ratings can be influenced by opinions and employees may feel that the ratings are not fair. When employees think the system is biased they may not be as committed to the company. May not work as hard. Fletcher added that transparency is important. Employees are more likely to accept a rating if they understand why they got it. What they do not like is not knowing why they got a rating.

Recent studies in business process management environments support these concerns. Lee and Shanmugamani found that using KPI systems that are tied to job targets is a better way to measure performance. When performance targets are directly related to job deliverables the evaluation is more accurate and easier to understand. All these studies suggest that moving from a Bell Curve system to a KPI-based system is not a preference but a direction that is supported by research.

3. Research Objectives

Primary Objective:

* To see if Redserv Global Solution needs to use KPI-based performance tracking, in the Finance and Operations departments and to evaluate if it can replace the Bell Curve system.

Secondary Objectives:

• To find out what the employees think is wrong with the Bell Curve appraisal model that we are using.

• To see how happy or unhappy the employees are with the way they are being evaluated now.

• To look at what the employees think about the fairness and transparency of the system and if they think their managers are being biased.

• To find out if the employees are open to using a new way of evaluating their performance based on Key Performance Indicators.

• To determine which things are most important to the employees when it comes to their performance, such as how work they do how accurate they are and how efficient they are.

• To use numbers to figure out how the Key Performance Indicators affect how the employees think the organization is doing.

4. Research Methodology

4.1 Research Design

We chose to do a study that uses numbers to describe what we find. We did this because we want to understand what the employees think and feel in a way. We are not trying to change anything or test an idea. We used a kind of question that has a scale of answers, which is good for summarizing what people think and for doing statistical tests. This way we can present our findings in a way that's useful for making decisions.

4.2 Population and Sample

We wanted to talk to all the employees in the Finance and Operations departments at Redserv Global Solution. We used a convenience sampling approach, which means we asked people who were available to participate. We got 102 people to answer our questions. Most of them 53% were from Operations. 47% Were from Finance. We had people from roles and with different amounts of experience which gives us a good idea of what people think in the department.

4.3 Instrument Design

Our questionnaire had two parts. The first part asked for some information, such as what department people work in what their job title is, how long they have been working and how they are currently being evaluated. The second part had 19 questions that asked people to agree or disagree with some statements. We used a scale of 1 to 5 where 1 means they strongly disagree and 5 means they strongly agree. We wanted to know what people think about the Bell Curve model and if they would like to use a Key Performance Indicator-based system instead. We showed our questionnaire to some experts before we gave it to the employees. They said it was a good idea. We also checked to make sure our questions were consistent. We got a score of 0.633, which is okay for a study, like this.

4.4 Data Collection

We collected our data from January to March 2026. We used questionnaires that people filled out by themselves. We gave these questionnaires to people in two departments. We also collected data from journals that other experts reviewed from books about managing performance and from recent papers about using Key Performance Indicators in Business Process Management settings.

4.5 Statistical Tools

We used seven tools to analyze our data:

•We looked at the percentage of people who answered in a way to get a profile of the people who answered our questions.

•We calculated the standard deviation to see what most people answered and how much their answers varied.

•We used Cronbach’s Alpha to make sure our questionnaire was good at measuring what we wanted it to measure.

•We used Pearson Correlation to see how different variables are related to each other.

•We used Multiple Regression to see which Key Performance Indicators are the predictors of how well an organization performs.

•We used the Chi-Square Test of Independence to see if the way we evaluate things is different, in departments.

•We used One-Way ANOVA to compare what the Finance and Operations groups think about Key Performance Indicators.

5. Demographic Profile of Respondents

The people in the study come from two departments, five different jobs and three groups based on how they have been working as you can see in Tables 1 through 3. Most of the people in the study are from the Operations department they make up 53 percent and the rest are from the Finance department they make up 47 percent. When we look at the jobs Process Analysts are the group they make up 32 percent then we have Senior Process Analysts at 19 percent people who work in Accounts Receivable at 17 percent and people who work in CARA and Accounts Payable at 16 percent each. Demographic Profile of Respondents shows that most of the people in the study have been working for one to three years they make up 46 percent then we have people who have been working for than three years they make up 35 percent and people who have been working for less, than one year they make up 19 percent.

Department	Frequency	Percentage (%)
Finance	47	47.0
Operations	53	53.0
Total	100	100.0

Table 1: Department-wise Distribution of Respondents

Job Role	Frequency	Percentage (%)
CARA	16	16.0
Accounts Payable	16	16.0
Accounts Receivable	17	17.0
Process Analyst	32	32.0
Senior Process Analyst	19	19.0
Total	100	100.0

Table 2: Job Role Distribution of Respondents

Experience	Frequency	Percentage (%)
0–1 Years	19	19.0
1–3 Years	46	46.0
3+ Years	35	35.0
Total	100	100.0

Table 3: Experience Distribution of Respondents

6. Statistical Analysis and Findings

6.1 Descriptive Statistics: Mean and Standard Deviation

6. Statistical. Findings

6.1 Descriptive Statistics: Mean and Standard Deviation

Table 4 shows the scores and standard deviations for the 17 main survey questions. The results are pretty straightforward. Questions about the Bell Curve system got low scores: employees gave the statement "my performance is evaluated through a structured system" an average of 2.84 and "the current evaluation process is consistent" got an even lower score of 2.81. These numbers are close to the middle of a five-point scale. Which means employees are not happy because people usually do not give negative answers in workplace surveys.

The results are very different for questions about KPIs. Customizing KPIs for each role got the score overall with an average of 4.68. KPIs that are linked to how the organization is doing got an average of 4.64 and the idea that KPIs should measure both quality and quantity got an average of 4.62. Employees also said they prefer a KPI system over the model with an average score of 4.58. The standard deviation for questions was between 0.51 and 0.80 which means employees answered the questions, in a consistent way. The KPI system and KPIs are clearly what employees prefer and the current Bell Curve system is not working well.

Statement	Mean	Std. Dev.
My performance is evaluated using a structured system	2.84	0.73
I clearly understand how my performance is measured	3.14	0.77
I receive regular feedback on my performance	3.22	0.80
The current evaluation process is consistent	2.81	0.75
The current system lacks clear performance metrics	4.05	0.78
Evaluation depends heavily on manager judgment	4.08	0.75
There is a lack of transparency in evaluation	3.87	0.69
My actual work efforts are not fully captured	4.10	0.73
KPI system improves performance measurement	4.41	0.62
KPI tracking improves transparency	4.44	0.66
KPI improves productivity	4.24	0.64
KPI reduces bias	4.32	0.51
KPIs should be role-based	4.68	0.65
KPI targets should be realistic	4.43	0.69
KPI should include quality and quantity	4.62	0.76
KPI improves organisational performance	4.64	0.75
Preference for KPI system	4.58	0.74

Table 4: Mean and Standard Deviation Analysis

6.2 Correlation Analysis

Pearson correlation results in Table 5 show that KPI-related things are positively linked to performance and system preference.

The strongest links are between:

* manager dependency and reducing KPI bias (r = 0.806).

This makes sense because employees who think the current system is unfair also like alternatives that reduce bias.

* KPI. System preference (r = 0.778).

* KPI. Organisational performance (r = 0.719).

There are also links between:

* unclear metrics and improving KPI measurement (r = 0.601).

* KPI. Organisational performance (r = 0.609).

These findings suggest that employees frustrations with the system make them interested in KPI-based evaluation.

Employees are looking for ways to be evaluated based on KPIs.

The systems problems are driving their interest in KPI-based evaluation.

KPI-related constructs are linked to performance and system preference.

The results show that KPI transparency affects performance.

KPI bias reduction is important, for employees.

Employees value KPI-based evaluation.

Variable Pair	r Value	Strength
Lack of Clear Metrics vs KPI Improves Measurement	0.601	Moderate
Manager Dependency vs KPI Reduces Bias	0.806	Strong
Lack of Transparency vs KPI Improves Transparency	0.305	Moderate
Work Not Captured vs KPI Improves Productivity	0.359	Moderate
KPI Measurement vs Organisational Performance	0.671	Moderate
KPI Transparency vs Organisational Performance	0.719	Strong
KPI Productivity vs Organisational Performance	0.609	Moderate
KPI Bias Reduction vs Organisational Performance	0.492	Moderate
KPI Transparency vs Preference for KPI System	0.778	Strong

Table 5: Pearson Correlation Matrix

6.3 Regression Analysis

We ran a regression analysis with organisational performance as the main variable we were trying to predict. We used four KPI measures as predictors. The results showed an R^2 value of 0.683. This means that these four

factors together explain 68.3% of how employees view performance. This is a strong result for a survey about attitudes.

The productivity measure was the predictor (β = 0.638). This makes sense in a BPM context where measuring how much work is done. How fast it gets done is very important. Improving KPI measurements (β = 0.332). Being more transparent (β = 0.325) both had positive effects.

The bias reduction measure had an effect (β = −0.224). However this might be due, to the predictors being related to each other, not a negative effect. We need to look into this further.

Overall the analysis supports the idea that improving KPIs would lead to organisational performance.

KPI Factor	Coefficient (β)	Direction
KPI Improves Productivity	0.638	Strong Positive
KPI Improves Measurement	0.332	Moderate Positive
KPI Improves Transparency	0.325	Moderate Positive
KPI Reduces Bias	−0.224	Weak Negative
R^2 (Model Fit)	0.683	Strong

Table 6: Regression Coefficients — KPI Factors vs Organisational Performance

6.4 Chi-Square Test of Independence

H_0: No statistically significant association exists between departmental affiliation and the prevailing performance evaluation method.

H_1: A statistically significant association exists between departmental affiliation and the prevailing evaluation method.

Department	No Formal System	Manager Feedback	Targets/Deadlines	Combination	Total
Finance	17	15	14	1	47
Operations	17	19	16	1	53
Total	34	34	30	2	100

Table 7: Chi-Square Cross-Tabulation — Department vs Evaluation Method

The Chi-Square test gave us a result of p = 0.97 which's really high compared to the threshold of α = 0.05. So we keep the hypothesis.

This means that employees in Finance and Finance employees are treated the same when it comes to evaluations.The Operations department and the Finance department do not have a difference in how they do appraisals right now.This is important because if we make a change, in the Finance department or the Operations department it should work as well in the other department the Finance department or the Operations department.

6.5 One-Way ANOVA

H_0: Mean perceptions of KPI-related factors are equal across Finance and Operations departments.

H_1: Mean perceptions of KPI-related factors differ significantly between departments.

KPI Factor	F-Value	p-Value	Decision
KPI Improves Measurement	0.737	0.346	Not Significant
KPI Improves Transparency	0.124	0.942	Not Significant
KPI Improves Productivity	0.0002	0.999	Not Significant
KPI Reduces Bias	0.248	0.873	Not Significant

Table 8: ANOVA F-Test Results — KPI Perceptions by Department

All four F-statistics were not significant with p-values greater than 0.05. This means Finance and Operations employees see KPI-related concepts in ways.

This is important for implementation.

It shows we don't need to create different KPI systems for each department.

However some customisation for roles, around productivity definition would still be useful.

In Finance it should focus on being precise while in Operations it should focus on getting things done quickly.

7. Key Findings

* The test we used to measure things worked enough for our research. It had a reliability score of 0.633 which's okay for a first try.

* Employees are not happy with the Bell Curve system. They gave it scores for how well it is set up and how fair it is. On average they scored it 2.84 for structure and 2.81 for fairness, which shows they do not like it.

* The main problems with the system are that it is not clear how employees are judged managers have too much power and it does not show what employees actually do every day.

* The questions about goals and how to measure them got the scores. Employees liked the idea of having goals that're specific to their job with an average score of 4.68. They also liked the idea of measuring both quality and quantity with a score of 4.62.

* When we looked at the numbers we found that goals and how to measure them explain 68.3% of how employees feel about the organizations performance. The important thing is productivity with a score of 0.638.

* We found a link between being open about goals and how employees feel about the organizations performance and the system they use. This shows that being open is very important for employees to accept any system.

* We did some tests, like Chi-Square and ANOVA and found that both departments feel the same way, about the current system and goals. This means we can make changes to the system that will work for the organization..

8. Suggestions and Managerial Implications

Phased Transition from Bell Curve to KPI Framework

When it comes to changing the way Redserv does appraisals it is better to do it. The management team at Redserv should think about trying out the KPI system in just one department at first. They can use the system and the old system at the same time for one appraisal cycle. Then they can make changes based on what they learn from this test before using the system everywhere. This way of doing things slowly can help prevent problems and make it easier for people to accept the change.

Role-Specific KPI Design

Using the KPIs for every job is not a good idea. It can actually be worse than not using KPIs all because it makes people think they are measuring the right things when they are not. For people who work in finance the KPIs should be about how they process things how many errors they make and if they follow the rules. For people who work in operations the KPIs should be about how work they do how long it takes them to do it and how well they do it. The people who were surveyed said they want KPIs that're specific to their jobs. This is something that Redserv should definitely do.

Transparent Communication of Criteria

One thing that's very clear from the survey is that employees want to know how they are being evaluated. The company should write down how they will be evaluating employees, including how they set targets and decide on ratings. They should share this information with employees at the beginning of each appraisal cycle not after the ratings have already been decided. If Redserv uses dashboards to show employees how they are doing on their KPIs in real time it can help build trust with the employees.

Data-Driven Evaluation Infrastructure

Using KPIs is a way to make the appraisal process more fair.. This will only work if Redserv has the right systems, in place. If they use a platform to track performance it can automatically collect data and make it easier for managers to do their jobs. It can also give employees a record of how they are doing over time. This is something that Redserv should consider doing to make their appraisal process better.

Continuous Feedback Cycles

Annual reviews are poorly suited to fast-moving BPM environments. Monthly or quarterly check-ins, structured around KPI targets, would allow employees to course-correct in real time rather than discovering problems only at year-end. Structured one-to-one meetings between managers and their reports, tied to KPI data, can shift the appraisal conversation from evaluation to development.

Realistic and Jointly-Owned Targets

KPI targets that employees had no part in setting are targets that employees are unlikely to own. Where possible, targets should be negotiated rather than handed down — grounded in historical performance baselines and adjusted for realistic stretch. Aspirational targets that consistently go unmet demotivate rather than challenge.

9. Conclusion

The case for replacing the Bell Curve appraisal system at Redserv Global Solution is not made on ideological grounds — it is made by the data. Employees across both Finance and Operations departments are dissatisfied with how they are currently evaluated, and they have a clear sense of what would work better. KPI-based performance tracking resonates strongly because it offers something the Bell Curve model cannot: a direct and transparent link between what someone does at work and how they are rated for it.

The statistical evidence points in the same direction. KPI-related constructs explain more than two-thirds of the variation in organisational performance perceptions. Transparency, in particular, emerges as both a predictor of performance outcomes and a driver of system preference — which means that how an appraisal system communicates its logic matters almost as much as the logic itself. The fact that perceptions are consistent across departments is equally significant: there is no departmental divide to work around, only a shared readiness for change.

In the BPM industry, where process quality and client trust are competitive assets, the ability to reliably distinguish between different levels of employee performance is not a HR nicety — it is an operational requirement. A performance evaluation system that cannot do this is, ultimately, a liability. Transitioning to KPI-based tracking is a practical and evidence-backed response to that problem. Done thoughtfully, it has the potential to meaningfully improve how fairly people are managed, how motivated they feel, and how well the organisation performs as a result.

Acknowledgement

The authors want to say thank you to the management and employees of Redserv Global Solution for helping out and being willing to be part of this study. The authors also want to thank the Department of Management Studies at Sathyabama Institute of Science and Technology for guiding them throughout the research process.

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