

*An Evaluation of the Maturity Profile of the Performance Management System of
the Development Bank of Namibia*

By

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SUBMITTED TO THE UNIVERSITY OF CAPE TOWN
In partial fulfilment of the requirements for the degree

Master of Philosophy in People Management

Faculty of Commerce
UNIVERSITY OF CAPE TOWN

26 October 2017

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Abstract

The objective of this study was to assess the appropriateness of the performance management system (PMS) introduced at the Development Bank of Namibia (the DBN) in 2013, and to identify potential strengths and areas of development. A review of performance management (PM) assessment models identified Jääskeläinen and Roitto's (2015) PM maturity model as the most suitable assessment framework. The PM maturity questionnaire (administered to management), which Jääskeläinen and Roitto developed as part of the model, and the satisfaction survey (administered to employees), which were adapted from the latter, were used to collect quantitative and qualitative data from n = 21 management staff members (53.9% of the total management staff) and n = 21 employees (52.5% of all employees) at the DBN.

The results showed that overall the DBN's PMS is mature, indicated by high maturity and high satisfaction ratings. Since both, the PM maturity and the satisfaction ratings, fell just above the cut-off value required for the PMS to be considered mature, it was evident, though, that while the PMS had definitive strengths, there were also areas of development. During the quantitative analysis, it was found that the strength of the PMS is the performance measurement practices. Both management and employees are satisfied with all the PM dimensions including performance measurement practices, information systems supporting the PMS, communication and commitment, planning and strategy and leadership and management. The areas in need of development were identified as the information systems supporting the PMS, communication and commitment, planning and strategy and leadership and management, both in terms of maturity rating by management and the satisfaction ratings by management and employees.

Based on the outcome of the study, it is recommended that capacity enhancement be applied to enable effective leadership, performance management, innovation and communication; the role of the business strategy office to be enhanced to formalise performance measures and to track targets; a review of the effectiveness of the performance reward system be performed and that an online, centralised and integrated PMS be implemented.

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1. Introduction

The Development Bank of Namibia (DBN) is a development finance institution aimed at stimulating economic growth and social development in Namibia. The DBN commenced the implementation of its current performance management policy during 2013. The implementation phase extended over a period of three years, and now, upon full implementation, its performance management system (PMS) is ready for an evaluation of its design, structure, information systems, behavioural aspects related to performance management (PM) and its organisational fit. The DBN regards PM as an enabler of its strategic objectives and therefore regards it as imperative to ensure that the performance management system (PMS) is indeed fulfilling its purpose. An evaluation of the PMS can enable the DBN to identify any shortcomings of the system and to appropriately direct development interventions to enhance the PMS.

One way to conduct such an evaluation is through the use of maturity models. Maturity models are commonly used in business management practices such as information technology, knowledge management, new product development and supply chain management, and have also been used in the context of PM (Bititci, Garengo, Ates & Nudurupati, 2015). A maturity model is a “matrix of practices that define, for each organizational area the level of formality, sophistication and embeddedness of practices” (Bititci et al., 2015, p. 3065). Bititci et al. found that the use of maturity models in PMSs are valuable as it promotes organisational learning and enables the efficient and effective assessment of PM practices in organisations. Furthermore, maturity models of PM have developed over the years to include the evaluation of structural, technical, cultural and behavioural aspects of PMSs in organisations. The evaluation of these aspects through an appropriate maturity model framework thus allows for the determination of a maturity profile of an organisation’s PMS. A fundamental principle of maturity models is that high maturity levels are generally associated with better organisational performance (Bititci et al., 2015).

1.1. Research Questions

Using a maturity model to assess how well the DBN's PMS is implemented could benefit the bank in improving its PMS. It is expected that the ripple effect of a mature PMS would result in the improvement of the organisational performance, and would subsequently have an impact on the growth of the Namibian economy. The following research questions are addressed in this research:

1. What is the maturity profile of the performance management system used by the DBN?
2. What are the areas of strength concerning the implementation of the DBN's PMS?
3. What are the areas of development concerning the implementation of the DBN's performance management system?

In the chapters that follow, background information about the DBN and its PMS is provided (Chapter 2), a literature review of PM maturity models will be presented (Chapter 3), and the method of the study outlined (Chapter 4), followed by the results and discussion in Chapter 5, and lastly, the conclusion of the research study will be presented in Chapter 6.

2. Context

According to Sorour (2012), the context in which performance management systems (PMSs) exist influences their effectiveness and outcomes. It is thus important to provide an overview of the context in which the Development Bank of Namibia (DBN) operates and in which the DBN's performance management system (PMS) is embedded. Sorour (2012) identified the following factors that impact on the application and effectiveness of a PMS: the degree to which an organisation's strategy is communicated to all staff members, interlinked policies and processes, top management commitment to the PMS, the extent to which continuous development of leadership and management capacity is effected, adequate performance management information systems, monitoring and evaluation of the implementation of the PMS, and participative development of the system. In this light, the context in which the DBN's PMS is embedded is described in this chapter.

2.1. The DBN: Background

The government of the Republic of Namibia established the DBN in 2002 by an Act of Parliament which requires the DBN to be a catalyst for socio-economic development in Namibia by funding and enabling large-scale infrastructure development projects (Republic of Namibia, 2002). The DBN thus performs a significant role in the development of Namibia's economy. The DBN regards PM as an enabler of its strategic objectives, which include meeting its funding targets and contributing to socio-economic development. During 2014, the DBN was instructed by government to redirect its strategic focus from servicing all types of development projects to focusing mainly on large-scale infrastructure development projects. As the DBN finds itself at a point of change in its strategic direction, it needs to ensure that its management practices, business processes and PMS are sophisticated enough to support and enable this change.

2.2. The DBN Performance Management Policy

The DBN performance management policy (Development Bank of Namibia, 2013) seeks to integrate PM with other key business processes, including strategic planning, performance measurement and monitoring, business intelligence, analysis and modelling, reporting and reviewing performance, and aligning people and culture. Additionally, its objective is to align individual, departmental and organisational goals, to identify required areas of employee development, and to create opportunities to discuss and plan employees' career development.

The DBN regards the PMS as a strategic and integrated system to enable organisational success, by improving performance and developing the capabilities of teams and individuals in a systematic process (Development Bank of Namibia, 2013). Furthermore, it aims to stimulate superior performance of individuals in a team framework by communicating expectations, defining roles within a particular competence framework, and establishing achievable but ambitious targets. It is used as a monitoring and measuring tool and forms the foundation of the individual employee's performance, the team's performance and the organisation's performance. Given its central role, it is imperative to optimise the effectiveness of the PMS through ongoing monitoring and periodic evaluation activities.

2.3. Communication of the DBN Strategy

The DBN's strategy is communicated regularly by means of an annual welcoming address by the chief executive officer (CEO) to all staff, and announcements made in person regarding any major changes within the internal and external environment. Additionally, the DBN conducts quarterly information sessions for all employees (subsequent to board meetings) to brief employees on the progress made towards achieving annual targets, and to communicate relevant information about current happenings, initiatives, progress and achievements by individuals, departments and the organisation. An interactive approach to these meetings is encouraged, and questions and comments may be raised from and to all levels of the organisation. These meetings seek to empower employees to see the effect of their individual and team efforts on the organisational outputs.

2.4. Other Interlinked Policies and Processes

The DBN performance management policy approaches PM as an integrated process that interlinks strategic planning, performance measurement and monitoring, business intelligence, analytics and modelling, reporting and reviewing performance, and aligning people and culture into an integrated system (Development Bank of Namibia, 2013). In order to embed and reward a performance culture, the DBN remuneration strategy and guidelines (Development Bank of Namibia, 2013) outline the DBN's approach in rewarding performance. It details the criteria for individual and organisation-wide performance requirements and the corresponding performance reward in the form of performance bonuses and/or performance-based increases.

The DBN training and development policy (Development Bank of Namibia, 2013) provides a framework for the identification and setting of development plans and provides an array of training and development opportunities, thereby furthering a learning and performance culture at the DBN. The performance evaluation process requires that competency gaps are assessed and related to training and development interventions. These identified gaps inform the next performance contract in terms of the individual development plan (IDP), which must be implemented appropriately. The progress in such development areas is then evaluated during the next performance evaluation. At the moment, the identification of the training needs are centered on the competency gaps of the individual with respects to the job requirements and does not focus on the strategy of the DBN and its future skills requirements.

Other interlinked policies include the recruitment and selection policy (Development Bank of Namibia, 2014), the on-boarding policy (Development Bank of Namibia, 2014) and the termination policy (Development Bank of Namibia, 2010). The objectives of these policies are to align talent with jobs appropriately, ensure that new employees obtain dedicated support to become productive at the DBN in the shortest possible time, and to obtain feedback from employees on the organisation before they exit the organisation. The outcomes of the application of the recruitment and selection policy should result in employing relevant and appropriate skills for the job, which should enable individual performance and enhance the performance of the unit, department and ultimately the organisation. The on-boarding policy

and procedures are aimed at ensuring a thorough induction into the organisation to understand the business and its functions, and to closely monitor the individual's performance and progress during the first six months in order to intervene early during the employment to ensure optimum productivity. The exit process endeavours to detect flaws in the system as observed and experienced by the exiting employees, which could be obstacles to productivity, and to identify the reasons why people leave the organisation.

2.5. Top Management Commitment

During the implementation phase of the PMS the number of completed performance contracts and performance evaluations submitted as per the required deadlines increased. The best results were obtained during the February 2016 performance evaluations, when 94% of all performance evaluations were submitted on the deadline of 4 March 2016 (Development Bank of Namibia, 2016). This might indicate a steady improvement of top management commitment to the PMS.

2.6. Leadership and Management Development

The commitment of the DBN to management and leadership development is illustrated by its investment in the skills development of its management cadre and executive leadership through the implementation of relevant interventions since 2013. These interventions have been in the form of in-house management and leadership development programmes to ensure that the DBN has input into the design and quality of the programmes offered. In 2013 and 2014, a total of 31 executives and managers were trained through these programmes. Furthermore, the DBN enlisted the services of Systems Thinking Africa consultancy to facilitate interventions on transformational leadership during 2015, which trained a total of 28 executives and managers. These interventions looked at the roles and responsibilities of leadership and management in the organisation and addressed aspects of strategy and leadership, systems thinking, performance goal-setting, monitoring and coaching, and mentoring, among others.

2.7. Performance Management Information Systems

At the DBN, the PM cycle is divided into three phases: planning and contracting, feedback, and ongoing coaching and evaluation (Development Bank of Namibia, 2013). Currently, all three phases are done manually and recorded manually on spreadsheets – no integrated electronic performance management information system is in use. Integrated electronic performance management information systems can facilitate the PM process through goal-setting using a particular software system; such systems can integrate with the organisation's operational system (SAP in this case) to collect performance data in order to facilitate the performance evaluation phase. Integrated electronic information systems give credibility to the PMS, as they prevent tampering with formulae and performance data, which is a common weakness on manual systems (reference).

The bulk of the organisation's performance targets and measurements are based on financial data, which are maintained on the operational system, SAP. The non-financial targets and measurements – such as internal client satisfaction, external client satisfaction and 360 degree feedback – are set and measured manually. The client satisfaction assessments are done to provide an indication of level of sophistication of service delivery offered by the individual employees to both internal clients and external clients. The sources of these measurements are external client satisfaction surveys, internal client satisfaction surveys and 360 degree feedback questionnaires, which are administered biannually.

There have been informal complaints by employees, that the integration of information and the allocation of performance ratings often lack objectivity during performance evaluations. On average three complaints were addressed to the Head: Human Capital and Operations Support at the end of the performance evaluation process during the 2015 and 2016 financial periods. Furthermore, the executive committee raised concerns about the content of the survey instruments that were being used to measure non-financial performance (e.g. the 360 degree feedback) and requested that this be revised to ensure relevance, objectivity and value-add to the PMS.

2.8. Monitoring and Evaluation of the Implementation of PMS

Feedback on the current PMS is often directed to the Human Capital Department in an informal and ad hoc basis in the form of complaints. The monitoring and evaluation of the implementation of the PMS thus currently lacks a systematic and coordinated approach.

2.9. Participative Development

The PMS was designed by the Human Capital Department and approved by the executive management and board. During the development phase, a predominantly top-down approach was taken, with little participation from employees. This approach may have led to suboptimal buy-in and understanding of the PMS as a whole. The shop steward highlighted during a consultation in November 2015 several areas of the PMS in which mistrust and doubt existed among employees. These included: mistrust in the use of a rating scale for measurements, a concern that ratings are often based on subjective interpretation, and concerns that management may use the performance evaluation as a means to deny certain individuals performance bonus payments. These responses indicate the need for further education on PM and the inclusion of employees in the further development of the PMS. Furthermore, these remarks draw attention to the possibility that poor performance might not always be dealt with appropriately and decisively because managers do not want to be the cause of someone not receiving his/her performance bonus.

2.10. Summary

It was observed that the context in which the current PMS exists contains the following characteristics: The DBN exists in a dynamic environment and has embarked on a challenging new strategy, which requires a mature and sophisticated PMS to support the achievement of the strategic objectives. The PMS is based on the principles of integrating business processes such as strategic planning, performance measurement and monitoring, business intelligence, analysis and modelling, reporting and reviewing performance and aligning the people and culture and establishing interlinked policies on reward, capacity enhancement, alignment of talent and jobs, providing support and obtaining feedback from exiting employees, in order to

optimise the outcomes thereof. The DBN is committed to regular interactive communication to employees on the strategic objectives and performance. The DBN has invested substantially over the past four years to enhance the capacity of the leadership and management of the organisation. Although leadership with regards to the execution of the PM process has improved, the lack of an integrated information system to support the PM processes and the absence of employee participation in the ongoing development of the PMS and a systematic and coordinated approach to monitoring and evaluating the PMS are challenges to overcome. The brief assessment of the context in which the PMS is performed is an informal, non-systematic assessment of the possible factors that could have an influence on the effectiveness of the PMS. The objective in using a maturity model to assess the PMS is to ensure that a systematic and comprehensive evaluation of the performance system design, structure, relevant information systems, and behavioural and organisational cultural aspects within the organisation are duly considered and evaluated in an efficient manner.

3. Literature Review

The purpose of this study is to evaluate the maturity profile of the performance management system (PMS) of the Development Bank of Namibia (DBN) in order to identify areas that may require improvement and to assist in developing appropriate interventions. In order to establish a shared understanding of what a PMS is, this chapter starts with a definition of PMS and then outlines the characteristics of successful PMSs. The value of performance management (PM) maturity models in evaluating PMSs is then outlined, and the PM maturity models identified in both the academic and consultancy/practitioner literature are critically reviewed. Based on the review of these PM maturity models, an appropriate model to serve as framework for this study is selected.

3.1. Performance Management Systems (PMS): A Definition

Wettstein and Kueng (2002, p. 115) define a PMS as “a system that tracks the performance of an organisation (or part thereof), supports internal and external communication of results, helps managers by supporting both tactical and strategic decision-making, and facilitates organisational learning”. Neely et al. (cited in Cocca & Alberti, 2010) refine this definition by specifying how the organisation’s performance is tracked, namely through metrics that are able to quantify the effectiveness and efficiency of actions taken. The organisation is able to make informed decisions based on this quantitative data. This indicates the fundamental role of PM data in tracking performance, strategic decision-making and action implementation. One can thus conclude that an appropriately designed and implemented PMS is an indispensable management tool to assist with organisational success.

According to Kennerley and Neely (2003), organisations need to ensure that their PMS continually evolves to reflect the context and objectives of the organisation. Furthermore, Kennerley and Neely state that PMSs consist of three interrelated elements: the individual measures that quantify the efficiency and effectiveness of individuals’ actions; a set of measures that combine to assess the performance of an organisation as a whole; and a supporting infrastructure that enables adequate data to be acquired, collated, sorted,

analysed, interpreted and disseminated. The evolution of a PMS with the aim to maintain its elements' relevance and effectiveness takes place through reflection on these elements.

3.2. Characteristics of Successful PMSs

A literature review of the characteristics of successful PMSs showed that different authors identified different relevant factors. A summary of these is given below:

- The PMS translates strategies into deliverable results (Gates, 1999; Ittner, Larcker & Randall, 2003; Mendibil & MacBryde, 2006).
- The PMS includes a component that checks cause-and-effect relationships among measures (Lebas, 1995; Olsen et al., 2007).
- The PMS enables an enterprise to plan, measure and control its performance (Maisel, 2001).
- The PMS identifies the performance of the organisational entity as a whole (Lebas, 1995; Mohd Amir, Nik Ahmad & Sani Mohamad, 2010).
- The PMS is exhaustive and non-redundant (Franceschini, Galetto, Maisano & Mastrogiacomo, 2007).
- The PMS enables informed decisions to be made and actions to be taken (Neely, 1998; Otley, 1999).
- The PMS detects deviations from strategy and tracks past achievement (Lebas, 1995).
- The PMS is the design process for organisational success (Rompho & Boon-itt, 2012).
- The PMS includes multidimensional performance measures (including measures pertaining to the financial, customer and internal business processes, learning and growth, and sustainability perspectives) (Tung, Baird & Schoch, 2011).
- The PMS has top management support (Bititci et al., 2011; Mendibil & MacBryde, 2006; Tung et al., 2011).
- The PMS involves training to build capacity on the use of the PMS (Tung et al., 2011).

According to Mendibil and MacBryde (2006):

- The PMS includes a business process review to enhance the efficiency and effectiveness of the organisation.
- The organisational culture has a strong performance orientation.
- The PMS includes structured team-based performance measurement systems.
- The PMS involves the systematic use of quality frameworks to facilitate performance planning and measurements.
- Information technology supports the PMS.

Rompho and Boonitt (2012) suggest that questionnaires or checklists could be derived to assess the degree to which each of the success factors has been met in order to evaluate an organisation's PMS. However, such checklists do not consider the sophistication of the characteristics of an organisation's PMS. For example, consider an information system that supports the PMS – in one organisation it may be a highly sophisticated and efficient system, while in another organisation it is a system with limited functional utility that causes user dissatisfaction. The solution to enable a systematic and in-depth assessment of PMSs was found in the use of PM maturity models. The value of such PM maturity models will be outlined in the next section.

3.3. Value of PM Maturity Models

As outlined in the introduction, maturity models specify for each organisational practice what a formal or sophisticated (i.e. mature) practice would look like, what a not-yet-mature practice would look like and what a non-mature practice would look like (Bititci et al., 2015). The value of using PM maturity models as frameworks to understand the development and implementation level of PMSs in organisations has been demonstrated empirically by Bititci et al. They studied 12 European manufacturing companies. A number of experts were tasked to review the 12 companies using a standard business review format, and the research team used a maturity model to facilitate a self-assessment by the management staff of the same 12 companies. The results of the expert assessments and self-assessments were compared and a high level of congruence was found. Bititci et al. thus concluded that PM maturity models can easily be used in a facilitated mode or a self-assessment mode. This means that the assessment

can be conducted through the use of a consultant facilitating the assessment of the PMS, or management staff could self-assess the PMS used in their respective organisations. Furthermore, they determined that the self-assessment through PM maturity models can enhance and facilitate organisational learning, improve efficiency in the turnaround time for the outcomes of the assessment, and increase management buy-in for the results. In turn, they can improve the efficiency and frequency of organisational practice reviews, which reinforces organisational learning and continual development of managerial practices. Additionally, Bititci et al. observe that as executives are involved in assessing the system's maturity – since it requires their critical assessment of organisational and business processes – it creates awareness of their own influence on the business processes, enlightening them on how the management practices are implemented in their own organisations, and enhances their engagement in further developing such processes.

Chelniciuc (2010) points out that specialists from the Office of the Government Commerce (a United Kingdom Government Office) regard maturity models as essential tools in assessing organisations' current capabilities and assisting organisations in implementing change and improvement in a structured way. According to Chelniciuc, organisations may benefit from the use of maturity models by gaining a better understanding of strengths and weaknesses, in order to initiate improvement; gaining recognition of service quality, in order to support proposals; justifying investments in process improvement; providing a roadmap for continual progression and improvement; and focusing on the system's or organisation's maturity rather than specific initiatives. In practice, key success factors to implement required changes successfully lie in being able to demonstrate the credibility and value addition of the change initiative, gaining buy-in and support from management, and obtaining the required investment of organisational resources. The self-assessment based on PM maturity models appears to facilitate such engagement with management to obtain their commitment.

It is for these reasons that the approach of conducting self-assessments using PM maturity models was deemed suitable to answer the research questions, and provided confidence that the study outcomes and recommendations would be beneficial to (and likely to be used in) the organisation. While research has shown that maturity models are linked with management buy-in, this is particularly likely to be the case at the DBN because it already employs a maturity

model to assess its overall strategy management, making this a familiar approach. The strategic management maturity model (SMMM) is used to assess the organisational strategic management performance (Arveson, Rohm, Perry, Hallbach, & DeCarlo, 2010). The SMMM entails the assessment of the organisation's strategy management along eight different dimensions of strategic management: leadership, culture and values, strategic thinking and planning, alignment, performance measurement, PM, process improvement, and sustainability of strategic management. Based on this model, the maturity of the performance measurement system – which here refers to the degree to which end-users have fast, reliable access to relevant, high-quality data – and the PMS – which refers to the degree to which performance metrics are used in decision-making – ultimately impact on the overall level of maturity of the strategy management of the organisation.

In order to obtain the most benefit from employing a PM maturity model, an appropriate model had to be chosen. It is for this reason that an overview of published PM maturity models is provided in the next section.

3.4. Maturity Models

Several maturity models have been designed to evaluate PMSs. These models are described in academic literature and the consulting discipline. The prominent models found in academic literature are outlined below.

3.4.1. Academic Maturity Models

The earliest references to frameworks used for the assessment of PMSs do not determine maturity levels, but provide valuable information on the aspects of PMSs which are critical to assess. These frameworks include the performance management questionnaire, the framework for auditing and enhancing PMS, the performance measurement progression map, the integrated performance measurement system reference model, the evaluation of logistics PMS and the PMS review framework.

3.4.1.1. Performance Management Questionnaire

Dixon, Nanni and Vollman (cited in Cocca & Alberti, 2010) developed the performance management questionnaire (PMQ), which is an assortment of questions designed to assist managers in (a) determining to which extent the existing performance measures support improvement in three areas: quality of products and/or services, labour efficiency and machine efficiency, and (b) establishing an agenda for performance measure improvements. The purpose of the questionnaire is to audit the compatibility of the performance improvement aims and objectives with that of the organisation's performance measures. The PMQ has been critiqued for the minimal time that management are involved during the audit phase (Bourne & Neely, 2003) and the lack of attention to the continuous improvement concept (Ghalayini & Noble, 1996), which could affect the credibility of the assessment and the buy-in by management when the results are communicated back to the organisation.

3.4.1.2. Framework for Auditing and Enhancing PMS

Medori and Steeple (2000) propose an integrated framework for auditing and enhancing PMSs, which consists of a six-stage process. The first stage consists of defining the company's strategy and success factors. In the second stage, the success factors are matched with six defined competitive priorities (quality, cost, flexibility, time, delivery and future growth). During the third stage, the most suitable measurements of success are selected. The fourth stage sees the PMS audited to identify which existing measurements will be kept. During the fifth stage, the old and new measurements are implemented. In the sixth stage, periodic adjustments to the PMS are made.

The framework can be useful in the development of a new PMS, has an audit capability to examine an existing PMS, can identify obsolete measurements (false alarms) and core non-financial measurements that are not being measured (gaps), and can guide the implementation of new performance measurements. The framework was designed to assess the selection of measurements procedures, i.e. guidelines on the use of measurements, the implementation of measurements procedures, the audit capability, the congruency between the assessment of measurements and company strategy, the existence of a data bank of measurements, and the

methodology of assessment in a workbook approach. Although Medori and Steeple (2000) found the framework to be useful, easy to use as a self-assessment tool and able to create business awareness, it is difficult to relate an organisation's strategy to the six competitive priorities required in the second phase, and the checklists used are at risk of becoming outdated over time due to the dynamic nature of performance measurement practices.

3.4.1.3. Performance Measurement Progression Map

Tangen (2004) proposes the Performance Measurement Progression Map (PMPM), which is formed as a flowchart and consists of nine steps separated into three phases. The first phase focuses on finding an appropriate and useful set of measures. The second phase entails an assessment of the design of performance measures, while the third phase involves the actual implementation of the new or amended performance measures. Although the PMPM offers a means to systematically evaluate PMSs and elaborates on the design of individual performance measures, the framework lacks detailed guidelines for application and it has not been tested empirically.

3.4.1.4. Integrated Performance Measurement System Reference Model

Bititci, Carrie and McDevitt (1997) identified integrity and deployment as key to an integrated PMS. They developed an audit method based on a reference model, called the Integrated Performance Measurement System Reference Model (reference), to assist organisations to verify whether or not their existing measurement systems display integrity and deployment of policy and strategy. The model integrates policy deployment, competitive criteria and benchmarking, process orientation, and normative planning. The value of this model and its practical application have not been empirically tested, which leaves its validity undetermined.

3.4.1.5. *Evaluation of Logistics PMS*

Caplice and Sheffi (1995) developed a set of six criteria for the evaluation of a PMS as a whole, but only focusing on logistic PMSs. Logistics refers to a complex set of activities which require a collection of metrics to adequately measure performance. The performance metrics should ideally be selected and maintained as a system, where the metrics complement and support each other, providing the decision-makers with a well-balanced picture of the logistics process. Based on their approach, a good system apply to all relevant constituencies and stakeholders (comprehensive); track those activities and indicators that influence future and current performance (causally oriented); include all pertinent activities, functions and departments along the process (horizontally integrated); translate the overall strategy of the firm to all decision-makers and ensure that they are connected to the proper reward system (vertically integrated); recognise and allow for trade-offs between the different dimensions of performance; be readily comprehensible by the decision-makers and provide a guide for action to be taken (useful). Caplice and Sheffi tested the application of the framework using case studies and deemed it useful in analysing PMSs.

3.4.1.6. *PMS Review Framework*

Najmi, Rigas and Fan (2005) designed a structured review framework to consider business performance and the efficiency and effectiveness of the PMS itself. A set of tools and techniques are included in the framework, which details the people representing different levels of the organisation, tools and expected outputs of each stage of the review process (i.e. ongoing review, periodic review and overall review). A review card was developed to provide a view of the major elements at a glance. Najmi, Rigas and Fan (2005) developed the framework based on sound theoretical and empirical research and deemed it to be useful to practitioners to apply and adapt according to their own situations.

In contrast to the frameworks described above maturity models provide the user with benchmarks against which to compare an organisation's results. These benchmarks indicate particular maturity levels. The design of maturity models evolved over time concurrently with the developments and progression of the human resource management profession. The

profession was initially regarded as a warehouse for personnel data, but has moved to providing business consulting/business strategy partner services to an organisation. The PM maturity models thus initially concerned themselves with evaluating the design and structure of PMSs and evolved to include a consideration of the multiple dimensions of the context in which a PMS is found. These dimensions include reviews of management and responsibility in an organisation, communication within the organisation, methods and tools used to enable the PMS, the scale and scope of the PMS (Aho, 2012) and employee satisfaction with the system (Jääskeläinen & Roitto, 2015). The following PM maturity models were found in academic literature: Wettstein and Kueng's PM maturity model, improvement system assessment tool (ISAT), Aho's PM maturity model and Jääskeläinen and Roitto's PM maturity model.

3.4.1.7. Wettstein and Kueng's Performance Management Maturity Model

Wettstein and Kueng (2002) developed a maturity model for assessing existing business performance measurement systems. They propose that the five basic elements of a PMS are people, procedures, data, software and hardware. They suggest that PMS's can be assessed according to six dimensions: scope of measurement, data collection, storage of data, communication of performance results, use of performance measures, and quality of performance measurement processes. The model takes into account the main tasks of a PMS, the underlying processes, the information technology used, and the people using the PMS. It proposes four levels of maturity: ad hoc, adolescent, grown-up and mature. An overview of the model is provided in Table 1.

Table 1. A Four-stage Maturity Model for Performance Measurement Systems (extracted from Wettstein & Kueng, 2002).

Dimensions	Level 1 Ad Hoc	Level 2 Adolescent	Level 3 Grown-Up	Level 4 Mature
•Data Collection	•Most performance-relevant data is collected manually.	•Financial performance data is stored in a central database, non-financial data is dispersed over different units.	•Collection of financial performance data is fully automated; collection of non-financial data needs some manual handling.	•Internal and external data sources are exploited. The various operational IT systems are integrated. Thus, data collection does not require manual intervention.
•Scope of Measurement	•Only financial performance indicators are considered.	•Financial performance indicators are measured. In addition, a few non-financial indicators are measured as well.	•Both financial and non-financial performance indicators are measured. Performance measurement takes place at different organisational levels.	•Financial and non-financial indicators are measured on a regular basis. The indicators in place reflect the stakeholders' interests. Key processes are measured in an integral way.
•Storage of Data	•Financial performance data is stored in a central database, non-financial data is dispersed over different units.	•Performance data is stored in various formats (ring binder, spreadsheets, databases, etc.)	•Performance relevant data is stored in local data warehouses using different formats.	•Performance data is stored in an integrated IT system.
•Communication of Performance Results	•Performance results are disseminated periodically to the upper and middle management.	•Performance results are disseminated on an ad-hoc basis.	•Clear communication structures are established. Non-financial figures are integral part of reported data. Most results are communicated via push mechanism.	•Financial and non-financial performance results are transmitted to the stakeholders electronically (push option). Additionally, performance results can be accessed electronically (pull options) at different level of aggregation.
•Use of Performance Measures	•The use of the performance results is not defined.	•Performance data is used primarily for internal reporting.	•Performance data is used primarily for analysis purposes and for communicating strategy and goals to staff.	•Performance results are used (1) as a central managerial and planning instrument, (2) to support company-external communication, and (3) to get people involved.
•Quality of Performance Measurement	•The measurement processes are not defined; success depends on individual effort.	•The measurement processes are documented and standardised. The execution of the processes is compliant to the description.	•A certain degree of process discipline exists; successful execution of the measurement processes can be repeated.	•Quantitative goals for the measurement processes are set. Continuous improvement of the measurement processes takes place. New technologies and practices are identified.

Although this model was designed based on the analysis of theoretical models (the Nolan model (Gibson & Nolan, 1974) and the Capability Maturity Model (Carnegie Mellon Software Institute, 2001) and empirical data (case studies), it still needs to be validated in terms of whether it can be used to determine improvement needs and possible economic benefits to an organisation (Wettstein & Kueng, 2002).

3.4.1.8. *Improvement System Assessment Tool (ISAT)*

Van Aken, Letens, Coleman, Farris and Van Goubergen (2005) designed the Improvement System Assessment Tool (ISAT) to assess the maturity and effectiveness of an organisation's system for integrated improvement. The ISAT model comprises two types of assessment: improvement processes, and outputs and actual results achieved on measures. The assessment of the improvement process and its outputs includes assessing the need for change, the current situation, the setting of future direction, the improvement plans, the implementation plans, the performance review process and whether the infrastructure supports the change. Furthermore, the tool provides a structure for collecting data and assessing performance measurement systems, specifically by assessing the degree of alignment with other systems, tracking the implementation progress, evaluating the measurement system maturity and measuring current performance levels. The ISAT includes a set of descriptors of state-of-the-art practices and methods for each element that provides objective information and guidance to the assessor regarding the improvement of the PMS.

Van Aken et al. (2005) found that the ISAT offers a holistic yet detailed assessment of PMSs by assessing measurement system design quality, implementation and use – this provides useful and actionable feedback for leadership to enhance the maturity of the PMS. The ISAT can also be used to track progress in PMS effectiveness longitudinally.

3.4.1.9. Aho's PM maturity model

Aho (2012) developed a model for assessing the maturity of a PMS in an organisation along five components: information, intangible assets, performance, strategy and business, and technology. These components are each subdivided into three subcomponents:

- Information:
 - Data and information quality
 - Information production, distribution and availability
 - Common structures and master data
- Intangible assets:
 - Competencies
 - Organisational culture
 - Stakeholders
- Performance:
 - PM processes
 - Measurement monitoring
 - Data and information analysis
- Strategy and business:
 - Business value
 - Decision support
 - Strategy and objectives
- Technology:
 - Business and technology alignment
 - Application architecture
 - Data warehouse architecture

Furthermore, the model considers the context in which the PMS exists and reviews the supporting components, such as communication, methods and tools, scale and scope, and management practices and ownership of responsibility. The following maturity levels were defined: initial (information silos and no common standards across the organisation), repeatable (the PMS's value is understood by the organisation), defined (decision-making is

fact-based), managed (business becomes more analytical in key business areas), and optimised (PM has become a strategic tool for management).

The fundamental feature of this maturity model is the transformation of raw data into information and then into knowledge, which helps with the identification of inhibitors, challenges and pitfalls in the PMS – e.g. bad data quality, information incoherence and improper use of operational information systems. This model is unique in that it examines PMSs from an information and knowledge management point of view and it further extends PM research as it provides a deeper understanding of the underlying components of a PMS.

3.4.1.10. Jääskeläinen and Roitto's Performance Management Maturity Model

Jääskeläinen and Roitto's (2015) recently developed PM maturity model assesses the following variables of PM maturity, which they deem critical: performance measurement practices, the information system supporting performance measurement, communication and commitment, strategy and planning, leadership and management, and user satisfaction. The model proposes four maturity profiles: Dissatisfied/Low PM score, Dissatisfied/High PM score, Satisfied/Low PM score, and Satisfied/High PM score.

Jääskeläinen and Roitto (2015) derived the critical variables from existing literature and provided written criteria for each of the four different maturity levels. They created PMS maturity profiles from empirical data which they linked to indicators of satisfaction with the PMS components. This model is unique in that it utilises extensive survey data and quantitative methods to construct distinctive maturity profiles. Furthermore, it provides a balance between rigor and relevance that is desired in the design of scientific research. The authors regarded it as an easy-to-use tool that can be used in self-assessment, that it has good problem-solving power and that it works well as a basis for the development of the PMS. It highlights specific variables to concentrate on when better personnel satisfaction with PM is aspired to. Jääskeläinen and Roitto (2015) regarded it as a limitation that it was only tested in Finland and that the application of the model globally has not yet been demonstrated.

3.4.2. Consultancy-based Models

Due to the commercial nature of consulting, which includes the protection of proprietary information and the copyrighting of consultancy-based models, access to the theoretical and methodological underpinnings of the maturity models is often restricted. Due to the limited information available on models derived in the consulting discipline, it is also difficult to assess them on the basis of their theoretical underpinnings, empirical evidence and validity. PM maturity models that stem from the consulting discipline are thus often criticised because they are not always supported by empirical data or a sound theoretical basis (Jääskeläinen & Roitto, 2015). However, brief outlines on commercially available tools are provided in the Table 2: Consultancy-based Maturity Models.

Table 2. Consultancy-based Maturity Models

Title of the Model	Objective	Components	Outcomes
<p>The Capability Maturity Model Integration (CMMI), (CMMI, 2016)</p>	<p>It is a process improvement training and appraisal programme in which PM is a core process area. It assesses the maturity levels of process improvement.</p>	<p>The maturity levels are:</p> <ol style="list-style-type: none"> 1. Initial 2. Managed 3. Defined 4. Quantitatively managed 5. Optimising 	<p>It contains best practices to which organisations can compare themselves; this can inform external stakeholders of how the organisation's processes compare to CMMI best practices, allowing organisations to meet contractual requirements of customers.</p>
<p>Portfolio, Programme and Project Management Maturity Model (P3M3 Model), (P3M3, 2016)</p>	<p>It provides a framework for organisations to assess and benchmark their current performance and effectively develop plans for improvement. It allows for the assessment of the:</p> <ul style="list-style-type: none"> • Processes employed • The competencies of people • The tools deployed • The management information used to manage and deliver improvements. 	<p>It consists of three sub-models: Portfolio management, Programme management and Project management. Each sub-model can be divided into the following perspectives:</p> <ol style="list-style-type: none"> 1. Organisational governance 2. Management control 3. Benefits management 4. Risk management 5. Stakeholder management 6. Finance management 7. Resource management <p>It has five maturity levels:</p> <ol style="list-style-type: none"> 1. Awareness 2. Repeatable 3. Defined 4. Managed 5. Optimised 	<p>This model can be used in two ways, as a self-assessment and a facilitated assessment, which allows an organisation to use the outcomes to plot a roadmap for improvement and development. Furthermore, it makes it possible for organisations to determine their capability in terms of strengths and weakness in delivering change. These sub-models are independent from each other, which means that an organisation could be better at one sub-model than another.</p>
<p>Bersin and Associates Maturity Model, (Bersin & Associates Maturity Model, 2016)</p>	<p>The objectives are to enable organisations to build strategies, to provide roadmaps for adopting best practice, to serve as tools to explain maturity and organisational concepts to others, and to promote measurement and benchmarking of organisational practices.</p>	<p>The model describes four maturity levels:</p> <ol style="list-style-type: none"> 1. Inconsistent performance planning and appraisals – is characterised by a compliance-driven process. 2. Enterprise performance management – is distinguished by the standardisation of practices. 3. Integrated performance management – is known for enhanced integration of PM practices. 4. Tailored performance management – is characterised by tailored practices. 	<p>The results are used to build roadmaps for adopting best practice into the organisation.</p>
<p>Lumen, Inc. Performance Management Maturity Model, (Lumen, Inc., 2016)</p>	<p>It allows organisations to assess the maturity level of their PM practices on the following dimensions:</p> <ol style="list-style-type: none"> 1. Organisation and culture 2. Processes and methodology 3. Technology and data 	<p>The maturity levels included in this model are:</p> <ol style="list-style-type: none"> 1. Unmanaged 2. Experimentation 3. Intermediate 4. Mastery and visionary 	<p>It delivers a diagnostics or benchmark, and a roadmap for focusing investment to optimise the delivery of higher organisational performance and results.</p>

3.4.3. Factors Considered In Selecting an Appropriate Maturity Model

When determining which PM maturity model would be most appropriate to use for the evaluation of the DBN's PMS three factors were considered: it needed to have a sound balance between academic rigor and pragmatism, it had to be easy to apply as a self-assessment yet be comprehensive in its assessment, and its validity had to have been determined. In selecting a model that balances academic rigor and pragmatism, the objective is to capitalise on a model which has been scientifically developed by academic and research professionals while also being practically useful in the workplace. As the experiences with using assessment tools vary within organisations, it is important not to have excessively complicated methodology attached to the application of the model, yet this should not compromise obtaining a thorough assessment. Lastly, prudent business practice requires evidence of validity before introducing a tool to an organisation which is intended to guide decision-making by management.

The PM maturity model presented by Jääskeläinen and Roitto (2015) fulfils all the above requirements. The validity of the application of this model in another country other than Finland has not been demonstrated, thus there is uncertainty at this stage of whether the application of the model in the DBN context will be useful. Furthermore, the application of this tool in a different context (outside Finland) may add further value to the literature. The motivation for selecting this model is outlined in more detail below.

3.4.4. Motivation for Choosing Jääskeläinen and Roitto's Performance Management Maturity Model as Basis for the DBN's PMS Evaluation

Jääskeläinen and Roitto's (2015) PM maturity model assesses the following critical variables of PM maturity:

- performance measurement practices,
- information systems supporting performance measurement,
- communication of and commitment to the system,
- strategy and PM planning, and

- leadership and management in implementing the PMS.

The assessment is complemented by evaluating the satisfaction of participants with the PM aspects. Maturity profiles are derived by matching the total PM score with the total satisfaction score. For each PM aspect assessed participants select one of four multiple choice answers, which each represent a particular maturity level. The overall PM maturity is derived from the maturity levels ascribed to each PM aspect. An overview of the four possible maturity levels a particular PMS can achieve is provided in Figure 1.

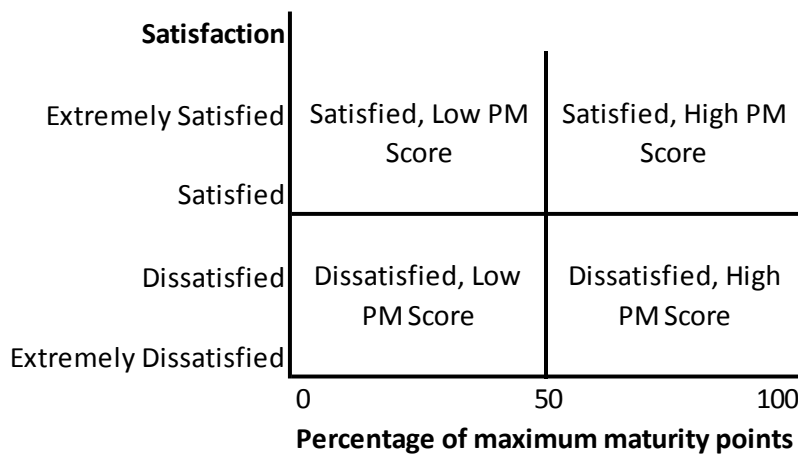


Figure 1. Jääskeläinen and Roitto's (2015) Performance Management Maturity Levels

Jääskeläinen and Roitto (2015) maintain that this model is unique in that it is one of the first models that utilised extensive survey data and quantitative methods in the construction of distinctive maturity profiles. It is an easy-to-use tool that can be used for self-assessment and identifying problems, and works well as a basis for the development of an organisation's PM. It highlights specific variables to focus on when better personnel satisfaction with PM is aspired to. When employees are satisfied with the PMS, i.e. knowledgeable of the purpose and process of the PMS, able to trust in the credibility and relevance of its various components and overall satisfied with the PMS and able to acknowledge the benefit to themselves and the organisation, it means that an organization can obtain employees buy-in, commitment and loyalty to the PMS which will enhance the effectiveness of the PMS in general. Furthermore, it was important to select a model that is relevant to the context in which the model would be applied. In this context, the PMS was new in its implementation, the level of understanding and knowledge of PMS were basic and the priority given to it by management were still in the

developing stages. Thus, the use of a simplistic model in terms of content and an easy-to-use tool in terms of methodology, such as the model by Jääskeläinen and Roitto (2015), were deemed appropriate. Most of the other models, such as the Framework for Auditing and Enhancing PMS, the Performance Measurement Progression Map and the Integrated Performance Measurement System Reference Model are quite sophisticated and complex in its application and would thus be more suitable for contexts where the understanding and knowledge of PMSs are more advanced, the level of PMS embeddedness more sophisticated and the priority given to the PMS are higher.

3.5. Summary

This chapter presented a literature review that defined PMSs, outlined the characteristics of successful PMSs, explained the value of PM maturity models, summarised a number of academic and consultancy-based maturity models, outlined the factors considered in selecting an appropriate maturity model, and offered a motivation for choosing the Jääskeläinen and Roitto (2015) maturity model to assess the DBN's PM maturity.

4. Method

The methodological approach used in this study is outlined in this chapter. The research design and procedure are described first; followed by ethical considerations such as permission, anonymity and confidentiality of the collected data. The study participants and instruments used are then described.

4.1. Research Design and Procedure

In this study, a descriptive design and a cross-sectional approach were used, as quantitative and qualitative data were collected from multiple individuals at a single point in time (Bryman, 2012). Data were obtained via two questionnaires, one for management employees and one for non-management employees at the DBN.

Care was taken to ensure that all participants were well informed about the purpose and the scope of the study, and their voluntary participation was encouraged by means of an announcement at a staff meeting and by providing a study brief in the introductory page of the questionnaire. The questionnaires were sent to the participants via an email invitation that provided a link to an online questionnaire created in the survey software Qualtrics. Using Qualtrics, which were set up to ensure participant anonymity, subsequent reminders were emailed to participants for a period of four weeks after the initial invitation to participate in the survey.

4.2. Ethical Considerations

4.2.1. Permission

A discussion was held with the DBN's CEO to inform the company about the nature of the research project and to request permission to conduct the research project at the DBN. The CEO subsequently provided written permission for the research project to be conducted at the DBN. Lastly, the Commerce Faculty Ethics in Research Committee approved the study.

4.2.2. Anonymity and Confidentiality

The nature of the research question and research methodology did not require the tracking or identification of participants. Thus, in order to ensure anonymity of the participants, the questionnaires were distributed electronically and no information was requested by which an individual could be traced or identified.

4.2.3. Sensitive Data

The questions contained in the questionnaire were related to aspects of the PMS and were not regarded as sensitive data that could lead to harm. However, the data were treated as confidential and were only used for the purpose for which they were intended. The data were retrieved from Qualtrics and stored on the researcher's laptop, who has access to the data by means of a password.

4.3. Participants

Invitations to participate in the research (each with a link to the appropriate survey) were sent to all 39 managers and all 40 general employees in the organisation. For the purposes of this research project, the term "management" includes all positions that have employees that report to them and in which employees have the responsibility for the planning and scheduling of work, accessing performance information, giving feedback to other employees, and evaluating the performance of other employees. These positions include executive management, middle management and supervisors. The response rates were 53.9% for management staff (n = 21) and 52.5% (n = 21) for general employees. In order to ensure anonymity due to the small workforce of the DBN and as it would not add further value to answering the research questions, no additional demographic information was sourced apart from the level of the employee (i.e. management/non- management).

4.4. Instruments

The PMS maturity assessment questionnaire designed by Jääskeläinen and Roitto (2015) was used as a basis to develop the questionnaires used in this study. This tool provided a way to assess the maturity level of the PMS in use at the DBN in terms of its design and structure, and management and employee satisfaction with it. Jääskeläinen and Roitto (2015) tested the PMS maturity assessment questionnaire in industry, and found that it provided a roadmap for how to improve the maturity profile of organisations' PMSs.

4.4.1. Management Survey

The Jääskeläinen and Roitto (2015) original survey was administered to all management employees in the organisation (Appendix C). It is used to obtain both quantitative data – through 21 multiple-choice questions used to assess the maturity profile and five Likert-type questions assessing management staff's satisfaction with the PMS – and qualitative data – through five open-ended questions. The multiple-choice questions cover the dimensions of performance measurement practices (six questions), information systems that support the PMS (three questions), communication and commitment (four questions), planning and strategy (four questions), and the execution of leadership and management responsibilities (four questions).

The multiple choice items allow the researcher to plot the maturity level of the PMS on the x-axis in Jääskeläinen and Roitto's (2015) maturity model depicted in Figure 1 on page 33. There are four answer choices for each of the multiple choice items. For each item, the participant chooses the option that best describes his/her view. The first answer option (= 1) describes the most basic or undeveloped level of a PMS, and thus the lowest maturity level, while the fourth option (= 4) represents the highest level of sophistication or maturity. The participants received the following instruction: "Based on your experience and your observations with regards to the Performance Management System (PMS) used in the organisation, complete the questionnaire below. Select one option that best describe the situation at the Development Bank of Namibia. An option is regarded as applicable if the situation in the organisation meets all (not partially) the criteria mentioned in the option." Participants were thus provided with

benchmarks against which to choose their answers, and they obtained a score between 1 and 4 for each item. The total PMS maturity score was determined by averaging the PM scores across all 21 items per participant and then averaging those scores across the number of participants.

The four answer options below are an example related to the item “use of information systems in the gathering of performance information”.

1. *Performance measurement information is gathered manually when needed.*
2. *Performance measurement information is gathered manually to a large extent. Only financial measurement information is gathered automatically.*
3. *Most of the performance measurement information is gathered with information systems which enable the provision of real-time measurement information.*
4. *Performance measurement information is gathered automatically and stored centrally. The most important information systems communicate with each other.*

Jääskeläinen and Roitto (2015) argue that this response format means that each answer choice has a clear meaning, unlike in Likert scales, in which the meaning of a participant’s choice is not clear. Additionally, the description of what a system looks like at each maturity level presents best practices to the respondents at the time of completing the questionnaire, thereby raising awareness, enabling them to identify development areas and providing ways in which to improve in the development area. By providing written descriptions of what each answer option mean, make it possible for the respondents to complete the questionnaire independently, without the use of external consultants and prior knowledge of PM practices outside the organisation.

Each section containing the items on a particular PM dimension was followed by a Likert-type question and an open-ended question to assess the satisfaction levels with the particular PM dimension. A sample item is *How satisfied are you with the performance measurement practices and systems in your organisation?* Answers were coded from 1 (very dissatisfied) to 4 (very satisfied). The average satisfaction score for each PM dimension was determined by calculating the average satisfaction for across all the participants on the particular PM dimension.

The open ended, qualitative items in the questionnaire sought to provide in-depth information regarding the satisfaction of management with the PMS. They asked *“Why are you satisfied or dissatisfied?”*

To assess the appropriateness of the PMS maturity assessment questionnaire in this study, it was first administered to a manager and a general employee at the DBN, who reviewed and commented on it. Based on their feedback, technical jargon was amended and more descriptive terms or phrases were used.

The complete PMS maturity assessment questionnaire can be found in Appendix C.

4.4.2. Employee Satisfaction with PMS

As this exercise was a self-assessment by management of the maturity of the PMS employed by the organisation, the employees were not requested to assess the PMS by completing the survey containing the PM Maturity items. Employees were presented with the same ten satisfaction items (five Likert-type and five open-ended questions) as management staff. This enabled a comparison between the satisfaction ratings from management staff and those from the end-user, the employees. Such information was assumed valuable to identify possible additional areas of success and areas in need of development in the current PMS used by the DBN.

The complete employee questionnaire is provided in Appendix D.

4.5. Data Analysis

4.5.1. Quantitative Data

Descriptive data analysis was used to analyse the quantitative responses. As the assessment of the PM Maturity of DBN was conducted in the form of a self-assessment by management, the total PM maturity score and the management satisfaction score were used to plot the maturity

profile on a graph, similar to the graph presented in Figure 1. Furthermore, the distribution of responses per answer option and item were analysed to identify answer trends and levels of agreement and disagreement in views between management staff and non-management employees.

Independent-samples t-tests were conducted to compare the satisfaction scores of management to those of employees. To analyse the differences between the satisfaction scores of management and employees across the different PM dimensions, paired-samples t-tests were conducted.

4.5.2. Qualitative Data

The qualitative data from both management and general employees were analysed using thematic analysis. The data obtained from employees were used to augment the understanding of whether management and employee satisfaction with the PMS are similar. The process entailed separating positive, mixed and negative comments. Thereafter, the responses (by management and employees) to the open-ended questions about their satisfaction with the PMS were analysed so key themes and subthemes could be identified and coded. The comments were dissected phrase by phrase to group their meanings under a theme. For example, for mixed comments, the positive phrases were grouped separately from the negative phrases and grouped according to their meaning. The themes and subthemes were then summarised according to the different PM dimensions and separated into themes and subthemes indicating satisfaction and dissatisfaction, which are regarded as deductive coding. Furthermore, the frequency of comments per theme was recorded. The results obtained from management were then compared to those obtained from employees.

4.6. Summary

In conclusion, this chapter outlined the research methodology by describing the research design and procedure; ethical considerations such as permission, anonymity and confidentiality, and sensitive data; the participants; and the instruments used in the study.

5. Results and Discussion

This chapter presents the results and discussion of the analysis of the study. The results and discussion are presented together in this instance to simplify the presentation of the work in a confined word-count requirement. It contains the DBN's overall PMS maturity profile, the satisfaction scores of management and employees, the trends in the PM and satisfaction scores, and the analysis of PM dimensions based on the results of the analyses of the quantitative and qualitative data. The chapter concludes with the consolidated recommendations on how to improve the PMS maturity to the DBN management drawn from the results and the limitations of the study.

5.1. The DBN's Overall PMS Maturity Profile

In order to determine the overall maturity profile of the DBN's PMS, the management's response regarding the level of sophistication of the PMS was plotted against the degree of satisfaction with the PMS as shown in Figure 1. In order to indicate the level of PMS sophistication, a total PMS score was determined by averaging the PM scores across all 21 items, summing the average score per item and then dividing the sum by the number of questions. The satisfaction score was determined by summing the responses on the five satisfaction items and dividing it by the total number of responses.

This resulted in the maturity profile shown in Figure 2. The x-axis in the figure displays the overall average PMS maturity level, while the y-axis shows the satisfaction score generated through the responses collected from management staff (n = 21).

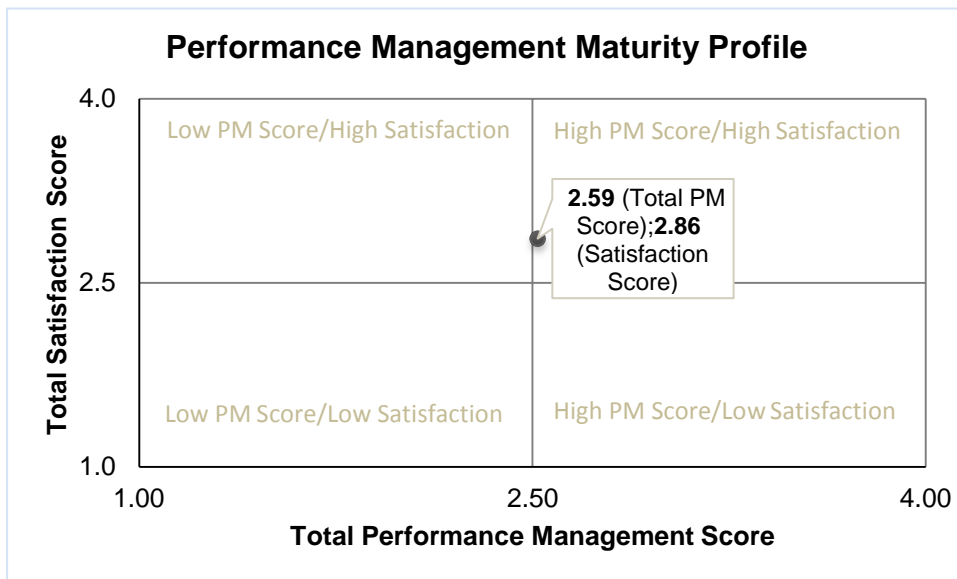


Figure 2. The DBN Performance Management Maturity Profile Based on Management Staff Responses (Total PM Score of 2.59 (SD = 0.48, min = 1.95, max = 3.38, n = 21) and Satisfaction Score of 2.86 (SD = 0.80, min = 1, max = 4; n = 105))

THE DBN's PM maturity profile just falls in quadrant 4, which is the Satisfied/High PM score profile. This profile indicates that the DBN's PM maturity was rated as moderately high and that management participants are generally satisfied with the PMS, yet there are still opportunities for improving the PMS. In order to derive recommendations as to how the DBN could optimise its PM maturity, a more in-depth analysis of the quantitative data obtained is provided below.

5.2. Satisfaction Scores per PM Dimension

It was determined by means of an independent-samples t-test, that there is no difference between the average satisfaction score by management staff (M=2.86, SD=0.8, n=105) and by employees (M=2.75, SD=0.76, n=105), $t(207)=0.97$, $p=0.33$. This means that the management and employees were generally equally satisfied with the DBN's PMS with their average scores lying slightly above the scale midpoint of 2.5, which would indicate a neither dissatisfied nor satisfied view.

The satisfaction scores per PM dimension are presented in Figure 3 below.



Figure 3: Overall Satisfaction Scores per Performance Management Dimension for Management (n = 21) and Non-management Employees (n = 21).

Independent-samples t-tests were conducted to compare the satisfaction scores of management to those of employees for each of the five different PM dimensions.

Table 3: Comparison of Satisfaction Scores between Management and Employees

PM DIMENSION	MANAGEMENT	EMPLOYEES	t-test
PM practices	M=2.71, SD = 0.72, n = 21	M=2.71, SD = 0.81, n = 21	t(39) = 0.80, p = 0.43
Information Systems	M=2.48, SD = 1.1, n = 21	M=2.62, SD = 0.8, n = 21	t(37) = -0.49, p = 0.63
Communication & Commitment	M= 2.81 , SD = 0.68, n = 21	M= 3.0, SD = 0.71, n = 21	t(40) = -0.89, p = 0.38
Planning & Strategy	M= 3.19, SD = 0.51, n = 21	M= 2.9, SD = 0.62, n = 21	t(39) = 1.62, p = 0.11
Leadership & Management	M= 3.10, SD = 0.77, n = 21	M= 2.7, SD = 0.78, n = 21	t(40) = 1.59, p = 0.12

In the instance where multiple dependent or independent statistical tests are performed on a particular set of data, alpha inflation occurs, where the original alpha value for each test is

actually higher than expected. The simplest approach to address this phenomenon, is to apply the Bonferroni correction, which sets the alpha value for the entire set of comparisons. In this instance to account for this the Bonferroni correction was employed. This means that the alpha value for the entire set of comparisons. As the alpha value was 0.05, it is divided by the number of comparisons (n) and resulted in the critical p-value, $p = 0.005$, which is why p-values smaller than this were considered significant.

In the Table 3: Comparison of Satisfaction Score between Management and Employees it was observed that there were no significant differences between the satisfaction ratings on the respective PM dimensions between management and employees, which means that management and non-management employees were equally satisfied with the different PM dimensions.

Table 4: Results of Paired-samples T-tests Between Respective PM dimensions for Management

PM DIMENSIONS	MANAGEMENT				
	PM practices (M=2.71 , SD=0.72, n=21)	Information Systems (M=2.48, SD=1.08, n=21)	Communication & Commitment (M= 2.81, SD=0.68, n=21)	Planning & Strategy (M= 3.19, SD=0.51 , n=21)	Leadership & Management (M= 3.10, SD=0.77, n=21)
PM practices (M=2.71, SD=0.72, n=21)		t(40)=0.84, p=0.40	t(40)=-0.44, p=0.66	t(40)=-2.48, p=0.018	t(40)=-1.66, p=0.10
Information Systems (M=2.48, SD=1.08, n=21)			t(40)=-1.2, p=0.23	t(40)=-2.74, p=0.009	t(40)=-2.14, p=0.038
Communication & Commitment (M= 2.81, SD=0.68, n=21)				t(40)=-2.05, p=0.047	t(40)=-1.27, p=0.21
Planning & Strategy (M=3.19, SD=0.51, n=21)					t(40)= 0.47, p=0.64

No significant statistical difference between the satisfaction scores by management with regard to the PM dimensions could be observed, which means that the management were equally satisfied with all the PM dimensions.

Table 5: Results of Paired-samples T-tests Between Respective PM dimensions for Employees

PM DIMENSIONS	EMPLOYEES				
	PM practices (M=2.52, SD=0.81, n=21)	Information Systems (M=2.62, SD=0.80, n=21)	Communication & Commitment (M=3.0, SD=0.71, n=21)	Planning & Strategy (M= 2.9, SD=0.62, n=21)	Leadership & Management (M=2.71, SD=0.78, n=21)
PM practices (M=2.52, SD=0.81, n=21)		t(40)=-0.38, p=0.70	t(40)=-2.02, p=0.049	t(40)=-1.70, p=0.97	t(40)=-0.77, p=0.44
Information Systems (M=2.62, SD=0.80, n=21)			t(40)=-1.63, p=0.11	t(40)=-1.29, p=0.21	t(40)=-0.39, p=0.70
Communication & Commitment (M=3.0, SD=0.71, n=21)				t(40)=0.46, p=0.64	t(40)=1.24, p=0.22
Planning & Strategy (M=2.9, SD=0.62, n=21)					t(40)= 0.87, p=0.39

No significant statistical difference between the satisfaction scores by employees with regard to the PM dimensions could be found. This means that employees were equally satisfied with the PM dimensions.

5.3. Analysis of PM Dimensions

As can be seen in Figure 4 management staff generally ranked the PM dimensions in the second maturity level (scores of 1.6 to 2.5), except for performance measurement practices, which were rated at the third maturity level (scores of 2.6 to 3.4).

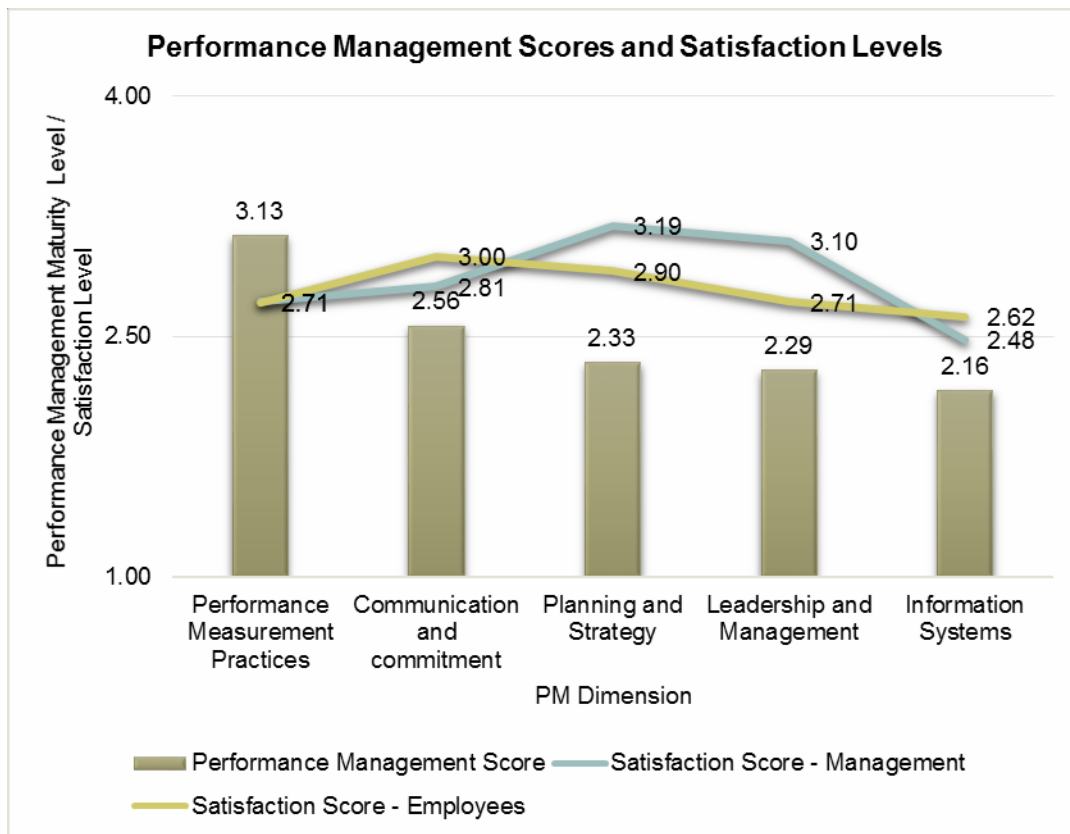


Figure 4: Summary of Performance Management Scores and Satisfaction Scores

Deeper insights into the results were obtained by considering the frequency with which management respondents chose a particular PM maturity level. The results are provided in Figure 5, and show that there was uniformity of views for each of the PM dimensions.

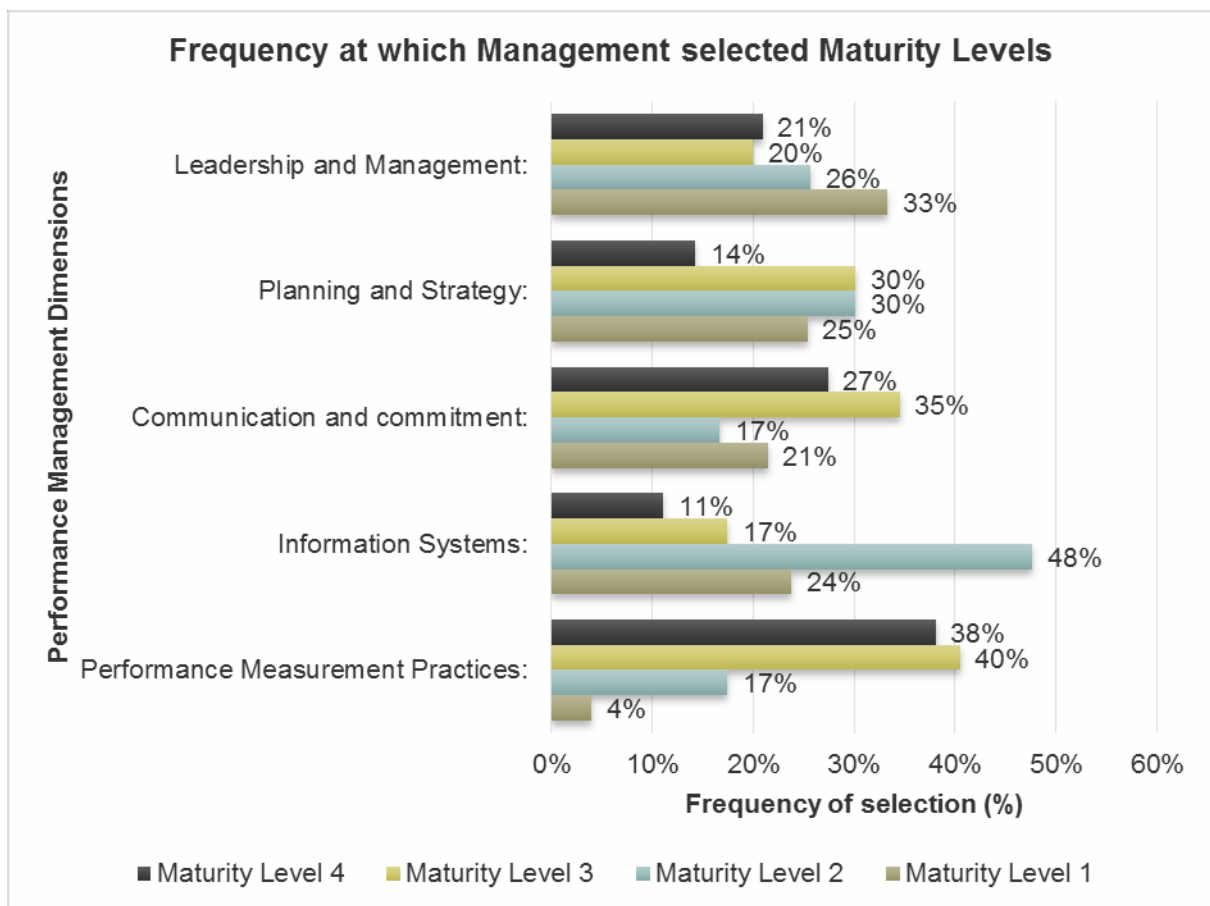


Figure 5: Frequency at Which Management Staff Selected Maturity Levels for Each Performance Management Dimension

For the information systems dimension only, responses were relatively consistent in that approximately half of the participants selected maturity level 2 (48%). However, the participants’ selections tended to be more dispersed for performance management practices; communication and commitment; planning and strategy; and leadership and management. Such results are indicative of differences in understanding of the PMS among DBN’s management staff.

An in-depth discussion of each PM dimension follows below.

5.3.1. Performance Management Practices

5.3.1.1. Maturity Level

The DBN’s performance measurement practices were scored at 3.13, which means that a maturity level of 3 was assigned to it. This PM dimension was assessed by means of six questions in the management questionnaire, and the results in terms of the frequency in which

the maturity levels were selected are presented in Appendix E.

Based on the descriptions of the maturity levels that were most often selected in response to the questionnaire, the performance measurement practices at the DBN were described by the participants as follows. The measurement of performance is linked to the performance of the operational level (general employees) and it includes some non-financial measures (e.g. employee satisfaction survey) (57.14% selected maturity level 3). Relationships between performance objectives are analysed and modelled (e.g. strategy map) and there is a common understanding in the organisation regarding the factors that should be improved in order to affect the main strategic objectives/goals (57.14% selected maturity level 4). There are different interpretations on some parts of the performance measurement information, and decision-makers trust the measurement information (57.14% selected maturity level 3). Performance measures are defined based on strategic objectives (42.86% selected maturity level 3). Performance measurement specifications are partially defined (52.38% selected maturity level 3). There is a regular evaluation and development of performance measures, and old measures are discarded when necessary (61.9% selected maturity level 4). According to Jääskeläinen and Roitto (2015), the soundness of the performance measurement practices normally underpin the success of a PMS in an organisation. The result thus suggests that the DBN's PMS contains features of a solid foundation for a successful PMS.

5.3.1.2. Satisfaction Level

In order to gain a more in-depth understanding of staff's satisfaction levels with the DBN's PM practices, a thematic analysis on the responses to the open-ended questions was performed. Of all management responses 48% (n = 21) were positive (indicative of satisfaction) and 52% (n = 21) were negative remarks (indicative of dissatisfaction). Of the responses by non-management staff, 30% were positive (n = 21), 61% negative (n = 21) and 9% (n = 21) were mixed.

The themes identified during the thematic analysis are listed in the Table 6: Thematic Analysis of Management and Employee Responses to Open-ended Questions below.

Table 6: Thematic Analysis of Management and Employee Responses to Open-ended Questions

Themes	Number of responses by Management (n=21)	Number of responses by Employees (n=21)	Total of Responses
Performance Measurement Practices			
Dominant Themes			
Theme 1: Sound performance measurement system	8	7	15
Theme 7: Inadequate performance measurements	7	6	13
Minor Themes			
Theme 4: Poor understanding of the PMS	5	4	9
Theme 5: Ineffective management of employee performance	4	4	8
Theme 6: Ineffective application of performance measurement tools	3	1	4
Theme 2: Sound management of employee performance	2	0	2
Theme 3: Beneficial performance measurement tools	1	0	1
Information systems			
Dominant Themes			
Theme 9: The performance management process is a manual process	8	8	16
Theme 8: The information system that supports the PMS is effective	7	8	15
Minor Themes			
Theme 11: Information is not easily understood	2	1	3
Theme 10: Information system is not used optimally and could be	2	0	2
Theme 12: An electronic/automated system would be beneficial	1	1	2
Communication and Commitment			
Dominant Themes			
Theme 13: Regular communication takes place regarding the bank's	8	8	16
Minor Themes			
Theme 16: Communication on PMS can be improved	4	3	7
Theme 14: Commitment is good	2	3	5
Theme 15: Satisfactory communication of PMS activities	3	2	5
Theme 17: Lack of regular honest performance feedback discussions focused	3	1	4
Theme 18: The extent of stakeholder engagement regarding the bank's	1	0	1
Theme 19: Lack of personal commitment due to dissatisfaction with the PMS	0	1	1
Planning and Strategy			
Dominant Themes			
Theme 22: An effective strategy planning process is in place	12	2	14
Theme 23: Planning and strategy process can be improved	4	6	10
Minor Themes			
Theme 20: THE DBN has a very good and clear strategy	0	7	7
Theme 21: Planning and strategy process is regarded as important	2	4	6
Theme 24: The execution of plans is problematic	3	1	4
Leadership and Management			
Dominant Themes			
Theme 25: Leadership and management are regarded as competent	15	11	26
Theme 28: The leadership and management can improve on leadership	5	8	13
Minor Themes			
Theme 27: Leadership and management can improve on management	2	3	5
Theme 26: Consequences of good leadership and management	1	0	0

The following dominant themes were observed, i.e. themes that were observed in ten or more responses from both management and employees.

Theme 1: Sound performance measurement system

Both groups of participants described the performance measurement system as sound. A management respondent described that “It measures my performance against set targets. Enables the bank to meet its strategic targets.” and a non-management employee wrote “I believe that my KPIs are defined in a way that is measurable and achievable. I focused on my KPIs and I was able to achieve a good performance rating for the year.”

This theme was the most dominant feature of the feedback received from both management and employees for the PM dimension of performance measurement practices. Management and non-management employees, however, had different reasons as to why they were satisfied with the DBN’s performance measurement practices. While management staff generally appreciated that the system enables the bank to meet its strategic targets, non-management staff valued that it is flexible to accommodate changes, performance expectations are discussed and agreed upon, key performance areas (KPAs) and key performance indicators (KPIs) are clearly outlined, and that the new approach to measurement which was introduced as part of the DBN’s PMS in 2013 is better, simpler and more effective.

Theme 7: Inadequate performance measurements

Inadequate performance measurements were identified by management and employees as an area of concern. One respondent from the management group noted, “The congruence is lacking where the strategic objectives stretches or overlaps between different departments. More emphasis is placed on financial measurements without taking key risk indicators/measurements into consideration.”, and another participant from the employee group noted, “Some of the targets set by the bank have nothing to do with what I do, but I do get penalised at the end of the day if these targets are not met.”

Management noted the following concerns regarding inadequate performance measurements: employees have no control over which performance measurements are used, the application of performance measurements for administrative functions is a challenge, some performance measures are subjective, emphasis is placed on financial measurements and key risk indicators are not measured, the congruence of performance measurements that cross departmental boundaries is lacking, the weighting of performance measurements is

disproportionate, and the application of performance ratings is inaccurate.

Employees identified the following concerns: there is a lack of understanding of performance measurements, some performance measurements are not relevant to the job, the employees have no control over which performance measurements are used, the application of performance ratings is inaccurate and subjective, and the performance measurements do not consider the entire workload holistically. Management and employees agree that the employees have no control over which performance measurements are used and that the application of performance ratings is inaccurate.

5.3.1.3. Summary of Qualitative Analysis on PM Dimensions

Based on the qualitative information provided on performance measurement practices, the PMS's strengths are that: a sound performance measurement system is in place the PMS's development area is: inadequate performance measurements are in use.

5.3.2. Information systems

5.3.2.1. Maturity Level

The respondents rated the information systems at the DBN at maturity level 2, with an average maturity score of 2.16. This maturity level indicates that performance measurement information is gathered manually to a large extent and only financial measurement information is gathered automatically, (57.14% selected maturity level 2); the analysis and reporting of performance measurement information is carried out with office software (word processing, spreadsheets) when needed (42.86% selected maturity level 2); and performance measurement information is available in separate sources (42.86% selected maturity level 2).

By reviewing the pattern in which participants selected the maturity level for information systems, it is evident that there was agreement in the participants' responses for the item information systems in performance measurement information gathering (19.05% selected maturity level 1, 57.14% selected maturity level 2, 19.05% selected maturity level 3 and 4.76%

selected maturity level 4). However, more divergent views were observed for the items information systems in reporting performance measurement information (28.57% selected maturity level 1, 42.86% selected maturity level 2, 23.81% selected maturity level 3 and 4.76% selected maturity level 4) and availability of measurement information (23.81% selected maturity level 1, 42.86% selected maturity level 2, 9.52% selected maturity level 3 and 23.81% selected maturity level 4).

A possible reason for this lack of agreement of the responses to the questions on information systems is that the DBN does not have an integrated and dedicated information system that integrates all performance measurement data to enable reporting of organisational and individual performance, and that allows for easy access to up- to-date, credible and reliable performance information. Currently, the DBN makes use of its operational system (SAP) to provide mainly financial performance data and reports on non- financial performance information using the generic office software packages. Thus, those employees dependent on financial data and those who need mostly non-financial data, or both, may regard the maturity level of the information system differently.

5.3.2.2. Satisfaction Level

Upon analysing the responses to the open-ended questions, it was found that the responses by management consisted of 33% positive, 48% negative and 19% mixed comments. However, of the responses by employees, 43% were positive, 52% were negative and 5% were mixed. The majority of the remarks made by management and employees were negative. The following dominant themes were observed, i.e. themes that were observed in ten or more responses from both management and employees.

Theme 9: The information system that supports the PMS is effective

Both management and employees maintain that the information system supports the PMS. This was illustrated by a management participant's quote, "With IS supporting the performance system, one is guaranteed that the figures will always be reliable, and element of biasedness/subjectivity would be eliminated.", and an employee participant's quote, "The information system used is fairly effective and derives reliable results."

Management maintains that the information system that supports the PMS is effective, because the information gathering is easy and transparent, the information is readily available, the information reporting is transparent, the information system guarantees reliable figures, and the information is easily understood. According to employees, sufficient information is disseminated, the information system is effective and promotes fairness, information provides feedback on performance areas and derives reliable results, and clearly defined measurement guidelines are in place. Both groups highlighted the reliability of the information provided. Employees emphasised the importance of the fairness of the PMS and said that it is easily understood, and management were focused on how transparent the PMS is and how easy it is to use.

Theme 10: The performance management process is a manual process

Both management and employees expressed their dissatisfaction with the manual nature of the PM process. A management quote noted, "At this stage the information is available manually, but an electronic IS system would make life so much easier.", and an employee quote noted, "Our performance measurement system is manual as we record our rating in Excel. I have experienced computer-based performance review systems that make the process quicker and more reliable at previous employers."

Management observed that no central information system exists; that information is limited, not readily available, and at times only available on request; and that some were not aware of the use of an information system at all. Employees observed that as the PM process was executed manually, information was stored and communicated on MS Excel, the security of such data was problematic as it lacked transparency and was not scientific, and there is a lack of standardised performance contracts and evaluation sheets.

The interpretation of these divergent views can be attributed to the differences in experiences and expectations of the information system that supports the PMS to provide secure, reliable and standardised information to the users, to both management and employees. Although this theme is in contradiction with theme 9, *information system that supports the PMS is effective*, it is clear that both management and employees expressed their discontent with the capability of the current information systems in use.

5.3.2.3. *Summary of Qualitative Analysis on Information Systems*

Based on the qualitative information provided, the PMS's major strength is that the information system that supports the PMS is effective, and its development area is that the PMS is a manual process.

5.3.3. Communication and Commitment

5.3.3.1. *Maturity Level*

The communication and commitment of the DBN was scored at 2.56, which means that a maturity level of 2 was assigned. This PM dimension was assessed by means of 4 questions in the management questionnaire, and the results in terms of the frequency in which the maturity levels were selected are presented in Appendix E.

Based on the descriptions of the maturity levels that were most often selected in response to the questionnaire, the communication and commitment at the DBN were described by the participants as follow. There is no wide criticism towards performance measurement among personnel (38.10% selected maturity level 2), the managers regard performance measurement as important and the employees are encouraged towards performance measurement (38.10% selected maturity level 3), and the personnel frequently obtain performance measurement information which is related to them (57.14% selected maturity level 3). For the last question, the participants have divided opinions: performance measurement results are not communicated outside organisational boundaries (38.10% selected maturity level 1) and performance measurement results are regularly communicated to the key stakeholders with a pre-determined reporting template (42.86% selected maturity level 4).

The manner in which management responded to the questions on communication and commitment indicates a lack of agreement on the choice of the appropriate maturity level in the DBN context. This observation is evident in the following results. For the questions on personnel commitment, 23.81% selected maturity level 1, 38.10% selected maturity level 2,

28.57% selected maturity level 3 and 9.52% selected maturity level 4. For management support, 19.05% selected maturity level 1, 23.81% selected maturity level 2, 38.10% selected maturity level 3 and 19.05% selected maturity level 4. For communicating measurement information to the most important stakeholders, 38.10% selected maturity level 1, 4.76% selected maturity level 2, 14.29% selected maturity level 3 and 42.86% selected maturity level 4. The response to the question on communicating measurement information to the personnel indicated a higher level of agreement, with 57.14% selecting maturity level 3 and 38.10% selecting maturity level 4. It is evident that there are divergent opinions on the level of personnel commitment, management support, the communication of the measurement information to employees and the most important stakeholders. The level of personnel commitment may vary based on a variety of factors, including the management support experienced by the individual. Thus, it is interesting to note that divergent views on management support are reflected. Furthermore, the divergent views on communication directed at the most important stakeholders could be a result of different levels of awareness and experience of this activity. Furthermore, the communication of measurement information to the employees seems to be less divergent in that the majority of the management selected the more sophisticated maturity levels, which could mean that they regard the communication to employees as effective.

5.3.3.2. Satisfaction Level

The analysis of the responses to the open-ended questions indicated that 52% of management responses were positive, 43% were negative and 5% were mixed. Furthermore, 57% of employee responses were positive, 29% were negative and 14% were mixed. The majority of management and employees made positive responses concerning communication and commitment. The following dominant themes were observed, i.e. themes that were observed in ten or more responses from both management and employees.

Theme 14: Regular communication takes place regarding the bank's performance

Both management and employees observed that regular communication takes place regarding the bank's performance. It is illustrated by the following management participant, "Organisation-wide performance measures are communicated regularly and consistently.",

and that of the following employee participant, “The DBN is all about feedback and transparency.”

Management expressed their appreciation of the regular communication of the DBN’s performance as it is tracked and communicated on a quarterly basis. Additionally, management claims that this gives direction to departmental activities, encourages performance and skills development, and enhances transparency. Employees observed that they take ownership of the reporting on the DBN’s performance, deadlines are upheld, a structured approach with clear guidelines is adopted, feedback and transparency are promoted, and communication and commitment is clear and treated as important.

5.4.3.3 Summary of Qualitative Analysis on Communication and Commitment

Based on the qualitative information provided on communication and commitment, the PMS’s major strengths are: regular communication takes place regarding the DBN’s performance.

5.3.4. Planning and Strategy

5.3.4.1. Maturity Level

The planning and strategy of the DBN was scored at 2.33, which means that a maturity level of 2 was assigned to it. This PM dimension was assessed by means of 3 questions in the management questionnaire, and the results in terms of the frequency in which the maturity levels were selected are presented in Appendix E.

Based on the descriptions of the maturity levels that were most often selected in response to the questionnaire, the planning and strategy at the DBN were described by the participants as follows: performance measurement information is acknowledged in the analysis of the current situation (38.10% selected maturity level 2), performance measurement results from the previous years are acknowledged in setting strategic targets (38.10% selected maturity level 2), and performance measures are used to support the preparation of action plans (e.g. prioritising development objects) (42.86% selected maturity level 3).

The manner in which management responded to the questions on planning and strategy indicates divergent views on which maturity level is appropriate in the DBN context. This observation is evident in the following results. For the questions on analysis of the current situation in strategic planning, 19.05% selected maturity level 1, 38.10% selected maturity level 2, 28.57% selected maturity level 3 and 14.29% selected maturity level 4. For setting strategic targets, 28.57% selected maturity level 1, 38.10% selected maturity level 2, 19.05% selected maturity level 3 and 14.29% selected maturity level 4. For defining action plans, 28.57% selected maturity level 1, 14.29% selected maturity level 2, 42.86% selected maturity level 3 and 14.29% selected maturity level 4. These results could be explained by the difference in management application by different managers and/or departments in terms of how they define action plans, how they set strategic targets and how they use their analysis of the current situation in defining strategy.

5.3.4.2. Satisfaction Level

By reviewing the responses to the open-ended questions, it was observed that 67% of management responses were positive, 10% were negative and 24% were mixed. Furthermore, 67% of employee responses were positive, 24% were negative and 10% were mixed. Both management and employees predominantly made positive comments on planning and strategy. The following dominant themes were observed, i.e. themes that were observed in ten or more responses from both management and employees.

Theme 22: An effective strategy planning process is in place

Both management and employees maintained that an effective strategy planning process is in place. A management respondent noted, "It's done in consultation of the top and middle management, thus is very inclusive. The general staff are also given a platform to air their views before the strategy is taken to board for approval.", and an employee respondents noted, "The bank has employed a dedicated person (business strategy manager) to help the CEO and EXCO with the bank's business strategy and all departments are involved in this process."

Management is of the opinion that the DBN has an effective planning and strategy process in place, as the process is inclusive of participation of all levels of employment, performance

results are considered during the planning and strategy process, the integration of departmental plans are enforced through the planning process, the strategy is cascaded into departmental implementation plans and individual performance contracts, and progress is made continually. Employees noted that the process is effective because the participation of employees at the departmental level forms part of the process and the process was enhanced with the appointment of the business strategy manager.

Theme 23: Planning and strategy process can be improved

Both management and employees were of the opinion that the planning and strategy process can be improved. It is illustrated by the management quote, “We know what we want to achieve, yet I feel that we fall short on what is required for us to develop, in order to get there.”, and the employee quote, “I feel the planning could be improved if high level management could get all the employees a bit involved or come up with a way of getting everybody’s idea on board.”

Management maintains that the planning and strategy process can be improved as it is still a manual process. Furthermore, it can be enhanced by identifying business processes to be improved and reviewing them, by researching and conducting market studies, and by ensuring that the performance results are filtered into the process and that goal-setting with regard to the development impact objectives of the bank is included. Employees noted that planning and strategy requires enough time and good communication and that the DBN lacks platforms for participation in the planning process for all employees.

5.3.4.3. Summary of Qualitative Analysis on Planning and Strategy

Based on the qualitative information provided on planning and strategy, the PMS’s major strength is that an effective strategy planning process is in place, and the development area is that planning and strategy can be improved.

5.3.5. Leadership and Management

5.3.5.1. *Maturity Level*

The leadership and management of the DBN were scored at 2.29, which means that a maturity level of 2 was assigned. This PM dimension was assessed by means of 5 questions in the management questionnaire, and the results in terms of the frequency in which the maturity levels were selected are presented in Appendix E.

Based on the descriptions of the maturity levels that were most often selected in response to the questionnaire, the leadership and management practices at the DBN were described by the participants as follows. Resource allocation is not determined with the support of performance measurement information (38.10% selected maturity level 1). Performance measures are not linked to personnel competence (28.57% selected maturity level 1). Personnel competence is constantly monitored (e.g. self-evaluations) and decisions supporting learning are carried out based on performance measurement information (28.57% selected maturity level 3). Development targets are identified based on performance measurement information and personnel are provided with individual development plans (23.81% selected maturity level 4). Performance measurement information cannot be used in benchmarking (42.86% selected maturity level 1). Performance measurement information is used in benchmarking internal units (33.33% selected maturity level 2). There is no performance measurement information from outside the home organisation (57.14% selected maturity level 1). Rewarding is linked to organisational-level performance measurement information (42.86% selected maturity level 2).

5.3.5.2. *Satisfaction Level*

During the review of the responses to the open-ended questions, it was observed that 62% of management responses were positive, 14% were negative and 24% were mixed. Furthermore, 43% of employee responses were positive, 38% were negative and 19% were mixed. Although both management and employees mainly made positive comments about the leadership and management, management made more positive comments than employees. The following dominant themes were observed, i.e. themes that were observed in ten or more responses

from both management and employees.

Theme 25: Leadership and management are regarded as competent

Both management and employees regarded the DBN leadership and management to be competent. It is illustrated by a quote from a management participant, “The leadership gives good guidance in terms of vision and objectives and behaves in a way of promoting interest of the DBN.”, and from an employee participant, “We have very capable management at the bank that we can learn a lot from.”

Management described the competence of the DBN leadership and management as follows: they communicate freely, have an open-door policy and listen to employees; they are responsive and willing to improve where needed; they give guidance and support; they have great operational knowledge; they create an enabling environment for development; and they promote the interests of the bank. Employees described the competence of the THE DBN leadership and management as follows: they are knowledgeable and committed, they have an open-door policy, they inspire learning and provide development opportunities for junior employees, they are much better than most state-owned enterprises, and they play a leading role in sustainable development in Namibia. Management and employees agree on the technical competence of the leadership and management, their orientation to develop junior employees and their openness to engage with employees.

Theme 28: The leadership and management can improve on leadership practices

Management and employees were of the view that the leadership and management could improve on leadership practices. It is demonstrated by a management quote, “Generally good leadership skills, but can at times be too involved into operational tasks and lose focus of the strategic objectives.”, and an employee quote, “While the leadership is knowledgeable and committed, there is a lack of strong leadership.”

Management and employees shared the view that the leadership and management could improve in their leadership practices. Examples of such leadership practices were listed as lack of consistency in decision-making, not being open to being challenged on their decision-making, not listening to professional opinions of employees, focusing more on operational matters than on strategy, and allowing political clients to manipulate top management. Employees listed the following examples: lack of consistency in decision-making, lack of

communication among management, power imbalance among leadership and management, susceptibility to bias, inappropriate involvement of managers with employees, managers not defending employees, lack of strength in leadership, managers not knowing what is expected of them, rules and guidelines not followed by those in power, lack of emphasis on the values of the bank in communication, and lack of negotiation and cooperation among management.

5.3.5.3. *Summary of Qualitative Analysis on Leadership and Management*

Based on the qualitative information provided on leadership and management, the PMS's major strength is that leadership and management are regarded as competent, and its development area is that the leadership and management can improve on leadership practices.

5.4. Consolidated Recommendations

According to the PM maturity model by Jääskeläinen and Roitto (2015), improving management support, increasing the availability of information about the performance measurement tools and process and the analysis of the status quo in terms of the internal and external factors that are enabling or hindering the organisation's performance during strategic planning are likely to improve the level of satisfaction. At the DBN the level of management support to employees are considered inadequate, also the availability of information regarding the use of the measurement tools and process could be improved and the analysis of factors that enabling or hindering the organisation's performance need to be improved. A list of recommendations based on the specific development areas identified within the DBN PMS are presented below. These can guide possible interventions to improve the maturity profile and to increase the satisfaction level of management and non-management employees.

5.4.1. Performance Measurement Practices

It is recommended that comprehensive training interventions for both management and employees be designed and implemented to enhance the level of knowledge, skills and attitudes towards the PMS, and in particular the performance measurement practices of the

DBN. Furthermore, the centralised office of business strategy should ensure that synchrony and joint responsibility for organisational performance measures is achieved across departments through interventions such as team-based organisational structures and incentives. It is also important to expand the emphasis on financial performance measures to include non-financial measures by including development impact measurements and measurements that demonstrate living the values of the organisations such as customer service, teamwork, innovation and learning. Additionally, the performance measurement practices require formalisation and standardisation. This could be achieved through the drafting of guidelines for developing and maintaining performance measurement specifications. For example, non-financial measurements need to be defined and documented for the support and service-oriented functions in the organisation. Furthermore, a critical review should be conducted of the effectiveness of the intent of the policy content, the interaction of the reward and PM policies and the effect that they have on performance improvement.

5.4.2. Information Systems

The information systems used in gathering and reporting performance measurement information and its availability need to be improved in order to enhance the overall PM maturity profile for the DBN. One recommendation is to implement a dedicated and centralised electronic PMS that could integrate the planning and strategy at executive level, team and individual performance contracting, performance reporting and feedback, performance measurements, and performance evaluations. Ideally, the information system should provide the capability to integrate information from and to SAP, as it is already in use at the DBN.

5.4.3. Communication and Commitment

Communication and commitment can be considered the vehicle through which the PMS is driven. It is thus imperative that leadership and management be held accountable for communication and commitment to the PMS to continually enable bottom-up, top-down and cross-sectional communication, to promote the value adding benefit of the PMS, and to ensure

that individual performance feedback is honest and focused on development and improvement. Such accountability can be enhanced through the introduction of performance measurements on communication and commitment for the roles of leadership and management.

5.4.4. Planning and Strategy

To enhance planning and strategy, it is recommended that the role and activities of the business strategy unit be promoted and expanded to create awareness in the organisation of its role and responsibilities, to ensure that information is duly disseminated to all levels of the organisation including DBN staff outside of its head office, and to assist in highlighting the need to review and improve business processes that yield unsatisfactory performance results.

5.4.5. Leadership and Management

It is recommended that the DBN continually develop its leadership and management capacity through relevant and appropriate training and development interventions. Such interventions could include the empowerment of the middle management cadre and enhancing their capability to execute their role within the PMS. Additionally, the need to improve leadership practices (theme 29) was expressed by both management and employees. It is recommended that the importance of ethical leadership, accountability and independence should be promoted and leadership should be held accountable to this through committing to management charters stipulating expectations and to ensure that those in breach of such commitments are confronted and disciplined. Furthermore, the DBN could benefit from the improvement of management practices (theme 28). It is recommended that the DBN implement an appropriate awareness campaign and a structured and integrated approach to promoting innovation across the organisation to enhance productivity and the PMS.

5.5. General Outcomes of the Study

This study revealed that Jääskeläinen and Roitto's model is useful in facilitating the assessment of the PMS in a structured and inclusive manner and in diagnosing areas of improvement to

enhance the PMS and employee satisfaction with the PMS. This study diverged from that of Jääskeläinen and Roitto (2015), in which only the satisfaction of managers with the PMS was assessed. In the present study, the satisfaction of both management and general employees was assessed. This allowed for the elicitation of diverse perspectives on the PMS – from the management (who act as supervisors, facilitators and agents in the PMS) to the employees (the end users of the PMS).

This diversity in perspectives is particularly useful when devising recommendations for interventions that are holistic and inclusive in nature – i.e. the recommendations address all participants (leadership, management and employees), all five PM dimensions (performance measurements practice, information systems, communication and commitment, strategy and planning and leadership and management), and relevant organisational units (business strategy, human capital and other heads of departments). Lastly, it is anticipated that since both management and employees were involved in assessing the PMS, this may enhance the acceptance of possible changes to the system.

5.6. Limitations of the Study

Although the usefulness of this model was illustrated in the Namibian context, its application was limited to one organisation. The application of this model in industries and types of organisations still requires further testing, as it shows potential to be a valuable tool for organisations to assess their PM maturity level and to identify areas of development and improvement through self-evaluation. It is possible that the model is less useful in informal and small- to medium-sized enterprises, because respondents need to have a sound understanding of formal business terminology and practice. A good understanding of PMSs and change management is required to ensure that an organisation can derive adequate interventions from the data obtained.

In Third World countries, where organisational performance is not the only priority in the political and socio-economic environments, it is important that there is sound evidence of the validity of the tool and the usefulness of its application. Research on this PM maturity model would need to be extended to illustrate the value add in terms of performance improvement

of organisations, both in financial and non-financial terms, and how it can be used as part of the organisational change initiatives, which are aimed at improving productivity.

Since only 54% of management and 53% of employees participated in this study, there is a concern that those managers and employees could share particular traits or experiences that could have resulted in a different outcome of the study. The lack of participation by 53% of the organisation also raises concerns because it could indicate that they believe that their participation is not valued, that the PMS is not important, or that there is a lack of commitment to the PMS and/or the organisation in general.

5.7. Recommended Improvements on the Assessment Tools

Using Jääskeläinen and Roitto's PM maturity questionnaire (Jääskeläinen & Roitto, 2015) at the DBN confirmed that it is an easy-to-use self-evaluation tool, which can indeed assist in organisational learning and development. However, in order to improve its utility within a variety of contexts, standardised guidelines should be provided regarding the scoring and analysis of data to cater for varied levels of understanding and research skills. One could even go further and suggest that the model be automated to produce specific reports, graphs and diagrams to summarise the outcomes. Furthermore, guidelines to assist management on how to optimise their PMS from within the different maturity levels would increase this model's utility further, and future research should consider looking into this aspect.

6. Conclusion

6.1. The DBN's PMS Maturity Profile

This study applied the performance management (PM) maturity model developed by Jääskeläinen and Roitto (2015) to assess the maturity level of the Development Bank of Namibia's (DBN) performance management system (PMS). The DBN's PM maturity profile falls into the maturity profile 4, which is the Satisfied/High PM score profile.

The management was significantly more satisfied with "planning and strategy" and "leadership and management" than with "performance measurement practices", "information systems", and "communication and commitment", although there was no difference between "communication and commitment" and "leadership and management". The employees were significantly more satisfied with "communication and commitment" and "planning and strategy" than with "performance measurement practices", "information systems", and "leadership and management". As both the maturity and satisfaction scores were just above midpoint on each of the scales, the PMS was found to have definite strengths and areas of development.

6.2. The Areas of Strength

The management of the DBN rated the performance measurement practices at the maturity level 3, the highest rating for all the PM dimensions. Furthermore, management was significantly more satisfied with "planning and strategy" and "leadership and management", whereas the employees were significantly more satisfied with "planning and strategy" and "communication and commitment". Based on the qualitative analysis, it was found that a sound performance measurement system is in place, appropriate performance measurements are in use, the information system that supports the PMS is effective, regular communication regarding the DBN's performance take place, commitment is good, effective communication on PMS activities takes place, an effective strategy planning process is in place, the DBN has a very good and clear strategy, and leadership and management are regarded as competent.

6.3. The Areas of Development

The PM dimensions “information systems”, “communication and commitment”, “planning and strategy”, and “leadership and management” received overall ratings of maturity level 2, which is indicative of a need for further development. Furthermore, management was significantly less satisfied with “performance measurement practices”, “information systems” and “communication and commitment”, whereas the employees were significantly less satisfied with “performance measurement practices”, “information systems”, and “leadership and management”. Based on the qualitative analysis, it was found that inadequate performance measurements are in use, there is poor understanding of the PMS and ineffective management of employee performance, the PMS is a manual process, communication on the PMS can be improved, planning and strategy can be improved, and the leadership and management can improve on leadership practices.

6.4. Recommendations for Development of the PMS

Based on the outcomes above, the following recommendations are made:

- A comprehensive training intervention on PM and innovation should be launched.
- The business strategy office should address synchronisation and joint responsibility for achieving certain targets and introducing and formalising non-financial measurements.
- The performance measurement practices should be formalised and standardised, offering guidelines for developing and maintaining performance measurement specifications.
- A critical review or assessment of the effectiveness of the performance reward system should be performed.
- The implementation of a centralised and integrated PMS should be prioritised.
- Performance measurements on communication and commitment for leadership and management should be introduced.
- The role of the business strategy office should be promoted.

- The enhancement of capacity in PM among the leadership team and the management cadre should address information dissemination and business process development.
- There should be enhancement of ethical leadership, accountability and independence.

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8. Appendices



**Development
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Good business is good for development.

DBN – Performance Management Policy & Guide

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1. Defining Performance Management

Performance Management is a collaborative, on-going process between a supervisor and an employee to plan for, develop, and evaluate an employee's work. It focuses on what employees do and how they do it; it aligns individual, departmental, and organisational goals; it identifies areas for employee learning; and includes opportunities to discuss and plan for an employee's career development.

Performance Management is both a strategic and integrated approach to delivering successful results in the organisation by improving the performance and developing the capabilities of teams and individuals. It encompasses activities such as job design, joint goals setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee development programmes, talent management, succession planning, leadership development, training and rewarding achievements in a new comprehensive and much wider framework. It is also an on-going communication process which is carried on between the supervisors and employees throughout the year. The process is very much cyclical and continuous in nature.

Performance Management can be summarised as a systematic process by which the overall performance of an organisation can be improved by improving the performance of individuals within a team framework. It is a means for promoting superior performance by communicating expectations, defining roles within a required competence framework and establishing achievable but stretching targets.

2. The Importance of Performance Management

Performance Management supports the DBN's commitment to recruit, develop, and competitively compensate an outstanding workforce and to better prepare to meet the future needs of the organisation. It facilitates on-going conversations between employees and their supervisors that benefit all. Performance management drives consistency and openness across the organisation in how we define and evaluate work. It allows employees to enrich their knowledge in their current jobs and gain skills for future positions and helps employees, their supervisors and ultimately the organisation as a whole to succeed.

Effective communication between employees and supervisors is the key to successful performance management. Regular feedback helps employees focus their work activities on the critical areas of performance to ensure a sustainable and prosperous future for all stakeholders. It builds accountability, since employees and supervisors participate in developing goals, identifying competencies, and discussing career development.

All employees, from Executive level to the lowest level, will participate in the Bank's performance management process.

The performance management process allows employees to understand:

Supervisors benefit from the process by:

- Understanding the proficiency with which employees are achieving goals and/or carrying out duties;
- Having a basis to coach for improvement;
- Determining pay for performance;
- Recognising and motivating high performers;
- Identifying training and development needs; and,
- Supporting career development opportunities.

The performance management process complements the Bank's mission and leadership characteristics by:

- Making explicit the relationship between individual, departmental and organisational goals which allows employees to be effective and enjoy a sense of shared purpose;
- Requiring that employees be evaluated based on clear and agreed upon goals, competencies, and development plans;
- Giving employees specific expectations that they understand, and helping them to achieve high performance; and,
- Relating pay to performance by rewarding significant achievement.

Some of the key concerns of a performance management system in an organisation are:

- Concerned with the output (results to be achieved), outcomes, processes required for reaching the results and the inputs (knowledge, skills, experience and attitude) required to effectively achieve the required results;
- Concerned with the measurement of results and review of progress in the achievement of set targets;
- Concerned with defining business plans (tactical plans) in advance for shaping a successful future;
- Striving for continuous improvement and development by creating a learning and development culture and an open system;
- Concerned with establishing a culture of trust and mutual understanding that fosters a free flow of communication at all levels in matters such as clarification of expectations and sharing information on core values of the Bank which binds the team together; and
- Concerned with the procedural fairness and transparency in the process of decision making.

3. Objectives of Performance Management

The major objectives of performance management are as follows:

- To enable the employees towards achievement of superior standards of work performance;
- To influence job satisfaction and employee loyalty by:
 - Providing regular open and transparent job feedback;
 - Establishing a clear linkage between performance and compensation;
 - Providing ample learning and development opportunities;
 - Evaluating performance and distributing incentives and rewards on a fair and equitable basis;
 - Establishing clear performance objectives by facilitating open communication and joint dialogue;
 - Recognising and rewarding good performance;
 - Providing maximum opportunities for career growth;
- To help subordinates and supervisors in identifying the knowledge and skills required for performing the job efficiently as this would drive their focus towards performing the right task in the right way;
- Boosting the performance of the employee by encouraging employee empowerment, motivation and implementation of an effective reward mechanism; and
- Promoting open communication between the supervisor and employee for clarification of expectations about roles and accountabilities, communicating the functional and organisational goals, providing regular, honest and transparent feedback with the aim of improving employee performance and providing continuous coaching and mentoring;
 - Identifying the barriers to effective performance and removing those barriers through constant monitoring, coaching and development interventions;
 - Creating a basis for several administrative decisions, strategic planning, promotions and performance based payment; and
 - Promoting personal growth and advancement in the career of the employees by helping them in acquiring the desired knowledge and skills.

4. A Performance Management Approach

The Bank, being serious about managing performance, has moved beyond the basic model and adopted an integrated approach with other key business processes.

Using the basic strategic performance management model, the Bank begin with defining its strategy, determine Key Performance Areas (KPAs), Key Performance indicators (KPIs) and setting specific measurable goals for each KPI, then progress to measuring performance and use the results to analyse performance in order to extract insights and make better informed decisions which lead to actions and performance improvements.

Following is a brief explanation of these steps:

- **Strategic Planning**

This step involves creating a business model and strategy, either corporately or for a business unit. Informed by strategic analyses, the Bank identifies what strategic objectives they plan to accomplish and how they plan to accomplish them giving due consideration to the Bank's appetite for risk.

- **Performance Measurement and Monitoring**

Strategic planning is followed by determining the Key Performance Areas (KPAs), Key Performance Indicators (KPIs) and setting specific goals as the tool to measure and monitor performance. Measuring performance based on KPAs and KPIs provide management with insight on how well the organisation delivers on strategic objectives. Most important is to ensure that the metrics are relevant and meaningful. Many people fall into the trap of measuring what is easy to measure instead of what will provide the best insights. This process should follow through from the highest level to the lowest level in the Bank. Finally this process ends with a reality check to ensure that all KPAs and KPIs are aligned with the organisations strategic objectives which, if achieved at all levels, will result in the achievement of all these objectives.

- **Business Intelligence (BI), Analytics and Modelling**

Once KPAs and KPIs have been developed and specific goals set for each KPI, performance is measured and analysed against performance data and metrics. This step is all about creating a solid evidence-base to inform decision-making and alternative strategies.

- **Reporting and Reviewing Performance**

The Bank translates the insights gained from the performance information into management reports and dashboards, and put the review processes in place to act on the data. It is all about evidence-based decision making facilitated by the performance review processes. Holding performance improvement meetings on a regular basis assist in creating a forum for joint decision making on performance improvement strategies and to evaluate reasons and mitigating factors for performance categorised as below expectations.

- **Aligning People and Culture**

In this final step the Bank ensure that its employees, culture and leadership approaches, are focused on performance improvement in an effort to create a high performance organisation conducive to high levels of employee and customer satisfaction.

5. Requirements of a Performance Management System

The Bank's performance management system works towards the improvement of the overall organisational performance by managing the performance of teams and individuals for ensuring the achievement of overall organisational goals and ambitions.

The performance management system plays a crucial role in:

- Ensuring that the employees understand the importance of their contributions to the organisational goals and objectives;
- Ensuring employees understand what is expected from them and equally ascertaining whether the employees possess the required skills and support for fulfilling such expectations;
- Ensuring proper alignment of objectives and facilitating effective communication throughout the organisation; and
- Facilitating a cordial and harmonious relationship between an individual employee and the line manager, based on trust and empowerment.

The following activities are the basic requirements of a sound and robust Performance Management System:

- Developing clear job descriptions and specifications;
- Developing performance plans by determining relevant Key Performance Areas (KPA) and Key Performance Indicators (KPIs);
- Ensuring alignment of KPA and KPIs with strategic objectives of the organisation;
- Negotiating minimum requirements and performance standards to measure the outcome and overall productivity against predetermined stretched benchmarks or goals;
- Providing continuous coaching and feedback during the period of delivery of performance;
- Identifying the training and development needs by measuring the outcomes achieved against set standards and implementing effective development programs and initiatives for improvement;
- Holding quarterly performance development discussions and evaluating employee performance on the basis of performance plans;
- Designing an effective compensation and reward system for recognising those employees who excel in their jobs by achieving and exceeding set standards in accordance with performance plans and performance benchmarks;
- Select and employ the right type of people by implementing an appropriate selection process;
- Providing promotional/career development support and guidance to employees;
- Implement appropriate talent management, leadership and accelerated development programs;
- Potential appraisal - Identifying candidates for the talent management, leadership and accelerated development programs and develop career path plans for these candidates for implementation;
- Implementation of a Performance Improvement Program in support of those employees who do not meet requirements;
- Developing an appropriate succession and development plan for critical positions requiring scarce skills;
- Performing exit interviews to understand the cause of employee discontentment and thereafter exit from the organisation;
- Supporting a culture of continuous improvement and development by creating a learning culture and an open system;
- Supporting the establishment of a culture of trust and mutual understanding that foster free flow of communication at all levels in matters such as clarification of expectations and sharing information on the core values of the organisation; and
- Staying abreast of future human resource needs, develop and maintain a plan to address these needs in an effective and efficient manner.

6. Responsibilities of Employees and Supervisors

Persons who supervise one or more employees are responsible for:

- Helping employees develop individual goals and identify competencies;
- Providing employees with clear expectations, consistent measures, and required standards of performance;
- Supporting and providing resources for employees to meet performance goals and competency proficiency;
- Promoting a two way system of communication for clarifying expectations about roles and accountabilities, functional and organisational goals, providing regular and transparent feedback for improving employee performance and continuous coaching;
- Conducting interim (formally or informally) and quarterly and annual evaluations;
- Identifying performance deficiencies and providing assistance and support for correction through constant monitoring, coaching and development interventions;
- Promoting personal growth and advancement in the career of employees by assisting employees in identifying and participating in career development and training opportunities;
- Identifying candidates for enrolment on talent management, leadership and accelerated development programs;
- Developing and implementing a succession plan for critical positions requiring scarce skills; and
- Recognising outstanding performance on a regular and continuous basis.

Employees are responsible for:

- Providing input to their supervisors in the performance planning process which contributes to departmental goals and the DBN's mission;
- Providing their supervisors quarterly with a self-evaluation/self-assessment of agreed KPAs and KPIs including a list of other accomplishments;
- Discussing concerns and questions about any part of their job or the performance management process; and
- Identifying and actively participating in career development and training opportunities.

7. Roles of Supervisors and Human Capital Department in Managing Performance

7.1 The Role of a Supervisor

A supervisor is someone who is responsible for the performance of others. The role of a supervisor is to provide direction to employees, set priorities, assign work, ensure quality and resolve complex problems. This role includes not only front line supervisors, but also managers, executives and directors of the DBN.

All supervisors are expected to be people focused and have an interest in leadership and progressive supervisory experience. The supervisor mentors others, builds collaborative relationships, is resourceful and action oriented. In addition, the supervisor should have a clear understanding of the Bank's vision, mission, values, standards, culture and strategic objectives and should work directly in support of these.

At a minimum, to be a designated supervisor, individuals must demonstrate willingness and the ability to perform the following supervisory functions:

- Participating in the hiring process by developing appropriate job descriptions and job specifications, interviewing and selecting new hires;

- Discussing and setting employee performance plans;
- Ensuring that employee work is completed successfully;
- Providing support for employee learning and development;
- Discussing and assisting in employee career planning;
- Providing on-going training, coaching, mentoring and performance feedback;
- Conducting quarterly and annual performance evaluations;
- Promoting a two way system of communication;
- Participating in the salary increase and rewards process;
- Taking disciplinary action, when necessary;
- Approving time off and leave;
- Reviewing and approving employee expenses, as and when needed;
- Providing financial and administrative oversight as required for effective internal controls; and,
- Adhering to the Bank's policies, procedures and applicable laws.

Research has shown that an employee's relationship with their supervisor is the most important factor in their decision to build a career at a specific organisation. Highly effective supervisors, therefore, are a key to the Bank's goal of having a talented workforce to meet the needs of the organisation today and in the future. The Performance Management System, as explained in more detail in this document, is the most important and appropriate tool for performing essential supervisory functions to ensure a stable and conducive environment to achieve this important objective.

Authority to perform certain functions may be delegated to others; however, accountability for compliance cannot be delegated. It remains the responsibility of the designated supervisor to ensure that the functions as determined and explained in this document are performed in accordance with the Bank's policies and procedures. Supervisors are accountable for the functions described above.

7.2 Considerations When Designating Supervisors

Fair Labour Practices state that a supervisor is someone who is accountable for the performance of other employees, and exercises independent judgment on matters other than routine or clerical tasks. It is recommended that a supervisor should spend at least 15% of their time performing the majority of the supervisory functions listed above.

In reality, effective supervision of employees typically involves much more than 15% and may constitute the majority of a supervisor's time. Supervisors should be interested in management, and in acquiring the necessary supervisory skills to do the job well. Supervisors must be familiar with their employees' work and responsibilities. The supervisor should be in a position to effectively evaluate performance, and provide meaningful development and coaching, even if the supervisor and employee are in different locations.

Typically, supervisors should have no more than 7 – 10 direct reports; however, the actual number of direct reports for a supervisor should be determined by their ability to effectively perform the functions listed.

7.3 The Role of Human Capital Department in Managing Performance

The Human Capital (HC) function within the Bank is a supporting function to assist supervisors and employees with Human Capital related issues and other Human Capital related administrative functions. This department serves as a valuable resource for both supervisors and employees and should be the first point of contact for any performance management issues that arise.

The Human Capital Department is responsible to overseeing the effective implementation of the Performance Management System.

The Human Capital Department assists with the following:

- **Performance Planning**

Assist supervisors with the development of appropriate key performance areas, key performance indicators and measurement metrics aligned to the strategic objectives of the organisation, broken down into individual targets, the sum total of which will achieve the supervisor/departmental and ultimately the organisational target;

- **Performance Appraisal and Reviewing**

Ensure that performance appraisals are done on a quarterly basis within the first year of implementation of the performance management system and thereafter twice a year;

- **Calibrating**

Oversee the implementation of and actively manage the calibrating process prior to giving feedback to employees on performance;

- **Feedback on Performance**

Assisting supervisors to provide honest, transparent and open feedback to employees and assist supervisors to develop appropriate development and career management plans for employees;

- **Rewarding good Performance**

Assist supervisors across the organisation to ensure consistency with the process of rewarding good performance;

- **Performance Improvement Plans**

Assist supervisors with the development of an appropriate performance improvement plan for those employees' not achieving targets;

- **Potential Appraisal**

Assist supervisors to identify and develop talented people using the most appropriate program / intervention as a basis for lateral and vertical movement of employees.

8. Performance Management Process

8.1 The Basic Components and Activities of Performance Management

The basic components and activities required during Performance Management are as follows:

The components are the following:

- **Work Performance** – what an employee is required to do;
- **Competencies** – what competencies are required to do the job;
- **Career Development** – identification of learning opportunities that support the accomplishment of both the employee's performance and competency development.

The basic activities performed by the supervisor are:

- **Planning** – refers to the setting and mutual agreement on goals to be achieved, the identification of competencies to be developed and the completion and management of the career development plan of the employee;
- **Coaching and Feedback** – is not an isolated event but an on-going and continuous process; and
- **Evaluation** – refers to the regular evaluation of performance against agreed performance goals, the evaluation of levels of competency required to achieve the performance goals and a regular review of the career development plan.

The diagram below shows how the components and activities integrate to form a cohesive process.



8.2 Performance Planning and Contracting

8.2.1 Establishing Performance Plans – Key Performance Areas and Key Performance Indicators and setting Goals

During the Strategic Planning Process, Strategic Objectives are determined and translated into Key Performance Areas (KPA) and Key Performance Indicators (KPIs) linked to specific goals for the Bank.

This is then broken down into KPAs and KPIs for each department and individual within the bank. In a perfect world, the sum total of all individual KPAs and KPIs, once achieved as per the performance contract between the employee and his/her supervisor, should result in the achievement of all organisational strategic objectives if appropriately aligned.

For purposes of clarity, employee aligned goals are goals that will support the supervisor, department and ultimately the Strategic Goals of the Bank. Employee aligned goals are related, but not identical to the supervisor's, department's or the organisation's goals. Having a clear alignment of goals allows everyone to work in support of a larger goal, and helps employees see how their day-to-day activities contribute to the success of the Bank.

It is the supervisor's responsibility to provide guidance with the formulation of KPAs, KPIs and specifics with regards to goal setting for individual employees together with an appropriate measurement system to manage performance and monitoring the achievement of goals in the most effective and efficient manner. Before an employee agree to individual performance goals, a conversation between the employee and

his/her supervisor is required. During this conversation, the supervisor broadly outlines the goals for the department for the year and need to consult with each employee to gain agreement and acceptance of the goals set on an individual basis, the sum total of these goals, if achieved, to equal the department's goals.

All individual goals must be approved by the relevant supervisor who must ensure that goals are aligned with the goals of the department and the strategic objectives of the Bank as a whole.

A Key Performance Area consists of a group of Key Performance Indicators with the common goal of achieving a specific activity within the business e.g. Financial, Operational, and Human Capital etc.

Key Performance Indicators (KPIs) grouped together into specific KPAs help organisations understand how well they are performing in this specific area in relation to their strategic objectives. In the broadest sense, a KPA and its KPIs provides the most important performance information that enables the Bank or its stakeholders to understand whether the Bank is on track or not. KPAs and KPIs serve to reduce the complex nature of organisational performance to a small number of key indicators in order to make it more digestible and should be linked and aligned with the strategic objectives of the Bank and therefore help monitor the execution of the business strategy.

KPAs and KPIs echoes the organisational goals, is decided by management, provides context, creates meaning on all levels of the organisational, is based on legitimate data, is easy to understand and to interpret and leads to action.

Goals are observable, measurable and desired outcomes of a KPI having one or more objective to be achieved within a fixed timeframe.

Goals should be:

- **Specific:** What will the goal accomplish? How and why will it be accomplished?
- **Measurable:** How will you measure the goal?
- **Achievable:** Is it possible? Have others done it successfully? Do you have the necessary knowledge, skills, abilities, and resources to accomplish the goal? Will meeting the goal challenge you without defeating you?
- **Results-focused:** What is the reason, purpose, or benefit of accomplishing the goal? What is the result (not activities leading up to the result) of the goal?
- **Time Bound:** What is the established completion date and does that completion date create a practical sense of urgency?

Guidelines for determining goals:

- Does the goal focus on a specific area?
- Is the goal written using concrete language?
- Does the goal begin with an action verb?
- Can progress be measured for the goal? Is the progress: Numeric or Descriptive?
 - Quantitative?
 - Qualitative?
 - Financial?
 - Constrained by time?
- Is the goal a stretched goal, yet within the employee's control?
- Is the goal sufficiently and reasonably limited in scope?
- Does the goal measure actual outputs or results, not activities?

- Do the results include product, deliverables, or accomplishments?
- Has a reasonable timeframe been identified?
- Is it necessary to identify interim steps or have a plan to monitor progress?
- Is the goal supportive of and directly relevant to the Bank's and the department's mission and goal?

8.3 Feedback and On-going Coaching

Providing on-going feedback to employees about their performance is very important for maintaining productive working relationships, for accomplishing goals, and for general work performance reinforcement or redirection. The following will provide a clear definition of the two phrases:

- **Reinforcement** occurs when a supervisor wants an employee to continue performing as they have been performing.
- **Redirection** however occurs when the employee needs to change what or how they have been performing.

8.3.1 Coaching Employees

It is recommended and good Human Capital Management practice for supervisors to take ten minutes a month for an informal discussion with each employee. This process (habit) will foster clear and on-going communication between the supervisor and employees. Supervisors need only to ask each employee the following three questions and document the conversation:

- How are you doing?
- How do you think the team is doing?
- How can things be improved? (What can the employee do and what can the Bank (supervisor, management etc) do?)

The purpose of the abovementioned is to foster good communication. It is not required that each supervisor do this, but rather should serve as a guideline and method of achieving regular and on-going conversations with employees.

8.3.2 Counselling Employees

Counselling is a brief, short, focused and meaningful conversation that identifies a specific problem and redirects the employee. Regular counselling can improve communications and perhaps mitigate any further action, including formal disciplinary action.

Counselling consists of the following basic steps:

- State what you have observed – “This is what I have noticed...”
- Wait for a response from the employee.
- Remind employee of the goal – “This is what I need to see or is expected of you...”
- Ask for a specific solution – “What can we do to make sure this happens or does not happen again?”
- Agree on solution – “So we agree that”
- Follow up using positive reinforcement and pay attention for signs of relapse.

It is important that the solution is specific and time-bound, and that the employee takes ownership of the issue and thus is responsible for changing his behaviour accordingly.

8.3.3 The Role of a Good Supervisor with regards to Counselling

Counselling has boundaries that must be respected.

Counselling is not:

- An opportunity for you to practice psychiatric therapy;
- A one-shot activity;
- An off-the-cuff discussion;
- Punitive;
- Solely concerned with personal problems;
- Human Resources' business;
- An opportunity to review an individual's whole life;
- A one-way mini-lecture by the counsellor/coach;
- A brief, hurried activity; and
- Intended to solve all of the individual's problems.

A good counsellor:

- Is easy to talk to;
- Listens well;
- Helps people solve problems but do not over-control;
- Shows empathy when discussing problems;
- Is receptive to feelings;
- Can keep a confidence;
- Is perceptive in recognizing when help is needed;
- Wants people to do well;
- Builds self-esteem and confidence;
- Is interested in what the other has to say, not just what he or she wants to hear;
- Takes the other seriously;
- Is willing to spend time;
- Is receptive to the ideas of others;
- Gives the other his or her full attention; and
- Encourages another try.

8.4 Evaluation Process

8.4.1 Performance Reviews

In the first year of implementation, Performance Reviews must be conducted on a quarterly basis in the month following the end of each quarter starting January of each year. An annual review will be conducted in January following the end of the financial year of the Bank and will be used as basis for determining performance bonuses, promotions, job rotations etc.

Purpose of quarterly reviews:

- To acquaint subordinates and supervisors with the workings of the performance management system;
- To enable subordinates and supervisors to renegotiate performance goals if unrealistic;
- To provide employees the opportunity to rectify previous undesirable performance;
- To identify areas of development and to assist supervisors to complete and manage development plans for employees;
- To allow employees to take ownership of their performance; and
- To encourage open and transparent communication between employee and supervisor.

In the second year after implementation of the Performance Management System, performance reviews should be conducted during July and January of each year following the bi-annual and annual results of the Bank respectively.

Quarterly performance reviews must be conducted for all newly appointed employees in the first year of employment irrespective of the date of appointment.

8.4.2 Principles and Importance of Employee Self-Evaluation

Employees are solely responsible for their performance and personal development. The Bank is committed to providing each employee the necessary opportunity and support to grow and develop within the scope of what the Bank believe is appropriate for both parties. The Bank's performance management process focuses on the development of the employee and it is therefore required of the employee to do a regular self-evaluation of his or her performance. This self-evaluation provides employees with an opportunity to "showcase" their accomplishments and have their opinions heard. All employees must be afforded the opportunity to self-assess, and supervisors should strongly recommend they take advantage of that opportunity.

A self-evaluation is a great opportunity for employees to honestly and objectively consider and document their performance. Having said that, employees must also know how to complete a self-evaluation and be comfortable with the process. Properly conducting a self-evaluation can make the difference between a meaningful evaluation and one that is less effective.

The following section is a guideline to enable employees at all levels to conduct better self-evaluations.

What Is a Self-Evaluation?

A self-evaluation is thoughtful and considered written review of one's performance during the evaluation cycle. It involves rating established goals, competencies, and overall performance.

What Are The Benefits of a Self-Evaluation?

Self-assessment is when an individual becomes an active participant in the evaluation process. The involvement of the individual enables him/her to honestly assess his/her general performance in terms of set goals, identification of strengths and the identification of areas that needs to improve. The employee can then participate more constructively in the evaluation meeting with the supervisor. Self-evaluation also serves to increase commitment to goal setting/achievement, competency development, and career planning.

What Do the Employee Needs To Do In Order to Complete Self-Evaluation?

Time.

Allow about an hour to complete the self-evaluation. That hour includes time an individual may need to review documentation that he/she has kept throughout the year relating to his/her goals and competencies.

Conducive environment

Conduct the self-evaluation in a quiet place without interruptions so that he/she can devote full attention and reflection to the process.

Relax

Try to relax and reflect upon individual goals, experiences, and incidents. No one is perfect, and it is very likely that one will recall both good and bad experiences. The purpose of the evaluation process is to highlight strengths, correct performance weaknesses, and develop unused skills and abilities. In order to do this, one must be willing to recognise areas that need improvement or development.

Highlight the highlights

Do not be shy about letting the supervisor know where one's shone during the year. The self-evaluation is the place to boast with grace and diplomacy and, naturally, without putting any of your colleagues down. Do not be modest; state the accomplishments objectively and accurately.

Do not forget about achievements made early on in the evaluation period

A supervisor cannot possibly remember all individual projects and participation throughout the year. Go through documents and e-mails to help remember earlier accomplishments.

Be constructive

One of the benefits of a self-evaluation is its tendency to lead to constructive dialogue between subordinates and the supervisor. Therefore, try to write in a conversational style, one that is as natural as the verbal back-and-forth that occurs throughout the year.

Solicit feedback from co-workers

Consider asking colleagues what they think of one's performance. Be careful, of course, to avoid platitudes, overly critical comments, and any other remarks that could take away rather than enhance the self-evaluation.

Be objective

It is very tempting to give oneself high marks across the board, but it is a little unlikely that one have done everything right. Instead of evaluating oneself based on how one wished one had performed, offer the results and quantify them as much as possible by using facts, figures, and specific dates. The more one can point to the tangible benefits one offers the Bank, the more invaluable one would be. Ask the following specific questions:

- What difference did my efforts make to the DBN?
- What have I do to contribute to the department's goals and success?
- Did my efforts further the organisation's mission?
- Did I take a leadership role when the opportunity arose?

Don't use the self-review as a bargaining chip

This is the time to show not tell. It is not the time to talk about one's compensation. Be clear about accomplishments and save salary discussions for later.

Use appropriate language

Choose words that demonstrate some objectivity and distance. One is writing about oneself, but one can still stand back and offer a little perspective. For example, instead of mentioning ones sparkling personality, document specific behaviours like one's ability to get along well with others. Rather than say how much one likes his/her job, include the ways that he/she as employee has grown and improved during the evaluation period.

Suggest specific improvements

The self-evaluation is a good opportunity to identify specific ways to improve one's performance. Do not be afraid to mention ways that can help to do the job more effectively. Making suggestions like this is not the same as holding something up as a weakness. Indeed, it is a mark of strength and professional maturity for employees to identify ways to grow and improve.

Complete the Career Development Plan

Choose, complete, and apply knowledge that has been gained from development activities to support performance goals, competency development and career direction.

Write more than one draft

Self-evaluation is part of the employment record and this will enable one to "get it right". Make certain one is thorough and professional in one's approach and language and that one write, review, and revise ones self-evaluation to ensure one "Send Forward" ones best work.

8.4.3 Evaluating Performance and Competencies

Interim reviews and annual evaluations begin with an employee's self-evaluation of performance goals and competencies. While not required, employees are encouraged to complete a self-evaluation ensuring their voice is "heard" in the process. Following the employee's self-evaluation, the supervisor rates the employee separately on both goals and competencies and provides an overall rating. All ratings should be supported with comments providing specific examples of observed performance during the current evaluation cycle.

8.4.4 Seeking Input from Others

In order to arrive at a fair and accurate overall rating, supervisors may seek additional input from people who have directly observed an employee's work during the evaluation cycle. While these 3rd party individuals do not evaluate the employee using the 5 point rating scale, they can make comprehensive comments about the employee's performance. Ultimately, however, the supervisor is the one who must evaluate and support each rating. Should 3rd parties be consulted, the supervisor can note these comments on the performance appraisal document or as an attachment to the performance appraisal document. Notes and attachments should be shared with the employee, the supervisor, and anyone else in the employee's hierarchy.

8.4.5 Performance Goals and Competencies Rating Scales

The language of the rating scales for performance goals and competencies is unique, in order to distinguish between the two.

General definitions:

5 = Exceptional/Exceeding goals by a large %

Performance: significantly and consistently exceeds goals

Competency: consistently demonstrates exceptional behaviours; serves as a role model and mentor

4 = Highly Effective/Exceed goals by a small %

Performance: consistently exceeds goals by a small margin

Competency: consistently demonstrates effective behaviours and often demonstrates exceptional behaviours.

3 = Effective/Achieve goals

Performance: achieves goals

Competency: consistently demonstrates effective behaviours

2 = Inconsistent/Not achieving goals by a small %

Performance: miss goal by a small % and needs improvement

Competency: demonstrates some behaviour but not others, or uses behaviours inconsistently; may be appropriate for employees in new or more challenging positions, or for those who need development.

1 = Unsatisfactory/Not achieving goals by a large %

Performance: rarely achieves established goals; requires significant and immediate improvement

Competency: rarely demonstrates competency behaviours; requires significant development

8.4.6 Determining the Overall Rating

The overall rating is based on both the performance goals and competencies. All ratings should be justified with examples and comments. The overall rating that is determined by the supervisor must be entered on the evaluation form.

8.4.6.1 Overall Rating Scale

Definitions for each of the overall ratings are provided below:

5 = Exceptional:	Significantly and consistently exceeds expected performance level
4 = Highly Effective:	Consistently achieves and often exceeds expected performance level
3 = Effective:	Consistently achieves expected performance level
2 = Inconsistent:	Inconsistently achieves expected performance level; needs improvement
1 = Unsatisfactory:	Rarely achieves expected performance level; requires significant and immediate corrective action

8.4.6.2 Avoiding Common Rating Errors

Validity is the extent to which an employee's rating corresponds to actual performance and competency levels. Unfortunately, personal biases and prejudices often cause an employee's evaluation to be distorted through biases of the person (supervisor) rating the employee. Therefore, it is important that supervisors understand not only the Bank's rating scale, but also these potential rating biases.

The following list outlines some of the most common errors:

- **Attribution:**

This refers to the tendency to attribute performance to external causes.

- **Central:**

Majority of individuals rated in the middle. Supervisors who display central tendency tend to ignore or suppress differences. This tendency, which produces ratings that do not distinguish between employees damages morale and makes decisions for pay for performance, promotions, or training difficult to justify. Avoid this tendency by:

- Documenting observable behaviour over the entire evaluation cycle;
- Ask yourself if you are seeing the person's behaviour objectively. Seek behavioural examples from others.

- **Comparison:**

This relates to the tendency to rate people in comparison to other individuals instead of documenting performance goals and competencies. This tendency can be particularly unjust when comparing a person to someone else who is a super-star. Avoid this tendency by:

- Establishing clear, performance goals at the start of each evaluation cycle, and
- Evaluate performance against those goals.

- **Halo/Horn:**

High (or low) rating given to an individual based on a single performance goal or competency. This effect is also demonstrated if you let an overall global impression of the employee influence the ratings. It often occurs with employees who are friendly or unfriendly toward the supervisor or who are especially strong or weak in one skill. Avoid the Halo/Horn effect by:

- Establishing clear and specific standards;
- Keeping good documentation of employee performance over the review period;
- Keeping things in perspective in terms of frequency, significance in the overall picture, and representation of the person's overall performance;
- Identifying specific behavioural examples which support your ratings; and,

- Asking yourself if you have overemphasized aspects of the person's performance you find particularly admirable or irritating.

- **Leniency:**

Majority of individuals rated at the high end of the scale. In order to avoid this bias, measure performance against established standards and expectations which are reasonable and attainable. Compare your ratings with peers. Are your ratings significantly higher than the ratings of others?

- **Primacy:**

Ratings reflect only initial observation of behaviour. It is often hard to overcome our first impressions of someone's behaviour and we must challenge ourselves to notice behaviours that support other impressions. Avoid this tendency by:

- Documenting observable behaviour over the entire evaluation period and giving it balanced consideration; and,
- Checking to see if anything you have documented presents a view different from your initial impression. If not, ask yourself if you are seeing the person's behaviour objectively. Seek behavioural examples from others.

- **Recency:**

Ratings reflect only the most recent observations of performance or behaviour. Recent observations tend to be more in the forefront of the supervisor's mind and therefore more "memorable". Avoid this tendency by:

- Documenting observable behaviour over the entire evaluation cycle and giving it balanced consideration; and
- Asking others for their observations of the employee over the course of the year to see if they have different views than you.

- **Similar-to-Me Effect:**

This refers to the tendency to rate people who have qualities that one perceives in one selves. There is a common tendency for supervisors to rate those who are different from them lower than those are similar to themselves. Avoid the Similar-to-me-Effect by:

- Becoming aware of one's own biases and challenge them;
- Having clearly defined and agreed upon goals and competencies identified;
- Regularly collecting documentation of observable performance covering the entire review period; and
- Checking to see if your ratings are significantly different across groups, e.g., different for men and women, different across racial lines.

- **Stereotyping:**

This is the tendency to generalize across groups and ignore individual differences.

- **Strictness:**

This is the opposite of leniency; ratings at low end of the scale. Ask yourself if your ratings distribution compares to that of your peers. Are your ratings significantly lower than the ratings of the others?

General guidelines for avoiding bias and evaluating employee performance objectively include:

- Working with each employee at the beginning of the evaluation cycle to develop clear performance goals and appropriate competencies;

- Throughout the evaluation period, focusing on observable behaviours related to goals and competencies; document our observations and provide feedback and coaching to the employee;
- Comparing observed behaviours to the established goal or competency, not to other people or the employee's past performance;
- Considering factors which may have changed the nature or scope of the job, including circumstances beyond the employee's control and one's own role in the employee's performance;
- Focusing on the employee's work and not on personal matters that are tangential unless those personal matters affect the work of the employee; and
- Checking your perceptions for accuracy, fairness, balance, reasonableness, and consistency.

8.5 The Calibration Process

8.5.1 Definition of calibration

Calibration is the act of checking or adjusting (by comparison with a standard) the accuracy of a measuring instrument.

8.5.2 What is calibration?

Calibration is a two-step process that includes supervisors who are responsible for conducting performance evaluations, the reviewers who examine the employee evaluations, and the executive to whom these individuals report where applicable. The calibration process provides a forum for discussion of employees' performance with the goal of making sure supervisors apply similar standards for all employees and eliminate biases to the greatest extent possible. Calibration relies on an honest and confidential dialogue among supervisors, reviewers and the responsible executive.

8.5.3 The benefits of calibrating performance ratings

Calibration:

- ensures supervisors are well versed in the definitions and application of the ratings scale;
- helps supervisors have well thought through reasons as to why they gave a particular rating to an employee;
- helps prepare supervisors to have better performance discussions with their employees;
- provides supervisors with more confidence in their ratings after discussing the rating in a calibration meeting;
- ensures a more consistent and fair evaluation of an employee's performance by identifying potential supervisor biases; and
- aids the pay for performance process by allowing us to be confident in our differentiation of performance levels.

8.5.4 When does calibration occur?

Calibration occurs after a supervisor has sent an employee's completed evaluation to the Manager: Human Capital for a review but before the reviewer signs and returns the evaluation to the supervisor. In all cases, calibration occurs before signed performance evaluations have been shared with employees.

8.5.5 The Calibration Process.

Calibration occurs in two steps as follows:

Step 1.

Upon completion of employee evaluations (self-evaluation and evaluation done by the supervisor), and prior to the supervisor's signature, the evaluations are sent to the reviewer (Manager: Human Capital).

The reviewer reads each evaluation, looking in particular for constructive supervisory comments and ensuring evaluations are thorough and logical. If the reviewer decides a supervisor should alter a particular evaluation, the reviewer sends the evaluation back and waits for revision.

Once all employee evaluations has been examined and agreed upon by the reviewer – and any necessary changes are made, then a meeting is scheduled between the reviewer and all supervisors.

Step 2.

The Manager: Human Capital runs a rating distribution report and shares the information with all EXCO members. In this meeting, the EXCO members look at the ratings distribution for the entire Bank and ensure the ratings are consistently and fairly applied to all employees.

The group may ask questions about specific ratings and may suggest adjustments based on their experience with the employee. Following the discussion, the reviewer sends any evaluations requiring revision, back to the supervisor. After the supervisor makes the revisions, the evaluation is send again to the reviewer for signature.

The reviewer signs the evaluation and sends it forward to the supervisor who meets with the employee to discuss the evaluation and for signature. This step completes the annual evaluation process. In the first year of implementation of the performance management system the calibration process should be conducted with each quarterly evaluation process to facilitate training of supervisors and employees and to resolve teething problems during the implementation stage.

For a Successful Calibration Process

- **Communicate Goals.** Goals for each area should be communicated in advance and as thoroughly as possible so employees understand how their daily work contributes to the success of the bank/department, and so that employees understand the measures on which they will be evaluated.
- **Include Human Capital.** Having a neutral third party adds balance and provides an important objective perspective which can lead to the identification and possible elimination of biases.
- **Educate supervisors.** They need to understand what calibration is, why it is necessary, how it works, and what their roles are.
- **Do not hide the process from employees.** It could de-motivate employees, if the calibration process is perceived as being secretive. Be open about the process, but maintain confidentiality outside of the calibration meeting.
- **Do not expect perfection.** The calibration process is imperfect because the people using it are imperfect. Each calibration meeting should have checks and balances built in so leaders are held accountable for their evaluation decisions.
- **Get the right people involved.** Make sure that the reviewer can adequately represent the employees being discussed by articulating what that employee has accomplished and can respond

appropriately to questions or challenges from the group. If questions arise, make sure the supervisor is available to clarify them.

- **Set appropriate ground rules for meetings.** Participants must feel open to challenge and debate. They must also feel comfortable asking their peers for advice if they need help in determining or communicating a rating.
- **Leverage the information gathered during the process.** The power of calibration goes beyond performance ratings. These discussions yield important insight into the Bank's talent pipeline and overall development needs.

8.5.6 The Evaluation Conversation

Once the Calibration Process has been completed, the reviewer signs and returns the evaluation to the supervisor who in turn will schedule the evaluation discussion. Supervisors should always meet face to face with the employee before sending the evaluation back.

8.5.6.1 Scheduling the Evaluation Discussion

The supervisor should set aside time with the employee to conduct the quarterly and annual evaluation and notify the employee of the date, time and location. Supervisors should choose a quiet, preferably neutral place where no interruptions are likely to occur, and ask the employee to complete and submit their self-evaluation prior to the scheduled evaluation.

8.5.6.2 Talking with Employees: The Conversation Process

On-going and clear communication is fundamental to being an effective supervisor. Having an outline, or conversation process, can assist supervisors in having effective and productive discussions with their employees. Below is the Bank's recommended process.

- **Begin:** Begin with the purpose and importance of reviewing progress. Be sure to create a positive environment; set the employee at ease; highlight the purpose and benefits of the evaluation; provide an overview of the process, and reinforce the shared responsibility of the evaluation.
- **Share:** Review the employee's progress made toward the employee's goals and competencies; share one's opinion of successes and concerns; identify any special circumstances that may have influenced the employee's performance.
- **Discuss:** Describe the results of the employee's performance; ask for the employee's perspective by reviewing, again, the self-evaluation.
- **Conclude:** Summarise evaluation and confirm your confidence in the employee's ability to either continuing performing well or improving. Ask how the employee feels about the evaluation. Have employee electronically sign the form and end on a positive note.

8.6 Review Career Development Plan

8.6.1 Developing Employees

Developing employees is critical to the Bank's future. Each employee serves as a leader within the organisation and represents not just an individual department, but also the larger Bank employee community. Therefore the Bank expects supervisors to support employees in their career development, even if it means that the employee will move to another job or team. The Career Development Plan is

used to document learning associated with performance goals, competencies, and the individual's career direction. A minimum of one development activity must be entered on the employee's development plan.

The Bank defines career development as a series of planned actions taken by employees:

- with the active support of management;
- using a variety of tools and resources provided by the Bank;
- to productively meet the demands of their current jobs, prepare for future work opportunities and challenges; and
- to experience satisfying and successful work experiences and future career choices.

To help facilitate career development conversations, supervisors can follow the processes outlined previously and choose a few of the following questions on which to focus their career conversation.

Current job

1. What do you like most about your current job?
2. What would you like to do more of?
3. What do you like the least about your current job?
4. What would you like to do less of?
5. What skills does your current job require? What is your current skill level in these areas?

Professional Growth Goals

1. Two or three years from now, where would you like to be professionally?
2. What would you need to achieve now to accomplish this?
3. What new responsibilities or challenges would move you ahead?

Untapped Abilities

1. Is there something more that you could do that would make a greater contribution to the organisation?
2. Is there a new task or role you could take on that would make better use of your talents?
3. What additional value could you provide? What would it take to "release" this?
4. What are you not "allowed" to do that you could do and would like to do?
5. What challenges would you like to face that might help you grow?

Job Satisfaction

1. What would help you obtain more satisfaction from your work?
2. What changes could you make in your performance that would satisfy you more?

New Skills and Capabilities

1. What new jobs, roles and so forth, would you like to be better at?
2. What training, certifications, etc. would you like to obtain?

Each career discussion should be documented so employees are clear on the next steps. These next steps may include learning by experience, from others, or through additional education.

9. Performance appeal

The appeal process seeks to ensure that Development Bank of Namibia practices fair labour relations by providing employees with recourse to appeal against performance plans and ratings, which are not to their satisfaction, especially in cases where there is real or perceived unfair practice.

An employee who is dissatisfied with the results or the process that was followed during the planning, coaching or review process with the supervisor must follow the line of reporting, manager-once-removed, up to Chief Executive Officer's level; by firstly calling on the next level manager to mediate in the process to reach consensus between him / herself and the manager.

The appeal must be in writing, detailing the areas of dissatisfaction and the suggested solution to the dissatisfaction. An employee must lodge an appeal within two working days after the incident which give rise to the appeal. Written reasons for the late filing of appeals must be provided to the manager who shall consider it for the granting the late application to appeal.

The employee must submit a copy of the appeal to the Manager: Human Capital who must ensure that the appeal process is finalised as soon as possible. A copy of the appeal must be placed on the employee's file.

In the event where an appeal cannot be resolved internally, a substantive member of the Human Capital Committee will act as an arbitrator, whose decision will be final and binding to all parties involved.

In the event of an appeal, evidence should be available from both parties involved for review by the next level of management. This evidence should include critical / key event (actual incidents where an employee displayed behaviors which had a specific outcome) indicating performance levels as presented during the review session, the Review Form and the agreed Performance Contract.

The person hearing the appeal must use only concrete evidence to come to a decision about the fairness of the process followed, (i.e. he / she will rule on fairness of process and will not rate a specific team member's performance). This person may, in considering the appeal, decide to confirm the earlier decision made or vary the earlier decision. Written reasons for the final decisions must be provided to the employee, a copy of which must be submitted to Human Capital.

Appeals about performance ratings should be minimal since the definite setting of levels of targets and associated with that rating levels, will pre-determine the rating based on the evidence brought by the job incumbent.

10. Performance Improvement Process

10.1 Purpose

The purpose of the Performance Improvement Programme is to place employees who do not meet the required performance standards on a structured programme in order to assist such employees to improve their performance.

10.2 Identifying the candidate

The under-performer can only be identified by regular performance appraisals. If an employee is identified as a continuous under-performer he must be placed on the programme. An under-performer can be defined as someone who is employed for longer than six months in a position and whose average performance appraisal point is equal or lower than 2 on the five point appraisal scale.

10.3 Involvement

The process described hereunder is actions that should be taken to improve performance. The success of the programme will depend on the following critical aspects:

- Continuous support to the employee
- Continuous monitoring by the mentor (manager/supervisor) of the learning and development of the employee in terms of the performance improvement programme developed for the employee.

10.4 Process

10.4.1 Initial interview

As soon as the under-performer has been identified, the supervisor must arrange an interview with the employee to discuss the matter.

The following can be used as a basis for the discussion:

- Begin with the following as introduction:
“Our meeting today is about the general approach the bank has adopted to improve the performance of employees. A performance appraisal was done, and it showed that your performance, as a whole, does not meet the required standard. I intend to follow the following procedure during the interview:
 - We will discuss the areas where your performance is not up to standard in detail and I will also point out what the required standards are;
 - I will then give you the opportunity to comment on my views and will appreciate if you will inform me on areas where you differ drastically from me; and
 - Lastly we will together set up a programme with goals in order to give you the opportunity to improve your performance”.
- Keep the following in mind during the interview:
 - Act with dignity and respect to the employee, but avoid an apologetic attitude;
 - Focus on the problem, not on the person or his personality;
 - Do not assume that the employee has transgressed. (The under-performance can be a result of a lack of training.);
 - Give the employee the opportunity to think about the situation;
 - Listen attentively to the employee’s input;
 - Give the employee the opportunity to provide his proposals to overcome the problem;
 - Set realistic, reachable and measurable goals;
 - Discuss in full all aspects of performance that are satisfactory and give recognition to that, as well as the aspects that do not meet the requirements;
 - Explain the required outputs and standards of the aspects that do not meet the required standards;
 - Ask the employee to respond to the appraisal points, especially those that do not meet the standards. Amend the appraisal if necessary;
 - Discuss the possible reasons for the shortcomings; and
 - Ask the employee for proposals to improve his performance; and
 - Draw up a performance improvement plan in consultation with the employee, specifying the following:

- The areas that must be improved;
- The standard that must be reached; and
- The steps that must be followed in the programme

Give a copy of the Performance Improvement Plan and the Performance Improvement Report to the employee and arrange for a follow-up discussion.

10.4.2 First follow-up discussion

After an employee is placed on a performance improvement programme a follow-up interview must be conducted to discuss the results of the programme. This interview must be held not later than three months after the initial interview. Keep the following in mind during this interview:

- Re-confirm the performance criteria that were originally decided upon;
- Give the employee the opportunity to give a summary of successes and shortcomings;
- Give your views on the successes and shortcomings;
- Give recognition to successes achieved by the employee;
- Discuss all differences in the appraisal and agree on the final appraisal;
- Discuss the reasons for shortcomings and give the employee the opportunity to provide proposals to correct shortcomings;
- If the progress is unacceptable, inform the employee of the possible implications in terms of the Disciplinary Code and Procedures described in the Human Capital Manual; and
- Agree on revised performance criteria, which includes the following:
 - New goals to enhance previous successes;
 - Actions to be taken to correct shortcomings; and
 - Outputs, standards and performance goals to be reached.

Give a copy of the Performance Improvement Plan to the employee and arrange a follow-up interview if the required standards have not been achieved.

10.4.3 Second follow-up interview

If the performance improvement programme continues, a second follow-up interview must be conducted within three months after the previous interview and must include the following:

- Outline the problem in terms of the employee's inability to meet the agreed outputs and standards;
- Give the employee the opportunity to provide reasons why he was unsuccessful in achieving the agreed standards; and
- If the reasons are unacceptable, inform the employee of the steps that can be taken against him in terms of the Disciplinary Code and Procedures. Also refer the employee to the Grievances Procedures that he can follow if necessary.

If the reasons are acceptable, then proceed as follows:

- Ask the employee to formulate a programme that will meet the required standards;
- Offer assistance to formulate the programme; and
- Explain the actions that can be taken in terms of the Disciplinary Code and Procedures if the requirements are not met.

If there is a further continuation of the programme, determine a date for a follow-up interview and give a copy of the Performance Improvement Plan and the Performance Improvement Report to the employee.

If the employee has completed the programme successful, give a copy of the Performance Improvement Report to the employee and inform the Human Capital Department of the successful completion of the programme.

If the programme was unsuccessful and there is no continuation of the programme, give a copy of the Performance Improvement Report to the employee and consult with Human Capital Department on further actions in terms of the Disciplinary Code and Policy.

10.4.4 Documentation

All actions and agreements must be properly recorded and the following reports have to be completed and forwarded to Human Capital Department:

- Performance Improvement Plan
- Performance Improvement Report

11. Reporting

There are a number of standard reports the following which are the most important:

- Performance contract – KPAs, KPIs and Goals
- Performance Evaluation and Feedback Report
- Competency Evaluation Report
- Competency Development Plan
- Career Development Plan
- Individual Development Plan
- Performance Improvement Plan
- Performance Improvement Report
- Performance Rating Distribution
- Succession Plan
- Accelerated Development Plan/Report
- Reward and Recognition Report
- Exceptional Performance Report
- Talent Identification and Progress Report
- Performance Re-evaluation Plan

12. Recommendation

Based on the above, it is recommended that:

- The Board approves the Performance Management Policy and Guide, for immediate implementation. This Policy and guide, once approved, will form part of the DBN Conditions of Service. This policy replaces the existing Performance for Excellence Policy.

Prepared by

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Date

Reviewed by

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Date

Recommended to Board by

Muetulamba Shingenge-Haipinge
Chairperson: Human Capital & Remuneration Committee

Date

Approved / Amended / Declined by

Elize Angula
Chairperson of the Board

Date



Development Bank of Namibia

Good business is good for development.

DBN – Training and Development
Policy

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TRAINING AND DEVELOPMENT POLICY

1. Definitions and abbreviations

Abbreviations used in the text mean the following:

- HC & OS: Human Capital and Operations Support
- HC: Human Capital
- CEO: Chief Executive Officer
- Bank: Development Bank of Namibia
- Board: Board of Directors
- IDP: Individual Development Plan
- TDP: Training and Development Practitioner
- TNA: Training Needs Assessments/Analysis

2. General policy statement

The Bank recognises that its employees are the most important assets through which its vision, mission and strategic objectives can be realised. It is thus the Bank's intention to establish a learning organisation through appropriate training and development interventions to ensure that employees possess appropriate skills, knowledge and the requisite attitudes.

The Bank further recognises the right of each employee to self-development and encourages employees to upgrade their knowledge and skill levels on a continuous basis, so as to enhance individual performance set to impact on the success of the Bank as a whole.

Therefore the Bank attaches considerable importance to capacity building and commits itself to providing employees with opportunities to develop through training and development interventions as competency-based (functional); general (non-functional and qualification-based interventions).

Employee training and development is a means to ensure DBN's workforce is adequately equipped with the knowledge, skills and competencies to perform well in their current and future work-role to assist the Bank, in achieving its objectives.

3. Policy objectives

The Training and Development Policy aims to provide comprehensive advice, guidance and development opportunities for all DBN employees in order to support the Bank in the attainment of its objectives.

This is subject to the development opportunities being part of the employee's approved Individual Development Plan and that the educational institution's qualifications, courses or programmes are accredited by the Namibian Qualifications Authority (NQA) and Namibian Training Authority (NTA) or any other standards authority/service provider recognised by the NQA or NTA, where applicable.

The objectives of the Bank's HC Development Policy are to:

Assist employees at all levels in the upgrading of skills, knowledge, attitudes and qualifications in order to increase current job performance, develop potential for assuming increased responsibilities and meet the Bank's short, medium and long term human capital requirements:

- i. explicitly communicate the commitment of the Board to the training and development of employees for the benefit of both the employees and the Bank;
- ii. provide an equitable and consistent method of addressing training and development needs and ensure that focused training and development interventions are equitably distributed to all categories of employees in the Bank;
- iii. centralise the training and development function within the HC & OS Department to ensure control, accountability and effective training delivery;
- iv. create an environment that is conducive to self-development through provision of financial assistance to employees within the confines of available financial resources;
- v. provide line management with operational guidelines regarding the facilitation and management of training and development interventions.

- vi. promote an environment of structured and systematic training, education and continuing professional development of all employees to enable them to perform their duties effectively and efficiently.
- vii. establish and develop a learning culture.
- viii. undertake a bank-wide skills analysis, via line managers, of all departments and once the training needs have been identified, to prioritise these training needs and provide relevant training interventions to fulfil them either in-house or externally.
- ix. develop an in-house programme of training and development activities, based on the results of the training needs analysis, needs arising from review and other organisational data received.

In respect of all training and development activities, the following shall apply:-

- The evaluation of training in terms of trainee reaction, learning, practical application, and results achieved;
- Quarterly reporting on training and development interventions.
- Training and development shall commence with the initial appointment of new employees and continue as long as the employee is employed in the Bank. Existing employees shall be drawn into the training process in accordance with priorities established by way of a structured analysis of training needs

4. General Principles underpinning the Bank's Training & Development Strategy

As a matter of principle, all training and development initiatives should be linked to the Bank's strategy and long-term plans, to ensure that the Bank has appropriate levels of capacity to support the key strategic objectives at all times.

There will be equal access to training and development opportunities for all employees. No employee will be treated less favourably than another. Involvement in training and development will be determined by business need, employee's IDP or Line Manager's recommendation (in collaboration with HC& OS), and by the application of appropriate criteria.

All training and development interventions should be competency and performance based to have the required impact. Training initiatives should therefore be based on genuinely identified training needs to ensure that all training and development interventions relate to employees' work, and is of potential benefit to the Bank and employees. This will ensure job competency in current and future positions. Training efforts should therefore be based on performance deficiencies and future Bank requirements.

Proposed interventions must be offered or run by recognised and credible institutions or bodies and may be presented internally at the Bank by an in-house person or external consultant, or may be an open public course in Namibia or abroad. To this end, the Bank shall have a list of recognised institutions that are accredited by it to offer training programmes.

At the discretion of the Bank, an employee may be required to enter into a written agreement prior to attendance of interventions whereby the employee undertakes to work for the Bank on return from the course for a specified period based on the cost of the programme. Should the Bank exercise this option, full details shall be made available to employees.

Central to the implementation of the policy is the Bank's annual training plans, which identifies general training needs across all operations, departmental-wide training needs and also individual training needs, and specify how and when these are to be met/executed.

5. A range of development methods will be used to meet these needs: this may include (but is not limited to) formal training courses, seminars, e-learning presentations, conferences, secondments, training for professional qualifications, on the job training, coaching and mentoring, background reading and project work.

6. Identification of training and development needs

The identification of training and development needs in the Bank shall be based on the premise that every job has a set of specific responsibilities; deliverables; outputs and targets; each of which require a number of competencies (skills, knowledge and attitudes) which an employee must exhibit and practice in order to perform the job effectively.

The HC Department, in conjunction with relevant Line Managers, shall ensure that each job in the Bank has a competency profile, which profile shall explicitly indicate requisite competencies that the incumbent need to have to be able to competently carry out the job.

On an annual basis, the HC & OS Department, in consultation with Management, will develop a list of all the DBN generic competencies for the Bank that are required in order to achieve the Bank's strategic objectives. These core competencies will be based on the Bank's strategic objectives and targets, and will form the basis of competencies required throughout the Bank.

Using a list of the Bank's core competencies as well as job requirements, each Line Manager will compile a role competency profile for each job in his / her respective Department in conjunction with the HC Department. The competency profile will form a valuable part of the training and development as well as the performance management processes.

The competency profile shall list all competencies required for the position, indicating the level at which the competency should be; as well as the unique focus, scope and business targets of the job.

Role specific competency profiles will be validated with the job incumbents to ensure that competency profiles reflect the unique focus of each job.

Once competency profiles are validated and agreed to, it will be submitted to Human Capital Department. The TDP will compile a training needs assessment form based on/informed by the competency profile/JD.

The TNA form will be returned to the Line Manager, and each Line Manager should have a training needs identification session with the respective subordinate. This will facilitate the evaluation of the subordinate/incumbent against the applicable competency profile. The Line Manager and the subordinate should discuss and agree to the employee's present level of competency; with specific reference to key incidents or critical events that can substantiate the reasoning behind the level of competency. Such a discussion should take place in a spirit of honesty and openness as the ultimate goal is the development of the employee to the desired level of knowledge and expertise to perform their daily tasks effectively.

Employees' present competency levels is then compared to the desired competency levels as reflected in the competency profile and the TNA form; to establish competency

gaps or areas of development efforts. Once both parties discussed and agreed to the competency level and the consequent gap, the information is used to translate competency gaps into an accurate IDP for the employee.

Employees should be enabled, with the help of their Line Managers and in collaboration with the TDP, to plan a personal development programme, which meets both their individual needs and the needs of the business. Therefore the responsibility for competency development rests with both the supervisor and the employee. As such, the supervisor must support and facilitate the process of ensuring that the evaluation of the employee's competencies as well as the content of the IDP is mutually agreed upon. It should never be the supervisor's sole interpretation of what a team member requires.

The IDP should reflect competency areas requiring development, the interventions required to develop identified gaps, as well as the timeframe during which these can be realistically addressed. The interventions must be prioritised and it must clearly be indicated who is responsible to initiate such interventions. Both parties should discuss and agree on the expected outcome of the development intervention, which must be clearly defined and documented

Once an intervention is successfully completed and the expected outcomes attained, it should be annotated as such on the form. Both parties are to sign the completed document acknowledging full input into its completion.

Each Line Manager shall ensure that original copies of individual employee's Competency Profile Analyses and IDPs are submitted to the Human Capital and Operations Support Department. These will be used to provide input into the design of the Bank's Training & Development Plan as well as to facilitate the completion of the agreed action steps in the IDPs.

Although the primary responsibility lies with individual employees to ensure that they complete the agreed action steps, the supervisor and the HC & OS Department have a shared role to play in facilitating attainment of these, e.g. identification of programmes, booking attendance on certain courses etc.

Development review sessions should coincide with performance review sessions, and are to be conducted every six months in an interactive meeting between the supervisor and the employee in order to ensure adherence to the original plans and goals. Any deviations are to be discussed and agreement is to be reached on alternative initiatives. Where a

team member appears to be falling short in any of the competencies, the supervisor should take the lead in addressing these.

Individual competency profiles will reflect strategic alignment to the Bank's strategic objectives; job descriptions; as well as individual performance contracts. In certain cases 360° evaluation may be used.

Competency development will also be linked to other HC processes over time, e.g. career path planning, succession planning, promotions etc.

Internships/Attachment Programme (Annexure A)

Training and Development Unit will manage an effective and efficient student internship/attachment programme governed by the guidelines set out in Annexure A

Young Professional Programme (Annexure B)

Training and Development Unit will manage an effective and efficient graduate development programme (Young Professional Programme) governed by the guidelines as set out in Annexure B.

7. Procedural guidelines for initiating training and / or development interventions

Line Managers will have the primary responsibility to nominate employees for training and/or development interventions. Notwithstanding the above, attendance of training and / or development intervention may also be at the request of the employee in which case the need, relevance and quality of the intervention should be confirmed by the supervisor. The selection of a particular training and or development intervention is therefore a joint responsibility of the incumbent and his supervisor.

Requests for attendance of a training course or workshop should be forwarded to the Training and Development Practitioner through the line manager. A 'Course Nomination Form' must be completed and forwarded to the Training and Development Practitioner at least three weeks before the date of the event.

All requested training and/or development interventions must be accompanied by the employee's IDP to ensure that requested interventions are in line with the developmental needs of the employee and will add value to the Bank.

Interventions that will enhance employee's job performance, but that are not directly driven by the employee's development needs as indicated in the IDP; should be supported by a sound motivation by the supervisor, clearly indicating how the intervention will improve the employee's and the Bank's performance.

No request for training and / or development interventions will be approved if it cannot be demonstrated that the intervention will help address the employee's developmental needs and enhance the Bank's overall performance.

All requests for attendance of training and / or development interventions shall be recommended by Line Managers and verified by the Head: HC & OS to ensure that it is the most appropriate intervention based on the training and development needs identified. Thereafter, the Head: HC & OS will make a recommendation to the CEO for approval. During this evaluation process the Head: HC & OS may propose training alternatives that could be more cost effective or include more people at a cheaper rate.

Upon approval by the CEO, the HC & OS Department shall make all necessary arrangements for the employee to attend the specified training. All course reservations; and travel and accommodation arrangements are made by the Bank in line with the relevant policies.

Employees must not phone service providers and reserve a place on an event directly before authorisation from the CEO has been confirmed. Failure to do this may result in employee becoming personally liable for costs. HC & OS will be responsible to complete and submit forms to the service providers.

In the event that a nominee cannot attend a particular course for valid reasons, such a nominee should inform the Head: HC & OS well in advance of such reasons. Shorter notice shall only apply in the event of unforeseen circumstances such as for example illness, death, unplanned leave .

The employee has an obligation and undertakes to obtain the best results on the identified course / training. If the staff member does not successfully complete the course, he / she may apply to re-do the training at his / her own time and cost. The Bank is not obliged to facilitate re-attendance in any manner and a decision in this regard should be agreed with the relevant Line Manager.

Some courses/programmes require submission of Portfolio of Evidence, summative and/or formative assessments as part of achieving the set course/programme outlines/outcomes/objectives. Non-compliance to these requirements might result in employees paying for the programme or repeating at own costs. This will be subject to Management discretion.

Employees that leave/pull-out from a course/programme without a valid reason (as per Management discretion) will be liable to pay for the training course costs.

On return from attending the training and development intervention, each employee is required to present a brief, written report thereon to his / her Supervisor / Line Manager and to the Head: HC & OS within 21 days upon return. The information to be conveyed in the reports shall include: the event title, event dates, country and place, Bank delegates, event outline, learning points, and value addition and recommendations. Course or delegation materials and copies of the reports shall be forwarded to the HC & OS Department for record keeping and accessibility purposes.

7. Categories of Training and Development Interventions Induction

Every employee, regardless of function or department, shall receive systematic induction training, which will enable the newly employed to become fully oriented in their respective jobs in the shortest possible time.

7.1 Mandatory training/information/awareness sessions

Training/information/awareness which all staff must attend for legal or regulatory reasons e.g. health and safety, employment law issues. These sessions will serve as training/information/awareness event to help employees comply with legislative and educational requirements. Timing of annual leave and re-scheduling Bank responsibilities should be considered if at all possible, to enable attendance.

7.2 Functional Technical training

Training and development interventions relevant to specific technical/functional/specialist areas/positions within the Bank., leads to employees gaining required functional and technical knowledge and skills to do his or her job at a high level of accomplishment and progressively demonstrates active interest and ability to enhance and apply new functional skills.

. It also involves keeping employees up to date with the latest business and technology trends in their functional areas to enable them to become high performers and better decision-makers.

With these interventions, employees' developmental needs shall dictate the nature of developmental interventions. Therefore, depended on employees' training and development needs, appropriate interventions will be selected to help address such needs.

7.3 Leadership and Management Development

The Bank acknowledges that Leaders and Managers may require appropriate development in structured programmes. This is to set the direction of the organisation, inspire and motivate as well as create a culture that will bring the vision to life.

Managers are required to execute the Bank's vision within the budget and allocated resources, manage the teams and solve operational problems. To continue to build leadership and management capability, HC will undertake to commission and run development initiatives based on the business needs of the Bank. These initiatives will be tailored for both individuals and teams.

7.4 Soft Skills Training

There is a growing recognition that the possession of 'soft' skills is integral to working effectively in the workplace either alone or with others. These are personal attributes that describe an individual's ability to interact with others. It complements hard skills to enhance employee's relationships, job performance and career prospects.

7.5 Membership of professional and occupational bodies

The Bank recognises that membership to a professional or occupational body in a field related to an employee's work can be of benefit to the Bank and the employee concerned; as it contributes to personal development and enables employees to keep abreast of developments in their specific field of activity.

To this end, the Bank shall assist in the payment of annual membership fees:

- where the employee is required by legislation to be a member of a professional association in order to discharge their professional duties; or where membership

of an association or registration to a body is a mandatory requirement imposed by the law or position description.

- Where membership of an association or registration to a body is a mandatory requirement imposed by DBN in the employee's employment contract
- Where the employee actively practices professional duties that cannot be legally carried out unless the incumbent is an active member of a recognized professional body.

In all other circumstances the maintenance of professional, quasi-professional or other qualifications is the responsibility of the individual employee.

7.6 Qualification-based interventions

These interventions focuses on encouraging employees to embark on further studies for the acquisition of formal and /or professional qualifications that will assist employees in job performance career expansion.

8. Delivery format of the Bank's training & development interventions

The Bank acknowledges the fact that development is more than just training and that traditional classroom training is not the only developmental solution and / or the best, especially in view of the fact that employees have a wide range of development needs.

The Bank shall therefore strive to be innovative in identifying interventions for addressing identified training and /or development needs. The Bank shall, where practically possible, make use of the following approaches to help address identified training and/or development needs:

8.1 On-the-job training and development interventions

- (a) attachments;
- (b) secondments;
- (c) exchange programmes;
- (d) coaching;
- (e) mentoring;
- (f) shadowing;
- (g) benchmarking.

8.2 Off-the-job training and development interventions

- (a) short training courses and programmes;
- (b) short educational programmes;
- (c) interactive computer assisted training;
- (d) training oriented conferences;
- (e) seminars;
- (f) lectures;
- (g) workshops;
- (h) Symposiums.

8.3 Qualifying interventions

- (a) distance and / or part-time studies; blended learning
- (b) membership to professional and / or occupational groups.

9. Study assistance option

9.1 Study grant

Study grants are Bank-initiated to financially assist employees to undertake part-time studies (while performing their normal job function) to acquire a specific qualification that the Bank believes will complement and enhance their job performance or add value to the operations of the Bank. The grant is approved at the discretion of the CEO.

On successful completion of the study programme, the costs incurred by the Bank in financing the employee will be written off. The employee will, however, be required to remain in the service of the Bank for the period equivalent to the duration of the period sponsored.

In the event that an employee fails to successfully complete his / her studies undertaken in an academic year / period / semester, such a student may repeat the specific academic year / semester / course at his / her own expense. In such instances the failed courses should be completed within 12 months. Financial support thereafter may be resumed at the Bank's discretion, depending, among others, on the successful completion of the repeated course(s) in question.

If the employee discontinues with studies, the full amount paid for studies should be repaid to the Bank.

Should the employee leave the Bank prior to honouring his / her contractual agreement with the Bank, the amount of indebtedness shall immediately become due and payable to the Bank.

This amount will be based on the terms of the Training Cost Agreement between the employee and the bank.

9.2 Interest-free study loan

The Interest-free study loan aims at financially assisting employees who wish to obtain a formal qualification or certificate through distance or part-time studies in fields directly related to the operations of the Bank.

The loan is granted subject to the proposed course being verified and confirmed as adding value to the operations of the Bank as well as complementing and enhancing the employee's job performance.

The Study Loan application is made by employees using the relevant form and, upon recommendation by the relevant Head of Department and the Head: HC & OS it is submitted for approval by the CEO.

Upon the CEO's approval, employees shall enter into an agreement with the Bank, which will stipulate the responsibilities and obligations of the Bank and the employee.

Employees studying under the loan scheme shall be required to submit their academic results for the current year to the Head: HC & OS in order for the loan for the ensuing academic year to be considered.

The loan shall be paid out upon submission of proof of applicable costs, and shall only be granted once per approved subject. The Bank will pay the relevant institution directly.

The value of the study loan, substantiated by the relevant documentation, shall not exceed the costs of the programme, which shall include registration; tuition; examination fees; books as well as accommodation and travelling expenses, where applicable.

DBN will only reimburse tuition and 30% of the add-on fees/costs of the training. This is relevant to courses attended outside the country or which are extensively expensive.

This provision will be effective from the date that these amendments to the policy have been approved. This will not be applicable to existing agreements between employees and the bank.

Employees will be required to repay the loan to the Bank, with such payments deducted directly from their salary in a maximum of 12 equal monthly instalments as of the month following the month in which the loan was granted, provided that any loan is repaid within the applicable academic year. In cases where annual study costs exceed N\$20,000.00; employees may be allowed to repay the loan in equal instalments over a period not exceeding 2 times the duration of the study programme. . In exceptional cases the CEO may approve requests for longer repayment periods; however, employees will then sign a binding contract as soon as the loan has been granted.

On successful completion of the complete study programme, employees shall be refunded 100 per cent of the costs incurred by the Bank in financing their studies on production of receipts and proof of passing. The employee will, however, be required to serve the Bank for a period equivalent to the duration of the period sponsored, or on the amount sponsored, based on the discretion of Management.

An employee who fails in any subject shall repeat such subject at own expense within a specified period of time. The loan will also be terminated in cases where the employee fails the whole academic year and shall reapply to have the loan reinstated for the next academic year on the strength of a successful repeat. The reinstatement of the loan shall be at the sole discretion of the Bank.

Should employees discontinue their studies for whatever reason or leave the employment of the Bank for whatever reason prior to full repayment of the loan, the amount of their indebtedness to the Bank shall immediately become due and payable to the Bank, and shall be deducted from their salary or any final amount owed to them, failing which legal action may be instituted by the Bank.

10. Management of training and development at the Bank

10.1 Human Capital and Operational Support

The Human Capital and Operational Support Department is the primary custodian of the Bank's training and development strategy and shall be responsible for the formulation and implementation of the Bank's integrated strategies and programmes on

training and employee development in consultation with Line Managers and the Management Committee. The Department is also responsible for evaluating all funded training and development events to ensure they are cost-effective and to the benefit of the organisation.

The Department will specifically:

- Ensure the effective identification of current and future training and development needs of employees at all levels. HC& OS will assist Line Managers with analysis of training needs and development / procurement of development programmes to address identified needs.

- Collaborate with other Departments on the coordination, monitoring and evaluation of appropriate training programmes as well as an evaluation of the effectiveness and impact of all training and development interventions.

- Ensure that the training and development strategy is at all times responsive to the Bank's present and future challenges.

- Construct, administer and control the total human capital development budget of the Bank in consultation with Line Managers. Ensure that training and development is offered in a cost-effective manner.

- Advise Management and employees on development and / or procurement of suitable training and development interventions in terms of strategic relevance, efficiency and effectiveness and annual reporting thereon. Liaise with other institutions and act as liaison between other institutions and Departments on training and development programmes.

Line Management shall:

- Regularly evaluate employees' performance and competencies against the required competencies as stipulated in the competency profiles and be proactive in discussing individual training and development needs.

- Collaborate with the HC & OS Department in proactively identifying and prioritising training and development needs of their subordinates as well as methods to address and meet such needs. Draw up and continuously revise employees' Individual Development Plans.

- In conjunction with the HC & OS Department compile the annual training and development budget in order to address Departmental needs.
- Consider the duration of training (employee's time away from work) and the impact on the Bank's service delivery before signing/recommending the training nomination
- Provide on-the-job training; encourage employees to develop themselves; and monitor employees' performance after training.
- Line managers must ensure employees know when and where training is being held and encourage and check attendance.
- With regard to non-attendance line managers are required to follow these procedures:
 - o Inform HC & OS well in advance if an employee is unable to attend Mandatory Information/Awareness Sessions or other training interventions - giving the reason why. This is required for audit purposes and will be captured on the Training Database.
 - o Inform HC & OS if an employee is unable to attend after a request has been made, stating the reason why
 - o Inform HC & OS if an employee cannot attend training on the day giving the reason why e.g. due to sickness, etc.
- Line Management should ensure that employees are assigned meaningful projects and responsibilities.
- Upon completion of the training, facilitate the dissemination of the new learning in the workplace, as appropriate, either through the individual or in the context of a team learning event.

Employees shall

- Be proactive in discussing their individual training and development needs with supervisors and the HC & OS Department.
- Attend training and fulfil the requirements of the intervention.
- Constructively criticise and point out shortcomings of any training and development intervention.

- Proactively identify interventions relevant to their development needs as well as the interests of the Bank subject to approval by supervisors.

11. Training costs & expenses

Costs for all approved and identified training and development initiatives will be carried by the Bank, inclusive of registration / course fees, travel costs as well as subsistence & travel costs as specified in the Subsistence & Travel Policy.

The HC & OS Department shall consolidate all budgetary provisions for training & development interventions.12. Recommendation

Based on the above, it is recommended that:

- The Board approves the amendments to the Policy on training and development This Policy, once approved, will form part of the DBN Conditions of Service.

ANNEXURES

- Young Professionals Programme (YPP) Policy
- Internships Policy
- General Procedures for the Application for Financial Study Assistance



Appendix C

Faculty of Commerce
University of Cape Town

MPhil in People Management

Research Study

Topic: *An Assessment of the Maturity Profile of the Performance Management System of the
Development Bank of Namibia*

Dear Colleague

I am currently completing my MPhil in People Management at the University of Cape Town. For my dissertation I am assessing the performance management system used by the Development Bank of Namibia to identify areas of strength and areas in need of development.

To assist me with my research I invite you to complete this brief questionnaire.

Your participation in this research is voluntary and you can choose to withdraw from the study at any time.

You will not be requested to supply any identifiable information, ensuring anonymity of your responses.

The questionnaire will take approximately 20 minutes to complete.

This research has been approved by the Commerce Faculty Ethics in Research Committee of the University of Cape Town.

Should you have any questions regarding the research, please feel free to contact me.

Researcher: Berenize Titus
Tel: 061 290 8045 / 081 222 1976
E-mail: nckber001@myuct.ac.za



Performance Management System Maturity Assessment Questionnaire (Management)

For each question please tick the appropriate number

Background Information

Work Station:

- 1. Head Office*
- 2. Regional Office*

Department:

- 1. Business Development*
- 2. CEO's Office & Risk & Compliance*
- 3. Credit Risk*
- 4. Finance & IT*
- 5. Human Capital and Operations Support*
- 6. Lending*

In this survey, the following definitions apply:

Performance measurement refers to all quantitative information (e.g. employee satisfaction survey result, lead-times, cost information) gathered from the organizational operations.

Performance measurement information refers to information supporting managerial needs.



Based on your experience and your observations with regards to the Performance Management System (PMS) used in the organisation, complete the questionnaire below. Select one option that best describe the situation at the Development Bank of Namibia. An option is regarded as applicable if the situation in the organisation meets all (not partially) the criteria mentioned in the option.

A. Performance measurement practices

(1) Scope of measurement

1. Measurement of performance is based solely on annual financial statements.
2. Measurement of performance is limited to financial measures and the performance of the top organisational level (executive management level).
3. Measurement of performance is linked to the performance of the operational level (general employees) and it includes some non-financial measures (e.g. employee satisfaction survey).
4. Measurement of performance includes the operational business processes (e.g. customer satisfaction to the delivery times of individual products) and has an optimal balance of financial and non-financial measures. The measures used are linked to the needs of different stakeholders.

(2) Causal relationship between performance objectives

1. Relationships between performance objectives have not been analysed.
2. Relationships between performance objectives are discussed.
3. Factors explaining the strategic objectives/goals are partially identified.
4. Relationships between performance objectives are analysed and modelled (e.g. strategy map). There is a common understanding in the organisation regarding the factors that should be improved in order to affect the main strategic objectives/goals.

(3) Reliability of measurement information

1. Decision makers do not trust the performance measurement information.
2. There are several interpretations of the performance measurement information. Personnel do not trust the measurement information.
3. There are different interpretations on some part of the performance measurement information. Decision-makers trust the measurement information.
4. Performance measures provide mainly unambiguous information. Personnel trust the measurement information.



(4) Measures aligned with strategy

1. Strategic objectives are not taken into account in defining performance measures.
2. Strategic objectives are discussed among supervisor and reports in defining performance measures.
3. Performance measures are defined based on strategic objectives.
4. Performance measures are defined to provide proactive information supporting the reaching of strategic objectives.

(5) Definition of performance measurement specifications

Performance measurement specification means that each performance measure has a systematically and unambiguously defined purpose, person responsible, formula, data source and measurement frequency.

1. Performance measurement specifications are not defined.
2. Performance measurement specifications have been discussed but they are not documented.
3. Performance measurement specifications are partially defined.
4. All the performance measures have specifications which are controlled according to policies and procedures.

(6) Process for reviewing and updating performance measures

1. New performance measures are not taken into use.
2. New performance measures are taken into use in a random manner.
3. New performance measures are taken into use when needed but the usefulness of the old measures is not evaluated.
4. There is a regular evaluation and development of performance measures. Old measures are discarded when necessary.

(7a) How satisfied you are with the performance measurement practices in your organization?

Measurement practices refer to the manner in which measurements are defined, the type of measurements used (financial or non-financial measurements), causal relationships/linkages between measurements (e.g. sales targets and profitability, low/non-performing loans and sustainability, etc.), reliability of measurement information, measures aligned with strategy, and the process for reviewing and updating measures.



1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(7b) Why are you satisfied or dissatisfied?

- Open-ended question:

B. Information systems (IS) supporting performance measurement

(8) IS in performance measurement information gathering

1. Performance measurement information is gathered manually when needed.
2. Performance measurement information is gathered manually to a large extent. Only financial measurement information is gathered automatically.
3. Most of the performance measurement information is gathered with IS systems which enable the provision of real-time measurement information.
4. Performance measurement information is gathered automatically and stored centrally. The most important IS systems communicate with each other.

(9) IS in reporting performance measurement information

1. Performance measurement information is not analysed with IS.
2. The analysis and reporting of performance measurement information is carried out with office software (word processing, spreadsheets) when needed.
3. Performance measurement information is analysed and reported with simple and purpose-built tools such as spreadsheet models and macros. Visualization is used in refining measurement information.
4. Performance measurement information is analysed and reported with purpose-built programs. Planning and decision-making is supported with the visualization of measurement information.



(10) Availability of measurement information

1. Performance measurement information is available but only few know where.
2. Performance measurement information is available in separate sources.
3. Performance measurement information is centrally available but it is difficult to obtain.
4. Performance measurement information is easily and centrally available.

11a) How satisfied are you with the performance measurement practices and systems in your organization?

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(11b) Why are you satisfied or dissatisfied?

- Open-ended question

C. Communications and commitment

(12) Personnel commitment

1. Personnel regard performance measurement as an extra burden.
2. There is no wide criticism toward performance measurement among personnel.
3. Performance measurement is regarded as useful. The views of personnel are taken into account when developing performance measurements.
4. Work community feels that performance measurement improves fairness. Personnel initiate measurement improvement efforts.

(13) Management support

1. Performance measurement has no management support.
2. Top management supports performance measurement.
3. Managers regard performance measurement as important and employees are encouraged toward performance measurement.
4. Sufficient resources and education are provided to implement performance measurement.



(14) Communicating measurement information to the personnel

Communication refers to all activity aiming at the dissemination of performance measurement information to the personnel. This includes both active (describing the results) and passive (provision of access to information) communication.

1. Performance measurement results are not passed on to the personnel.
2. Personnel obtain relevant performance measurement information in a random manner. Personnel do not know the targets of measures related to them.
3. Personnel frequently obtain performance measurement information which is related to them. Supervisors know the targets of measures relevant in their administration.
4. Performance measurement results relevant to the personnel are communicated interactively. All personnel know the measurement targets linked to them.

(15) Communicating measurement information to the most important stakeholders

In this question, measurement information refers to other than legally mandatory reports such as financial statement. Most important stakeholders refers, e.g. to owners, customers, political decision-makers and investors.

1. Performance measurement results are not communicated outside organizational boundaries.
2. Performance measurement results are communicated to key stakeholders at random.
3. Performance measurement results are regularly communicated to the key stakeholders but in a non-systematic way.
4. Performance measurement results are regularly communicated to the key stakeholders with a pre-determined reporting template.

(16a) How satisfied you are with the communications and commitment about performance measures in your organization?

Communications and commitment refer to personnel commitment to the performance management system, management support, communicating measurement information to the personnel, communicating measurement information to the most important stakeholders.

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied



(16b) Why are you satisfied or dissatisfied?

- Open-ended question

D. Planning and strategy

(17) Analysis of the current situation in strategic planning

1. Performance measurement information is not utilized in the analysis of the current situation.
2. Performance measurement information is acknowledged in the analysis of the current situation.
3. Performance measurement information adds value to the analysis of the current situation.
4. Current situation is analysed systematically based on performance measurement information.

(18) Setting strategic targets

1. Strategic targets are set without performance measurement information.
2. Performance measurement results from the previous years are acknowledged in setting strategic targets.
3. Strategic targets are based on performance measurement information.
4. Performance measurement information is used both in setting strategic targets and in questioning earlier strategic decisions.

(19) Defining action plans

1. Performance measures are not used in defining objects for development.
2. Performance measures are used in the identification of development objects (e.g. identification of bottlenecks in the production process)
3. Performance measures are used to support the preparation of action plans (e.g. prioritizing development objects)
4. Definition and implementation of action plans are done systematically and mainly based on performance measurement information (e.g. action plans are prioritized and controlled with the support of measurement information)



(20a) How satisfied you are with the planning and strategy in your organization?

Planning and Strategy refer to the analysis of the current situation in strategic planning, setting strategic targets, and defining action plans.

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(20b) Why are you satisfied or dissatisfied?

- Open-ended question

E. Leadership and management

(21) Resource allocation

Resources refers, e.g. to employees, working hours and monetary resources.

1. Resource allocation is not followed with the support of performance measurement information.
2. Resource usage is supported with performance measurement information (e.g. personnel engaged in a certain project).
3. Resource sharing is supported with performance measurement information (e.g. decisions regarding personnel training).
4. Decisions on resource allocation (e.g. budgeting) are made based on performance measurement information.

(22) Competence management and learning promotion

1. Performance measures are not linked to personnel competence.
2. Performance measurement information is used to identify competencies (e.g. results of appraisal interviews).
3. Personnel competencies are constantly monitored (e.g. self-evaluations) and decisions supporting learning are carried out based on performance measurement information.
4. Development targets are identified based on performance measurement information and personnel are provided with individual development plans.



(23) Benchmarking

1. Performance measurement information cannot be used in benchmarking.
2. Performance measurement information is used in benchmarking internal units.
3. Performance measurement information is used in external benchmarking.
4. Performance measurement information is systematically used as a support for benchmarking.

(24) Scanning external environment

1. There is no performance measurement information from outside the home organization.
2. Performance measurement information is used in the analysis of customers (e.g. identifying sales potential by analysing the turnover of customers).
3. Performance measurement information is used in analysing other external stakeholders (e.g. identification of market potential of new products).
4. Performance measurement information is used as a basis of communication with key external stakeholders. (e. g. optimizing the supply chain performance and customer value with measurement information).

(25) Rewarding and performance information

1. Rewarding is not linked to performance measurement information.
2. Rewarding is linked to organizational-level performance measurement information.
3. There is a clear linkage between rewarding principles and unit level performance measurement targets.
4. There is a clear linkage between rewarding principles and personal level performance measurement targets.

(26a) How satisfied are you with the leadership and management in your organization?

Leadership and management refer to resource allocation, competence of management, promotion of learning in the workplace, bench-marking of performance measurements, scanning the external environment, rewarding and performance information."

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied



(26b) Why are you satisfied or dissatisfied?

- Open-ended question



Appendix D

Faculty of Commerce
University of Cape Town

MPhil in People Management

Research Study

Topic: *An Assessment of the Maturity Profile of the Performance Management System of the
Development Bank of Namibia*

Dear Colleague

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To assist me with my research I invite you to complete this brief questionnaire.

Your participation in this research is voluntary and you can choose to withdraw from the study at any time.

You will not be requested to supply any identifiable information, ensuring anonymity of your responses.

The questionnaire will take approximately 10 minutes to complete.

This research has been approved by the Commerce Faculty Ethics in Research Committee of the University of Cape Town.

Should you have any questions regarding the research, please feel free to contact me.

Researcher: Berenize Titus
Tel: 061 290 8045 / 081 222 1976
E-mail: nckber001@myuct.ac.za



Satisfaction Questionnaire (Employees)

For each item please tick the number that best represents you.

Background Information

Work Station:

1. *Head Office*
2. *Regional Office*

Department:

1. *Business Development*
2. *CEO's Office & Risk & Compliance*
3. *Credit Risk*
4. *Finance & IT*
5. *Human Capital and Operations Support*
6. *Lending*

A. Performance measurement practices

(1a) How satisfied you are with the performance measurement practices in your organization?

Measurement practices refer to the manner in which measurements are defined, the type of measurements used (financial or non-financial measurements), causal relationships/linkages between measurements (e.g. sales targets and profitability, low/non-performing loans and sustainability, etc.), reliability of measurement information, measures aligned with strategy, and the process for reviewing and updating measures.

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(1b) Why are you satisfied or dissatisfied?



B. Information Systems (IS) supporting performance measurement

(2a) How satisfied are you with the information system supporting performance measurement in your organization?

Information systems refer to the measurement information gathering, reporting measurement information, and the availability of measurement information.

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(2b) Why are you satisfied or dissatisfied?

C. Communications and commitment

(3a) How satisfied you are with the communications and commitment about performance measures in your organization?

Communications and commitment refer to personnel commitment to the performance management system, management support, communicating measurement information to the personnel, communicating measurement information to the most important stakeholders.

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(3b) Why are you satisfied or dissatisfied?

D. Planning and strategy

(4a) How satisfied you are with the planning and strategy in your organization?

Planning and Strategy refer to the analysis of the current situation in strategic planning, setting strategic targets, and defining action plans.

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(4b) Why are you satisfied or dissatisfied?

E. Leadership and management

(5a) How satisfied you are with the leadership and management in your organization?

Leadership and management refer to resource allocation, competence of management, promotion of learning in the workplace, benchmarking of performance measure, scanning external environment and rewarding and performance information.

1. Very dissatisfied
2. Somewhat Dissatisfied
3. Somewhat Satisfied
4. Very satisfied

(5b) Why are you satisfied or dissatisfied?

APPENDIX E

Table A: Management Questionnaire: Frequency of responses per question.

PM Dimension	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4
Performance Measurement Practices				
Q1 - Scope of measurement	4.76%	4.76%	57.14%	33.33%
Q2 - Causal relationship between performance objectives	9.52%	14.29%	19.05%	57.14%
Q3 - Reliability of measurement information	9.52%	23.81%	57.14%	9.52%
Q4 - Measures aligned with strategy	0.00%	28.57%	42.86%	28.57%
Q5 - Definition of performance measurement specifications	0.00%	9.52%	52.38%	38.10%
Q6 - Process for reviewing and updating performance measures	0.00%	23.81%	14.29%	61.90%
Information Systems				
Q8 - Information Systems (IS) in performance measurement information	19.05%	57.14%	19.05%	4.76%
Q9 - Information Systems (IS) in reporting performance measurement	28.57%	42.86%	23.81%	4.76%
Q10 - Availability of measurement information	23.81%	42.86%	9.52%	23.81%
Communication and Commitment				
Q12 - Personnel commitment	23.81%	38.10%	28.57%	9.52%
Q13 - Management support	19.05%	23.81%	38.10%	19.05%
Q14 - Communicating measurement information to the personnel	4.76%	0.00%	57.14%	38.10%
Q15 - Communicating measurement information to the most important	38.10%	4.76%	14.29%	42.86%
Planning and Strategy				
Q17 - Analysis of the current situation in strategic planning	19.05%	38.10%	28.57%	14.29%
Q18 - Setting strategic targets	28.57%	38.10%	19.05%	14.29%
Q19 - Defining action plans	28.57%	14.29%	42.86%	14.29%
Leadership and Management				
Q21 - Resource allocation	38.10%	23.81%	28.57%	9.52%
Q22 - Competence management and learning promotion	28.57%	19.05%	28.57%	23.81%
Q23 - Benchmarking	42.86%	33.33%	4.76%	19.05%
Q24 - Scanning external environment	57.14%	9.52%	14.29%	19.05%
Q25 - Rewarding and performance information	0.00%	42.86%	23.81%	33.33%