Integrated Approach to Measure Returns to Employees as Stakeholders: A Conceptual Framework

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"We believe that business is good because it creates value, it is ethical because it is based on voluntary exchange, it is noble because it can elevate our existence, and it is heroic because it lifts people out of poverty and creates prosperity. Free-enterprise capitalism is the most powerful system for social cooperation and human progress ever conceived. It is one of the most compelling ideas we humans have ever had. But we can aspire to something even greater."

- Conscious Capitalism Credo (Mackey et al., 2013).

Stakeholder Primacy has been gaining importance over the years. The shift from Shareholder Primacy to Stakeholder Primacy is rooted in the creation and the distribution of value by the respective firms and also in its fair distribution among relevant stakeholders.

Employees have been identified as one of the important stakeholders of the firm. However, from employees' perspective, issues related to protection of income during economic crisis and redundancies, fairness of returns, wellbeing of employees' family members, involvement in decisions that impact the interests of employees, comparison of respective employers with other firms in terms of best practices to ensure fair returns to employees over and above the rewards and compensation become important in determining and measuring returns to employees as stakeholders.

An integrated approach to measure the returns to employees as stakeholders is deemed necessary especially in times of uncertainty and ambiguity. In this paper, we propose a Conceptual Framework to Measure the Returns to Employees as Stakeholders which involves Protection, Partnership, Prosperity, and Position as Cornerstones of Measurement emanating from the Purpose of the firm.

Key Words: Stakeholders, - Employees - Value Creation - Return - Stakeholder Primacy

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Introduction

In their book, *Conscious Capitalism: Liberating the Heroic Spirit of Business*, Mackey, Sisodia, and Bill (2013) are of the opinion that to create value for all stakeholders, the four tenets to be followed by the firms are: (i) higher purpose, (ii) stakeholder integration, (iii) conscious leadership, and (iv) conscious culture and management. These four tenets help the firms in building strong businesses and advance capitalism further toward realizing its highest potential.

The focus of the stakeholder approach is articulated in two core questions. First, it asks: What is the purpose of the firm? Second, the stakeholder theory asks: What responsibility does the management have towards stakeholders? (Freeman, 1984). Thus, firms need to articulate the approach to do business, build relation- ships, and create value for the firm's stakeholders and do justice to each of these elements..

Certainly, shareholders are the important constituents of the firm and profit making is an important goal of any business activity; however the concern for profit should be an outcome rather than the driver in the process of value creation (Freeman et al., 2004).

Therefore, by adopting the stakeholder approach, firms are likely to be more successful and to have a steady and sustainable businesses. Analysis of the *Fortune* corporate reputation surveys revealed that the satisfaction of multiple stakeholders need not be a zero-sum game, that is the benefits to one stakeholder group need not come entirely at the expense of another (Preston & Sapienza, 1990). Kotter and Heskett (1992) analyzed the case studies of high-performance firms and posited that those firms emphasized the interests of all major stakeholder groups in their decision making.

Stakeholder friendliness is defined by a firm's culture that complements and overrides the standard strategic advice. Stakeholders in such firms believe that their interests or welfare schemes are tied to the firm's success, consequently, stakeholders develop loyalty and long-term commitment to the firm (Leap & Loughry, 2004).

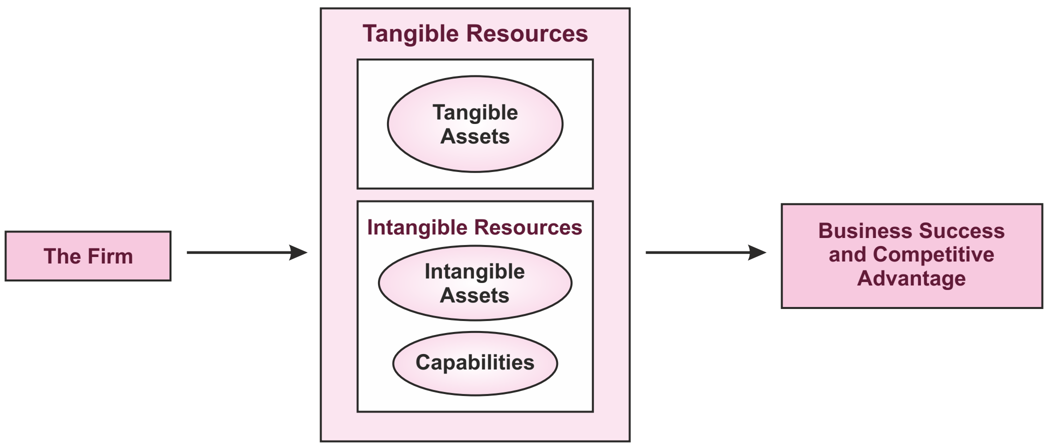
The major stakeholder groups include : (i) Shareholders, (ii) Employees, (iii) Suppliers, (iv) Customers, (v) Society and (vi) the State. The ability of a firm to successfully leverage the physical and financial resources is key to its being able to create wealth. For this purpose it requires the effective harnessing of the ingenuity and competence of the employees (Bajpai, 2017).

Eventually, employees of the firm create wealth out of other resources. Hence, employees not only become important stakeholders but also the most essential resource.

Employees as Stakeholders

The importance of employees as important stakeholders of a firm is established by the Resource Based View (RBV) of the Firm (Barney,1991). It provides interesting insights into the relationship between a firm's resources and competitive advantage; hence the RBV postulates that the intangibles are the key source for sustainable competitive advantage.

Figure 1:Resource-based View of the Firm



(Source: Figure 1 is derived from Barney, J.(1991), "Firm's resources and sustained competitive advantage", Journal of Management, 17(1), pp. 99–120.

The value sharing by firms with the employees as 'stakeholders' is mostly contractual and it is in the form of compensation. However, the focus has expanded from mere employee safety to employee welfare. In this context, issues such as work-life balance have become important. It is crucial that the firms contribute to the well-being of the employee as an individual (Bajpai, 2017).

Harrison and Wicks (2013) suggest that the firms which satisfy the interests of a considerable group of stakeholders will be able to allocate more value to the organization in the long run. Bosse *et. al.* (2009) argue that companies that pay fair remuneration to their employees manage to add value to the company, thanks to the positive reciprocal response on the part of the employees.

To go beyond the contractual obligation of employment, the 'Total Rewards Model' was introduced by *World at Work* (2000). The total rewards approach takes a holistic view by providing monetary, beneficial and developmental rewards to employees based on achievement of specified business goals. The total rewards approach includes compensation and benefits along with personal growth opportunities in a motivating work environment.

The total-rewards approach has gained popularity; however, is it enough to measure the returns to employees as only stakeholders? Are monetary rewards and compensation enough to keep an employee supercharged to deliver his/her total commitment, utmost loyalty, and a complete dedication to creating an optimal value out of the inputs? The fairness and equity of compensation determination and distribution have often been contested by employees, unions, and other organizations working for labour welfare.

Even the executive remuneration which includes stock options (ESPOs) is focused too much on delivering value to shareholders and that too to an exclusive club of select executives but ignores or excludes a substantial section of employees who are also stakeholders. Moreover, to encourage employee voice mechanisms, it is desirable that the reward-practice moves away from shareholder value-reward to stakeholder reward (Kornelakis, 2018).

The Total Rewards Approach addresses the comprehensiveness of rewards and compensation paid to employees in a firm's context; however, it is majorly linked to the business goals, hence it does not go beyond the employment contract and may not address the concerns related to the ecosystem of employees, family, community and society. Kalberg (1980) mentions that the engagement of owners of resources is driven by 'Instrumental Rationality (optimize return - economic). The firm obtains diverse resources from multiple owners, therefore, the wealth generated belongs to the resources' owners (stakeholders) as well.

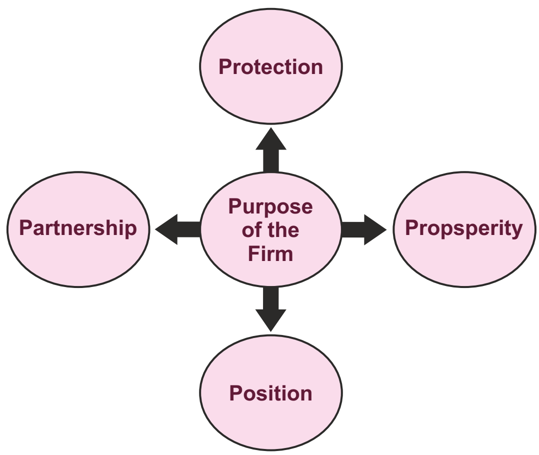
Ferrears (2017) acknowledged firms as the conjoining of 'Instrumental' and 'Expressive Rationality' in her book *Firms as Political Entities*. Instrumental Rationality governs economic life, but the labour investors are driven by 'Expressive Rationality' as they invest their persons, not the capital. She posed an important question, 'Do employees sit at work only for the wages they receive?' She opined that people at work cease to be citizens, they become employees, secondary to the hierarchy of the firm. It is important that the employees are treated as citizens and the workplace as part of the public sphere. "It is time to recognize that firms are a peculiar institution that must be properly organized to unshackle workers' motivation and creativity and begin nurturing democracy again." (Ferrears, 2017).

From employees' perspective, issues related to protection of income during economic crisis and redundancies, fairness of returns, wellbeing of employees' family members, involvement in decisions which impact the interests of employees, comparison of respective employers with other firms in terms of best practices to ensure fair returns to employees over and above the rewards and compensation should be considered for determining and measuring returns to employees as stakeholders.

The issue is, 'how the collective ambition of various stakeholders can be taken care of'. Collective ambition of the firm is founded on carefully integrated Purpose, Vision, Targets and Milestones, Strategic Operational Priorities, Brand Promise, Core Values, and Leader Behaviours (Ready & Truelove, 2011). Therefore, the role of the firm in ensuring fair and equitable distribution of residual funds among legitimate stakeholders should not be restricted to legal and regulatory frameworks.

In this paper, we propose our Conceptual Framework to Measure the Returns to Employees as Stakeholders which involves Protection, Partnership, Prosperity and Position as Cornerstones of Measurement emanating from the Purpose of the firm.

Figure 2: The '4 Ps" Framework :
Cornerstones to Measure Returns to Employees as Stakeholders



Purpose of the Firm

The proposed cornerstones of measurements are founded on the plinth of the 'Purpose of the Firm' because the Mission of the firm gets ingrained in the minds of the human resources (individuals) employed and goes beyond instrumental considerations. The employees' relationship with work and the firm is generally nurtured by cognitive power and depth of the mind. The purpose of the firm is thus rooted in the concept of Expressive Rationality (Ferrears, 2017). Expressive rationality emphasizes better the importance of labour investors than simply viewing firms as instruments to uphold the primacy of capital investors.

Seymour Burchman, Managing Director, Seymour Brass Consulting Group, in his 2020 article, mentioned that "Mission rather than Strategy" as the first of the six key approaches. The other five approaches are : (i) Share- holder Centric, (ii) Strategic Milestone Focused, (iii) Financial Goals, (iv) Overlapping Independent Cycles and (v) Budgeted Performance.

Nooyi and Govindarajan (2020) identified that the challenge faced by the organizations today is the "need to be focused more on long-term sustainability and less on short-term profitability". Therefore, it is important to satisfy multiple stakeholder interests to safeguard the long-term viability of a firm. They further opined that social responsibility needs to evolve away from corporate philanthropy toward a deeper sense of purpose to drive the shareholder value. So they say, 'We need to change the way we made money – not just give away some of the money we earned"

Therefore, the importance of instilling a meaning and purpose to work, apart from seeking economic returns, understanding motives and drivers of behavioral change to institute practices for ensuring fair returns to employees can constitute a robust framework to guide an integrated approach of measuring the returns to employees as stakeholders in terms of *Protection, Partnership, Prosperity and Position.*

Protection

Employees are significantly affected by the success or failure of a firm; having an investment of experience and specialized skills, and personal relationships. The employees and are dependent on their employer's success through income or equity (*cf* Maltby & Wilkinson, 1998). Richard (2006) observed that employers and stakeholders are coming closer to measuring the true value of their workforces. Richard advocated the "why" and the "how" of a more participatory role for organization stakeholders, and suggested why employee stakeholders merit a "first among equals" status *as employees*.

Mostly, employees are not assured of a fair deal by their employers. Employees are vulnerable because of redundancies, relocations or closures, or insolvencies, and, it is difficult for them to either avoid unforeseen situations or to achieve their dues in such a scenario. They may not be aware of the warning signals of corporate failures, nor can they protect their interests as fully as other stakeholder groups. Hence the consequential redundancies are to be funded by themselves or by a benevolent state.

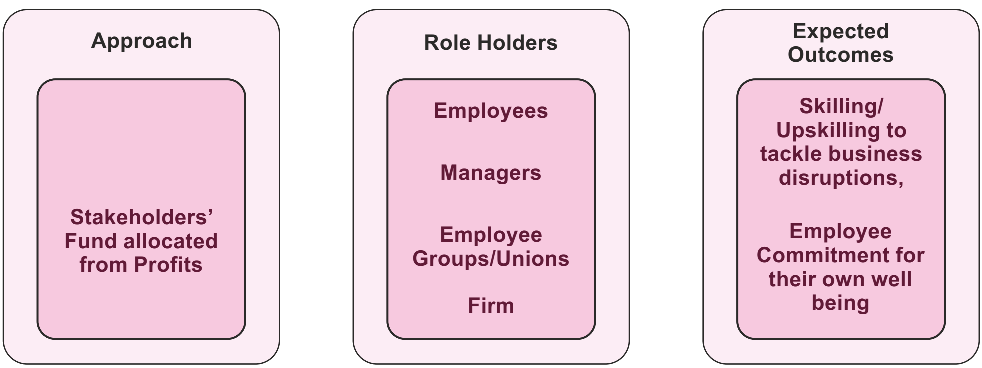
Therefore, assigning a comparable share from a compulsorily or a voluntarily redesigned amount to a statutory 'Stakeholders fund' could offer protection to employees in times of economic crisis, business disruptions, closure of businesses, etc. The argument in favour of allocation also emanates from the fact that the employees are residual stakeholders, hence they are always on the chopping board, especially when the firms suddenly face a lesser or greater financial downturn.

People often make considerable investment in their work, such as a geographical relocation, relationship changes, and investment in training. Accompanying this investment, workers frequently depend on their work for social relationships, self-identity and self-actualization (Crane & Matten, 2004). It is on this base that employees can be recognized as having a moral claim (Kaler, 2002) and high legitimacy (Mitchell *et al.*, 1997) on the firm.

> *Thus, for the vulnerabilities of employees and others dependent on the employees, 'Protection' available to them is an important factor, which needs to be considered for measuring returns to shareholders.*

The following figure outlines the approach to protection, possible role holders, and expected outcomes, if the firms wish to extend protection to employees as a measure of returns.

Figure 3: Approach, Role Holders, and Expected Outcomes of Protection as a Measure of Returns to Employees as Stakeholders



In order to protect against economic crises, business models/products/services rendered irrelevant by market forces resulting in loss of jobs or skills redundancies, use of stakeholders' fund is recommended for protection of returns to employees especially during the above-mentioned externally induced, uncontrollable economic crisis/ financial emergencies.

Partnership

Employees have been recognized as important stakeholders (Greenwood, 2007). Employees are closely integrated with the firm, which gives the employees a "peculiar role among stakeholders" (Crane & Matten, 2004). They contribute to the firm in fundamental ways. Employees 'constitute' the firm: they are the most important factor or 'resource' of the corporation.

Yener Demir, Senior Corporate Governance Policy Advisor, USA, during the OECD Corporate Governance roundtable in 2002 in his paper, "Employees as Stakeholders: The Challenges of Building an Employee Ownership Culture", specified that employee ownership offers a fair and equitable tool that offers a democratic workplace environment and recognizes rights and responsibilities of employees as stakeholders by having employee representatives on the boards of the firm. Demir also opined that there are significant performance improvements in firms wherein employees hold ownership.

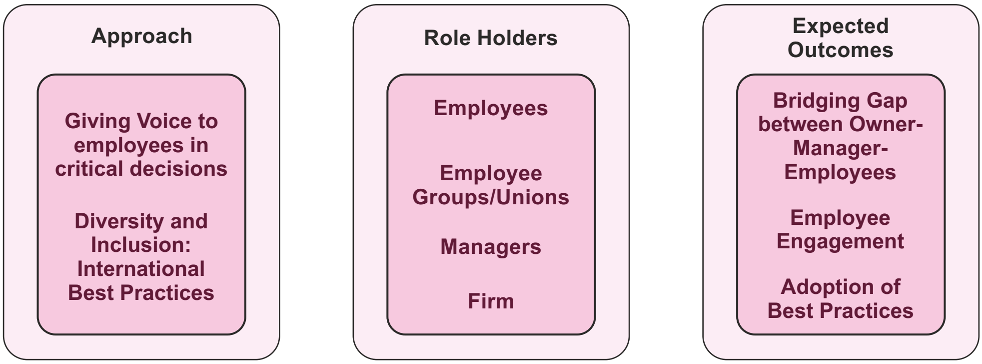
Duckworth (2014) categorizes employees as a group of stakeholders who are critically important to social responsibility as they are affected by the firm's decisions and actions like compensation, employment security, physical and emotional safety, and skill development. These decisions have a ripple effect on the employees' families and communities.

Employees are the key players in engagement with the external stakeholders; they relate to the firm's other stakeholders depending on their perceptions and needs (Anne-Laure P. *et al.*, 2019). Employees are primary stakeholders who can minimize threats and help the firm capitalize on opportunities (Fombrun, *et al.,* 2000; Hill & Jones, 1992; Mitchell *et al.,* 1997).

Involvement and employee ownership have been identified as key factors to effective corporate governance and external stakeholder engagement (Jackson & Moerke, 2005). They are the significant stakeholders in the firm; hence, it is necessary to involve and develop the employees as partners (Leal *et al.*, 2007).

> *How a firm develops mechanisms for involving employees in critical decisions and encourages partnership in terms of giving employees a voice, especially in decisions which directly and/or indirectly affect them form significant indicator to determine returns to employees as stakeholders.*

Figure 4 : Approach, Role Holders and Expected Outcomes of Partnership as a Measure of Returns to Employees as Stakeholders



Prospects of employees and their well-being are impacted by executive decisions. However, employees find it difficult to influence these executive decisions due to limited influence, authority, and legitimacy. Thus, it is important to create partnerships founded on principles of stakeholder value creation, to develop a Governance Structure within the firm to promote a sense of ownership, and to strengthen the participation of employees in decision making by the regulatory framework.

Prosperity

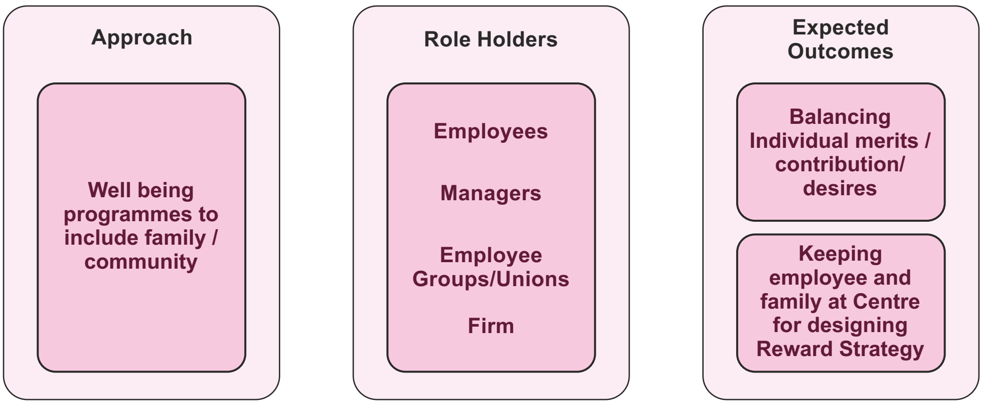
The separation of Owner-Manager-Employee creates complexity in ensuring procedural justice in terms of the distribution of residual profits, especially in this era of swollen CEO compensation packages that continue to swell even when profits and wages shrink (Bok, 1993).

Although employees are both "**powerful**" - because of the firm's reliance on them as a source of competitive advantage - and **"legitimate**" – because of the criticality of their contribution to the firm's growth and profits (Simmons & Lovegrove, 2005), – however, the 'organization-employee' relationship exists as a "necessary-incompatible" one (Friedman & Miles, 2006) but "necessary" because of the need for co-existence within a firm's context, but "incompatible" because of different ideas on firm's purpose and anticipated outcomes.

Although ESOPs, total rewards, incentives, bonuses have been offered by the firms, do they qualify as fair returns to employees? Marens *et al.* (1999) proposed that ESOPs when combined with employee participation programs, can forge a stakeholder relationship between the management and the employees.

Are the process and quantum of Rewards, Benefits, ESOPs, etc., based on procedural and distributive justice? The prosperity of employees and their families along with a firm's growth and profitability needs to be determined as part of value creation for employees as stakeholders.

Figure 5 : Approach, Role Holders and Expected Outcomes of Prosperity as a Measure of Returns to Employees as Stakeholders



There is a strikingly higher gap when it comes to returns to employees vis a vis executive compensation/ bonuses. Although many firms offer incentives/bonuses to their employees, the adequacy and alignment of the said benefits and incentives to the value employees create for their respective firms may be questioned. Can the firms offer holistic programmes to include the wellbeing of families and communities to determine the returns to employees as stakeholders?

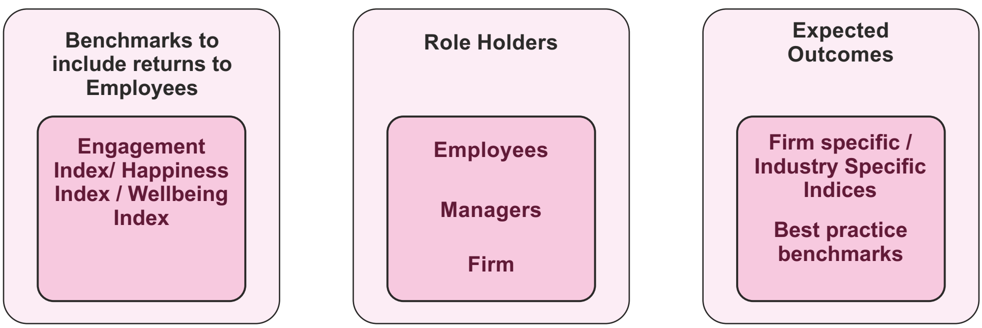
Position

In order to assess a firm's performance, a variety of qualitative and quantitative indices are used. Quantitative measures relate to profitability, sales revenue, operating costs, etc., whereas qualitative measures include achievement of corporate objectives, levels of stakeholder satisfaction and perceptions of organizational justice (Simmons, 2008). Kaplan and Norton's (1992) balanced score card, and Zairi and Peter's (2002) "integrated bottom line" are popularly used to system efficacy, efficiency, effectiveness, and equity to produce an overall evaluation of a firm's performance.

Jensen (2002) aligns stakeholder accountability with "enlightened stakeholder theory" that identifies long-term value maximization as a firm's primary objective, and, therefore, recommends that the measurement of a firm's effectiveness/performance must be based on the long-term value maximization. Reichheld (2003) identified "net-promoter score" as the single most important indicator of healthy profits and carries potential for growth and business improvement. An engaged workforce, especially in the decision-making process, could revitalize a firm (West, 2020). Ensuring employees feel more like stakeholders leads to reducing the divide and embedding a culture of open communication. However, West (2020) also cautions against the use of only surveys to arrive at engagement scores.

> *A composite index of quantitative and qualitative measures which goes beyond financial ratios and incorporates employee engagement and wellbeing needs, identifies relative position of the firms in terms of stakeholder satisfaction and employee engagement scores vis a vis other firms or relevant industry will indicate a firm's ability to ensure fair treatment of employees as stakeholders and preference of employees to join and/or continue with the firm.*

Figure 6 : Approach, Role Holders and Expected Outcomes of Position as Measure of Returns to Employees as Stakeholders



Thus, assessing the firm's efforts to encourage diversity and inclusion, to develop criteria/framework of assessment of employee engagement scores founded on principles of stakeholder primacy and value creation, and to measure the impact of such scores on brand equity, profitability, and sustainability of the firm are important steps in determining returns to employees as stakeholders. The effectiveness of an integrated approach to measure the returns to employees as stakeholders proposed in this paper largely depends on motives and associated behavioral change as reflected in the processes and practices adopted by respective firms.

Motives and Behavioral Change and Value Creation for the Stakeholders

The regulatory and legal frameworks to promote stakeholder primacy exists. However, the major factor of 'behavioral change' to ensure fair returns to employees as stakeholders need to be addressed for the sustainability of efforts by the firms. The conceptual framework presented in this paper combined with processes and practices fostering behavioral change within the firms is critical for employee stakeholders' value creation. In effecting a behavioral change, motives play a more important role as compared to legal and regulatory frameworks. We do not wish to undermine such frameworks. However, evidence suggests that only the legal and regulatory frameworks are not enough to sustain efforts towards stakeholder value creation.

Aguilera *et al* (2007) presented a conceptual model to understand why business organizations are increasingly engaging in Corporate Social Responsibility (CSR) initiatives. The authors posit that firms are driven by *instrumental, relational, and moral motives. The model can be adapted to integrate motives and mechanisms which can prompt behavioral change among relevant role holders/actors for ensuring returns to employees as stakeholders proposed in this paper.*

Instrumental motives

Individuals are motivated to seek control because control can serve to maximize the favorability of the outcomes. Moreover, fair processes allow individuals to foretell a firm's actions more precisely (Tyler, 1987).

Relational motives

Citing the relational models (*cf* Tyler & Lind, 1992), Aguilera *et al* (2007) posited that justice conveys information about the quality of employees' relationships with the management. Justice is generally seen as a mechanism for bringing people together, while injustice tends to pull them apart, therefore, employees' relationships with management significantly impact on employees' sense of identity and self-worth.

Morality-based motives

Aguilera *et al* (2007) specified that a third major psychological need is meaningful existence. Individuals share basic respect for human dignity and worth and this morality-based concern for justice drives reactions to organizations. Thus, the concern is shifted from what serves one's economic self-interest or group standing to what one views as ethically appropriate (*cf* Cropanzano *et al.*, 2003).

> *The instrumental, relational, and moral motives of various actors in the firm can be determined and suitable practices may be developed to bring about behavioral change to strengthen distribution of value among stakeholders especially the employees.*

Figure 7 depicts the role of each of the holders or actors (a term used by Aguilera *et al*, 2007) and mechanisms to ensure a return to each of the employees as a stakeholder for each measurement cornerstone (viz. Protection, Partnership, Prosperity, and Position). The alignment of motives (viz. instrumental, relational and moral) to mechanisms may prove beneficial in inducing appropriate behavioral change in the role holders/actors. Aligning motives to mechanisms of measuring returns to employees as stakeholders, *offers a holistic approach to the firms.*

Figure 7 : Mechanisms to Measure Returns to Employees as Stakeholders Based 4 Ps Framework and Motives of Role Holders (Actors)

ROLE HOLDER (ACTOR)	MOTIVES	CORNERSTONES OF 4 Ps FRAMEWORK	MECHANISM/S
EMPLOYEES	Instrumental	Protection	• Availability of Stakeholder's Fund
	Relational	Partnership	• Employee Engagement Initiatives
	Moral	Prosperity	• Wellbeing Programmes
EMPLOYEE GROUPS / UNIONS	Instrumental	Protection	• Availability of Stakeholder's Fund
	Relational	Partnership	• Bridging Gap between Owner- Manager-Employees
	Moral	Prosperity	• Equity in Performance Incentives/ Bonuses
MANAGERS	Instrumental	Protection	• Availability of Stakeholder's Fund
	Relational	Partnership	• Employee Engagement • Participation in Decision Making • Diversity and Inclusion: Adoption of Best Practices
	Moral	Prosperity Position	• Wellbeing Programmes to Include Family/ Community • Engagement Index/ Happiness Index/ Wellbeing Index
FIRM	Instrumental	Protection	• Availability of Stakeholder Fund • Skilling / Upskilling to Tackle Technological Disruptions
	Relational	Partnership	• Governance Structure to empower employees • Employee Engagement • Participation in Decision Making • Diversity and Inclusion: Adoption of Best Practices

		Position	• Engagement Index / Happiness Index / Wellbeing Index
	Moral	Prosperity	• Profit Sharing Instruments • Equity in Performance Incentives/ Bonuses • Wellbeing Programmes to Include Family / Community

Conclusion and the Way Forward

Employees of a firm create wealth out of their imbedded resources. They convert the given input into output/s and contribute to value creation for the firm. The value sharing by firms with their employees as 'stakeholders' is mostly contractual. However, the optimal utilization of human energy calls for motivation, which may not emanate from mere fulfilling of contractual obligations.

- The 'total rewards approach' did address the comprehensiveness of rewards and compensation to employees in a firm's context. However, it is majorly linked to business goals; hence it does not go beyond the employment contract and may overlook addressing the concerns related to the ecosystem of employees, family, community, and society in particular, in extraordinary times.
- A 'holistic approach' to measure the returns to employees as stakeholders with the four cornerstones of measurement, viz. Protection, Partnership, Prosperity, and Position, under the underpinning of the firm's goals can be adopted by the firms.
- The preposition of employees becoming both Contractual and Residual stakeholders will hopefully ensure substantial protection of human resources against job losses, skill redundancies etc., created by the market forces, economic upheavals, obsolescence of organization design, business and revenue models, irrelevance of products and/or services etc. Fostering partnership, that is including employees as a group in the broader decision making under the principle of ownership, will promote deeper commitment leading to enhanced value creation.
- Sharing firm's prosperity with the employees as a residual stakeholder group via the stakeholders' fund ownership will architect frames of broader wellbeing of individual employees, their families and the communities.
- Providing the employees a place of engagement, nurturing their dignity, encouraging self-development, enhancing self-esteem and instilling a sense of pride and achievement will generate a sense of institutional loyalty and motivate them to be significant contributors and transform them to optimize their overall productivity.
- The larger purpose of its existence that the firm envisages, promotes and builds and

creates an ocean of pride; where every employee can take a holy dip, will pave the road of employees' association with the firm becoming a journey of actualization.

- Ratings of the firms in the frames of employee engagement, wellbeing and happiness scores, etc., can be used in the Matrix for arriving at the total returns on employees as stakeholders. The regulatory and legal frameworks to promote stakeholder primacy exist. However, the major question of 'behavioral change' to ensure fair returns to employees as stakeholders needs to be addressed for the sustainability of efforts by the firms. To address the issue of behavioral change, we have adapted the model based on the *Multiple Levels Theory of Social Change* (Aguilera *et al*, 2007) which emphasizes not only the actors but their motives and mechanisms important to bring about change at different levels, viz. individual, organizational and national.
- We have integrated the proposed framework to measure returns to employees as stakeholders with mechanisms (processes and practices) to address motivational needs, namely;

  a) The instrumental motives (psychological need for control),

  b) The relational motives (psychological need of belongingness) and

  c) The morality-based motives (psychological need of meaningful existence) of various role holders.

  For this process we have identified employees, unions, managers, and the firm as critical role holders who play a critical role in ensuring fair returns to employees as stakeholders.
- The Indian Insurance Industry is playing a significant role in employment generation, risk management, and ensuring financial stability for those affected by uncertainty and mishaps. Relevance and significance of the proposed '4 Ps' framework for Insurance Industry can be explored through empirical research. The '4 Ps' framework is likely to aid the Insurance Industry by stabilizing human side which is the integral part of its service delivery architecture and value creation.
- Future researches can focus on developing indices to measure the returns to employees as stakeholders. The impact of scores on such indices on a firm's sustainability and business performance will also be worth exploring.

Kenny Graham in his article published in the *Harvard Business Review* of February 2020 has argued that 'measuring performance is measuring relationships', and, he makes a strong case for creating a scorecard of key performance indicators based on key stakeholders of the firm and their interrelationships.

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