

The Design of the Performance Evaluation System for the Sales Assistants—Taking H Company as an Example

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Abstract—By analyzing the deficiencies of the performance evaluation system for the sales assistants in H company, as well as the market environment and the needs of company development strategy, this paper constructs the key performance indicators database for the sales assistants, who work in the forefront of the market, and gives each indicator the corresponding weight through the analytic hierarchy process, so as to promote the improvement of the sales assistants' work performance and service level.

Index Terms—Analytic hierarchy process, key performance indicators, the sales assistants.

I. INTRODUCTION

Since China entered the Internet age, physical stores of various brands have been facing with fierce industry competition and higher requirements. Displaying the brand image directly, the improvement of management details and service level also face higher challenges.

The sales assistants are at the main battlefield in marketing. They can directly expand and tap customers and create profits for companies [1]. As a direct representative of the brand image in the eyes of customers, it is of great significance to guide and supervise the work behavior of the sales assistants [2]. Performance appraisal is an important factor which affects employees' performance, work quality and company benefit. Performance appraisal also guides and promotes the work focus and work behavior norms of employees [3].

Because of the insufficient understanding of performance management, the traditional performance evaluation mechanism for the sales assistants has not change along with the progress of times in some companies, and some disadvantages cannot be matched with the existing market environment. H company is a famous manufacturer and seller of fashionable women's shoes in China. This paper will study the company and explore the performance evaluation indicator system for the position of the sales assistants to meet the market demand and encourage the staff's enthusiasm.

II. JOB DESCRIPTION AND PERFORMANCE APPRAISAL SYSTEM OF THE SALES ASSISTANTS IN H COMPANY

As a retailer of business and leisure shoes for middle and high-end women in China, H company has been committed to the production and sales of fashionable women's shoes. Currently, the company has more than 2,000 self-operated

retail stores and third-party retail stores. In the past ten years, H company has been ranking at the forefront of Chinese women's shoes market every year. After years of operation and development, the company has been transformed from a growth company to a mature one along with the adjustment of the company's business environment and business strategy. From the initial pursuit of market share, the company began to pay more attention to brand image and market reputation. Hence, the management model mismatched the development speed. The sales assistants' performance appraisal continued to adopt the single indicator more than ten years ago.

The guide purchase process refers to communicating information between people in order to satisfy certain needs of customers and persuade them to buy products, services, ideas or other items. During the purchase process, the sales assistants should influence and persuade customers to purchase products. More importantly, they help customers to define problems, provide information and suggestions, and provide after-sales service to ensure long-term customer satisfaction.

The sales assistants in H company generally has a junior college degree or above, and has received systematic vocational training, including the company's commodity knowledge and experience, marketing process, selling skills, corporate culture. Therefore, besides being familiar with the company's products, the sales assistants should be equipped with professional knowledge of salespersons and marketing, good communication skills, as well as team working consciousness.

At present, the sales assistants in H company are mainly 20-35 years old. Each store is equipped with one store manager and one to three sales assistants and the monthly sales ranges from ¥50,000~400,000. The performance appraisal of the sales assistants has always followed a single standard -- sales performance, which is directly linked to the salary. The initial implementation of the assessment system did have a positive effect on the sales performance. However, with the expansion of the company's scale, the disadvantages of the performance appraisal began to show up slowly. For example, due to the one-sided pursuit of sales, the store neglected the customer's long-term service and damaged the brand image. Moreover, the regular customer repo rate was reduced and attaining new customers was difficult. In addition, the weak internal cooperation, the inobservant sales technique and the poor work attitude have shown up. Even some excellent employee quit from the company, etc. Under the impact of the huge e-commerce community in the Internet economy, physical stores are facing greater pressure and challenges than before, and the sales assistants are required to have higher working ability, working attitude and other service details. Obviously, the single sales performance

assessment has been unable to guide and improve the sales assistants' working level. Because of the laggard appraisal project, the development of the company has been restricted. So it is extremely urgent to rebuild and optimize the performance indicators of the sales assistants.

III. OPTIMIZATION DESIGN OF THE PERFORMANCE INDICATORS SYSTEM FOR THE SALES ASSISTANTS IN H COMPANY

The work of the sales assistants is directly related to the corporate image and corporate benefit, and has the characteristics of hard to define the working time, hard to control the working process, high uncertainty of working performance and strong working mobility [4]. According to the company's current situation, the performance appraisal system of the company's sales assistants is optimized. The focus of optimization should be put on the selection of performance appraisal indicators and the allocation of weights.

A. Selecting Evaluation Indicators

The key performance indicator refers to the key success factors (KSF), which combines the key work factors (KSF) to extract the key result areas (KRA), and break down the key success areas into key performance factors (KPF), which quantify key performance factors. They are shown in Fig. 1. The departmental key performance indicators are assigned to each department by company-level key performance indicators.

Some indicators that can be independently undertaken by the department are directly used as the department-level company indicators. Others that cannot be fully undertaken by the department will be further decomposed. There are two main lines of decomposition: one is based on organizational structure decomposition; the second is based on process activity decomposition.

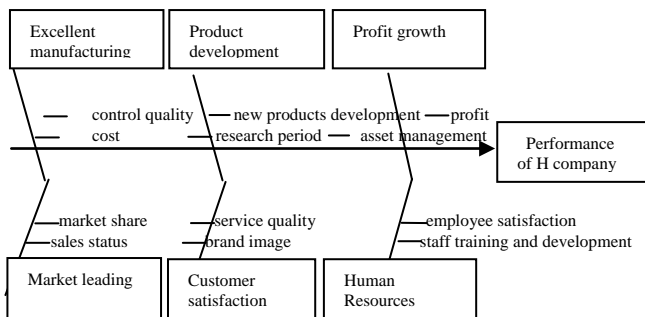


Fig. 1. Key performance factors of H company.

Individual performance appraisal indicators are directly undertaken or further decomposed from departmental indicators.

By interviewing with the sales assistants and the related supervisor, manager, colleagues, customers and other staff, this paper formulate the key performance appraisal indicators for the sales assistants from the work performance, work ability, work attitude three dimensions. And the indicators have the principle of systematic, scientific, integrity, objectivity.

The result is shown in Fig. 2:

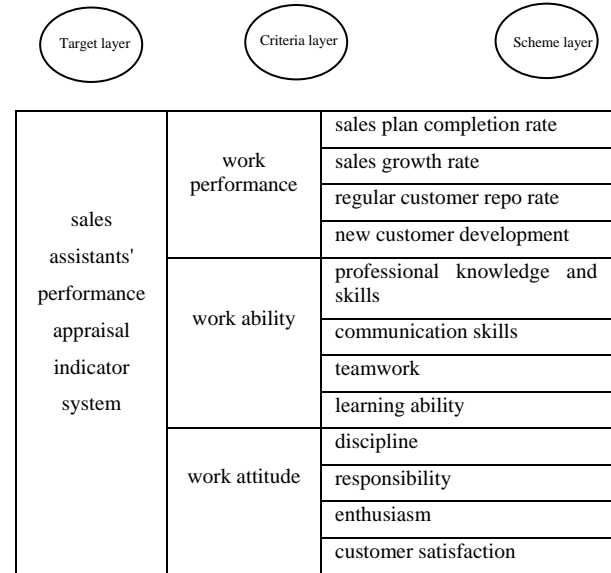


Fig. 2. Performance indicators system of the company's sales assistants.

B. Determining Indicator Weight by AHP

It's helpful to use AHP analysis to determine the weight of each indicator in the assessment indicator system, and it gets more scientifically and effectively [5]-[8]. The steps of the criterion layer weight and the scheme layer weight calculation are the same, both of which include the following steps: constructing judgment matrix, calculating the indicator weight and checking the consistency.

1) Determining the weight of the criteria layer

Based on wide hearing of the suggestions from the company's top management, store managers, sales assistants and customers, investigation and analyzing of the psychological stores, Delphi expert interview, the authors determined the relative importance of each element and establish the indicator base. The judgment matrix A constructed by the three indicators of work performance, work ability and work attitude is as follows:

$$A = \begin{pmatrix} 1 & 2 & 3 \\ 1/2 & 1 & 2 \\ 1/3 & 3 & 1 \end{pmatrix} \quad (1)$$

According to the method of column sum and weight, first step is to calculate the weight of each column of the matrix. The second step is to normalize each column. The formula is as follows:

$$a_{ij} = A_{ij} / \sum A_{ij} \quad (2)$$

Then it gets a new matrix B which is the normalized matrix of work performance, work ability and work attitude. The corresponding eigenvector is as follows:

$$W = (1.61, 0.892, 0.492)^T$$

$$B = \begin{pmatrix} 0.546 & 0.571 & 0.500 \\ 0.273 & 0.286 & 0.333 \\ 0.183 & 0.143 & 0.167 \end{pmatrix} \quad (3)$$

In order to calculate the weight of the indicator, it needs to normalize the feature vector, and obtain the work performance, work ability, work attitude weight table. The

result is shown in Table I.

TABLE I: PERFORMANCE, ABILITY, ATTITUDE WEIGHT TABLE

	work performance	work ability	work attitude	SUM	W
work performance	0.546	0.571	0.500	1.617	0.539
work ability	0.273	0.286	0.333	0.892	0.297
work attitude	0.182	0.143	0.167	0.492	0.164
SUM	1.001	1.000	1.000	3.001	

work performance: $W=1.617/3.001=0.539$

work ability: $W=0.892/3.001=0.297$

work attitude: $W=0.164/3.001=0.164$

This gives the weight of each indicator: work performance 53.9%, work ability 29.7%, work attitude 16.4%.

To test the consistency of the judgment matrix, first step is to calculate the maximum eigenvalue of the matrix:

$$\lambda_{\max} = (3.015 + 3.012 + 3.000) / 3 = 3.009$$

The consistency indicator is as follows:

$$C.I. = (3.009 - 3) / 2 = 0.004.$$

The random consistency ratio is calculated as

$$C.R. = 0.0045 / 0.58 = 0.008 < 0.1$$

The results show that the weights of three indicators for the performance appraisal, referring to the company's sales assistants are acceptable by the analytic hierarchy process (AHP).

2) Determining the weight of the scheme layer

This article takes the calculation of the scheme layer of work performance indicators for example. The authors analyze the completion rate of sales target, sales growth rate, the regular customer repo rate, and the weight of assessment indicators for new customer development.

The judgment matrix C constructed by the completion rate of sales target, sales growth rate, the regular customer repo rate and new customer development assessment indicator is as follows:

$$C = \begin{pmatrix} 1 & 4 & 6 & 4 \\ 1/4 & 1 & 2 & 1 \\ 1/6 & 1/2 & 1 & 1/2 \\ 1/4 & 1 & 2 & 1 \end{pmatrix} \quad (4)$$

In step (2) of determining the weight of criterion layer, the new matrix D is obtained as follows, and the corresponding eigenvector is as follows:

$$W = (2.375, 0.640, 0.345, 0.640)^T$$

$$D = \begin{pmatrix} 0.600 & 0.615 & 0.545 & 0.615 \\ 0.150 & 0.154 & 0.182 & 0.154 \\ 0.100 & 0.077 & 0.091 & 0.077 \\ 0.150 & 0.154 & 0.182 & 0.154 \end{pmatrix} \quad (5)$$

Sales plan completion rate: $W=2.375/4.000=0.594$

sales growth rate: $W=0.640/4.000=0.160$

regular customer repo rate: $W=0.345/4.000=0.086$

new customer development: $W=0.640/4.000=0.160$

Thus, the weight of each indicator is obtained: the completion rate of sales target is 59.4%, the sales growth rate

is 16.0%, the regular customers repo rate is 8.6%, and the development of new customers is 16.0%

To test the consistency of the judgment matrix, the first step is to calculate the maximum eigenvalue of the matrix:

$$\lambda_{\max} = (4.024 + 4.003 + 4.012 + 4.003) / 4 = 4.0105$$

Then it will get consistency indicator:

$$C.I. = (4.0105 - 4) / 3 = 0.0035.$$

The random consistency ratio is calculated as

$$C.R. = 0.0035 / 0.9 = 0.004 < 0.1.$$

Therefore, by analytic hierarchy process, the weights of sales target completion rate, sales growth rate, regular customer repo rate and new customer development indicator in the performance assessment of the company's sales assistants are within an acceptable consistency range.

In the same way, the weights corresponding to other evaluation indicators in the scheme layer can be obtained through calculation and consistency test. The final operation results are shown in Table II.

TABLE II: PERFORMANCE INDICATORS SYSTEM OF THE SALES ASSISTANTS

Criteria layer indicators and weights		Scheme level indicators and weights		Comprehensive weight
Indicator dimension	Weight 1	Key performance indicators	Weight 2	
work performance B1	53.9%	sales plan completion rate C1	59.4%	32.02%
		sales growth rate C2	16.0%	8.63%
		regular customer repo rate C3	8.6%	4.64%
		new customer development C4	16.0%	8.63%
operational capacity B2	29.7%	profession knowledge and skills C5	10.7%	3.18%
		communication skills C6	37.1%	11.02%
		teamwork C7	15.1%	4.48%
		learning ability C8	37.1%	11.02%
work attitude B3	16.4%	discipline C9	9.7%	1.59%
		responsibility C10	28.6%	4.69%
		enthusiasm C11	18.4%	3.01%
		customer satisfaction C12	43.3%	7.09%

IV. IMPLEMENTATION OF THE PERFORMANCE EVALUATION SYSTEM FOR THE SALES ASSISTANTS IN H COMPANY

A. Performance Planning

The sales assistants formulate personal development goals and work plans according to the sales targets set by the company. Clarify the tasks, priorities and objectives during the assessment period, and confirm the KPI, weights and measurement standards together with the evaluators. Make the work plan and development plan for the sales assistants

after being confirmed by evaluators and the sales assistants.

B. Performance Monitoring

Evaluators monitor the sales assistants' performance throughout the whole process, identify problems and correct them in time and record important performance behavior.

C. Performance Evaluating

The effect of performance evaluation is influenced by the scientific design of performance evaluation scheme and evaluators' capability. It's essential to train evaluators. First of all, evaluators need to realize the importance of performance assessment and their responsibility; secondly, all performance assessment persons should obtain consistency about evaluation indicators; finally, evaluators should understand the sales assistants' responsibilities and master the assessment tools. The effective performance monitoring refers to guide evaluators to evaluate the performance grade scientifically and objectively.

D. Assessment Feedback and Dispute Handling

According to the assessment results, evaluators communicate with the sales assistants face-to-face about the ways and means of performance improvement.

The sales assistants can appeal to the human resources department in written if they hold any disputes. Both the level leader of the sales assistants and the human resources department need to audit and adjust the assessment results. The human resources department will discuss the sales assistants' objections, the relevant leaders and the sales assistants shall attend the meeting. Based on the investigation result and the actual situation, a final decision will be made by the human resources department and be approved by the general manager.

V. DISCUSSION AND SUMMARY

We obtained company-level key performance indicators, departmental key performance indicators and individual key performance indicators of sales assistants through hierarchical decomposition. And then we determine the weight of each indicator using the AHP method. Subsequently, we set detailed behavioral standards and scoring standards for each program level indicator, and after several months of trial promotion for dozens of stores, we got better feedback: besides the store sales performance was maintained or slightly increased, the return visit data of customer satisfaction has been significantly improved, and the store management and employee work status have also been significantly improved.

When the company is in a small-scale market, the main goal is to survive in the competition. The single sales performance evaluation indicator for sales assistants is also in line with the current business strategy to a certain extent. However, when H company successfully transforms from a growth company to a mature one, there are higher standards and requirements, which are put by the highly competitive industry environment, for the company's service and

operation. So the company's performance appraisal system should be adjusted accordingly.

It's a process of dynamic optimization to design performance appraisal scheme. In the company's development process, only by constantly matching the design of performance appraisal scheme with the company's strategy can its sustainable development be effectively guaranteed.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

AUTHOR CONTRIBUTIONS

Weijing Chen conducted the research and analyzed the data; Weijing Chen and Fei Xia wrote the paper. All authors had approved the final version.

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