What are KRAs?

1. KRA stands for Key Result Areas. Each role in a company has a number of KRAs, which define the key areas that the employee needs to produce results in. Hence they are also called as Critical Success factor or key drivers of success.
2. Every company should define KRAs for each role so people are clear on what their exact role is and what they are responsible for. AS well as be aware of what they will be evaluated for and which areas they should focus on to be effective.
3. KRAs help an organization achieve its strategic goals. Hence, KRAs should be cascaded down. First, KRAs of the company should be established followed by the team/department heads KRAs and and further cascaded down to the individual members. Also, the individual role’s job description should be referred while establishing KRAs.
4. Each individual should have ideally not more than 5-7 KRAs to be effective.

What are KPIs?

1. KPI stands for Key Performance Indicator. It is a measure for success of an employee. For example, if a hiring manager KRA is recruitment, then the KPI will to close the positions within the SLA and budget set.
2. Each KRA is managed using a set of KPIs.
3. Key Performance Indicators (KPIs) on the other hand are high-level measures or metrics, for one particular objective, which (when measured and reported) give the leadership team an “indication” as to whether the organization is making progress towards achieving that particular objective.